2021

Annual Report

Energean plc

www.energean.com

Key Metrics Highlights

	2021	*Pro forma* 2020[1]	2020[2]
Average working interest 2P reserves and 2C resources (MMboe)	**1,154**	1,140[3]	920
Average working interest production (Kboe/d)	**41.0**	48.3	3.6
Sales revenue ($ million)	**497**	336	28
Cost of production ($/boe)	**17.5**	11.3	21.4
Adjusted EBITDAX ($ million)[4]	**212**	108	(8)
Profit/(loss) after tax ($ million)	**(96)**	(416)	(93)
Cash flow from operating activities ($ million)	**133**	137	2
Net debt / (cash) ($ million)[5]	**2,017**	1,240	1,240

1 *Pro forma* production and financial results are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 1 January 2019 and therefore all economic results since that date accrue to Energean.
2 Actual results consolidate from the closing date of the Edison E&P transaction, which occurred on 17 December 2020.
3 Reserves are *pro forma* (include Edison) plus the acquisition of Kerogen's 30% holding in Energean Israel Limited ("EISL"). The transaction closed on 25 February 2021.
4 The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include adjusted EBITDAX. More information can be found in the Financial Review section, under the heading 'Non-IFRS measures'.
5 Net debt/(cash) is shown on an actual basis i.e. not *pro forma*.

Report Highlights

A record year, both financially and operationally

2021 average working interest production was approximately 41.0 Kboe/d (72% gas), above initial expectations and at the mid-point of the revised full year guidance range of 40.0 - 42.0 Kboe/d. Coupled with the all-time-high gas prices experienced in Italy, Energean generated a 48%[6] year-on-year increase in full year revenues to $497.0 million and a 96%[6] increase in EBITDAX to $212.1 million. We enhanced our position in Israel through the acquisition of Kerogen Capital's 30% holding in Energean Israel Limited ("EISL")[7], adding 219 MMboe for a total consideration of less than $2/boe.

Emerging from capital investment to sustainable cash-flow generation

Despite the challenges imposed by COVID-19 during 2021, Energean's flagship Karish development was 92.5% complete at end-December 2021 and at the time of writing is gearing up for imminent sail-away from Singapore with first gas on track for Q3 2022. In 2021, the Group also took Final Investment Decision ("FID") on Karish North (Israel), Second Oil Train and Gas Riser (Israel) and NEA/NI (Egypt). These projects, combined with Karish and Tanin, Epsilon (Greece) and Cassiopea (Italy), will lead to the commercialisation of a combined 824 million barrels of oil equivalent ("MMboe") of 2P reserves (82% gas). This positions Energean to achieve its medium-term targets to deliver working interest production of more than 200 Kboe/d, which we expect to translate into annualised adjusted EBITDAX of more than $1.4 billion per year.

2022 marks the year where we emerge from heavyweight project investment and transition to a material cashflow generating company underpinned by long-term fixed price gas contracts.

Setting the foundations for the future via solid capital structure

In 2021, we raised over $3 billion from the debt capital markets to refinance existing borrowings and increase liquidity. This included: (i) $2.5 billion senior secured notes, non-recourse to the Group, at the 100% subsidiary Energean Israel, (ii) €100 million Greek state backed loan, non-recourse to the Group, at Energean Greece and (iii) $450 million senior secured notes at Energean plc. In doing so, we extended our weighted average maturity to approximately six years, pushed out commencement of major debt repayment obligations to 2024 and converted floating interest rates to fixed rates.

We ended the year with over $1 billion of liquidity[8], ensuring we are fully funded to deliver our projects, removing any near-term debt repayment obligations and eliminating exposure to interest rate volatility.

Taking meaningful actions towards net-zero

Energean is focused on reducing its carbon emissions and is working towards its 2050 net-zero target. In 2021, we delivered a 8% year-on-year reduction in carbon emissions intensity to 18.3 kgCO2e/boe, when considering 2021 consolidated data versus 2020 pro forma performance data on an equity share basis. Actions taken in 2021 to achieve this reduction includes implementing a zero flaring policy across its operated sites and switching to renewable-sourced electricity in Italy — green electricity contracts were put in place for Israel and Greece in 2020.

Energean is also proud to have published its first Climate Change Policy, which defines the Group's actions to deliver upon its commitment to become a net-zero emitter by 2050. Within this, part of our short-term target is to advance our carbon capture storage ("CCS") projects — we achieved this in 2021 by entering pre-FEED at our Prinos CCS project in Greece.

Finally, the Carbon Disclosure Project (CDP) upgraded its Climate Change and Supplier Engagement rating for Energean to B and A- respectively (up from B- and B from the previous year. This compares to a sector average of C for Climate Change and C for Supplier Engagement.

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6 Versus 2020 *Pro Forma*.
7 The transaction closed on 25 February 2021.
8 Including restricted cash amounts of $200 million and undrawn Greek debt facility of €100 million.

Non-Financial Information Statement

The following table constitutes our Group Non-Financial Information Statement in compliance with Sections 414CA and 414CB of the Companies Act 2006. The information listed is incorporated by cross-reference. Additional Group Non-Financial Information is also available on our website www.energean.com.

Reporting Requirement	Group Approach and Policies	Relevant Information	Relevant Pages
Environment	Environmental Policy Climate Change Policy Zero-Routine-Flaring Policy Task Force on Climate Related Disclosure	Environmental policies	65
		Environmental targets	20-22
		Environmental data	65-66, 69-71
		Environmental KPIs	38-39
		TCFD disclosure	20-29, 31-32, 38-39, 69-71, 81-82, 98-100, 115-116, 127-128
Employees	CSR Policy Equal Opportunities Policy Code Of Conduct Corporate Major Accident Prevention Policy	HSE policies	61-62
		HSE KPIs	39
		HSE data	64
		Excellence through our people	51, 56-57
Human Rights	Code of Conduct	CSR approach	50-51
		Excellence through our people	56-57
Social Matters	CSR Policy Code of Conduct UN's 17 Sustainable Development Goals	CSR approach	50-55
Anti-Corruption & Anti-Bribery	Code of Conduct UK Bribery Act Applicable Local Anti-Bribery Laws Whistleblowing Policy	CSR approach	50-51
		Corporate governance	111-121
Governance and Risk Management	Corporate Governance Code Principal Risks and Uncertainties Governance & Risk Management	Risk management	79-103
		Corporate governance	111-121
		Audit & Risk Committee	122-126
Business Model	Our Business Model	N/A	18-19
Strategy	Our Strategy	N/A	20-30
Non-Financial Key Performance Indicators	Key Performance Indicators	N/A	36-40

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Strategic Review

About Us

Energean at a glance

The leading independent, gas and ESG-focused E&P company in the Mediterranean

Established in 2007, Energean is a London Premium Listed FTSE 250 and Tel Aviv Listed TA-90 E&P company with operations in eight countries across the Mediterranean and UK North Sea. Since IPO in 2018, Energean has grown to become the leading independent, gas-producer in the Mediterranean. We are targeting to grow production to over 200 Kboe/d and achieve our medium-term revenue and EBITDAX targets of $2 billion and $1.4 billion, respectively. We also have a material reserve base, with approximately 965 boe of 2P reserves.

We are also poised for further significant growth above and beyond this via a high-impact drilling programme in Israel which commenced in March 2022. If Energean elects to drill all four exploration and appraisal wells within this campaign, it has the potential to double the Israel gas resource base.

Our flagship project is the multi-tcf deepwater Karish project in Israel, which is approaching first gas in Q3 2022. It will be developed via the newbuild fully-owned Energean Power FPSO, which at the time of writing /is gearing up for sail-away from Singapore]. Energean has signed long-term contracts to supply 7.2 Bcm/yr of gas into the Israeli domestic market, all of which have floor pricing, take-or-pay and/or exclusivity provisions that largely insulate revenues against downside commodity price risk and underpin our goal of paying a sector-leading dividend. We expect to fill the spare capacity in our 8 Bcm/yr FPSO through spot sales to the Israel Electric Corporation and through the signing of further, long-term gas sales agreements with domestic and / or international customers, building upon the MOU signed with EGAS.

Energean is fully-funded for all of our planned projects. In 2021, we took steps to enhance near-term liquidity and strengthen our balance sheet via the issuance of two new bond programmes, raising $2.5 billion and $450 million respectively, the former being the largest ever Europe, Middle East and Africa ("EMEA") energy-related high-yield bond.

ESG, health and safety is of central importance to Energean. We aim to run safe and reliable operations and are committed to achieving net-zero carbon emissions by 2050 and to reducing our methane emissions. We took meaningful steps towards this goal in 2021 when we implemented a zero flaring policy across our operated sites and rolled out 'Green Electricity' in Italy (renewable-sourced electricity applied in 2020 in Greece and Israel).

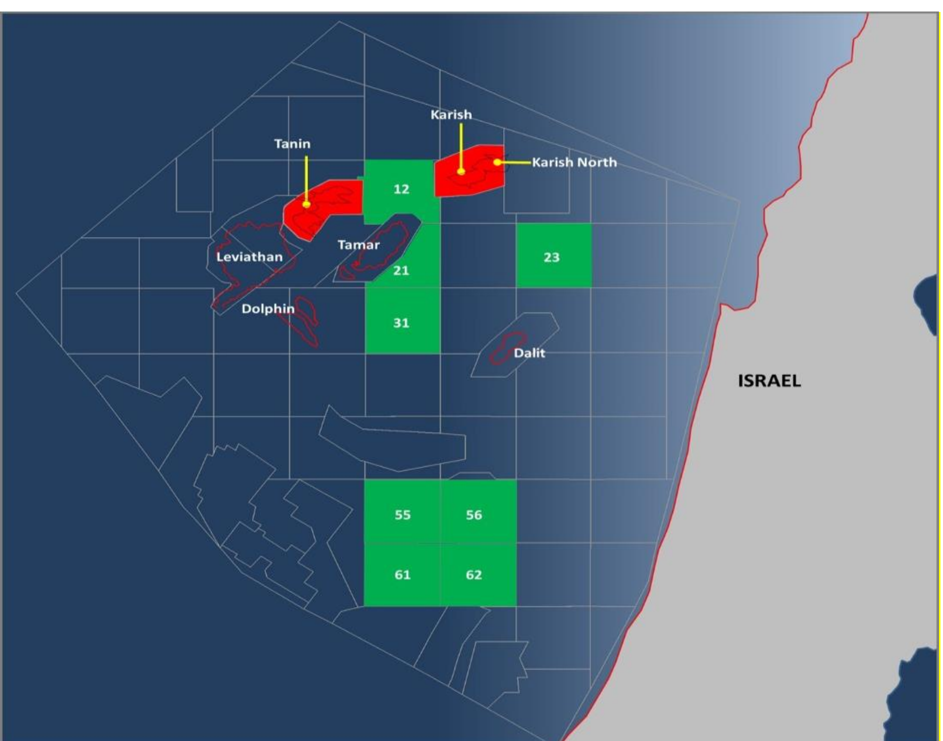
Where we operate

Energean holds a balanced portfolio of exploration, development and production assets, with operations in eight countries across the Mediterranean and UK North Sea. We have interests in more than 80 leases and licences, 10 of which are located offshore Israel, one of our core countries of operation.

Please see pages 254-256 for a full breakdown of all our licences.

Figure 1. Map of Energean's operations

Figure 2. Energean Israel Limited (EISL) leases and licenses



Performance in 2021

Record operational performance delivered record financial results

Energean continued to deliver strong performance against its strategic goals in 2021, albeit under the weight of COVID-19. We fully integrated the acquired Edison E&P portfolio within Energean and thanks to the focus of the technical team, delivered production beyond initial expectations from the Egypt and Italy assets. We further managed to reduce our total EGPC receivables position in Egypt to less than $95 million from over $200 million at the time of the Edison E&P acquisition.

Karish, our flagship gas project offshore Israel was 92.5% complete at end-December 2021 and at the time of writing is ready to sail-away from Singapore and gearing up for first gas in Q3 2022. The completion of this project is materially de-risked, within reach and will enable us to deliver substantial free cash flows and sustainable shareholder returns. The completion of our sanctioned and fully funded projects will enable us to achieve our medium-term targets of over 200 Kboe/d production, $2 billion annual revenue and $1.4 billion EBITDAX. Finally, the Israel drilling campaign provides upside beyond these medium-term targets.

Let us take you through some of our key achievements below.

Operational highlights

- Working interest production 41.0 Kboe/d, 72% gas, above initial guidance[9] of 35.0 – 40.0 Kboe/d
- 2P + 2C reserves and resources of 1,154 MMboe, a 25% year-on-year increase versus 2020 and a 1% year-on-year increase versus 2020 *pro forma*[10]
- Karish (Israel) development 92.5% complete at 31 December 2021[11]
- Fully integrated Edison E&P, full business solutions system implemented across the Group
- Rig contract signed with Stena Drilling Limited ("Stena") for 2022-23 growth drilling programme, offshore Israel
- FID taken on the Karish North project (Israel) and NEA/NI (Egypt) in January 2021 and the Second Oil Train and Gas Riser in May 2021
- EPC contract signed with KANFA AS for the second oil train in December 2021
- EPCI contract awarded to TechnipFMC for NEA/NI in February 2021 and jack-up rig contract signed in January 2022. NEA/NI on track and 37.0% complete as of 31 December 2021[11]
- Cassiopea (Italy) development on track and 24.2% complete at 31 December 2021[11]
- Funding secured for the Epsilon Development in Greece

Commercial highlights

- Closed the acquisition of Kerogen's 30% holding in Energean Israel Limited (EISL) for $380-405 million, representing an acquisition price of $1.74 - $1.85/2P boe
- Israel GSPAs
- MOU signed with EGAS for the sale and purchase of up to 2 Bcm/yr of natural gas on average for a period of 10 years signifying access to export markets
- New GSA signed with A2A in Italy for Energean's full entitlement production, commencing 1 April 2022, which contains higher pricing than the previous contract
- Hedging agreement signed for a total of 27% of expected 2022 Italian gas production locking in an average price of € 53.30/MWh protecting our 2022 cashflow

Corporate highlights

- In February 2021, issued $2.5 billion senior-secured notes, with the first tranche maturing in 2024, at an average coupon rate of approximately 5.2%
- In November 2021, issued $450 million senior-secured notes, maturing in 2027, with a fixed coupon rate of 6.5%

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[9] Given in January 2021.
[10] When considering Energean 2021 2P reserves versus 2020 pro forma 2P reserves (Energean (including Edison) plus the acquisition of Kerogen's 30% holding in EISL).
[11] As measured under the TechnipFMC EPCIC.

- In January 2022, signed € 100 million non-recourse project funding package backed by the Greek State, for the Epsilon development project in Greece, with an average blended interest rate of 2%
- The enhanced capital structure gives us a weighted average maturity of 6 years, pushing out debt repayments to the medium term and eliminating exposure to floating interest rates

Financial highlights

- 2021 sales revenues of $497.0 million (48% y-o-y increase from $335.9 million)
- Operating cash flows of $133.2 million (3% y-o-y decrease from $137 million)
- Adjusted EBITDAX of $212.1 million (96% y-o-y increase from $ 107.7 million)
- Profit / Loss after tax of $(96) million (74% increase from $(416) million)
- $359.3 million capital expenditure reduction achieved versus revised full year guidance[12] of $415-485 million
- $1,040 million liquidity at 31 December 2021
- Reduced EGPC receivables to $95 million[13] at 31 December 2021 (36% y-o-y reduction from $149 million)

Decarbonisation and ESG highlights

- 8% year-on-year reduction[14] in carbon intensity to 18.3 kgCO2e/boe on an equity share basis
- Published our first Climate Change Policy and an externally assured 2020 Sustainability Report
- Entered pre-FEED for the Prinos CCS project (Greece)
- Zero-routine flaring policy in place across operated sites
- Successful roll out of 'Green Electricity' at our operated sites in Italy
- Methane detection campaigns in place at our Vega platform, Italy
- Achieved a B score on CDP's Climate Change disclosure and A- on CDP's Supplier Engagement rating and aligned with all recommended pillars of TCFD disclosure for the second consecutive year
- Continued to implement climate-based scenario analysis and used internal carbon pricing to assist with investment-decision making
- ESG ratings in top quartile, awarded 'AA' rating by MSCI, 'Gold' by Maala[15] and ranked 29 out of 258 in the oil and gas producers industry group by Sustainalytics.

HSE highlights

- Safe and reliable operations, zero serious injuries
- Zero oil spills and zero environmental damage.

Awards

- Awarded 'Best ESG Energy Growth Strategy in Europe 2021' by CFI
- For the second consecutive year, Sembcorp Marine's Admiralty Yard was awarded a Safety and Health Award Recognition for Projects for Safety Excellence for Energean's Karish Project.

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12 Provided in the November 2021 Trading & Operations Update.
13 Net receivables shown are after provision for bad and doubtful debts.
14 Current year-on-year reduction has been calculated based on the 2020 *pro forma* (includes Edison) equity share emission intensity of 19.8 KgCO2e/boe.
15 Maala is the non-profit CSR standards-setting organisation in Israel.

Figure 3. Karish project SHARP award at the Admiralty Yard (Singapore)

Chairman’s Statement

Karen Simon, Independent Chairman

Board Priorities for 2022	
Project Delivery	Successfully deliver Karish in Q3 2022 and launch our exploration and appraisal drilling campaign offshore Israel. Continue organic growth projects including Karish North (Israel), NEA/NI (Egypt) and Cassiopea (Italy).
Returns to Shareholders	Approve dividend policy, ensuring the right balance between providing substantial, stable and recurring returns to shareholders whilst maintaining reinvestment in the business at an appropriate leverage.
Delivering the Energy Transition in a Responsible and Safe Way	Our aim is to continue to be a first-mover in the energy transition across our sector. We will continue to track key metrics on our path to net-zero and assess low carbon business opportunities, including carbon sinks and carbon capture and storage projects. At the same time, we are committed to contributing to global security of supply in a responsible and safe way.
Oversee Organisation’s Transformation	Oversee the cohesive transformation into a 200 Kboe/d company, particularly in terms of infrastructure, culture and skills to ensure the company is well prepared for this step change. Encourage the improvement of employee awareness and engagement, on Climate Change and the energy transition, to maximise value and deliver upon our strategy.

Dear Shareholders,

A year ago, when I wrote my statement for the 2020 Annual Report, the world was in the midst of a new wave of COVID-19 and tragedy and uncertainty prevailed. Indeed, the last two years will undoubtedly go down as some of the most unprecedented and challenging years in modern history. This year, we face new geo-political challenges. Energean will continue to be a provider to the world’s energy requirements by supplying energy in a responsible and safe manner, in line with our gas-focused strategy.

We can learn a lot from the last couple of years. The pandemic has acutely highlighted the need to support one another at all levels, both through family and local communities and throughout the wider business world. I am extremely proud of the way that Energean’s teams have supported one other and our external stakeholders throughout this difficult period, whilst maintaining the business’s strategic focus and delivering upon our goals and targets. I truly believe that we have emerged stronger, both as individuals and as teams, and I thank each and every one of Energean’s people and partners for their hard work, positivity and dedication.

Social and Governance

The Board and I are keenly focused on ensuring that Energean is managed at the highest levels of environmental, social and governance standards. ESG must be at the heart of Energean’s operations. Strategic ESG consideration has three positive drivers: it ensures our licence to operate with external stakeholders, it positively engages our colleagues around the world and finally, it is good for our collective societal wellbeing.

Myself and the rest of the Board recognise that the success of the business depends on our people. 2021 was a year of significant growth for Energean and our people. With the integration of Edison E&P, we expanded our presence into Italy, Egypt, Croatia, and the UK, and with it, welcomed more than 250 colleagues to the team. The Board is focused on ensuring that our culture is aligned with our purpose and values, that they support and promote our diverse workforce and that we are prepared for the step-change.

We aim to maintain a positive, open and collaborative work environment to equip our people from all backgrounds to fulfil their potential. In 2021, we developed upon existing initiatives focusing on employee health, engagement and training. We provided support through professional training opportunities and education, charity, sport and environmental protection, which you can find more detail on in the CSR section of this Annual Report.

HSE

The safety of our people will always remain the Board's number one priority. Safety at Energean is underpinned by our well-structured and continuously improving HSE Management system. I'm pleased to report we ended the year with zero serious injuries.

In 2021, we have continued to oversee the reduction of our GHG emissions, progress low-carbon business solutions to help different countries decarbonise and align with TCFD and CDP recommendations. We have also incorporated carbon pricing into our investment decision-making process, ensuring that our business is transparent and robust against different climate change scenarios.

The pandemic also acted as a catalyst for driving advancements across a number of sectors. Energean has been developing its own innovations; our Eco-Hydrogean concept is a unique and integrated solution that will combine hydrogen generation and carbon capture and storage more efficiently and sustainably than an average blue hydrogen project. The process is designed to achieve negative CO2 emissions and facilitates the development of hydrogen-based industries and transportation with external partners, such as ammonia, fertiliser and agriculture industries.

In 2021, the Nomination and ESG Committee was split in two, which created the Environment, Safety and Social Responsibility Committee. This is chaired by Robert Peck (independent non-executive director) and is attended by myself, the CEO and the HSE Director, the latter who conducts the operational management of any and all climate change issues. The purpose of the committee is to evaluate Energean's policies and systems for identifying and managing ESG and HSE risks, which includes the identification of risks, such as climate change risks, and propose mitigation measures. The Committee convenes every quarter and reviews the Board papers on Energean's carbon emissions performance and KPIs.

As well as our long-term pledge to the environment, we are also committed to ensuring that we have strong relationships with our partners, the supply chain, and the people and governments in countries in which we operate. The Board and I were pleased to see that the CDP increased Energean's Supplier Engagement Rating in 2021 to A- from B in 2020.

Board composition

During 2021, I was delighted to welcome Roy Franklin to the Board. His extensive experience in CEO, NED and Chair roles has brought significant value to our boardroom discussions. I look forward to working with Roy and the team to deliver our strategy. In July, we also held one of our 2021 Board of Directors meetings in person in Energean's Athens office. This provided myself and the rest of the board with an excellent opportunity to improve our employee engagement – an area we believe is critical for strong governance

Operational delivery

Last year, I wrote that the Board's priorities for the year were to successfully deliver Karish and progress our growth projects and exploration and appraisal campaign offshore Israel.

I was proud that our management teams were able to deliver all of the Karish milestones on time and on budget that were under their control. However, restrictions in the yard in Singapore due to COVID-19 meant that the FPSO was unable to leave for Israel in line with the original planned schedule. With the impact of COVID-19 somewhat under control, the project is back on track to deliver first gas in Q3 2022 as per the updated timeline communicated to shareholders in the summer of 2021.

The team successfully delivered upon the latter two operational targets. Energean took FID on Karish North (Israel) and NEA/NI (Egypt) in early 2021 and good progress was made on these and the other growth projects across the portfolio. Finally, a rig contract was signed with Stena for the Israel drilling campaign – drilling has started on the Athena well in March 2022.

Our strategic direction and 2022 outlook

Energean's purpose is to become the leading, gas focused E&P company in the Mediterranean, with the highest of ESG and HSE standards at the heart of our operations. Our aim is to grow the company to become a 200 Kboe/d producer and a $1.4 billion per year EBITDAX generator.

We're focused on full-cycle organic growth. Step one is to bring Karish onstream, which is on track for Q3-2022. The next steps will be to deliver all our sanctioned projects to achieve our medium-term targets and successfully execute the Israel growth drilling campaign.

In regards to capital allocation, in 2021 the focus was on refinancing to create a more sustainable capital structure. In 2022, the focus is the definition of our dividend policy and how best to return value to shareholders. Finally, the heart of our strategy is the overarching need to grow sustainably. We will achieve this by reducing our carbon intensity, as set out in our Climate Change Plan, and continuing to operate safely and responsibly.

To summarise, our priorities for 2022 are fourfold. (1) Ensure the successful delivery of our projects (targeting first gas at Karish in Q3 2022 and NEA/NI in H2 2022 as well as the Israel drilling campaign). (2) Set the framework for providing sustainable returns to shareholders while continuing to grow organically. (3) Delivering energy responsibly and safely on our path to net-zero. (4) Continue to focus on our people, culture and infrastructure in our transition to a 200 Kboe/d company.

I thank you, our shareholders, new and existing, for your continued support. We look forward to repaying your investment in the near future.

Karen Simon
Independent Chairman

Chief Executive's Review

Mathios Rigas, Chief Executive Officer

2021 was another year shaped by the COVID-19 pandemic. I am proud to say that we tackled these challenges head on and delivered on all promises within our control (two projects sanctioned, Israel drilling campaign rig signed, capital structure optimised, y-o-y emissions reduced and more). As vaccinations rolled out, countries opened up and global energy demand rose dramatically. There has been sustained growth in global commodity prices, especially European natural gas. This, alongside production outperformance[16], resulted in a year of fantastic financial results for Energean, as I go into detail below.

Against a back-drop of working from home and travel disruption, we also successfully integrated Edison E&P, and geared ourselves up for a major year of transformation in 2022, getting ready to deliver Karish, the exploration campaign in Israel and our other development projects across the portfolio. We've set the scene for a very exciting 2022.

Strength in numbers

It is with great pleasure to report that 2021 was an outstanding year for Energean, with record financial results and solid operational performances from our existing assets. Production from our assets in Egypt and Italy, which we acquired through the Edison E&P transaction, performed well as a result of intelligent asset management, enabling the group to deliver full year production above initial market guidance (41.0 Kboe/d (72% gas). This, complemented by the new and seemingly sustained paradigm shift of gas prices seen across Europe, resulted in a 48% and 96% year-on-year increase in revenue and EBITDAX to $497.0 million and $212.1 million respectively.

One of our goals for 2021 was to reduce our receivables position in Egypt – and we succeeded thanks to our commitment and belief in Egypt as an investment case. We ended the year at $95 million, representing a 36% y-o-y reduction. This continues the trend of materially reducing the receivables balance since the economic reference date of the acquisition of Edison E&P (1 January 2019: $240 million).

In 2021, we raised over $3 billion from debt capital markets to refinance our existing debts. In doing so, we extended our weighted average maturity to approximately six years, pushed out commencement of major debt repayment obligations to 2024 and converted floating to fixed interest rates. We ended the year with over $1 billion of liquidity, ensuring we are fully funded to deliver our projects and are protected from inflationary pressure on rates, all while reducing our target leverage and setting the foundation for a sustainable dividend.

Strong progress on our growth projects

Although COVID-19 caused challenges and impacted productivity, good progress was made on our flagship multi-tcf Karish gas development offshore Israel, which was approximately 92.5% complete at year end 2021. At the time of writing, we are gearing up to leave the yard in Singapore, with first gas anticipated by Q3 2022. Thereafter, Karish will enable us to deliver substantial free cash flows, based on fixed contracts with floor pricing and take or pay provisions. This will form the basis of a sustainable and recurring dividend going forward.

However, Energean is not only a Karish production story.

We have an ambitious five-well drilling programme in Israel, (three firm and two optional), in which our two gas prospects boast high possibility of success rates and sit within a geological trend that has seen 11/11 wells hit gas. Our wells will be drilled using Stena Drilling's Stena IceMax rig that, at the time of writing, is on route for Israel and will commence operations in March 2022. The campaign has the potential to double the Israel gas resource base. First results from Athena are expected in Q2 2022. A positive result would be pivotal in derisking the remaining 48 Bcm (1.7 Tcf)[17] of prospective resources in the block, as well as the surrounding area.

[16] Compared to our January 2021 guidance.
[17] As per D&M's YE21 CPR Report.

We are extremely excited to see the continued growth and development of a regional gas market. There is ongoing and projected high demand for natural gas across the region. This drives our operations, both new wells and near-term production at Karish. Importantly, this new resource will also enable Energean to continue its support of the regional energy transition, through coal-to-gas switching in the East Mediterranean.

In 2021, we also sanctioned five projects in Israel, Egypt and Greece. Over the year, we made strong progress on these and on our other sanctioned projects in Italy. All projects remain on track and on budget and will deliver over 824 billion boe in total[18]) of 2P reserves (82% gas), as per our gas-focused strategy, and provide high-return opportunities, in line with our disciplined capital allocation policy.

Our entire portfolio will contribute to our projected transformation into a 200 Kboe/d producing and $1.4 billion EBITDAX generating company. This transformation accelerated with the value created through the acquisition of Edison E&P.

Advancing a 'just' energy transition

The IPPC's 2021 report and global pledges agreed at COP26 emphasised the need for meaningful action to tackle climate change. At Energean, ultimate responsibility and accountability for our environmental and climate change policy, strategy and targets lie with me. In 2021, Energean made great strides towards its commitment to become a net-zero company by 2050.

I am immensely proud that in 2021 we published our debut climate change policy, which set out a clear roadmap for reaching our net-zero target in the short, medium and long-term. We also reduced the carbon intensity of our operations by more than 70% versus our base year of 2019[19], and we are focused on reducing our methane emissions via enhanced monitoring and planned upgrades to existing equipment over the coming year. Moreover, our zero-routine flaring policy is now fully effective across the entire portfolio and we have 'green electricity' agreements in place at operated sites in Israel, Greece and Italy. In addition, we continued to disclose all relevant climate-related data in line with TCFD and CDP recommendations.

At the time of writing, we have also awarded a carbon storage service contract to Halliburton for our Prinos CCS project. The project is the first of its kind in Greece and an invaluable project that will help reduce both our own emissions and those of nearby industry. We're evaluating other low-carbon opportunities across the rest of our portfolio too. For our efforts, we received the 'Best ESG Energy Growth Strategy Europe 2021' award from CFI, reflecting that we're tackling the transition with verifiable actions that match our ambitions.

Health and safety remains a top priority

During 2021, we continued to ensure that our all our staff – from our production facilities and yards to our offices – remained protected against COVID-19. Moreover, we continued our excellent safety record – at a group level, and alongside our contractors, we achieved an LTIF[20] of 0.42 per million hours, down 33.3% from 2020 pro forma. In addition, we continued to support the local communities in which we operate through donations, internship and funding opportunities.

Outlook for 2022 and dividend policy

2022 will be our biggest year yet. Karish and NEA/NI will be onstream and our drilling campaign in Israel will have commenced. As announced in our 2021 FY Results, it is our goal to make reliable, recurring and sector-leading returns to shareholders, targeting a first dividend to be paid no later than during Q4 2022, following first gas from Karish (Q3 2022).

This is a major development for Energean and our external stakeholders. We have a positive history. We were the most recent E&P IPO on the London Stock Exchange. We have raised multiple tranches of capital on the back of successful operational development. We have successfully completed and integrated the Edison acquisition.

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[18] Includes Karish, Karish North, Tanin, NEA/NI, Cassiopea and Epsilon.

[19] Based on an equity share basis, where 2019 and 2021 emissions intensity is 66.8 kgCO2e/boe (excludes Edison) and 18.3 kgCO2e/boe.

[20] Lost Time Injuries Frequency: The number of Lost Time Injuries per million hours worked.

Energean is about to become a major, de-risked and profitable gas production company. I want to thank all my colleagues who have contributed to this process. This new identity changes both the way we interact with our shareholders and the broader external stakeholder community. We are entirely committed to offering value upside and have proven our ability to deliver on our promises.

This is why we look forward to the future with such confidence. In a world that is hungry for energy, by this time next year, we will have demonstrated that we can go from FID to production and that we can be trusted to deliver year on year.

We have a fantastic team at Energean and I would like to thank them for their continued dedication and commitment to delivering upon our goals and strategy.

Mathios Rigas
Chief Executive Officer

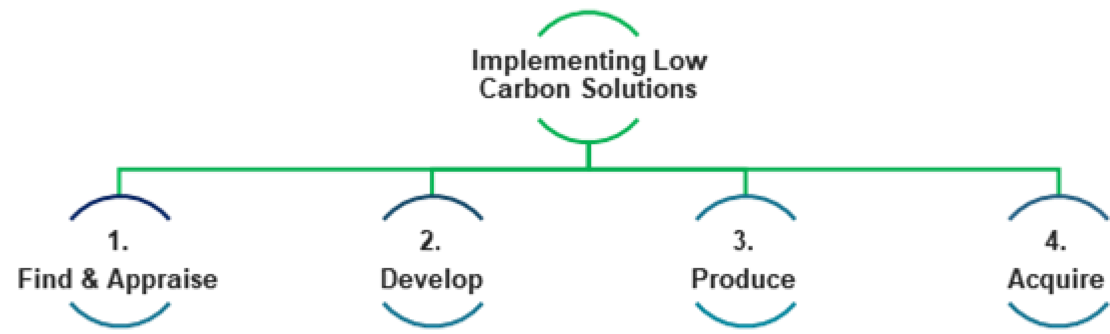
Our Business Model

Our purpose

Energean's aim is to lead the energy transition in the eastern Mediterranean through a strategic focus on gas and achieve its net-zero ambition in advance of 2050, whilst delivering meaningful and sustainable returns to our shareholders.

Our business model

Across each part of the hydrocarbon lifecycle we work to create value for our investors, host countries and people.



Energean's business model is to find and monetise hydrocarbons from its portfolio of assets across the Mediterranean.

Our activities are focused on generating sustainable cashflow from production through selective development and appraisal of the highest return growth options with a focus on those opportunities with the lowest carbon intensities. We are focused on organic growth, but will continue to evaluate inorganic opportunities that complement and supplement our strategic targets and ambitions.

Underpinning our business model is a strategic focus on gas and a commitment to be a net-zero emitter[21] by 2050.

Our value life cycle

Find and Appraise

Through targeted exploration and appraisal in the Mediterranean we aim to find hydrocarbons, to build reserves and resources, to monetise, or to selectively develop for future production. We have a ranked portfolio of prospects for drilling and remain agile to take advantage of opportunities that support our organic-focused growth strategy.

Develop

We focus on selective development of material hydrocarbon discoveries we have either found or acquired. We invest in low-cost, high-return drilling options that lie in close proximity to existing infrastructure and aim to deliver cost-effective, timely solutions to convert reserves into cash flows. In developing these solutions, minimising carbon emissions is at the forefront of our minds, and we apply an internal carbon pricing system in assessing all new projects and investments.

Produce

Production is the cash engine of our business and we are investing in in-field drilling programmes to maximise production across our producing assets in the Mediterranean, whilst also investing in opportunities to reduce the carbon footprint of these assets, such as the switch to sourcing electricity from 100% renewable sources through the national grid in Greece, Israel, Italy and Croatia. In addition,

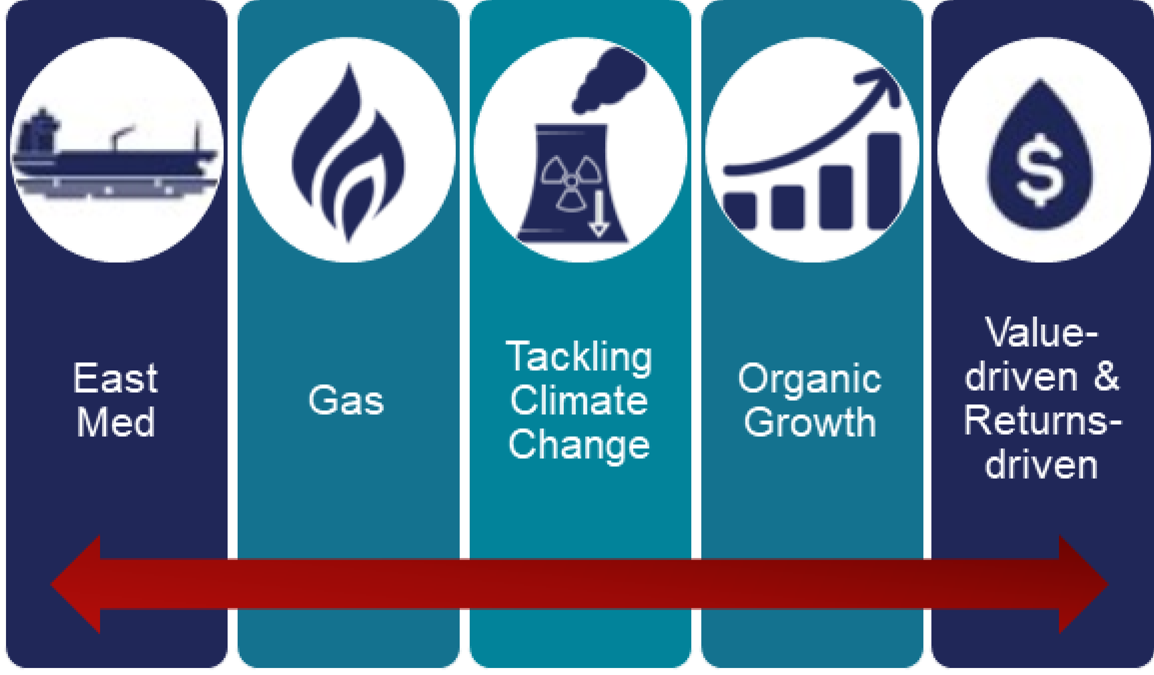
[21] Scope 1 and 2 emissions.

Energean is committed to evaluating carbon, capture and storage opportunities, and this will continue into 2022.

Acquire

Energean also seeks to grow its portfolio through highly selective and value accretive M&A that are a natural strategic fit, such as the Edison acquisition in 2020 and the consolidation of our Israel position through the Kerogen acquisition[22] in 2021.

Our Strategic Pillars



[22] Energean's acquisition of Kerogen's 30% stake in Energean Israel closed on 25 February 2021.

Our Strategy

1 East Mediterranean

Energean has a long-standing history of operating in the Mediterranean, having originated in Greece in 2007 with the purchase of the Prinos assets for approximately $1.5 million. We have demonstrated our ability to deliver growth and value in the Mediterranean and expect to continue to maintain our strategic focus and investment in this area. We know the governments and we know the rocks in this geographical area, and will continue to leverage this understanding and knowledge to grow the business.

2 Gas

We are committed to focusing our production mix in a way that promotes the Mediterranean's energy transition and creates long-term value for all or our stakeholders. Natural gas emits only half as much CO2 as coal, yet a large percentage of electricity generated in the region comes from coal-fired power plants. Replacing these facilities with gas-fired units is one of the fastest, most efficient and cost-effective ways to reduce global CO2 emissions. Israel, our core market, has understood this, as the Israeli government's decision to convert all coal powered stations to gas by 2025 attests. The Ministry of Energy is also targeting a fuel mix of 70% gas and 30% renewable energy by 2030.

However, the natural gas of the Mediterranean is not just an energy transition source, it is also an energy of the future. The region has sufficient large-scale natural gas resources to provide a sustainable supply to meet rising regional energy demand. Gas is also sustainable and efficient, and its flexibility as an energy source allows for agile production facilities. This makes gas a good partner for renewable energies, providing a useful backup source when there is no sunlight or wind.

3 Tackling Climate Change

Energean is fully committed to taking action on climate change. In a strong show of leadership and foresight, Energean was the first E&P company in the world to announce a net-zero 2050 target, using gas as the transition medium to a low carbon future. This commitment will be delivered through the implementation of our Climate Change Strategy, published in 2021, which provides a blueprint for minimising our greenhouse gas ("GHG") emissions and strengthening our low carbon portfolio.

Our Climate Change Strategy commits to ensuring that all our assets will be operated on a net-zero basis in respect of Scope 1 and Scope 2 GHG emissions.

As part of our commitment to a low-carbon future, in 2021 we have continued to align with the TCFD recommendations.

Paris Agreement alignment

Energean is firmly committed to playing a leadership role in the energy transition process, supporting the Paris Agreement, in particular Article 2.1(a)[23] which states the goal of keeping the increase in global average temperatures to below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5°C. To do this, as recognised in Article 4.1[24] of the Paris Agreement, we are committed to achieving net-zero emissions by 2050.

In 2022, our portfolio has been tested against Paris-aligned scenarios developed by the International Energy Agency (IEA). Commodity prices derived from supply and demand fundamentals and carbon

[23] Article 2.1(a) of the Paris Agreement states the goal of 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change'.

[24] Article 4.1 of the Paris Agreement: In order to achieve the long-term temperature goal set out in Article 2, parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognising that peaking will take longer for developing country parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

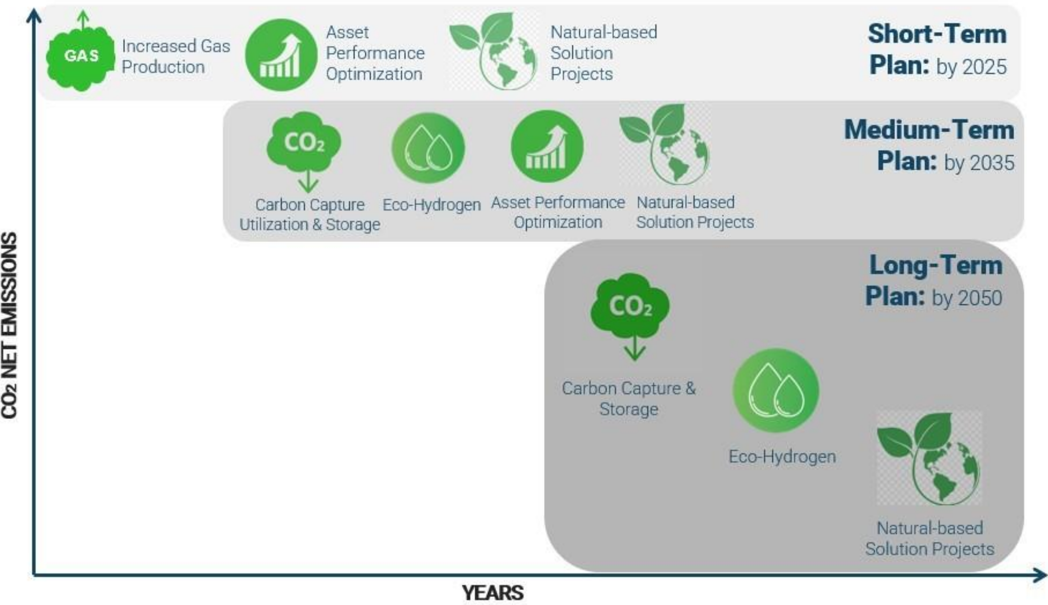
prices created by the IEA have been used in this scenario analysis. Energean incorporates climate change-related risks and carbon pricing into its decision-making. Please see pages 31-32 for the results of this analysis.

Our climate change strategy

Short-term plan

Our short-term plan to reduce the Group's absolute scope 1 and 2 emissions, includes: increased efficiency of production installations by optimising performance, using low or zero carbon electricity and re-focusing our production mix from oil to gas.

Figure 4. Climate change plan



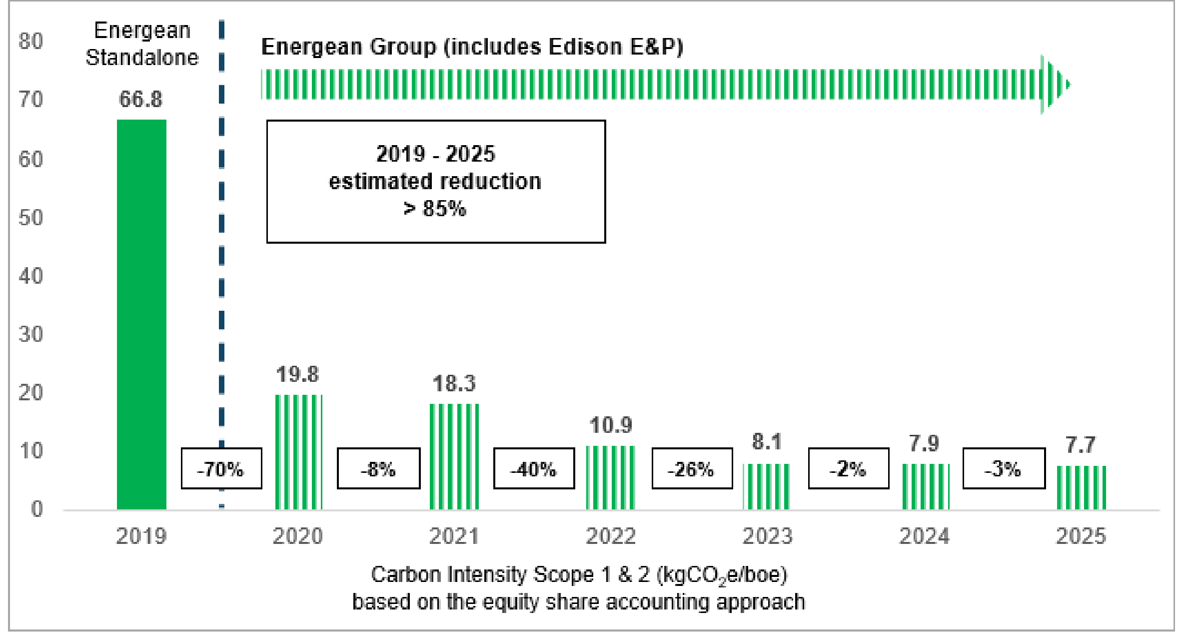
2021 progress on reaching our emission reduction targets

- In 2021, we reduced our equity share carbon emissions intensity to 18.3 kgCO2e/boe, a 8% reduction y-o-y[25].
- In 2021, 72% of our working interest production was gas, down from 74% in 2020 (*pro forma*)[26] but up from 0% in 2019 (Energean standalone)
- Electricity-wise, agreements were put in place for the purchase of electricity from renewable sources at all operated sites in Italy. Energean sites in Italy, Israel and Greece now operate under this policy. As such, scope 1 and 2 absolute emissions in operated sites were reduced by 23%. Overall, 100% of electricity purchased by Energean was generated from renewable sources during 2021.
- We assessed opportunities to establish Leak Detection and Repair (LDAR) procedures to monitor and reduce fugitive emissions across all our operating sites. Campaigns are currently undertaken at Vega, Italy

[25] Current year-on-year reduction has been calculated based on the 2020 *pro forma* (includes Edison) equity share emission intensity of 19.8 KgCO2e/boe.

[26] 2020 *Pro Forma* includes Edison.

Figure 5. Short-term carbon emissions intensity reduction plan[27]



Medium to long-term plan

Following these initial actions, remaining emissions will be balanced with an equivalent amount sequestered or offset, or through buying enough carbon credits to make up the difference. Energean is currently working on various projects such as a Carbon Capture and Storage ("CCS"), a small-scale eco-hydrogen production unit incorporating Negative Emissions Technologies (NETs) using biogas, and opportunities to invest in natural-based solution projects to create carbon removals from the atmosphere.

CCS Progress

At Energean, we believe there is considerable opportunity to employ efficient CCS technologies in the regions we operate. Energean strives to become a leader in CCS in the Eastern Mediterranean and is confident that we will be part of the solution. Besides capacity from our own assets, we believe that there will also be external interest, e.g. from power plants, in providing their emissions to be stored in our company's depleted reservoirs. Energean is well placed to realise such a project since we have over 40 years' experience in managing reservoirs, studying the geology and market developments.

In 2021, we began pre-FEED at our Prinos CCS project in Greece. The project received support in May 2021 from the Greek state under the EU post pandemic Recovery and Resilience Fund ("RRF"). The project's stated objective is to capture an initial 1 MMtpa of CO2 from sources within 150 km of Prinos on-shore Sigma plant. We estimate that in the longer term the Prinos subsurface strata are sufficient to sequester up to 100 million tons of CO2, with significant volumes arriving in Prinos by ship. In March 2022, Halliburton was awarded a service contract to assess the carbon storage potential of the Prinos basin.

A further project to develop an eco-H2 plant located within the existing Sigma plant is also being evaluated. The project is expected to provide an innovative 'Low-Carbon Hydrogen' process offering best-in-class carbon capture efficiency (99+%), high energy efficiency compared to Blue-H2 negligible water use, and minimal land footprint. Natural gas will be converted into H2 and CO2 through an oxy-combustion process with a carbon capture efficiency of over 99%. The resultant carbon dioxide will be sequestered in the Prinos CCS. The project is seeking support from the Important Projects of Common European Interest ("IPCEI"). The use of untreated biogas, ideally with biomass and waste integration is also being considered. This will allow us to become a pioneer in "Bio-H2 with CCS", enabling the whole of Energean to have a net negative output of CO2 emissions.

[27] 2019 is pre-Edison acquisition inclusion.

Risks and opportunities

Climate change related risk and opportunities have been identified, and future scenarios that aid in developing an integrated strategy approach have been analysed. Our strategy and business contribute to limiting global warming and has been structured, and is currently being implemented, in three different phases; short, medium and long-term, as per our Climate Change Policy published in 2021.

Physical risks		
Risk	Acute	Chronic
Description	Rising sea level coupled with extreme flooding may cause problems to the steady state of Energean's assets. This may also result in damage to infrastructure and increase associated costs.	Atmospheric or sea temperature rises may cause faster degradation of the company's infrastructure and necessitate operational changes to the running of the plants.
Financial impact	Increased severity of extreme weather events may lead to reduced revenue from decreased production capacity, transport difficulties and supply chain interruptions. Early retirement of existing assets may possibly arise, e.g. damage to property in "high-risk" asset locations.	Increased operating costs may arise from potential inadequate water supply for energy producing plants due to changes in precipitation patterns. In addition, increased insurance premiums may occur for insuring assets at high-risk locations.
Time-horizon	Long-term	Long-term
Energean's response (mitigation)	Energean is monitoring the weather conditions near its assets and has built protective barriers to combat potential flooding. Energean has also installed an underwater analyser on one of its platforms in Greece to monitor seawater conditions (wave speed and direction). No extreme weather events have occurred to date, but the threat remains.	Energean's environmental department is monitoring the conditions at all sites and reports this data at the asset and corporate level. This data is being incorporated into assessments of both existing and new projects.
Geographies impacted	Our onshore asset in Egypt is considered at highest risk	All assets in all countries
Metrics used to assess risk	Air temperature and sea-level measurements	Air temperature and sea-level measurements

Transition risks				
Risk	Policy/Legal	Technology	Market	Reputation
Description	a) EU Emissions Trading System (ETS) prices are set to increase, resulting in higher operational costs (in Greece) and possible additional taxes for exceeding GHG emissions. b) Energean's operations in Israel may be subject to future carbon taxation due to the capacity of the thermal units. Carbon taxing schemes are not yet enforced outside the EU.	The development of new technologies and alternative energy sources may result in reduced demand for the company's products. Increased energy demand may also accelerate the development of renewable energy production and storage.	Changing customer behaviour, as well as changes in demand or supply may lead to uncertainty in market signals.	Pollution incidents, both through liquid spills and GHG emissions, may lead to the loss of investor confidence and subsequent loss of revenue.
Financial impact	a) Increased pricing of GHG emissions may lead to increased operating costs (e.g. higher compliance costs and potential increased insurance premiums). Assets that emit extensively may be subject to early retirement due to policy changes. Regulatory changes in the EU ETS shall gradually lead the company to no longer receive free GHG allowances, leading to increased operational costs. The company currently receives allowances and has a portfolio of allowances that may be used in future years. The number of free allowances decreases y-o-y. b) Carbon emissions taxes may be applied in the future in Israel, which would increase the operational costs.	As part of our overall approach for managing the risks facing our business and for maximising the opportunities in our portfolio, Energean conducts comprehensive financial modelling that includes the risks and opportunities presented by a transition to a lower-carbon economy. We regularly update our analysis to ensure our business is adaptable to changing market conditions and global trends. Please refer to pages 31-32 in this report for more details.	The Market risk may lead to reduced demand for goods and services due to a shift in consumer preferences. This may also affect the cost of production and increase the price of energy, water and waste treatment. As the supply of products may change in the future, a re-pricing of assets may take place due to fossil fuel reserves, land valuations etc.	Poor reputation may adversely impact the company by decreasing the demand for its goods and services. It may also reduce the company's production capacity, due to delayed planning approvals and supply chain interruptions. A negative reputation may also block access to finance as investors move away from E&P companies and cause litigation damage from climate action.
Time horizon	Medium term	Long term	Long term	Short, medium and long term

Transition risks				
Risk	Policy/Legal	Technology	Market	Reputation
Energean's response (mitigation)	a) Energean is currently evaluating the development of a CCS site in the Prinos asset, which has been included in the Recovery & Resilience Fund (RRF) implementation proposal for Greece. Further to that, Energean's Eco-Hydrogen unit proposal (blue-hydrogen with carbon capture of more than 99%) has been submitted to the Important Projects of Common European Interest (IPCEI), which would operate alongside the Prinos CCS site. b) Energean has imposed a shadow price to be used as a sensitivity tool in order to assess the viability of the project in Israel. The annual free cash flow was not significantly affected and the project was proven not to lose value in the face of carbon taxation.	Energean fully incorporates climate change-related risks into its investment decision-making. The findings of the recently conducted scenario analysis exercise, as well as stringent stress tests for new investments, inform our corporate strategy and investment decision-making, ensuring that climate change-related risks are adequately considered in managing our portfolio.	Energean fully incorporates climate change-related risks into investment decision-making. The findings of the recently conducted scenario analysis exercise, as well as stringent stress-tests for new investments, inform our corporate strategy and investment decision-making, ensuring that climate change-related risks are adequately considered in managing our portfolio.	Energean is assessing the risks associated with pollution, including climate related risks, at the company and asset level and takes all necessary control and mitigation measures which are reviewed the Audit & Risk Committee on an annual basis and included in the business risk management.
Geographies impacted	Greece (assets participate in the EU ETS) and Israel (Energean's largest future source of production).	Greece and Italy are considered to be the most vulnerable assets regarding oil production.	Greece and Italy are considered to be the most vulnerable assets regarding oil production.	Highest risk related to oil production assets in Greece and Italy.
Metrics used to evaluate risks	Annual carbon taxes paid	Realised commodity price	Cost of production (see pages 37-38), cost of energy & water	Hydrocarbon spills & revenue (see pages 37, 71)

Opportunities					
Opportunities	Resource efficiency	Energy source	Products/services	Markets	Resilience
Description	a) The continuous development of technology provides new opportunities in the field of resource efficiency. Optimized operations are able now to consume less water and energy, increasing the value of fixed assets and the production capacity. b) Reinjection of sour gas in Prinos field instead of processing it and thus reducing energy consumption.	The energy transition creates the opportunity for Energean to reorient its portfolio towards gas, which is deemed to be a transition fuel, and correspondingly increase production capacity.	Development and/or expansion of low emission goods and services. Energean expects the development of appropriate carbon capture, and storage (CCS) technology in conjunction with blue-hydrogen to provide low carbon energy to the market. We also expect to provide the opportunity to third parties to sequester their emission in parallel.	Energean's gas focused strategy is aligned with the East Med's rising gas demand.	The company's resilience to commodity price fluctuations comes hand in hand with the new market opportunities. Transition to gas production is considered the key to Company's enhanced resilience to climate change.
Financial impact	a) Potentially resulting in increased revenues, while transition to more efficient buildings or application of more efficient available technology may lead to reduced operating costs through efficiency gains and cost reductions. b) Reduces cost of processing sour gas and enhancing production through sour gas reinjection to the field.	The re-oriented portfolio leads to reduced operational costs due to lower process needs of the final product, which is mainly natural gas. The reduced exposure to GHG emissions due to the change in the energy mix leads to less sensitivity to changes of carbon cost. Additionally, the energy shift favours the company as there is increased capital availability with more investors to be interested in lower emissions producers. Finally, reputational benefits may be resulting due to the increased demand of low carbon services.	The products and services that emerge from CCS and Blue-Hydrogen may increase the revenues through demand for products and services with lower or zero emissions. Providing products of this kind provides better competitive position to reflect shifting customer preferences, resulting in increased revenues.	Gas is considered to be the transition medium to a low-carbon future enhancing Company's position with increased revenues.	Energean's focus on gas, which is a lower carbon fuel than oil, combined with the long-term gas contracts with floor pricing in Israel and Egypt, protects the Company's revenue stream from commodity price fluctuations.
Time horizon	Short to medium	Short, medium and long term	Medium to long term	Short term	Short to medium term

Opportunities					
Opportunities	Resource efficiency	Energy source	Products/services	Markets	Resilience
Energean's response (strategy to realise opportunity)	a) Energean assigned the management of climate change projects to a group company in Egypt named Egypt Energy Services (EES), engaged with energy efficiency projects from cradle to grave and projects also related to low carbon energy generation and carbon sequestration. b) An engineering study of the re-injection process, modification of existing infrastructure, construction of new equipment and vessels and additional pipe-laying will need to be implemented.	By shifting its portfolio towards gas, Energean can reduce its carbon emissions intensity whilst also increasing production capacity. Gas will make up 80% of its portfolio and Energean is investing in new gas-orientated assets included in the Edison E&P portfolio.	Energean aims to capitalise on the opportunity presented by CCS by drawing on the company's existing expertise in managing reservoirs. Further to that Energean seeks the opportunity to develop Blue-Hydrogen projects in conjunction with the CCS.	Shifting production from oil to gas has already commenced by investing in gas fields that will further expand following Company's policy.	Shifting production from oil to gas has already commenced by investing in gas fields that will further expand following Company's policy.
Geographies impacted	Existing assets in Greece, Italy and Egypt are initially targeted.	All assets in all countries	Initially Greece and subsequently Italy by utilising depleted fields. Further to that Energean also considers its opportunities to develop such projects in Israel as the Company's future highest production asset.	Israel and Egypt are the Company's main gas producers.	Israel and Egypt are the Company's main gas producers.
Metrics used to evaluate opportunity	Total water usage and total energy consumption intensity (pages 70-71)	% of production which is gas and operational costs (pages 37-38, 69)	CCS and hydrogen related revenue streams	Ability to attract investment	Revenue (page 37)

For further information on how Energean manages and mitigates the above risks, please refer to the Risk Management section between pages 79-103.

The company took decisive steps to adjust our business strategy to not only mitigate climate change-related risks but also to capture opportunities. Over the past five years, Energean shifted its portfolio from 100% oil to more than 70% gas, recognising that gas plays an important role as a bridge fuel in the transition to a lower-carbon future. For example, in Israel, gas produced from our operations will be key in replacing high-carbon coal power plants and thus, will play a big role in lowering the country's absolute emissions.

Scope 3 emissions

For a consecutive year, Energean has calculated its scope 3 emissions, including the emissions from the use of our products. This data can be found on page 70 in the CSR section – 2021 data will be disclosed in this year's CDP Report. As a next step, Energean will consider tangible actions to reduce our scope 3 emissions. Among other things, Energean will consider suppliers' and contractor's environmental awareness and emissions management in future procurement processes. We are also considering giving our customers the opportunity to sequester their scope 1 emissions in our future CCS projects.

Recognitions of our climate change strategy

Energean continued its participation in the Climate Disclosure Project ("CDP") in 2021, in which we promoted disclosure transparency and further developed our climate change initiatives.

The climate change rating assesses the level of detail and comprehensiveness of the content, as well as the company's awareness of climate change issues, management methods and progress towards action taken on climate change.

The supplier engagement rating assesses performance on governance, targets, scope 3 emissions, and value chain engagement.

We were awarded an improved score of B on climate change (up from B- in 2020) based on our strategy and set targets. We were also awarded an improved score of A- on supplier engagement (up from B in 2020).

Supporting climate change initiatives

Energean supports the goals of the Paris Agreement, and for the second year we are reporting in alignment with the recommendations of the TCFD.

The table below sets out where you can find Energean's TCFD disclosures throughout the Company's 2021 Annual Report and Accounts.

Index to disclosures aligned to recommendations of the Task Force on Climate-related Financial Disclosures	
Governance: Disclose the organisation's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Pages 115-116, 127-128
b) Describe management's role in assessing and managing climate-related risks and opportunities	Pages 116-117
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Pages 23-27
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Pages 23-27
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 31-33
Risk Management: Disclose how the organisation identifies, assesses, and manages climate-related risks	

Index to disclosures aligned to recommendations of the Task Force on Climate-related Financial Disclosures	
a) Describe the organisation’s processes for identifying and assessing climate-related risks	Pages 79-82
b) Describe the organisation’s processes for managing climate-related risks	Pages 98-100
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management	Pages 79-82
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages 38-39
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Pages 69-71
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Pages 20-22

4 Organic Growth

At the core of this strategic pillar is our commitment to explore, develop and learn. We explore new ways to find, produce and develop hydrocarbons. We explore new technologies and low carbon solutions, such as carbon capture and storage and blue hydrogen. We at Energean believe that this mindset, combined with our strong subsurface and technical expertise, will enable us to deliver a growth strategy that is sustainable, successful and will lead to the achievement of our medium-term financial and operational targets. It was this approach that bore fruit in 2019 with the discovery of Karish North. By actively pursuing new exploration opportunities in core areas and maximising output from producing fields, we aim to ensure at least 100% reserves replacement on an annual basis.

Our exploration portfolio is spread across the Mediterranean and represents a balanced mix of new frontier areas and lower risk mature basins. Our Israel drilling campaign commenced in March 2022. Targets include Athena on Block 12, which lies between the Karish and Tanin leases, where a discovery would significantly de-risk the surrounding acreage. In 2021, we sanctioned Karish North (Israel), NEA/NI (Egypt) and Epsilon (Greece), which will see the commercialisation of approximately 294 MMboe of 2P reserves, 82% of which is gas.

5 Value and returns-driven

Disciplined capital allocation that prioritises total shareholder returns is a top priority for Energean. In 2021, we optimised our capital structure via the raise of over $3 billion of debt, which has extended the average life of debt to approximately 6 years while ensuring we move towards a net debt/EBITDAX target of less than one and a half times.

At the heart of this priority is our goal to make reliable, recurring and sector-leading returns to shareholders, targeting a first dividend to be paid no later than during Q4 2022, following first gas from Karish (Q3 2022). Underpinning this capital allocation policy is a commitment to organic growth projects that meet strict investment criteria and generate returns in excess of 20% in the case of greenfield projects. An example of this approach is the sanctioning of the Karish North project, which is expected to generate IRRs above 40%.

M&A will also play a role in growing the business; however, we will only do deals that are a strong strategic fit and value accretive. This is showcased by the $1.85/boe acquisition price that we achieved for Kerogen’s 30% holding in EISL.

Business model foundations

Partnerships & Collaboration

Talented People

Governance & Oversight

Technology & Innovation

These are the building blocks that every E&P business need and are critical foundations for what we do and how we do it.

Safe, Reliable and Responsible Operations

We value the safety of our workforce above all else and focus on maintaining a safe operating culture every day. This culture of safety also improves the integrity and reliability of our assets.

Partnerships and Collaboration

We aim to build long-term relationships with our key stakeholders, and partner with leaders of industry to find innovations that can improve efficiency and deliver low carbon solutions.

Talented People

We work to attract, motivate and retain talented people and provide our employees with the right skills for the future. Our performance and ability to grow depend on it.

Governance and Oversight

Our board has a diversity of knowledge, expertise, and ways of thinking that help us grow our business, manage risks and continue to deliver long-term value.

Technology and Innovation

New technologies help us produce energy safely and more efficiently. We selectively invest in areas with the potential to add greatest value to our business, now and in the future, including lower carbon solutions.

TCFD Scenario Analysis

Portfolio resilience

Since 2021, in line with the TCFD's recommendations, we have tested the resilience of our portfolio against the scenarios from the International Energy Agency's ("IEA") World Energy Outlook ("WEO") report to address the risks and opportunities presented by a potential transition to a lower-carbon economy. Resilience is defined as the ability to generate value in a low-price environment.

We have chosen to use the IEA scenarios as it enables standardisation in approach and comparison between companies. The IEA's scenarios change slightly each year — in the 2021 WEO report, the four scenarios are:

IEA's 2021 WEO climate scenarios

	Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Sustainable Development Scenario (SDS)	Net-zero Emissions by 2050 Scenario (NZE)
Overview	Provides a conservative view, assuming not all climate commitments will be met	Assumes that all climate commitments made by governments will be met in full and on time	An integrated scenario specifying a pathway to reach three of the UN's Sustainable Development Goals	Sets out a narrow but achievable pathway for the global energy sector to achieve net-zero CO_2 emissions by 2050
2050 temperature rise	2.0°C	1.8°C	1.7°C	1.5°C
2030 oil price	$77/bbl	$67/bbl	$56/bbl	$36/bbl
2030 EU gas price	$7.7/MBtu	$6.5/MBtu	$4.2/MBtu	$3.6/MBtu
2050 carbon price	$90/tonne	$200/tonne	$160/tonne	$250/tonne

Methodology

We have applied the IEA's price forecasts for each scenario to our portfolio and have compared the impact on the net present value ("NPV") for each country versus our base case assumptions. We have not included our exploration assets in this analysis.

The IEA provides 2030 and 2050 oil and gas prices for each scenario. It also provides 2030, 2040 and 2050 carbon prices for each scenario. We have assumed a straight-line increase between the price points and then assumed flat prices from 2050 onwards. Because the IEA provides general oil and European gas prices, we have taken the differential between their base case and their forecast and applied this to our 2020 base case for Brent and the various regional gas prices to generate comparable commodity price forecasts.

The impacts to net present value described below are based on the development of our 2P reserves position 'as is', and do not include any unsanctioned steps that we are taking to mitigate the impacts of climate change.

Results

Net Present Value of portfolio[28]

	STEPS	APS	SDS	NZE
Israel	>0%	>0%	>0%	0 to -5%
Egypt	>0%	>0%	>0%	-6 to -15%
Italy	>0%	>0%	>0%	-16 to -25%
Greece	>0%	>0%	>0%	-16 to -25%
UK	>0%	>0%	>0%	0 to -5%
Croatia	>0%	>0%	0 to -5%	0 to -5%

Impact on NPV
>0%
0 to -5%
-6 to -15%
-16 to -25%

Our portfolio continues to create value under all scenarios and our gas-focused business positions us strongly to adapt to changing demand in a carbon-constrained world.

Under the NZE, the NPV is reduced by 5% overall compared to the base case, but remains positive. This is because the portfolio is 81% gas weighted (2P reserves, end-2021), and thus is largely protected against falls in oil prices.

In Israel, gas revenues are protected against fluctuations in international commodity prices as there are fixed gas contracts with floor pricing. Only under the NZE is there a minor impact on the NPV (-2%) due to the price realised for the liquids stream. Likewise in Egypt, gas revenues are protected with floor pricing — the change to NPV seen under the NZE is due to lower liquid prices received compared to our base case forecast.

Our assets in Italy and Greece are more exposed to the effects of lower commodity prices under the scenarios considered. We are already taking steps to mitigate this impact, and are looking at longer-term, climate friendly solutions, including carbon capture solutions. Energean is a nimble operator with the ability to deliver solutions that deliver maximum value for our shareholders, and we view scenario analysis as a key tool in continuing to deliver upon this as we move into a lower-carbon world.

Finally, the scenario analysis utilises the IEA's carbon prices. This has a positive impact on the NPV because the IEA's carbon price forecast is lower than Energean's internal prices used in the base case run for regions in which carbon taxes exist.

Inclusion of climate-related risks into decision making

Energean incorporates climate change-related risks into its investment decision-making. The findings of the scenario analysis exercise, as well as stringent stress-tests for new investments, inform our corporate strategy and investment decision-making, ensuring that climate change-related risks are adequately considered in managing our portfolio. This includes planning capital allocations and making business decisions based on criteria that are as challenging as those posed by the carbon constrained scenarios examined.

The Board is charged with reviewing investments for climate-related risks. The CEO and the Board regularly discuss climate change-related issues such as investment decisions where climate change considerations are a major driver and the carbon credit price's impacts on Energean's financial future.

[28] Relative to Energean's budget planning Brent oil price of $60/bbl.

Our current portfolio remains resilient under the climate scenarios tested, and we expect to continue helping meet global energy demand over the coming decades. We will continue to make capital allocation decisions for our portfolio using rigorous planning assumptions flowing from the scenario analysis exercise, such as the evaluation of FID of Irena in Croatia.

Internal carbon price forecast

Furthermore, Energean uses an internal price on carbon to stress-test new projects, acquisitions and investments. This stress test allows us to measure the impact of an investment decision on the company's carbon footprint, and to determine whether any future investments brings us closer to our net-zero 2050 target, Energean will not consider investing. Furthermore, the internal price on carbon ensures that we include the possibility of additional carbon taxation schemes being introduced (within our European markets and beyond), which would result in a reduction of our income and valuation on individual assets. This impact can be seen when we run our asset impairment tests and in the annual Competent Person's Report ("CPR") (an independent appraisal of our oil and gas assets).

In 2022, our internal carbon prices are:

Year	2022 ($/tCO2)
2022	57
2025	86
2035	176
2050	270

The above carbon price is based upon a forecast from the UK's Business, Energy & Industrial Strategy department, which in turn is linked to the IPCC's forecast.

The internal carbon price helps mitigate future potential climate change impacts by helping us safeguard the value of future investments under different scenarios where the cost of emitting GHG increases as a result of more stringent regulated trading schemes. In our sensitivity analysis, we have seen that climate change constitutes a significant risk (albeit with a low probability) in this respect. Engineering solutions have been incorporated in the design of future projects and in operational performance improvements to emissions, such as replacing wet seals with dry seals in compressors in Egypt, in addition to considerations around carbon capture and offsetting projects in the medium term.

We have already pivoted our portfolio predominantly toward gas as part of an overall strategic decision to more strongly position the company to meet global energy needs in a carbon-constrained world.

Market Overview

Brent oil price

In 2021, oil prices experienced significant and steady recovery, buoyed by the continuous curtailment of the COVID-19 pandemic and stabilisation of international commodities trade. Brent averaged $70.73/bbl in 2021 – a 70% increase from 2020 levels and 12% above 2017-2019 average. Brent climbed significantly from a low of $54.84/bbl in January 2021 to a high of $83.70/bbl in October 2021.

Our oil assets in Italy are Brent-linked as is the condensate from our gas assets in Egypt. Once Karish starts to produce we expect to produce over 30,000 bbl/d of liquids in the medium term.

Focus on gas

Over 70% of our production is from gas fields. Gas prices from production in Italy, the UK and Croatia are linked to the European gas market. Our contracts in Israel have fixed long-term prices. In Egypt, gas prices are linked to Brent but include floor pricing.

European gas prices

European gas prices surged in 2021, with the Italian PSV reaching highs of €113.42/MWh in December 2021 – more than a 500% increase from December 2020 at €16.6/MWh, at the time we acquired the Edison portfolio.

The increase in 2021 prices was driven by a combined impact of multiple factors, including (i) economic recovery and increased demand for natural gas and power, (ii) low pre-winter storage capacity levels, (iii) shutdowns of nuclear and coal power plants providing alternative sources of power, (iv) reduced domestic European production, and (v) limited stockpiles of gas driven by limited gas flows from Russia and competition for LNG cargoes with Asian importers[29]. NBP prices in particular were impacted by weather patterns, with the wind speeds in the North Sea among the slowest in 20 years.

Israel

Gas

2021 was Israel's 17th year of local natural gas production and the second in which both Leviathan (first gas in December 2019) and Tamar (2013) were onstream. In 2021, approximately 11.1 Bcm was produced by Leviathan and 8.3 Bcm by Tamar[30]. Of this, Leviathan exported 5.87 Bcm (3.27 Bcm to Egypt and 2.6 Bcm to Jordan).[31] Tamar exported 0.9 Bcm.

Since 2018, the Ministry of Energy has focused its efforts on transitioning to greener sources of energy through the increased use of gas and renewables, while phasing out coal. The Israeli government aims to convert all coal powered stations in the country to gas by 2025 and is targeting a fuel mix of 70% gas and 30% renewable energy by 2030.

In 2021, demand for gas in Israel was approximately 11.9 Bcm[32]. Despite near-term pressure on demand, Israel's long-term gas demand outlook remains robust, with demand forecast to grow to 15.7 Bcm by 2025 and approximately 20.1 Bcm by 203532. Natural gas demand increase is driven by the enduring growth in electricity demand, as well as by a transition of fuel mix, from coal and oil to natural gas and renewables.

Liquids

Karish, Karish North and Tanin contains total 2P liquids reserves of 101 MMboe. The *Energean Power* FPSO has onboard storage facilities that can store up to 800,000 barrels of liquid, which can be exported via tankers.

In March 2022, Energean signed an exclusivity agreement and term sheet for the marketing of its Karish liquids with a major trading desk.

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29 Source: Bloomberg.
30 Delek Drilling's Q3 2021 Financial Report.
31 Delek Drilling's February 2022 Investors Presentation, slides 7-8.
32 Israel Ministry of Energy – Interim Report for the Examination of Government Policy on the Natural Gas Economy in Israel, July 2021.

Egypt

Egypt's gas market has seen substantial change over the past two decades, owing to several large domestic discoveries, headlined by Eni's super-giant Zohr field in 2015. Zohr reached first gas in 2017, enabling the country to move from being a net importer to net exporter of gas. Egypt also started importing gas from Israel in January 2020, realising its ambitions to become a regional gas hub.

However, a lack of a major discovery since Zohr, combined with rising gas demand (65.4 Bcm in 2021 rising to 76.6 Bcm in 2028)[33] will result in Egypt becoming a net importer of gas early this decade.

For this reason, in 2021, Energean signed a MOU with EGAS for the sale and purchase of up to 2 Bcm/yr of natural gas on average for a period of 10 years, commencing with initial volumes of up to 1 Bcm/yr. This also represents a commercialisation option for gas resources discovered in the 2022/23 Israel drilling campaign. There are existing export pipelines from Israel to Egypt that Energean can utilise.

LNG export opportunities into Europe

Egypt possesses two liquified natural gas ("LNG") plants, the Eni-operated 5.0 million tonnes per annum Damietta plant and the Shell-operated 7.2 million tonnes per annum Idku (also known as ELNG) plant. The plants are underutilised, only operating at approximately half of combined capacity in 2021[34].

European gas demand recovered in 2021 towards pre-COVID levels, but supply has only partially rebounded year-on-year and has not yet recovered to 2019 levels[35]. As a result, Europe is an obvious receiver of LNG exports from Egypt. As of end-2020, Europe had just under 40 LNG regasification terminals, with a total storage and send-out capacity of 11,158,900 liquid cubic metres and 183.8 Mtpa respectively[36].

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33 Source: Fitch Solutions Egypt Oil & Gas Report, Q4 2021.
34 The Organization of Arab Petroleum Exporting Countries (OAPEC), January 2022.
35 The Oxford Institute for Energy Studies - Supply-side factors in the European gas price rally in 2021 and outlook for the rest of winter, December 2021.
36 GIIGNL Annual Report 2020.

Our Key Performance Indicators

We measure performance over a range of key operational, commercial, financial and non-financial metrics to ensure the sustainable management of our long-term success. This keeps us focused on our strategic objectives, whilst allowing us to remain agile and responsive to external events.

Energean completed the acquisition of Edison E&P on 17 December 2020[37], and in doing so, reinforced its commitment to the Mediterranean region. The economic reference date of the transaction was 1 January 2019 and all results subsequent to this date accrue to Energean. However, for accounting purposes, the figures for Edison E&P are only consolidated into the financial statements subsequent to the completion date; all results between the economic reference date and the completion date are reflected through a series of completion adjustments and are incorporated in the net consideration. Throughout the Key Performance Indicators section, both 2020 operational and financial results are presented on an actual and pro forma (Energean plus Edison E&P) basis.

Operational

We continued our strong track record of growing reserves and resources with a 25% y-o-y increase vs 2020[38], while production performance was 41.0 Kboe/d (72% gas), at the mid-point of the revised full year guidance of 40.0 - 42.0 Kboe/d and above the initial guidance range given in January 2021 of 35.0 - 40.0 Kboe/d.

1 Working Interest Production

Working Interest Production	2021	*Pro forma* 2020	2020	2019
Kboe/d	41.0	48.3	3.6	3.3

Objective: Energean is focused on maximising production from its existing asset base and, in the medium-term, delivering net production of at least 200 Kboe/d from its gas-weighted portfolio.

2021 progress:

- Average working interest production of approximately 41.0 Kboe/d
  - 2021 production was lower than 2020 pro forma, mainly because of natural decline at Abu Qir in Egypt
- Karish project approximately 92.5% complete at 31 December 2021
- Karish North, second oil train and gas riser, and NEA/NI sanctioned. All three projects on track for their respective start-ups, (H2 2023, H2 2023 and H2 2022)

2 2P Reserves and 2C Resources

2P Reserves	2021	*Pro forma* 2020[39]	2020[38]	2019
MMboe	965	982	762	342

2C Reserves	2021	*Pro forma* 2020[39]	2020	2019
MMboe	188	158	158	216

Objective: Energean aims to replace the reserves it has produced and grow its reserve and resource base through a combination of successful exploration and appraisal and selective value accretive acquisitions.

[37] The gross consideration for the transaction, as at the locked box date of 1 January 2019, was $284 million and the final net consideration (net of cash acquired), as of 17 December 2020, was $203 million.
[38] Before pro-forma adjustment for Kerogen acquisition.
[39] Reserves are pro forma Energean + Edison plus the acquisition of Kerogen's 30% holding in Energean Israel Limited ("EISL"). The transaction closed on 25 February 2021.

2021 progress:

- 25% year-on-year increase in 2P + 2C reserves and resources to approximately 1,154 MMboe, 72% gas. Increase is versus 2020 i.e. before pro-forma adjustment for Kerogen acquisition.
- 2020 pro-forma includes the acquisition of Kerogen's 30% holding in Energean Israel Ltd. The transaction closed on 25th February 2021
- In early 2021, increased equity interest in the producing Rospo Mare and Vega fields, offshore Italy, to 100% at zero consideration, adding approximately 12 MMboe of 2P oil reserves.

Financial

Energean is focused on increasing production from its large-scale, gas-focused portfolio to deliver material free cash and maximise total shareholder return.

1 Revenues

Sales Revenues	2021	*Pro forma* 2020	2020	2019
$ Million	497.0	335.9	28.0	75.7

Objective: Energean's medium-term target is to generate revenues in excess of $2 billion per annum. With approximately 965 billion boe of 2P reserves to be monetised and a revenue growth profile underpinned by gas sold under fixed price contracts, we at Energean believe this target is both achievable and sustainable.

2021 progress:

- 2021 revenues of $497.0 million
  - 2021 revenue was higher than 2020 pro forma primarily because of higher commodity prices
- A total of 18 GSPAs signed in Israel, taking total gas sales to 7.2 Bcm/yr on plateau, further enhancing near-term revenues
- All GSPAs contain provisions for take-or-pay and / or exclusivity, as well as floor pricing, ensuring that revenues are secured, predictable and largely insulated from downside commodity price risk.
- MOU signed with EGAS for the sale and purchase of up to 3 Bcm/yr of natural gas on average for a period of 10 years
- Hedged a total of 28% of expected 2022 Italian gas production, taking advantage of the strong market pricing

2 Cost of Production[40]

Cost of Production	2021	*Pro forma* 2020	2020	2019
$/boe	17.5	11.3	21.4	21.5

Objective: Following completion of the Edison E&P acquisition Energean has started to implement programmes to further the reduction of operating costs with the aim of creating a sustainable low-cost business. The Group's medium-term cost of production (operating costs plus all royalties) target is $9-11/boe.

2021 progress:

- The increase in 2021 cash unit production cost versus pro forma was primarily driven by decreased production and additional planned maintenance during extended summer shut-downs deferred from 2020 as a result of COVID-19. Additionally, production costs were also impacted by the strengthening of Euro against the US Dollar during the period.
- Integrated Edison E&P, evaluating and initiating a full, bottom-up internal review, including
  - Operating cost reductions
  - Third party tariff optimisation
  - Mothballing

[40] The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include Cost of Production. More information can be found in the Financial Review section, under the heading 'Non-IFRS measures'.

- Production efficiencies – e.g. higher than expected production in 2021 led to some efficiency savings
- Improve sales contracts – e.g. in 2021, a new GSA was signed with A2A for Energean's entitlement production in Italy (effective from April 2022). Additional contracts are under evaluation.

3 *Adjusted EBITDAX*[41]

Adjusted EBITDAX	2021	*Pro forma* 2020	2020	2019
$ Million	212.1	107.7	(8.3)	35.6

Objective: Energean aims to maximise EBITDAX to maintain the profitability of the business. The Group expects to grow EBITDAX to $1.4 billion per annum in the medium-term through the successful delivery of key growth projects.

2021 progress:

- 2021 adjusted EBITDAX of $212.1 million
    - 2021 adjusted EBITDAX was higher than 2020 because of higher revenue partially offset by higher operating costs from the enlarged group.
- FID taken on the >40% IRR Karish North project (Israel) in early 2021
- FID taken on the >30% IRR NEA/NI project (Egypt) in early 2021 (Egypt).
- € 100 million funding package secured for the Epsilon redevelopment project (Greece)
- Rig contract signed for three firm and two optional wells, offshore Israel

4 *Cash Flow from Operating Activities*

Cash Flow from Operating Activities	2021	*Pro forma* 2020	2020	2019
$ Million	133.2	137.0	1.5	36.3

- The decrease on a pro forma basis was primarily driven by payments made for buyers compensation in Israel amounting to $23.0 million and cash held on account in relation to the commodity hedges in Italy of $29.4 million.

5 *(Loss)/Profit After Tax*

Profit After Tax	2021	*Pro forma* 2020	2020	2019
$ Million	(96.2)	(416.4)	(92.9)	(83.8)

- The increase on a pro forma basis was primarily driven by higher revenues in 2021

Net-zero carbon emissions

Energean's aim is to lead the energy transition in the eastern Mediterranean through a strategic focus on gas and achieve its net-zero ambition by 2050.

1 *Carbon Intensity Reduction Programme*

Carbon Intensity on equity share[42]	2021	*Pro forma* 2020	2020	2019
KgCO2e/boe (Scope 1 and 2)	18.3	19.8	37.9	66.8

[41] The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include adjusted EBITDAX. More information can be found in the Financial Review section, under the heading 'Non-IFRS measures'.

[42] Energean has updated its emissions intensity reporting and now reports on an equity share basis versus the operated working interest approach used in the 2020 Annual Report.

Objective: In 2019, we were the first E&P company in the world to commit to net-zero emissions by 2050. As part of this commitment, we pledged to reduce by the carbon intensity of our business, by 85% by 2023, versus our 2019 base year[43].

Energean used internationally recognised standards and guidance to calculate its GHG emissions. We followed the recommendations of the Greenhouse Gas Protocol, as well as guidance from IPIECA, the UK's Department for Environment, Food and Rural Affairs (DEFRA), the International Energy Agency (IEA), the UN Intergovernmental Panel on Climate Change (IPCC) and the EU Emission Trading System. Our scope 1 emissions under the EU ETS have been verified by TUV Austria Hellas.

2021 progress:
- We delivered a 8% year-on-year reduction in the carbon intensity of our operations to 18.3 kgCO2e/boe on equity share basis
- Successfully rolled out the use of 'Green Electricity' at our operated sites and offices in Italy. This adds to the 'green electricity' agreements introduced in Greece and Israel in 2020. As a result, on an operational accounting basis (see pages 69-70 for details), 100% of Energean's Scope 2 emissions are now covered by green electricity, which has resulted in a 2021 scope 2 carbon emissions intensity of 0 KgCO2e/boe (versus 1.9 KgCO2e/boe *pro forma* 2020)
- Reduced energy use intensity at our operating sites by 26% by optimising efficiency

HSE

Energean is fully committed to behaving responsibly and conducting its business with integrity in everything it does.

1 Lost Time Injury Frequency Rate

LTI Frequency Rate	2021	*Pro forma* 2020	2020	2019
No. per million hours worked[44]	**0.33**	0.63	0.65	0.28

Objective: Energean is committed to managing its operations in a safe and reliable manner to prevent major accidents and to provide a high level of protection to its employees and contractors. Our target is to keep the LTIF Rate below 0.60.

2021 progress:
- Safe and reliable operations, zero serious injuries
- Zero environmental damage and zero oil spills
- Zero health damage and occupational illnesses.

Total shareholder return

In 2021, one of the priorities for the Board was to decide how best to provide returns to shareholders whilst ensuring that the right level of reinvestment is maintained in the business.

One of the key and now completed milestones was the optimisation of the Group's capital structure, in order to set the foundation for future returns to shareholders. Through the raising of over $3 billion from the debt capital markets, Energean extended its weighted average maturity to approximately six years, pushed out commencement of major debt repayment obligations to 2024 and converted floating rates to fixed rates. Energean ended the year with over $1 billion of liquidity, ensuring the Group is fully funded to deliver our projects.

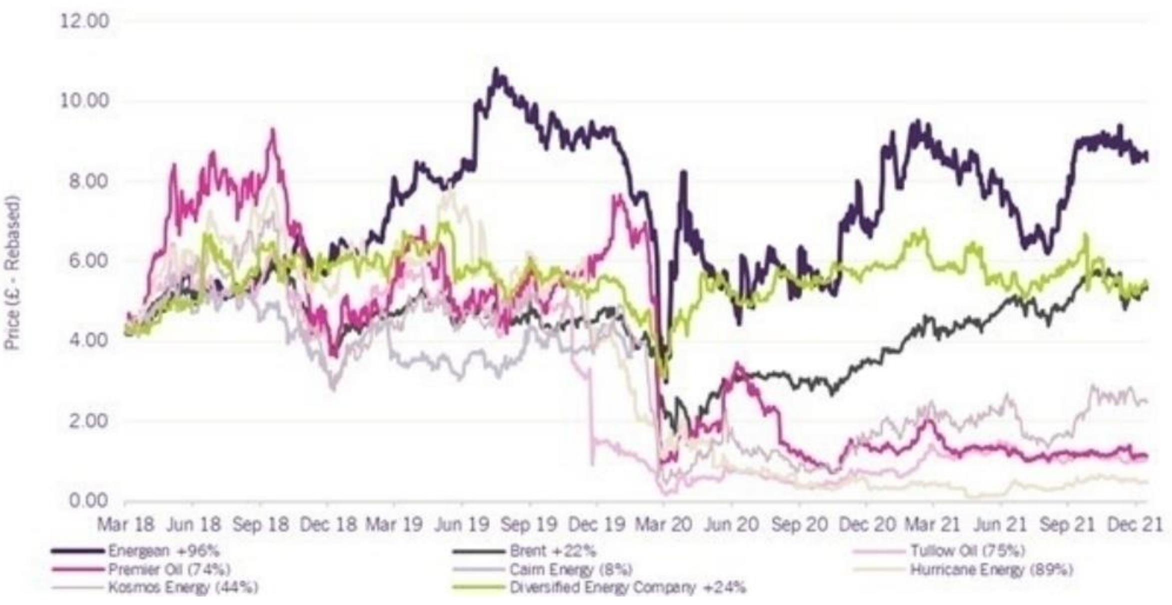
The dividend policy, approved by the Board as part of the full year results sets out the following key parameters:

- Energean is targeting launch of its inaugural dividend, to be paid no later than during Q4 2022, following first gas from Karish (Q3 2022).

[43] Scope 1 and 2 emissions.
[44] Refers to employees and contractors.

- It is the Company's goal that shareholders will receive a sector - leading return on their investment through dividends and continued organic growth while maintaining a disciplined capital allocation policy.
- Energean targets paying dividends of at least $1 billion by the end of 2025. This is underpinned by predictable cashflows, largely insulated from commodity price fluctuation, thanks to long-term gas contracts with floor-price protection and high take-or-pay provisions.
- The Company expects to begin with a dividend of at least $50 million, which will be paid per quarter. The amount will ramp-up in line with Energean's medium-term production and revenue targets to at least $100 million per quarter, as the Company's fully sanctioned and funded developments come onstream during the next 24 months.
- The Board and Management will regularly review its capital allocation to ensure that sufficient liquidity remains within the Group, to continue Energean's organic growth strategy and consider the potential for opportunistic M&A and/or supplementary capital returns to shareholders.
- Post first gas from Karish, the Company expects a rapid deleveraging on a Group consolidated basis to levels below 1.5x and sees this being met no later than 2024.

Figure 6. Share price performance versus peers since IPO[45]



[45] Premier Oil now renamed as Harbour Energy following the Chrysaor merger.

Review of Operations

Production

Group working interest production averaged 41.0 Kboe/d in 2021 (2020: 48.3 kbopd), at the mid-point of the revised full year guidance of 40.0 – 42.0 Kboe/d and above the initial guidance range given in January 2021 of 35.0 – 40.0 Kboe/d. 2021 production was lower than 2020 pro forma, mainly because of natural decline at Abu Qir in Egypt.

Working interest hydrocarbon production (Kboe/d)

	2021	2020 *pro forma*	2020
Egypt	29.1	35.4	1.4
Italy	9.9	9.1	0.3
Greece & Croatia	1.3	2.0	1.8
UK North Sea	0.7	1.8	0.1
Total	41.0	48.3	3.6

Israel

Karish Project

	% Completion at 31 December 2021[46]	% Completion at 31 December 2020[46]
Production Wells	100.0	100.0
FPSO	98.4	93.0
Subsea	83.6	76.0
Onshore	99.9	99.9
Total	92.5	87.0

The Karish Project was approximately 92.5% complete at 31 December 2021, as under the Group's contract with TechnipFMC. At the time of writing, the FPSO has entered dry-dock, the national grid has been connected in Israel and Energean is gearing up operationally for first gas in Q3 2022. This timetable expects approximately four – five months from sail-away to first gas, including the tow from Singapore to Israel, hook-up and commissioning. Most of the commissioning and testing of mechanical and electrical systems is being done in the yard before sail-away with the final commissioning work to be performed offshore upon arrival in Israeli waters.

Energean Power FPSO Progress and Key Milestones

The Energean Power FPSO was approximately 98.4% complete, at year end 2021. In early 2021, all the remaining minor lifting work (flare stack, helicopter-deck and portside crane boom) was completed. The rest of H1 2021 was spent completing the connection between the topsides and the hull and completing the marine systems in the hull. In H2 2021, the focus was on commissioning activities ahead of sail-away. In December 2021, the penultimate major technical milestone associated with the construction of the Energean Power FPSO was successfully completed. This involved testing the telescopic design of the emergency flare stack which will allow the vessel to pass under the Suez Canal Bridge, hence avoiding the need to either sail around Africa or to install the system in the Mediterranean Sea. This has further reduced the environmental footprint of the construction phase whilst shortening the schedule.

[46] As measured by project milestones under the TechnipFMC EPCIC.

The remaining Q1 2022 milestones include the drydocking of the FPSO at the yard to clean the marine life off the hull of the ship. This is a regulatory requirement from the Israeli authorities in order to enter Israeli waters to avoid species contamination. The FPSO entered dry dock in Mid- March 2022.

Subsea and Onshore Progress
Subsea works were approximately 83.6% complete at year end 2021, with the risers, spools metrology and 90-kilometre gas sales pipeline finished. The export pipeline was also successfully hydrotested during this period, to ensure no leaks throughout the length of the pipe.

The outstanding work is to hook-up the risers to the FPSO, upon its arrival in Israel this year.

Onshore work was substantially complete at year end (99.9% under the Technip FMC EPCIC), with construction and civil works completed. The remaining outstanding work is to finish the site restoration work (e.g. replanting cleared trees).

The onshore pipeline was connected to the national grid in March 2022. Gas from the Karish field will flow to the Energean Power FPSO, located 90 km offshore, where production output will be processed and separated. The treated gas will then be delivered from an underwater pipeline to the land-based system at the Dor Station before entering the national pipeline on its way to distribution companies and end consumers.

Karish North

In January 2021, Energean reached FID at the 1.1 Tcf (32 Bcm) Karish North field, 21-months after the announcement of the discovery. The field will be commercialised via a low-cost tie-back to the Energean Power FPSO, which will be situated approximately 5 kilometres away. First gas is expected in H2 2023. The production capacity from the first well is expected to be up to 300 MMscf/d (approximately 3 Bcm/yr). A second well is expected to be drilled in 2026 and, combined with later life workovers to both wells, is expected to be sufficient to fully develop the 744 MMboe of 2P reserves.

Second Oil Train and Gas Sales Riser

In May 2021, Energean took FID on two high-return growth projects. The first, a second oil train on the FPSO that will increase the liquids capacity from 18 Kboe/d to 32 Kboe/d, at minimal incremental operating costs. The second, a second gas sales riser, will enable gas production at the full 8 Bcm/yr capacity of the FPSO.

In December 2021, Energean signed an EPC contract with KANFA AS for the second oil train.

Both projects made good progress in 2021 and are expected onstream in H2 2023.

GSPAs

Existing GSPAs
Energean has signed 18 gas sales agreements (“Agreements”) for the supply of 7.2 Bcm/yr of gas on plateau, representing almost 100% of total gas reserves volumes over the life of those Agreements. All Agreements include provisions for floor pricing and take-or-pay and / or exclusivity, providing a high level of certainty over revenues from the Karish, Karish North and Tanin projects over the next 16 years.

In 2021, for one agreement representing 0.2 Bcm/yr and commencing 2024, the buyer was unable to meet its conditions subsequent under the Agreement and the parties have mutually agreed to terminate the Agreement. This termination is not related to the project schedule.

In addition, in November 2021, further to its initiation of arbitration proceedings, Dalia sent notices to Energean purporting to terminate its gas sales agreement (which represents 0.8 Bcm/yr of contracted gas sales), whilst also attempting to reserve its rights by claiming that should the notices be determined to be invalid or wrongly issued, the gas sales agreement would not have been terminated.

Energean believes that the notices served by Dalia are invalid and constitute a material breach of contract, giving it the right to terminate the contract. Energean has exercised this right and, as part of the same arbitration proceedings, is seeking to recover damages suffered by it as a result of such termination. The amount of the damages will depend on the price that Energean is able to achieve for the gas that would have been sold to Dalia. This is currently estimated to be between $105-$407 million.

Alternative commercialisation opportunities

Energean has identified a number of incremental buyers for its gas reserves and prospective resources. In Israel, the third gas fired power plant auctioned as part of the IEC privatisation process (Hagit) was awarded. At the time of writing, the winning consortium is seeking gas supply.

In December 2021, Energean signed an MOU with EGAS for the sale and purchase of up to 3 Bcm/yr of natural gas on average for a period of 10 years, commencing with initial volumes of up to 1 Bcm/yr. This represents a commercialisation option for gas resources discovered in the 2022/23 drilling campaign. Energean and EGAS have identified existing transportation routes for the delivery of these volumes. Moreover, it does not impact any of the existing GSPAs signed in Israel.

Energean is confident of selling all volumes profitably and commercial discussions are underway with a number of domestic and international buyers.

Exploration

Energean's preparatory work ahead of the offshore Israel drilling campaign progressed in line with expectations during 2021. In June 2021, Energean signed a rig contract with Stena Drilling for the Stena IceMax drillship. The contract is for the drilling of three firm wells and two optional wells.

Drilling commenced in March 2022 and has the potential to double the Israel gas resource base. Targets, in order of drilling sequence, include:

- Athena (Block 12) – Exploration – Firm
  - Situated between the Karish and Tanin leases, Athena is estimated to contain 21 Bcm (totalling 140 MMboe) and has a 77% possibility of success.
  - Success at Athena would significantly de-risk the remaining 48 Bcm (1.7 Tcf) of prospective resources in the block. Any discovery in that block would be prioritised over the development of Tanin due to i) lower capital expenditure investment (as compared to Tanin); ii) the absence of any seller royalties on production from the lease and; (iii) no export restrictions, which enables it to realise competitive export prices
- Karish Main 4 – Appraisal – Firm
- Karish North – Development – Firm
- Hermes (Block 31) – Exploration – Optional
- Hercules (Block 23) – Exploration – Optional

The topholes for the three firm wells will be batch drilled. The first Karish North development well is being drilled as part of this programme to achieve cost synergies.

Well	Type	Audited Prospect Size MMboe[47]	Audited Possibility of Success (PoS)[47]
Athena-01	Exploration	140	77%
Karish Main-04 (inc. Pilot Hole)	Appraisal (inc. Exploration)	176	72%[48] (PH only)
KN-04 ST-04	Development	Developing 2P reserves (86% gas)	100%
Hermes-01[49]	Exploration (Optional)	197	56%
Hercules-01[50]	Exploration (Optional)	165	37%

[47] Based on the YE21 Israel D&M CPR.
[48] Primary Exploration Target.
[49] Audited figure for Hermes not including Gas upside in Tamar D Sand (27 Bcm GIIP).
[50] Audited figure for Hercules not including Liquids upside in Mesozoic carbonates (270 MMbbl OOIP) and Gas upside in Tortonian sands (11 Bcm GIIP).

Acquisition of Kerogen Capital's 30% Holding in EISL

In February 2021, Energean closed the acquisition of Kerogen Capital's 30% holding in Energean Israel Limited (EISL) for a total consideration of $380-405 million. The acquisition is a natural strategic fit that gives the Group 100% ownership of EISL's share capital and structure and adds 2P reserves of 219 MMboe (approximately 80% gas) enlarging the Group's reserves to around 1 billion boe.

Egypt

Production

The Abu Qir gas-condensate field offshore Egypt is the largest producing asset in the Group's portfolio. The field delivered 29.1 Kboe/d of working interest production in the 12 months to 31 December 2021, approximately 87% of which was gas, around the mid-point of guidance (28.5 – 30.0 Kboe/d). Q4 production was impacted by scheduled work-over activities, which ultimately enhanced the year end exit rate. Production decline will be reversed from 2023 with the ramp-up of production from NEA/NI from H2 2022 and the positive impact of the Abu Qir infill programme.

Development

NEA/NI subsea tieback

In January 2021, Energean sanctioned the NEA/NI project, which is in shallow-water offshore Egypt and neighbouring the Abu Qir concession. An EPCI contract for the four subsea wells and the associated tie-back to the Abu Qir NAQ PIII platform and associated infrastructure was awarded to TechnipFMC in February 2021. The integrated NEA/NI project is expected to deliver first gas from one well in H2 2022 and from the remaining three wells in H1 2023. The project contains an estimated 53 MMboe of 2P reserves and 2C resources according to D&M. Peak working interest production is anticipated to be 60 MMscf/d plus 1.7 kbopd of condensate and LPG. TechnipFMC was awarded the EPIC contract to deliver the project.

As of year-end 2021, NEA/NI was 37.0% complete. The manufacturing of equipment has progressed as per the schedule and offshore work will begin in early 2022.

On 9 January 2022, the rig contract for the four well drilling campaign was signed with EDC for the El Qaher-1 jack-up rig. The drilling campaign is expected to begin in H2 2022.

Abu Qir infill drilling programme

The NEA/NI drilling campaign is expected to be integrated with a broader Abu Qir drilling campaign, providing synergies on capital expenditure. Energean expects to drill an infill well in Q2 2022 to support production in the Abu Qir concession. An additional three wells, currently under technical review, are expected to be drilled following the NEA/NI drilling programme.

Exploration

On 3 January 2022, an international consortium led by Energean Egypt (50% operator and Croatia's INA, d.d. 50%) was awarded an exploration licence for the East Bir El-Nus concession (Block-8), in the Western Desert of Egypt. The award is in line with Energean's strategy to increase and diversify its presence in Egypt and reinforces its commitment to the country.

The work programme for the licence includes a 180 linear km 2D seismic survey, a 200km2 3D seismic survey plus two exploration wells, which are expected to target estimated resources (in place) of approximately 100 MMboe.

Europe

Italy

Energean is the second largest oil and gas operator in Italy after Eni, with interests in more than 50 licences at 31 December 2021. In 2021, Energean signed agreements for the purchase of 100% renewable electricity for its operated assets to deliver further reductions in Scope 1 and 2 emissions

Production

Working interest production from Italy averaged 9.9 Kboe/d (41% gas), at the top end of guidance of 9.5-10 Kboe/d.

During early 2021, Energean increased its positions in the Vega and Rospo Mare fields to 100% (from 60% and 62%, respectively) at nil cost and with an economic reference date of 1 January 2021. ENI retains its share of abandonment expenses associated with both fields.

Development

The Cassiopea project, in which Energean has a 40% non-operated equity stake, remains on track for H1 2024, being 24.2% complete as of 31 December 2021. The field will deliver plateau working interest production rates of approximately 60 MMsfcd from the middle of the decade, providing more than 30% of the region's gas consumption. Upside exists within the surrounding area from potential satellite tie-back options, including the Gemini and Centauro prospects.

In September 2021, ENI began construction of the gas treatment plant for the Cassiopea project (Energean, 40% non-operated interest). In line with Energean's sustainability strategy, the project will, according to ENI, have close to zero emissions and the installation of 1 MWp of photovoltaic solar panels will allow the project to achieve carbon neutrality.

In October 2021, Energean (49%), alongside operator ENI, spudded a sidetrack from an existing development well from the Calipso platform. Calipso is a gas field located in the northern Adriatic Sea and the well was drilled by the Key Manhattan jack-up rig. The well was brought onstream in early January 2022 and is producing at rates of 4.6 MMscf/d.

New gas supply agreement ("GSA") signed with A2A

On 5 August 2021, Energean Italy and A2A S.p.A. entered into a new GSA for the delivery of gas commencing 1 April 2022 (being the effective date of termination of Energean Italy's current GSA with Edison SpA), until 30 September 2023. Under the agreement, Energean will sell its full entitlement production to A2A, which agrees to purchase, take and pay for the quantities. For each of Energean's concessions, gas will be delivered at the relevant entry point to the Italian gas network. The realised price will be the day ahead, PSV (Italian hub) price net of entry costs to the Italian gas network, and has no penalties or liquidated damages in case of over and under deliveries.

Hedging

In H2 2021, Energean took advantage of the strong market pricing and hedged 28% of its 2022 Italian gas production, locking in an average PSV price of € 53.30/MWh.

Greece and Croatia

Production

In the 12 months to 31 December 2021, working interest production from Greece and Croatia averaged 1.3 Kboe/d (12% gas), slightly lower than the full year production guidance of 1.5 Kboe/d due to downtime for scheduled maintenance and union dispute on the Prinos Assets in Greece.

Greece

Development

On 27 December 2021, the € 100 million funding package, backed by the Greek State, for the Epsilon and Prinos area development was finalised. € 90.5 million was provided by the Black Sea Trade and Development Bank ("BSTDB") and € 9.5 million directly by the Greek State. The tenor is seven and eight years respectively with first repayment not due until 2027. The blended interest rate is 2%. This Facility is non-recourse to the Group.

Following the signing of the funding package, Energean has recommenced work on the Epsilon development which includes the completion of the Lamda platform, tie back to the existing Prinos complex and completion of three wells which were pre-drilled in 2019. First oil from the Epsilon development, which has 2P reserves and 2C resources of 53 MMboe in aggregate, is expected in H1 2023.

Exploration

Ioannina and Aitoloakarnania
Energean was awarded a 6-month extension of the 1st Exploration Phase by the Hellenic Hydrocarbon Resource Management Authority ("HHRM") for the Ioannina licence on October 3 2021. In September, Repsol transferred its working interest and operatorship of the licence to Energean.

The Aitoloakarnania exploration licence in western Greece was relinquished in early 2021.

Block 2
In January 2021, Energean completed the acquisition of Total's 50% share in Block 2, offshore western Greece. Combined with the 25% working interest that was acquired through the acquisition of Edison E&P, the Group now holds a 75% stake in the block. Hellenic Petroleum holds the remaining 25%.

A 3D seismic campaign is scheduled to be carried out in winter 2022/23.

Carbon Capture and Storage Projects

Energean is committed to meeting its net-zero emissions target by 2050 and leading the Mediterranean region's energy transition. The Prinos CCS project proposal is to provide long-term storage for carbon dioxide emissions captured from both local and more remote emitters. Energean estimates that the Prinos subsurface volumes are sufficient to sequester up to 100 million tonnes of CO_2.

In H1 2021, Energean submitted its CCS proposal to the Greek government, with a view to inclusion within its recovery and resilience plan, projects within which will qualify to receive funding from the Recovery and Resilience fund over the period 2021-26. In June 2021, the European Commission granted approval for the inclusion of the Greek CCS project within the fund.

In H2 2021, Energean commenced pre-FEED for the Prinos CCS project. It is expected to complete by Q2 2022. In March 2022, Halliburton was awarded a service contract to assess the carbon storage potential of the Prinos basin.

Croatia

Development

At end-December 2021, Energean was in FEED for the development of the Irena gas field. If progressed, first gas is anticipated for Q4 2024. The field has 2P reserves of 0.4 Bcm (2.3 MMboe)[51].

Montenegro

Exploration

Technical evaluation of Blocks 26 and 30 has been completed. Energean's focus is on the significant biogenic gas potential identified. The Ministry has agreed to extend the deadline of the first exploration period in Montenegro by four months from the original expiration date of 15 March 2022 to facilitate the obligated introduction of a partner.

[51] YE21 D&M CPR.

UK North Sea

Production

In the 12-months to 31 December 2021, production in the UK North Sea was 0.7 Kboe/d (16% gas), ahead of full year guidance of 0.5 Kboe/d due to extended production from the Wenlock field.

Exploration and Appraisal

The two-well Glengorm appraisal programme, in which Energean has a 25% non-operated interest, commenced in December 2020.

Drilling operations at the Glengorm South appraisal well were safely completed in April 2021. The well contained no commercial hydrocarbons and the well was plugged and abandoned.

The Glengorm Central appraisal well spudded in May 2021. It contained no commercial hydrocarbons and has been plugged and abandoned. A comprehensive data analysis program is underway. The results of the Glengorm appraisal programme will be evaluated to inform forward plans for the P.2215 licence.

Isabella appraisal is expected to commence in 2022.

Commercial

Energean has received interest from third parties with respect to the potential sale of its UK assets portfolio and is considering its options.

Reserves

Energean's year end 2021 working interest reserves[52] are 965 MMboe, a 25% increase vs. 2020 and a 2% decrease[53] on *pro forma* 2020, the latter which includes the acquisition of Kerogen's 219 MMboe. The increase in reserves versus 2020 was primarily due to the acquisition of Kerogen Capital's 30% holding in Energean Israel Limited ("EISL"), adding 219 MMboe.

			At 1 January 2021[54]	Revisions and Discoveries	Acquisitions/ (Disposals)	Transfers from / (to) contingent	Production	At 31 December 2021
Israel	Oil	MMbbls	100	1	-	-	-	101
	Gas	Bcf	3,472	65	-	-	-	3,537
	Total	**MMboe**	**730**	**13**	**-**	**-**	**-**	**744**
Greece	Oil	MMbbls	52	2	-	(14)	(0)	36
	Gas	Bcf	6	(0)	-	-	-	6
	Total	**MMboe**	**53**	**2**	**-**	**(14)**	**(0)**	**37**
Egypt	Oil	MMbbls	14	1	-	(0)	(1)	13
	Gas	Bcf	567	11	-	(17)	(52)	508
	Total	**MMboe**	**114**	**3**	**-**	**(3)**	**(11)**	**103**
Italy	Oil	MMbbls	36	1	-	-	(2)	34.89
	Gas	Bcf	249	7	-	1	(9)	248
	Total	**MMboe**	**79**	**2**	**-**	**0**	**(4)**	**78**
United Kingdom	Oil	MMbbls	2	(0)	-	(0)	(0)	1
	Gas	Bcf	2	2	-	(3)	(0)	1
	Total	**MMboe**	**2**	**1**	**-**	**(1)**	**(0)**	**1**
Croatia	Oil	MMbbls	-	-	-	-	-	-
	Gas	Bcf	13	1	-	-	(0)	14

[52] YE21 D&M and NSAI CPR.
[53] When considering Energean 2021 2P reserves versus 2020 pro forma 2P reserves (Energean (including Edison) plus the acquisition of Kerogen's 30% holding in EISL).
[54] Pro forma Energean (includes Edison) plus the acquisition of Kerogen's 30% holding in EISL.

			At 1 January 2021[54]	Revisions and Discoveries	Acquisitions/ (Disposals)	Transfers from / (to) contingent	Production	At 31 December 2021
	Total	MMboe	2	0	-	-	(0)	2
Total	Oil	MMbbls	204	5	-	(15)	(4)	187
	Gas	Bcf	4,309	87	-	(20)	(61)	4,315
	Total	MMboe	981[55]	21	-	(18)	(15)	965
Present Value of 2P Reserves[56] ($ million)				7,040				
Adjusted TopCo[57] Group Net Debt YE21 ($ million)				103.6				

[55] Figure shown differs to the sum of the countries due to rounding.
[56] YE21 D&M CPR's High Case (based on forward curve).
[57] The Group excluding Israel and Greece.

Corporate Social Responsibility

Our approach

At Energean, we are dedicated to creating sustainable and lasting value for all our stakeholders, while adhering to the highest standards of corporate social responsibility and maintaining the viability of our business model. Guided by our policies, commitments and international best practice, we have implemented several initiatives to make positive contributions to the environment and society. Notably, among these:

- We have pledged to become a net-zero emitter by 2050 and are committed to setting science-based targets to reduce our greenhouse gas emissions.
- We have aligned our reporting with the Task Force on Climate-Related Financial Disclosures (TCFD) reporting recommendations, the guidelines of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).
- We have engaged with the Carbon Disclosure Project (CDP), the Maala Index and Sustainalytics, with results placing us in the top quartile of ESG ratings.
- We are a signatory of the United Nations' Global Compact (UNGC) and the Terra Carta, the Sustainable Markets Initiative of His Royal Highness the Prince of Wales, and we are a contributor to the United Nations Sustainable Development Goals (SDGs).

We value our employees as the key to our success. We are committed to creating an inclusive and attractive workplace and adopt a proactive stance in safeguarding the health, safety and security of our people. In order to bring together a unique workforce with different cultures and diverse backgrounds, we frequently undertake initiatives where our people get to meet, bond over, and share their cultures, ideas and perspectives.

In addition, we aim to build strong bonds and engage and add value to the communities in which we operate. Our dynamic CSR program is specifically designed to support local communities through a wide range of initiatives and actions, and maintain an open, bi-directional dialogue through transparent communication channels.

We recognise that oil and gas operations have a wide-ranging impact on the environment and society. To mitigate this impact, we are committed to achieving net-zero emissions across all our operated assets by 2050[58]. In 2021, we have delivered a year-on-year 8% reduction to carbon emissions intensity, when considering 2021 performance versus pro forma performance on an equity share accounting approach.

Our CSR policy

Our CSR policy is embedded in our company values and is guided by international standards and best practices. As such, it is fundamental to how our business operates. Our CEO, Board of Directors and Senior Management are responsible for monitoring Energean's sustainability objectives and are supportive of our desire to lead the Mediterranean region's energy transition, through a strategic focus on gas.

Our high ethical standards are applied to all aspects of our business model, as well as interactions with our stakeholders. We have designed our CSR Policy in accordance with internationally recognised standards and industry best practice. Our CSR priorities are based on our stakeholders' needs and expectations, and we prioritise the areas that need our greatest attention. As such, our CSR policy is focused on four key areas: our people, health & safety, the environment, and community relations.

Energean is always seeking to improve its sustainable development agenda by collaborating with governments, the private sector, and society, as well as through receiving feedback from its stakeholders, in order to ensure alignment with best practice techniques.

Corporate Governance is a top priority

Strong corporate governance is a top priority that acts as a guide towards fulfilling our corporate and social responsibilities, whilst ensuring the trust of our stakeholders. In accordance with this and best

[58] Scope 1 and 2 emissions.

practice, we are always striving to enhance our business productivity whilst maintaining an agile response capability when it comes to changes in the macro environment. Furthermore, we continue to strengthen the supervisory function to management and internal control in order to maintain and enhance our efficiency and transparency.

Equality and transparency

Our Code of Conduct governs the way we work and conveys a clear message to all staff and stakeholders on how we commit to comply with laws and regulations, as well as our ethical standards. The Code of Conduct is clear on our zero tolerance for bribery, corruption and other forms of financial crime and this position is strongly reinforced by Energean's Management and Board. The Code also covers our position and controls with regards to human rights, lobbying and advocacy, prevention of the facilitation of tax evasion, anti-slavery and the General Data Protection Regulation.

We require those who deliver services to us, or who act on our behalf, to abide by the Code and meet the requirements of specific business ethics and compliance clauses in their contracts. This ensures that third parties do not cause us to breach our own Code. Prior to awarding contracts, we conduct risk-based third-party due diligence to assess risks related to ownership structure, anti-bribery and corruption, sanctions, trade restrictions, human rights and labour conditions.

Bribery and corruption

It is our policy to conduct all our business in an honest and ethical manner, and comply with all applicable anti-bribery laws, including, but not limited to all applicable local laws where Energean operates and the U.K. Bribery Act 2010, and to accurately reflects all transactions on Energean's books and records.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We actively monitor and manage risks from bribery or ethical misconduct, and we run an anti-corruption and anti-bribery compliance programme, actively overseen by the Board.

Our contribution to the 17 United Nations' Sustainable Development Goals

We recognise that, as an energy company, we have an obligation to contribute to the United Nations 17 Sustainable Development Goals (SDGs). For this reason, we link our main actions and initiatives to these goals. The table below shows Energean's key 2021 CSR activities, alongside the respective SDGs that they serve.

SDGs	Our commitments and actions
	• "Back to School" with Energean: we purchased and donated school supplies, classroom equipment, and stationery to 3 social institutions, 1 organisation and 3 schools, supporting over 500 students and their families in need – Kavala & the Island of Thassos, Greece. • "Back to School" with Energean in Italy - in collaboration with "Caritas" (a Catholic organisation for charity), we donated school supplies and stationery, helping a Charity Center and 50 families & their children – Chieti Province, Italy. • "Back to school" with Energean in Egypt: 400 school bags were bought, delivered, and donated by the Energean Team to children and young students in need. Our colleagues purchased and donated school supplies, equipment, and stationery to fill school bags – Meadia village, Egypt. • Energean and AQP donated furniture to those in need. Energean donated office furniture to the Dar Al Orman Association, while Energean's joint venture, Abu Qir Petroleum (AQP), supported the local community of Meadia Village by donating school desks to Zainab Abdel Wahab Primary Azhari Institute - Egypt.
	• Packed and donated 70 "Sweet Packages" ("Mishloach Manot") to a women's shelter for the holiday of Purim ahead of the 2021 International Women's Day - Haifa, Israel. • For the second year, donated 50 food packages to elderly and lonely people on Passover Eve, in collaboration with the NGO "Lev Chash" ("Feeling Heart") - Haifa, Israel.

	• Offered 100 Super Market Gift Vouchers to our fellow citizens in need, for their festive Easter Sunday Table, responding to the call of the Regional Unit of Kavala. The gift vouchers were handed-over to the Holy Diocese of Philippi, Neapolis and Thassos to strengthen its important social activities in the area – Kavala, Greece. • Supported underprivileged families during Ramadan, by donating 200 food boxes to meet essential needs in Meadia, the Abu Qir operations site location – Egypt. • Donated 65 packages filled with food and products to families in need and the elderly, on the Eve of Rosh Hashana (the Hebrew new year), in collaboration with the NGO "Lev Chash" ("Feeling Heart") – Haifa and its suburbs, Israel.
	• Continued our excellent HSE performance with more than 11 million man-hours with no Lost Time Injuries (LTI) in the construction of the Energean Power FPSO in Singapore, and almost 1 million man-hours (without LTI) in all Energean sites. • Maintained the ISO 45001 Health and Safety Management System certificates in all our operated sites where they already exist and established it in the remaining asset of Prinos in order to be certified in 2022. • Donated health and medical supplies to the nursing and supporting personnel of the state owned "Komanski Most", a foundation that supports children, youth and adults with moderate to severe mental or developmental disabilities – Montenegro.

	• Offered paid internships to 9 college students in Greece.
	• On 5 June (World Environment Day), Energean aligned with the United Nations' 2021 theme "Ecosystem Restoration", focused on positive actions and increased environmental awareness:
	  • Greece:
	    ▪ Organised an environmental webinar for our colleagues and Middle School students & above titled "Our Planet's Ecosystem Restoration".
	  • Egypt:
	    ▪ Hosted a webinar for our colleagues titled "Biodiversity in the Mediterranean".
	    ▪ Organised beach clean-up activities at Meadia Beach.
	    ▪ Hosted sessions on beach preservation and environmental awareness.
	    ▪ Renovated the Sports Club of the Village of Meadia.
	  • Israel:
	    ▪ Supported the production of educational videos for elementary school students focusing on environmental preservation.
	  • Montenegro:
	    ▪ Purchased and planted trees (Indian Lilacs) in the City of Bar.
	• Awarded 4 Master's degrees Clean Energy scholarships to students at the University of Haifa and the Technion to reward excellence and promote academic research on clean energy - Israel.
	• Hosted a webinar for our colleagues on harassment and abuse, dealing with the recovery process of harassment trauma and abuse and how one can face challenges in day-to-day situations.
	• On Holocaust Remembrance Day, Energean organised a live webinar with a Holocaust survivor, in collaboration with the NGO "Living Room Memorial" ("Zikaron BaSalon") - Energean's Haifa offices, Israel.
	• Held a live awareness webinar titled "Mediterranean Biodiversity and Marine Conservation", by participating and joining in the launch of "The UN Decade of Ecosystem Restoration" and reflecting Energean's vision towards a sustainable future.
	• Hosted an open live discussion/webinar on Sustainability, titled: "Our People, Our Planet: Energean's ETHOS in action" between Energean's CEO Mathios Rigas and Professor David Grayson.

	• > Translated (in collaboration with Maala) the Executive Summary of the book "All In", in order to make it accessible to the Israeli community. The book is written by Professor David Grayson, a world-renowned CSR expert and author.
	• During 2021, the overall percentage of women at Energean increased for a consecutive year from 15% to 18%. Board representation decreased to 30% • Welcomed Katerina Sardi to Energean as Country Manager and Managing Director of Energean Greece.
	• Energean recycled 96% of water withdrawals in its production sites.
	• Energean recognises the global demand and focus on providing cleaner energy. Over 70% of our reserve base and annual production mix is gas
	• Number of Employees: 604 as at 31 December 2021 (versus 620 as at 31 December 2020) • Number of Nationalities: 24 as at 31 December 2021 (versus 19 as at 31 December 2020)
	• Donated equipment that is important to blind and severely visually impaired people in order to serve their daily needs, in collaboration with the non-governmental and non-profit "Organisation of the Blind of Bar and Ulcinj" – Montenegro,on White Cane Safety Day (October 15th). • Supported and ran alongside the Muscular Dystrophy Association of Greece (MDA Hellas) and patients in wheelchairs, by participating in the 38th Athens Classic Marathon events for 2021 (5K & 10K races), with our CEO, Mathios Rigas, leading our company's running team. MDA Hellas is a non-profit organisation that supports people that suffer with neuromuscular diseases. • Donated to MDA Hellas for the operation of the Neuromuscular Diseases Unit of the "AHEPA" University General Hospital ("AHEPA" Hospital) of Thessaloniki, which will serve about 350 people in the coming year, children and adults - the Unit covers the geographical area of all Northern Greece. • Donated, in collaboration with Dar Al Orman Association, necessary equipment (artificial/prosthetic limbs, wheelchairs, and hearing aids), covering the needs of all underprivileged people with disabilities in Meadia village - Egypt. • Supported "Fresh Start" to get back in the water: a group of 15 teenagers with special needs in Israel, who participate in empowering activities, a combination of sailing and educational sessions, focusing on teamwork and leadership values. • Supported (donation and sponsorship) the "Athletic Club of Kavala - Department of Wheelchair Basketball". In light of the team's first ever participation in a European Championship (EuroCup's Preliminary Round), we covered the fixed needs and expenses of the Department for the entire Wheelchair Basketball Season 2021-22 - Kavala, Greece. • Continued to support three Paralympic swimmers in Israel (Ilan Haifa Swimming Sports Center) in their journey and their successful participation in the Tokyo 2020 Paralympic Games via monthly financial aid and social media awareness. Special grants were also offered to the swimmers for exceptional

	achievements in global competitions. Our company has proudly supported these world champions for the last three years in a row. • Continued the support to "Etgarim" for the third year, an NGO dedicated to the empowerment and social integration of people with disabilities through outdoor sports. This year Energean colleagues ran 5 and 8 kilometers in their "Spring Run" delivering a message of inclusivity – Israel. • Installation of accessibility aids to ensure that visitors with disabilities enjoy touristic sites that are toured by thousands of visitors every year - in collaboration with Israel's Nature and Parks' Authority.
	• Grand sponsor of the 21st "Trofeo Del Mare" ("The Trophy of the Sea"), the International Maritime Awards 2021, performed in Marina di Ragusa – Italy. • Restored the beach and renovated the Sports Club of the Village of Meadia – Egypt. • Continued the support to the Hof HaCarmel Regional Council in promoting community and environmental projects - Israel. • Continued the support to "Etgarim" - a Haifa Sailing Club that empowers people with disabilities and youth with special needs through outdoor sports - Israel.
	• Recycled 90.5% of the waste generated during 2021 in production sites. • Maintained the ISO 14001 Environmental Management System certificates in all our operated sites. • Energean's Egyptian Abu Qir Petroleum (AQP) joint venture (JV) partners received their first certificate for waste segregation and paper recycling in Egypt. AQP becomes the first Oil & Gas JV in Egypt to entirely (100%) recycle its paper, cartons and plastic waste from all its offices and operational sites (onshore and offshore). Energean's Cairo branch has followed the same approach of waste segregation and recycling, by cooperating with "Go Clean", a recycling solutions company – Egypt.

	• Energean is taking meaningful actions to fulfil its commitment to become a net-zero emitter by 2050.
	• Energean's strategy to Net-Zero emissions by 2050:
	  • Short-term plan – by 2025.
	  • Medium-term plan – by 2035.
	  • Long-term plan – by 2050.
	• Improved our Carbon Disclosure Project score to a B from a B-, regarding the climate change questionnaire.
	• Aligned our annual reporting to the TCFD recommendations.
	• Successful roll out of 'green electricity' in Greece, Israel, Italy, and the EDINA operative site in Croatia.

	• Zero oil spills during 2021, while maintaining a completely clear record since the beginning of our operations (2008) • Joined the environmental effort of the Ministry of Environmental Protection in cleaning the Israeli coastline after a leak from a tanker (not associated with Energean). Energean deployed a team of professional cleaners to the coast of Haifa's suburbs for a 2-day clean-up activity, where 90 bags/600kg were collected. • Implemented a series of sampling, measurements, laboratory analyses and monitoring of biochemical parameters of the seawater and the seabed soil - Prinos, South Kavala, Greece.
	• Maintenance of Telemetric Stations in surface waters of Nestos River Delta, Lakes Vistonida-Ismarida and Thassos • Island Management Body – Northeastern Greece. • Donated 200 trees in the occasion of Tu BiShvat, "The New Year of the Trees and Nature" celebration. The donation to the Israeli JNF (Jewish National Fund) will contribute to the re-forestation of Nof-HaGalil (the Galilee View) forest in Nazareth - Israel.

	• Restored the beach and organised beach clean-up activities at Meadia Beach – Egypt. • Continued supporting the Israeli Nature and Parks Authority in protecting and conserving Israel's nature, landscapes and heritage sites, through educational programs on nature preservation. Our latest collaboration, the support of a project to make touristic sites accessible to people with disabilities.
	Energean collaborated with: • UN Global Compact. • UN Global Working Group participation. • Maala, a non-profit, CSR standards-setting organisation in Israel, which has set a dedicated CSR index on Tel Aviv Stock Exchange. Maala's CSR Index is an ESG rating system used as an assessment tool, benchmarking Israeli companies on their CSR performance. Energean was rated at Gold Level, for a second year in a row, at the 2021 Maala ESG Index – Israel. • Management body of the Nestos River Delta, Lakes Vistonida-Ismarida and Thassos Island – Northeastern Greece. • The Greek Embassy – Podgorica, Montenegro. • "Caritas Diocesana", a Catholic organisation for charity - Chieti Province, Italy. • "Go Clean", a recycling solutions company – Egypt. • The Jewish National Fund (JNF) – Israel. • The Regional Unit of Kavala - Greece. • The Municipality of Bar – City of Bar, Montenegro. • The Italian Naval League. • The American University of Cairo – Egypt. • "Etgarim", an NGO dedicated to the empowerment and social integration of people with disabilities through outdoor sports - Haifa, Israel. • "Athletic Club of Kavala - Department of Wheelchair Basketball" - Kavala, Greece. • "Organisation of the Blind of Bar and Ulcinj", a non-governmental and non-profit organisation which aims at bringing together blind and severely visually impaired people - Montenegro. • The Nature and Parks Authority – Israel. • The Holy Diocese of Philippi, Neapolis and Thassos - Northeastern Greece. • Zainab Abdel Wahab Primary Azhari Institute - Egypt. • Israeli Paralympic Committee. • Democritus University of Thrace (DUTH), Department of Environmental Engineering – Xanthi, Greece. • Dar Al Orman Association – Meadia village, Egypt. • "Living Room Memorial" (Zikaron BaSalon), a Holocaust Remembrance NGO - Israel. • "Together for Children", an association of NGOs in the field of child welfare - Athens, Greece. • The University of Haifa and the Technion - Israel. • Association of Paraplegics and Disabled people of the Ileia Prefecture, Southwestern Greece. • "Lev Chash" ("Feeling Heart"), a local NGO in Haifa, Israel. • MDA Hellas (the Muscular Dystrophy Association of Greece), a non-profit organisation that supports people that suffer with neuromuscular diseases – Greece. • "Fresh Start" a group of teenagers with special needs, who participate in empowering activities, a combination of sailing and educational sessions, focusing on teamwork and leadership values – Israel.

Excellence through our people

Our people are critical to our success, and we are committed to fostering an inclusive and high-performance culture based on trust and collaboration, to have fulfilling roles and careers, and shape the Energean of the future.

2021 was a year of significant growth for Energean and our people, with the integration of Edison E&P and the Karish development sharing the central stage. We expanded our presence in Italy, Egypt, Croatia, and the UK, welcomed more than 250 colleagues to the team and opened new offices in Milan for our Italian business, which will also accommodate the technical centre of excellence.

This growth fundamentally reshaped our people structure, systems, processes. We aimed to maintain a positive and collaborative work environment to enable our people to fulfil their potential, despite the challenges that the ongoing COVID pandemic continued to pose.

One of the core challenges after the completion of the Edison E&P acquisition was to finalise the new organisation structure to enable the fulfilment of our corporate growth strategy. The new structure that was introduced in December 2020 allowed local business units greater autonomy, whilst still receiving support from the various group functions who can allocate their resources according to the company needs.

In parallel, we ran the implementation of the SAP SuccessFactors suite, a market leader in HR software. This has created a unified cloud-based platform for employees to facilitate HR activities, such as recruitment and onboarding, learning and development and performance management. The suite has been launched in three stages with the central database and recruiting module being launched first at the beginning of July 2021, the learning platform in September and onboarding and performance management in December. SAP SuccessFactors, alongside the Energean Intranet ETHOS has allowed our people, especially those who joined Energean through the acquisition of Edison E&P, to develop a deeper understanding of people, processes, and culture.

Talent acquisition and management

The new organisation structure created unique opportunities for new and existing employees to further develop their career, as new roles were created across most functions in 2021.

We used the SAP SuccessFactors suite and collaborated with specialist organisations to drive successful talent acquisition. In December 2021, we also launched internal and external career sites on our intranet and website to improve the overall candidate experience and facilitate a more transparent talent acquisition process. This also provided external candidates with the opportunity to understand the company culture, benefits and details on the application process.

In parallel with the career site, we launched an onboarding platform where new employees can review all HR and Compliance policies, receive an internal mentor and familiarise themselves with the Energean culture.

For another year, we invested in developing the leaders of the future by offering academic scholarships, internships for graduates and undergraduates as well as external professional training opportunities for our existing staff.

Performance management

Following the Energean Voice Survey in 2020, an action plan was set for 2021 to address some of the key topics identified by the engagement survey. We carefully realigned our performance management process and policy and introduced a new competencies framework to provide a guide to our people about the behaviours that are underpinned by our values.

For the first time, we introduced a continuous performance and feedback mechanism to enable our people to get real-time feedback and guidance to build their strengths, develop their career and together shape the Energean of the future.

Additionally, we introduced the group role profiling and group grading structure. Through role profiling we are able to systematically identify the skills, qualifications, and the accountabilities of the different roles in the organisation. Role profiling allowed for the smoother integration of our new colleagues within the Energean structure and for better understanding of the impact their role has within the organisation.

This will further assist our people to set clear career paths from one role to another within Energean. The grading system in conjunction with performance management, skill assessments and training allows us to make more reliable and transparent decisions about hiring, promotion, and leadership development.

Employee wellbeing

We strive to uphold a positive, open and honest culture to enable our people to fulfil their potential. For another year, COVID-19 lockdowns continued to challenge us and the way we work and interact with each other. Our employees' welfare during this challenging period was even more important. As a result, early in 2021 we introduced a global Employee Assistance Program offering professional support to address any personal challenges affecting their well-being.

We sought to promote other teambuilding activities, including online cooking, running for charitable causes, as well as hosting a variety of workshops and webinars. We also ensured that all our employees groupwide were covered with private medical insurance.

Employee engagement

We engage with our people through regular team meetings, messages from the CEO and through our intranet. We aim to have an open culture where people can contribute towards our success.

The integration with Edison E&P triggered the need to reshape not only our organisation but also our culture. In 2021, we designed a culture survey to understand how people perceive our culture and redefine the way we behave, work, and interact with each other to meet the needs of our multicultural group. The process will launch in early 2022 and the aim is to analyse the results and define the new Energean culture of tomorrow within the year.

We respect the rights of all employees to join a legitimate trade union and bargain collectively - we have collective bargaining agreements in place. Robert Peck is the representative of the employees on the Board – as position he has held since 2019.

Diversity and inclusion

Our current and future success depends on a diverse range of talented people. We aim to treat everyone fairly, equally, and without prejudice, irrespective of gender, race, nationality, age, disability, sexual orientation, or any other discriminatory attributes. In 2021, we continued to participate in the D&I workgroups organised by the UN Compact Global Network UK.

During 2021, we increased the overall percentage of women at Energean for a second consecutive year from 15% to 18% and we have a healthy mix of employees from three different generations. Board representation decreased slightly from 33% to 30%, as a result of the increase in the number of Board members from 9 to 10 people in 2021 (the number of women stayed flat y-o-y).

In 2021, for the first time, we have reported the gender pay gap. Energean has a gap of (18)% at median hourly wage rates.

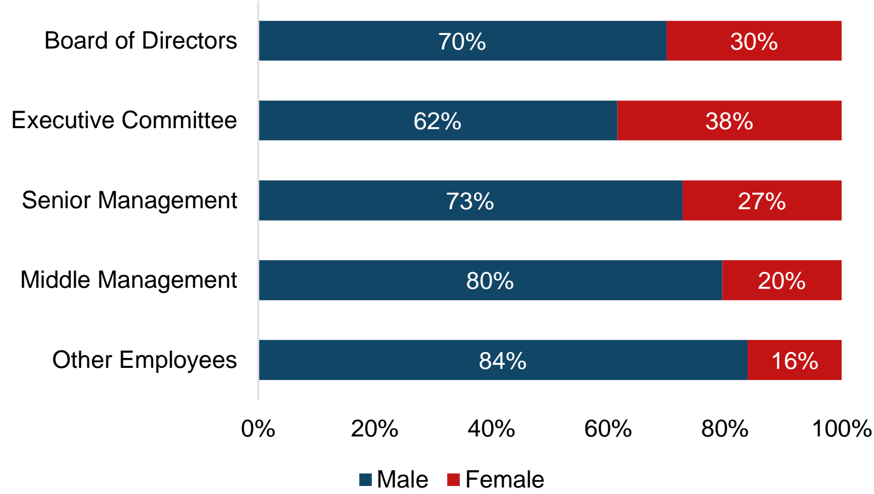
We aim to provide an optimal working environment to suit the needs of all employees, including those with disabilities. The Company welcomes job applications from those with disabilities.

We are proud to have an employee retention rate of 90.6% despite a decrease of 7.6% compared to 2020. The retention was affected largely by retirements, following the integration of Edison E&P with Energean.

Headcount by seniority and gender

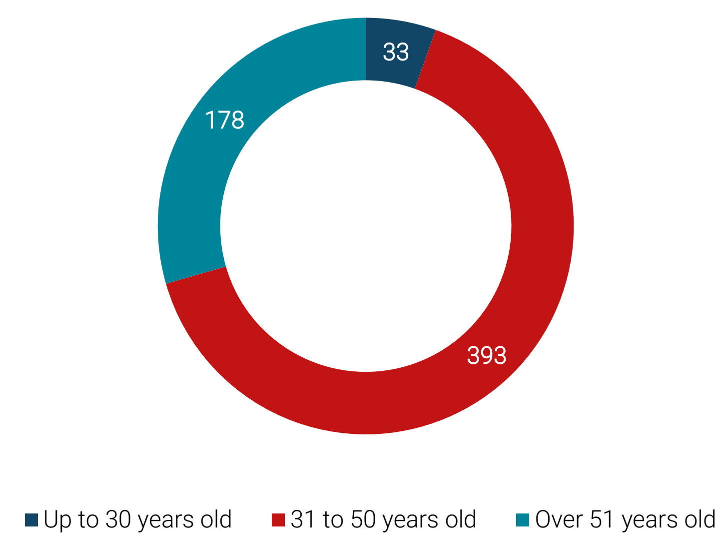
Gender balance by seniority	Male	Female	Total
Board	7	3	10
Executive Committee	8	5	13
Senior Management	16	6	22
Middle Management	35	9	44
Rest of staff	432	83	515

Gender balance by seniority

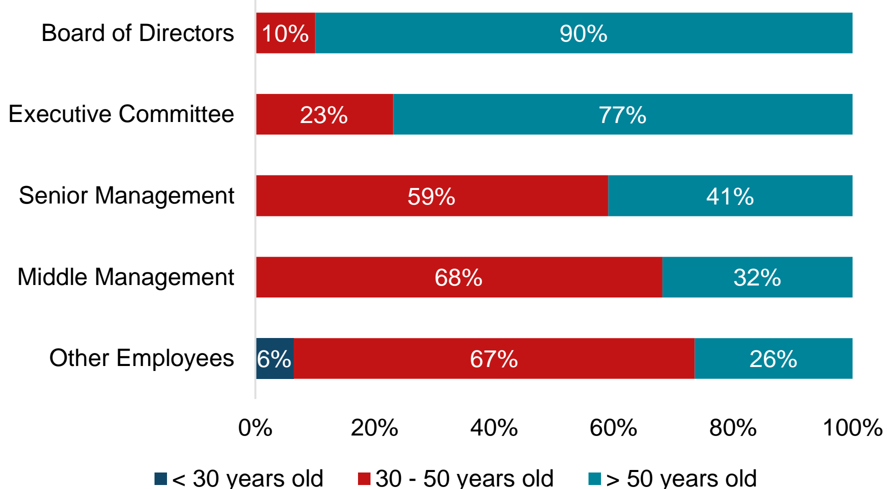


Headcount by age

Category	Number		% vs. total no. of employees	
	2021	2020	2021	2020
Up to 30 years old	33	37	5%	6%
31 to 50 years old	393	392	65%	63%
Over 51 years old	178	191	29%	31%



Headcount by seniority and age range



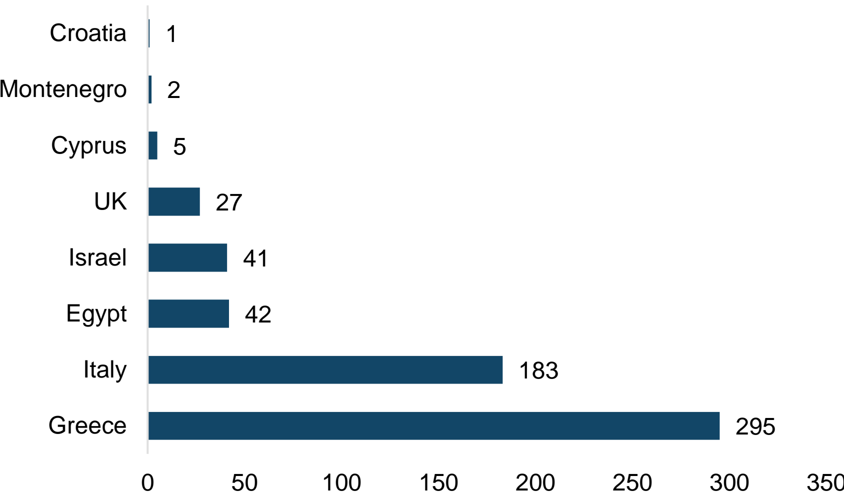
Headcount by country

At the end of 2021 our workforce decreased from 620 employees to 604, representing 24 different nationalities. The Edison acquisition brought over 250 employees to Energean in 2020.

Country	No of employees[59]	
	2021	2020
Greece	295	313
UK	27	29
Montenegro	2	2
Cyprus	5	6
Israel	41	30
Egypt	42	60
Italy	183	176
Croatia	1	4
Total	620	604

[59] Excludes JV partners.

Employees per country



Providing a safe working environment

Protecting the health and safety of all individuals affected by our corporate activities is our top priority. In 2021, we improved our safety performance compared to 2020 via a cultural shift away from discipline-driven to commitment-based compliance. This enabled us to effectively tackle COVID-19 issues and manage the long-term viability of our business.

Key HSE metrics

LTIF[60]	2021	*Pro forma 2020*	2020	2019
Employees	0.98	0.00	0.00	0.00
Contractors	0.25	0.72	0.73	0.29
Personnel total	0.33	0.63	0.65	0.28

TRIR[61]	2021	*Pro forma 2020*	2020	2019
Employees	1.97	0	0	0
Contractors	0.62	1.20	1.46	0.88
Personnel total	0.77	1.05	1.31	0.84

FAR[62]	2021	*Pro forma 2020*	2020	2019
Employees	0	0	0	0
Contractors	0	0	0	0
Personnel total	0	0	0	0

[60] LTI Frequency: The number of Lost Time Injuries (fatalities +LTIs) per million hours worked.
[61] TRIR: The number of Total Recordable Injuries (fatalities + LTIs+ restricted work cases + medical treatment cases).
[62] FAR: The number of fatalities per 100 million hours worked.

Humanising our HSE management system

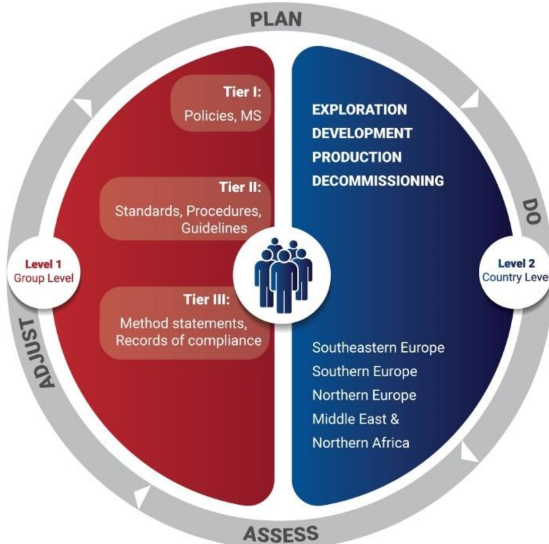
The cornerstone of our zero injuries achievement is a well-structured and continuously improving HSE Management system, providing the necessary framework for ensuring the safety of people, the protection of the environment and the integrity of the Company's assets.

Our integrated HSE Management System is aligned with the requirements and principles of international standards and European safety directives, and provides the required structure for maintaining the above principles across all Energean assets to reach our health and safety targets.

Shifting our HSE approach from rule-dominated requirements to a more interactive human-focused approach, highly contributed to improving the effectiveness of our HSE Management System. Encouraging personnel interest in safety and creating open dialogues on improving workflows has increased staff safety performance and improved the HSE Management System.

All operated assets in Italy are certified to ISO 45001, while the Prinos area assets in Greece are in the process of certification.

Our integrated HSE Management System is structured across two levels: the group level and the country level. The group level is based on tried and tested, internationally recognised best practices and standards, while the country level incorporates all relevant national regulations. It is structured around a classic 'Plan-Do-Assess-Adjust' cycle and comprises three distinct tiers covering Energean's activities in all operated areas.



Managing risks and opportunities efficiently

By implementing our HSE management system, we are confident that we can:

- Identify and efficiently manage all emerging and identified risks, associated with our operations
- Prevent events escalation that could potentially affect stakeholders and Energean
- Identify opportunities for improvement.

In 2021, we reached 2.5 million man-hours free of Lost Time Injuries (LTIs) at all Energean sites, and 15 million man-hours free of LTIs at the Energean Power FPSO development and construction project in Asia.

Corporate Major Accident Prevention Policy (CMAPP)

Energean's Board of Directors is committed to promoting, enhancing and sustaining a strong health and safety culture, as well as the implementation of measures for maintaining safety, environmental protection and control of major accident hazards as core corporate values.

Energean's Board approved Corporate Major Accident Prevention policy (CMAPP) recognises:

- The harmful potential of major accidents in the upstream oil and gas sector and how prompt decisions and actions can prevent them from taking place

- Its responsibility to control the risks associated with major accidents and continuously improving these controls
- The necessity of advanced technology and the implementation of good oilfield practices
- Its commitment to achieve the highest standards of HSE performance
- The importance of the HSE Management System and its effectiveness.

During 2021, all risks were successfully identified and controlled, with no major accidents recorded.

Leadership and commitment

HSE leadership and accountability starts with the CEO, who ensures that all necessary steps are taken to achieve the highest possible level of HSE performance across the business. The CEO proposes to the Board of Directors all actions and activities related to HSE deemed necessary to fulfil Energean's commitments. In addition, the CEO defines the strategy and approves action plans suitable to control and mitigate identified risks and takes advantage of new opportunities.

During 2021, more than 230 Senior Management visits and site walk-arounds were performed at Energean's operated sites and for the FPSO project in Singapore.

Crisis Management Plan (CMP)

Energean's Crisis Management Plan (CMP) covers all assets and operations, and is formally tested to ensure it meets all requirements at the strategic, incident management and response level. Early identification of a potential crisis and immediate action in the event of a crisis, provides the necessary management assurance for:

- Protecting human lives
- Protecting the environment
- Protecting tangible and intangible assets
- Ensuring business continuity and sustainable development
- Protecting the Company's reputation.

During 2021, more than 275 drills and exercises were performed at operated sites and for the construction and development of the Energean Power FPSO.

Legal and regulatory compliance

Compliance with all applicable HSE legislation and regulations is a fundamental requirement of Energean's HSE Management System. Energean conducts its operations at all workplaces in accordance with the corresponding local laws and regulations, and European and international standards.

During 2021, more than 720 HSE audits were performed on operated sites and for the construction and development of the Energean Power FPSO. Of this, 680 audits were in relation to the FPSO in Singapore.

Competence management and training

Energean maintains an ongoing competence and assurance management scheme and provides an adequate level of HSE training. All Energean personnel, are suitably trained to meet the standards set by the Statutory Bodies and the Company's requirements. This ensures the ongoing development of a competent workforce which, in the long term, benefits both individuals and Energean.

During 2021, all employees participated in internal HSE training sessions. Moreover, dedicated teams participated in external certified training according to ongoing needs. More than 1,700 training hours were provided to personnel working in Energean sites, while more than 4,800 training hours were provided to personnel working on the Energean Power FPSO project.

Contractors' management

Energean evaluates and selects contractors based on their ability to provide services according to the project, contract requirements, HSE & climate change policies, as well as specific local requirements. Criteria for pre-qualification, selection, evaluation and re-evaluation of contractors are established to assure suitability and efficient monitoring of contractors' performance.

During 2021, more than 40 contractors were evaluated against this HSE criteria, both before and after the completion of their work, and were deemed to have performed their operations in an appropriate manner.

Occupational health

An annual health programme is provided to all employees to assure that the highest levels of health and wellbeing are maintained. All employees and contractors hold medical fitness certificates based on the requirements of their position.

During 2021, all employees in operated sites participated in the annual health program while zero work-related illnesses occurred.

HSE awards and records

Energean continued delivering upon its exemplary HSE track record. At Energean, we believe that protecting the environment and the health & safety of our staff and stakeholders, is a key factor in the overall success of our business and we are committed to continuously improving in all aspects of HSE.

For the second consecutive year, Sembcorp Marine's Admiralty Yard was awarded a Safety and Health Award Recognition for Projects for Safety Excellence for Energean's Karish Project. At the end of 2021, the project completed 15 million-man hours with no LTIs in Singapore.

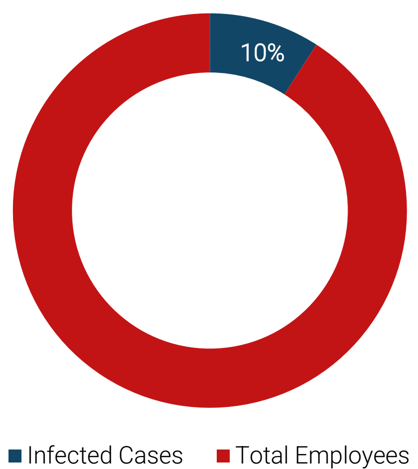
Our COVID-19 response

Throughout 2021, the COVID-19 pandemic continued to impact countries around the world, spurring new lockdowns and business disruptions. As a result of this, Energean's number one priority was to protect the health and wellbeing of its people and to ensure business continuity.

Energean has taken significant actions to mitigate the impact of COVID-19 on its business, including:

- Specific control measures, social distancing, and working from home (more than 50% of office workers worked from home in 2021) to protect its employees, in line with local regulatory obligations.
- Suitable training to provide the necessary level of knowledge and self-protection.
- Provision of periodic COVID-19 tests
- Implementation of Business Continuity Plans at all workplaces, providing suitable mitigation measures ensuring operational continuity
- Closely monitoring official national guidance.

The below graph refers to the percentage of coronavirus (COVID-19) infections within the Energean employees in 2021. The infected cases constitute 10% of our workforce (up from 3% in 2020). All infected employees have fully recovered and returned to their duties.



Our Health and Safety performance in numbers

Occupational safety	2021	*Pro forma 2020*	2020	2019
Employees man hours worked	1,015,866	1,130,183	650,405	708,080
Contractors man hours worked	8,118,433	8,362,784	5,466,939	13,594,566
Total man hours worked	9,134,309	9,492,967	6,117,344	14,302,646
Number of Employees Fatalities	0	0	0	0
Number of Contractors Fatalities	0	0	0	0
Employees Fatal Accident Rate (FAR)[63]	0	0	0	0
Contractors Fatal Accident Rate (FAR)	0	0	0	0
Total Fatal Accident Rate (FAR)	0	0	0	0
Employees Lost Time Injuries (LTIs)	1	0	0	0
Contractors Lost Time Injuries (LTIs)	2	6	4	4
Total Lost Time Injuries (LTIs)	3	6	4	4
Employees LTI Frequency (LTIF)[64]	0.98	0	0	0
Contractors LTI Frequency (LTIF)	0.25	0.72	0.73	0.29
Total LTI Frequency (LTIF)	0.33	0.63	0.65	0.28
Employees Total Recordable Injuries (TRIs)	2	0	0	0
Contractors Total Recordable Injuries (TRIs)	5	10	8	12
Employees and Contr. Total Recordable Injuries (TRIs)	7	10	8	12
Employees TRI Rate (TRIR)[65]	1.97	0	0	0
Contractors TRI Rate (TRIR)	0.62	1.20	1.46	0.88
Employees and Contractors TRI Rate (TRIR)	0.77	1.05	1.31	0.84

Process safety	2021	*Pro forma 2020*	2020	2019
Process safety incidents	0	0	0	1
Loss of containment incidents	0	0	0	0

Safety training	2021	*Pro forma 2020*	2020	2019
Internal training (hours)	950	3,366	2,743	2,273
Certified training (hours)	1,401	561	183	1,631
Total training (hours)	2,351	3,927	2,926	3,904

[63] Per 100 million hours worked.
[64] Per 1 million hours worked.
[65] Per 1 million hours worked.

Our environment, our highest commitment

At Energean we are committed to protecting the natural environment by identifying the potential impact of our operations and taking all necessary measures to prevent them. Adopting the highest level of environmental standards constitutes the core of our strategy.

Our environmental policy meets national and international standards including:

- Monitoring emissions
- Preventing and responding against oil spills and chemical leaks
- Responsible usage of fresh water and seawater
- Conserving biodiversity
- Managing waste at all facilities we operate.

During the planning of new projects, environmental and social impact assessments are carried out according to high local regulations and international standards. All our assets are certified for their operations according to the environmental management standard ISO 14001.

Key metrics monitored

Equity share versus operational accounting approach

In this report, we have updated our environmental metrics / GHG emissions reporting to align with industry standards. As a result, we now report emissions based on an equity share accounting approach and also on the operational accounting approach. All other environmental data is recorded based on the operational accounting approach. The historical data has been updated and included in this year's report accordingly.

The definition of equity share is Energean's working interest across both operated and non-operated sites. For example, this accounting measure would include 10.47% of the total gross emissions from Scott, UK, which we hold a 10.47% non-operated working interest in.

In comparison, the operational approach does not take into account Energean's working interest — it includes the gross (i.e. 100%) project emissions only for assets that Energean operates. For example, this approach does not include any emissions from the UK, as we hold no operated positions, and includes 100% of emissions from Accettura, Italy, even though our working interest in the field is 50.33%.

Environmental KPIs	2021	*Pro forma 2020*[66]	2020[66]	2019
Environmental expenditure $ million[67]	1.1	4.6	0.4	1.4
Energy consumption intensity (MJ/boe)[68] – operated share	383.2	516.2	1,099.8	744.2
Scope 1&2 carbon emissions intensity (kgCO2e/boe)[69] – net equity share	18.3	19.8	37.9	66.8
Water use intensity (m3/boe)[70] – operated share	0.2	0.1	0.4	0.9
Water volume recycled (%)[71] – operated share	95	92	92	89

[66] Energean has updated its reporting approach for environmental metrics. As a result, 2020 figures are different to those reported in the 2020 Annual Report but 2019 figures are the same. Please see the explanation of the new equity share versus operational approach on page 65.
[67] Capital expenditures related to environmental protection activities.
[68] Ratio of energy (thermal & electrical) consumption over gross hydrocarbons production.
[69] Ratio of direct and indirect (consumed electricity) carbon emissions over gross hydrocarbons production.
[70] Ratio of total fresh and seawater used for processes over gross hydrocarbons production.
[71] Proportion of water used in the process that is returned to the same catchment area or the sea, from where is was initially drawn.

Environmental KPIs	2021	*Pro forma 2020*[66]	2020[66]	2019
Non- hazardous waste intensity (kg/boe)[72] – operated share	0.2	0.5	0.6	0.7
Hazardous waste intensity (kg/boe)[73] – operated share	0.1	0.6	1.2	2.3
Waste recycled (%)[74] – operated share	90.5	52.1	90.4	96
Waste energy recovery (%)[75] – operated share	0.0	2.0	3.9	0.0

Air quality

Maintaining high air quality through responsible and sustainable operations is a key priority for Energean. We continuously monitor all our atmospheric emissions to ensure this.

During 2021, the total amount of nitrous and sulfurous emissions (NOx and SO2) generated across the Group increased by 33% and decreased by 26% respectively, versus 2020 pro forma performance. The increase in NOx was caused by increased fuel gas consumption at the FSOs in Italy. The reduction in SO2 was due to lower quantities of sulphur production at Prinos, Greece.

Also in 2021, we assessed opportunities to establish Leak Detection and Repair (LDAR) procedures to monitor and reduce fugitive emissions across all our operating sites.

Energy efficiency

The Energy Management Team, as a part of the verified ISO 14001 Environmental Management System, monitors energy demands and proposes performance optimisation ideas as well as working on energy efficiency projects.

In 2021, we reduced the injection water volume in the Prinos reservoirs and optimised our gas-lift operations, resulting in the reduction of seawater usage and consumed electricity.

Biodiversity

We are continuously looking at opportunities to protect and conserve the biodiversity in the areas in which we operate.

During 2021, we performed a number of biodiversity surveys to identify sensitive habitats and assess the impact of our operations, including:

- An offshore sampling analysis at Prinos in Greece. The results of the independent laboratory showed that benthic communities have not been affected by our operations in the Gulf of Kavala.
- A pre- and post-dredging activities biological survey nearshore Dor Israel. The results of the two surveys do not indicate any clear evidence of anthropogenic negative influence on the study area or any signs of ecological stress at the Kurkar (rock type of which lithified sea sand dunes consist) ridge habitat.
- Post drilling ecological survey at Karish Main Israel. The impact of the drilling operations on the marine environment was found to be limited.
- Environmental baseline surveys at offshore Blocks 23, 31 and Karish Main 4 well area, Israel. No sensitive habitats were identified in the study area.

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[72] Ratio of municipal and industrial waste, that according to regulation do not pose a severe threat to human health or the environment over gross hydrocarbons production.

[73] Ratio of municipal and industrial waste, that according to regulation pose a severe threat to human health or the environment over gross hydrocarbons production.

[74] Proportion of waste that are reprocessed into other products, materials or substances whether for the original use or for other purposes.

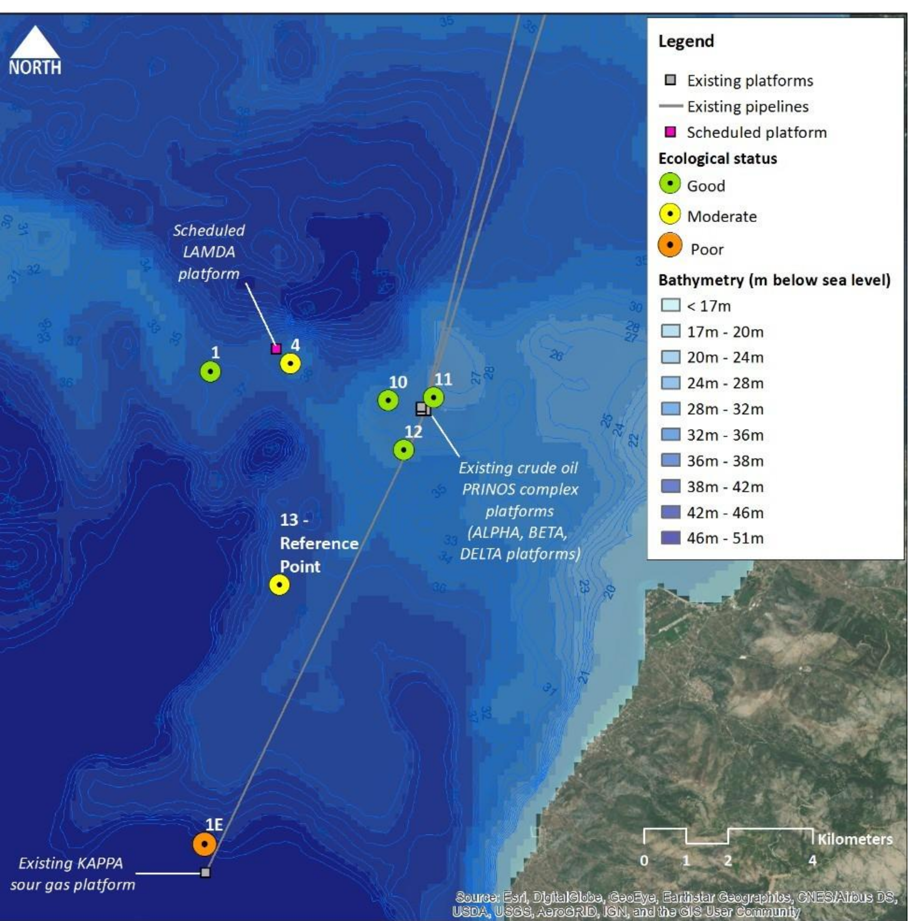
[75] Proportion of non-recyclable waste materials that are converted into usable heat, electricity or fuel through a variety of processes.

- An invasive species survey and treatment at the onshore valve station area, Israel. Invasive species were found in the carob trees restored area. Treatment to remove invasive species commenced and is still in progress.

We also continued supporting the Management Body of Nestos River Delta, Lakes Vistonida-Ismarida and Thassos, to maintain the biodiversity monitoring telemetric stations, in northeastern Greece. Additionally, Energean continued to collaborate with the Democritus University of Thrace to host the Odyssea Platform (an innovative monitoring marine data system) at Prinos. The oceanographic data retrieved by the Odyssea platform enhances the accuracy of marine simulations and forecasts, providing relevant information about the open sea and coastal zone areas to local fishermen and other professionals.

Research published in early 2022 by the International Hellenic University has confirmed that the wetland of the River Nestosin Eastern Macedonia, Greece is entirely free of any traces of hydrocarbons. The wetlands are adjacent to the hydrocarbon production and processing sites at Prinos, Kavala and the onshore processing and storage facilities of Nea Karvali, both of which are managed and operated by Energean. The survey was carried out by the International Hellenic University, conducted in collaboration with the Dunarea de Jos din Galati University of Romania, under the framework of the European Union-funded project "MONITOX – Common Bankers, Common Solutions”

Figure 7. Biodiversity analysis results in the Gulf of Kavala Greece

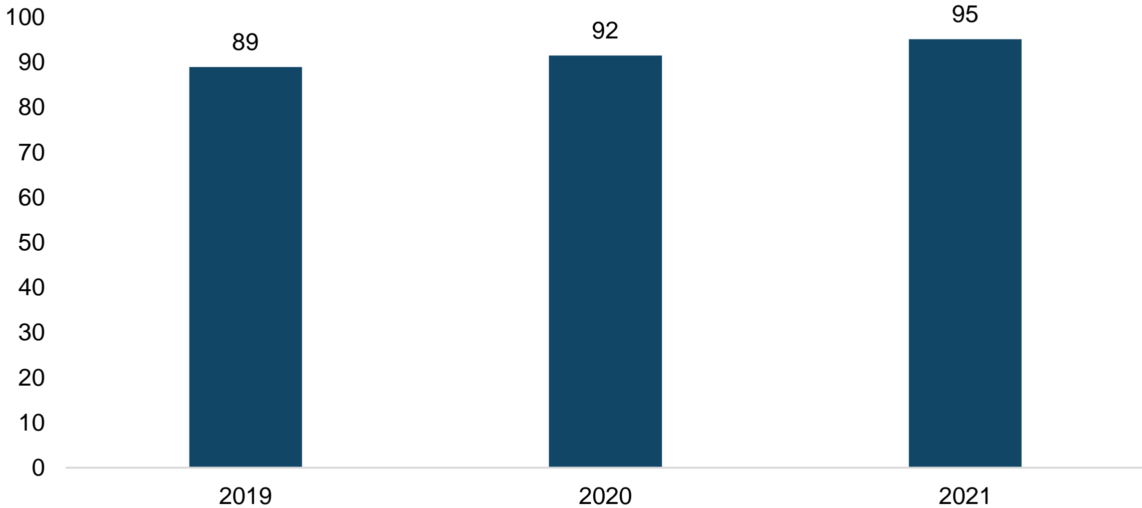


Water resources

Fresh water management is a high priority for Energean. We recognise the importance of freshwater availability, increased future global demands, high-quality standards requirements as well as stakeholders’ expectations.

In 2021, 95% of water withdrawals were recycled. Our onshore and offshore water discharges are continuously monitored by both automatic and manual analytical means to meet all relevant regulatory limits.

Total recycled water %



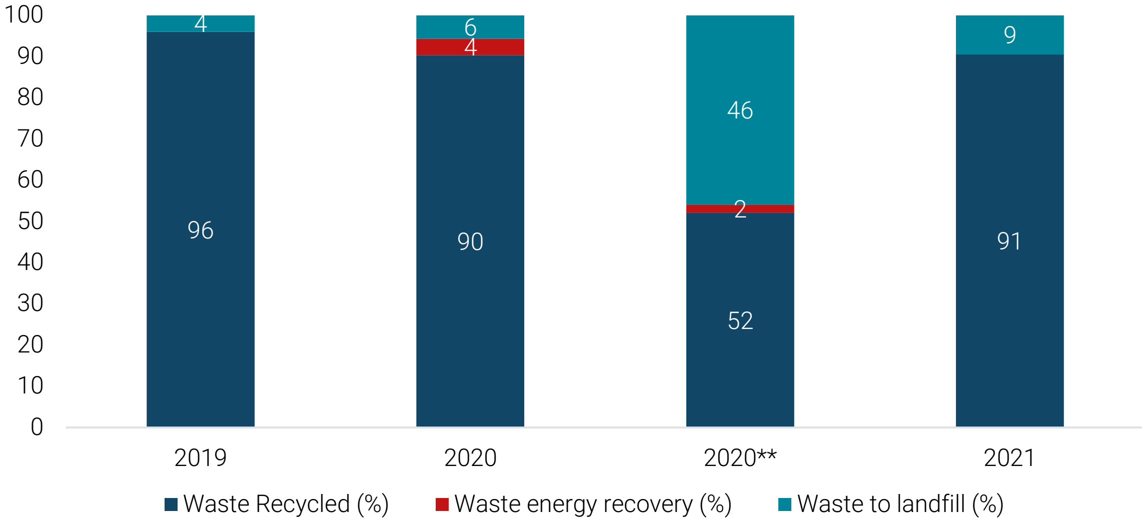
Oil spills prevention

Energean has established a robust and well-tested oil spill prevention management system. As a result, in 2021 we achieved another consecutive year with zero oil spills. Oil spill emergency response drills and training take place on an annual basis to maintain a high level of equipment availability and personnel preparedness. Furthermore, we are associate members of Oil Spill Response Limited, an industry consortium that is a world leader oil spill response provider.

Waste management

At Energean, we maintain a strong code of ethics regarding discharges and waste, by enforcing waste recycling and energy recovery activities.

In 2021, 91% of total waste was recycled and 9% was disposed at local landfill facilities.



Our environmental performance in numbers

Energean has updated its environmental metrics / GHG emissions reporting to align with industry standards. For more information, please refer to page 65.

Environmental records	2021	*Pro forma 2020*	2020	2019
Production – equity share				
Oil (Kboe)	4,141	4,512	798.4	1,209
Raw Gas (Kboe)	11,489	14,308	595.1	53.8
Total oil and raw gas (Kboe)	15,629	18,820	1,395	1,263
Ratio oil/total (%)	26.5	24.0	57.3	95.7
Ratio gas/total (%)	73.5	76.0	42.7	4.3
Production – operated sites				
Oil (Kboe)	2,506	2,189	722.0	1,209
Raw Gas (Kboe)	449.0	336.1	51.8	53.8
Total oil and raw gas (Kboe)	2,955	2,525	773.8	1,263
Ratio oil/total (%)	84.8	86.7	93.3	95.7
Ratio gas/total (%)	15.2	13.3	6.7	4.3
GHG emissions – equity share				
Total GHG emissions (tCO2e)	306,930	403,872	84,480	84,260
Scope 1 emissions (tCO2e)	285,362	367,293	52,586	47,692
Scope 2 emissions (tCO2e)	21,568	36,579	31,894	36,568
Scope 3 emissions (tCO2e)[76]	N/A	N/A	N/A	N/A
Scope 1 emissions intensity (kgCO2e/boe)	18.3	19.5	37.7	37.8
Scope 2 emissions intensity (kgCO2e/boe)	0.1	0.3	0.2	29.0
Total emissions intensity (kgCO2e/boe)	18.3	19.8	37.9	66.8
GHG emissions – operated sites				
Total GHG emissions (tCO2e)	73,042	95,435	73,479	84,260
Scope 1 emissions (tCO2e)	52,259	58,975	41,660	47,692
Scope 2 emissions (tCO2e)	20,783	36,460	31,819	36,568

[76] To be disclosed in the Q2 2022 CDP climate change questionnaire.

Environmental records	2021	*Pro forma 2020*	2020	2019
Scope 3 emissions ($tCO2e$)[76]	***	1,488,772	1,488,772	872,615
Guarantees of Origin ($tCO2e$)	(20,725)	(31,542)	(31,542)	N/A
I-REC ($tCO2e$)	(58.0)	(73.0)	(73.0)	N/A
Scope 1 emissions intensity ($kgCO2e/boe$)	17.7	37.8	53.8	37.8
Scope 2 emissions intensity ($kgCO2e/boe$)	0.0	1.9	0.3	29.0
Total emissions intensity ($kgCO2e/boe$)	17.7	39.7	54.1	66.8
UK Only – equity share				
Total GHG emissions ($tCO2e$)	23,707	66,905	1,725	-
Scope 1 emissions ($tCO2e$)	23,707	66,905	1,725	-
Scope 2 emissions ($tCO2e$)[77]	-	-	-	-
Total emissions intensity ($kgCO2e/boe$)	83.4	83.4	83.4	-
Energy consumption used to calculate above emissions (kWh)	77,000	127,000	20,000	-
Other air emissions – operated sites				
NOx (tonnes)	233.8	156.1	35.4	30.6
SO2 (tonnes)	711.8	900.2	875.1	1,437
VOC (tonnes)	9.0	11.8	11.8	16.5
Water usage – operated sites				
Fresh water (m3)	103,784	88,556	88,501	112,045
Seawater (m3)	17,413,502	11,173,563	8,589,344	9,234,113
Total water usage (m3)	17,517,286	11,262,119	8,677,846	9,346,158
Recycled water (m3)	16,944,782	10,938,482	8,354,263	8,363,527
Recycled water (%)	95.2	91.6	92.4	89.0
Dispersed oil concentration in discharged water (mg/L)	0.4	3.4	3.4	3.7
Water quantities disposal – operated sites				
Non-hazardous waste (tonnes)	675.9	1,209	490.7	907.0

[77] Electricity is purchased by the building owner and thus taken into scope 3 emissions consideration.

Environmental records	2021	*Pro forma 2020*	2020	2019
Non-hazardous waste intensity (kg/boe)	0.2	0.5	0.6	0.7
Hazardous waste (tonnes)	341.7	1,457	907.9	2,892
Hazardous waste intensity (kg/boe)	0.1	0.6	1.2	2.3
Total waste recycled (%)	90.5	52.1	90.4	96.0
Total waste energy recovery (%)	0.0	2.0	3.9	0.0
Spills – operated sites				
Hydrocarbon spills	0.0	0.0	0.0	0.0
Flaring (non-routine) – operated sites				
Total hydrocarbons flared (tonnes)	412.8	726.9	536.6	640.0
Flaring intensity (kg/boe)	0.1	0.3	0.7	0.6
Energy consumption – operated sites				
Total energy consumption (kWh)	314,517,104	362,088,369	236,401,631	261,038,889
Electrical energy consumption (TJ)	200.2	276.7	211.2	208.4
Electrical energy consumption intensity (MJ/boe)	67.8	109.6	273.0	165.1
Thermal energy consumption (TJ)	932.0	1,027	639.8	731.3
Thermal energy consumption intensity (MJ/boe)	315.4	406.6	826.8	579.1
Total energy consumption intensity (MJ/boe)	383.2	516.2	1,100	744.2

Financial Review

Panos Benos, CFO

Dear Shareholder,

I am pleased to provide an update on the Group's financial performance in the 12 months to 31 December 2021.

2021 was the first year of our transition to become the leading independent gas-producer in the Mediterranean after the completion of the acquisition of Edison E&P on 17 December 2020. Financial results have been consolidated from the date of completion, with results between the economic reference date (1 January 2019) and the completion date being reflected through adjustments to the final net consideration. Throughout this report, and in our other external materials, we have provided 2020 pro forma figures in order to represent meaningful comparative figures had the Edison Acquisition been completed on 1 January 2020.

The Edison E&P acquisition helped us diversify our asset base and expanded our low cost production stream across the Eastern Mediterranean. The Edison E&P acquisition added the key asset of Abu Qir gas-concentrate field ("Abu Qir") to our portfolio. Working interest production from Abu Qir averaged 29.1 kboed (87% gas) during 2021, which accounts for 70% of our total output for the year ended 31 December 2021.

Looking ahead to 2022, the second phase of Energean's transformation will be completed once Karish, its multi-tcf flagship gas project offshore Israel, commences production enabling it to deliver material free cash flows and fulfil its medium-term goal of paying a meaningful and sustainable dividend.

Financial results summary

	2021	*Pro forma 2020*	2020	*Change from 2020 pro forma*
Average working interest production (Kboepd)	41.0	48.3	3.6	(15.1%)
Sales revenue ($m)	497.0	335.9	28.0	48.0%
Cash cost of production ($m)	261.6	198.9	28.5	31.5%
Cost of production ($/boe)	17.5	11.3	21.4	54.9%
Administrative & selling expenses ($m)	43.0	41.4	15.3	3.8%
Operating profit/(loss) ($m)	32.1	(422.2)	(124.5)	107.6%
Adjusted EBITDAX ($m)	212.1	107.7	(8.3)	96.9%
Loss after tax ($m)	(96.2)	(416.4)	(92.9)	74.1%
Cash flow from operating activities ($m)	132.5	137.0	1.5	(2.8%)
Capital expenditure ($m)	407.9	565.4	429.0	(27.8%)
Cash capital expenditure ($m)	452.2	550.8	419.0	(17.9%)
Net debt ($m)	2,016.6	1,240.1	1,240.1	62.6%
Net debt/equity (%)	285.8	103.8	103.8	175.3%

Revenue, production, and commodity prices

Sales revenue increased by $469 million ($161.1 million or 48.0%, on a pro forma basis to account for the Edison E&P acquisition) to $497.0 million primarily as a result of higher realised commodity prices and an increase in production volumes for both liquids and gas, due to the Edison E&P acquisition. Our

pro forma revenue increase was driven primarily by commodity price strong recovery. The Group's realised oil and gas price for the period was $57.1/bbl and $5.2 $/mcf respectively.

Working interest production averaged 41.0 kboepd in 2021 (2020: 3.6 kboepd or 48.3 kboepd on a proforma basis), with the Abu Qir gas-condensate field, offshore Egypt, accounting for over 70% of total output. The decrease in pro forma production was driven primarily by a decrease in production from Abu Qir and UK fields partially offset by the increase of the working interest in the Vega and Rospo fields in Italy.

EBITDAX amounted to $212.1 million (2020: $(8.3) million or $107.7 million on a pro forma basis). The increase from 2020 proforma EBITDAX was due to higher revenue partially offset by higher operating costs from the enlarged group.

Cash cost of production

Cash production costs for the period were $17.5 /boe (2020: $21.4 /boe or $11.3/boe on a pro forma basis). The increase in pro forma cash unit production cost was primarily driven by decreased production and additional planned maintenance during extended summer shut-downs deferred from 2020 as a result of COVID-19. Additionally, production costs were also impacted by the strengthening of Euro against the US Dollar during the period.

Depreciation, impairments and write-offs

Depreciation charges before impairment on production and development assets increased by 303.9% to $97.5 million (2020: $24.1 million or $166.3 million on a pro forma basis) due to higher DD&A charges on acquired Edison E&P assets. Depreciation unit expense was $6.5/boe (2020: $18.4/boe or $9.4/boe on a pro forma basis).

The Group recognised a pre-tax impairment charge of $65.3 million in 2020 for the Prinos CGU as a result of a reduction in both short-term (Brent forward curve) and long-term price assumptions and a change in the production forecasts for the Prinos field. There were no such impairments for the year ended 31 December 2021

Exploration and evaluation expenditure and new ventures

During the period the Group expensed $87.7 million (2020: $4.4 million or $164.6 million on a pro forma basis) for exploration and new ventures evaluation activities. This includes costs ($79.8 million) associated with exploration and appraisal activities write-off for Glengorm South and Glengorm Central. In 2021 two appraisal wells were drilled targeting the Glengorm South and Glengorm Central segments. Both wells were unsuccessful and did not find hydrocarbons. All wells have been plugged and abandoned. The remainder of the impairment is as a result of the increase to the decommissioning estimate in Italy.

In addition, new ventures evaluation expenditure amounted to $5.6 million (2020: $1.5 million), mainly related to pre-licence and time-writing costs.

Selling, general and administrative (SG&A) expenses

Energean incurred SG&A costs of approximately $43.0 million in 2021 (2020: $15.3 million or $41.4 million on a pro forma basis). The increase is primary driven from the additional staffing and administrative costs associated with the new acquired Edison E&P business. Cash SG&A was $34.8 million (2020: $11.7 million or $35.5 million on a pro forma basis).

Net other income

Net other income of $10.9 million in 2021 (2020: $19.1 million expenses) includes $6.8 million of income due to a decrease in estimates of decommissioning provisions for certain UK producing assets, representing the amount of the decrease that was in excess of their book value.

Unrealised loss on derivatives

The Group has recognised unrealised loss on derivative instruments of $21.5 million related to the Cassiopea contingent consideration. A contingent consideration of up to $100.0 million is payable and determined on the basis of future gas prices (PSV) recorded at the time of the commissioning of the field, which is expected in 2024.

As at 31 December 2021, the two year future curve of PSV prices increased from the date of acquisition and indicate an average price in excess of €20/Mwh. The fair value of the Contingent Consideration as at 31 December 2021 was estimated to be $78.5 million based on a Monte Carlo simulation (31 December 2020: $55.2 million).

Net financing costs

Financing costs before capitalisation for the period were $278.4 million (2020: $102.7 million). including $107.0 million of interest expenses incurred on Senior Secured notes (2020: nil), $96.7 million on debt facilities (2020: $90.0 million) and $4.1 million (2020: $6.7 million) of interest expenses relating to long-term payables, representing future payments to the previous Karish & Tanin licence holders. Finance costs include mainly: unwinding of discount on deferred consideration, decommissioning provisions and other liabilities of $27.7 million (2020: $1.2 million); expensing of the unamortised costs under Greek and Egypt RBL of $18.1 million, due to repayments prior to their maturity dates and arrangement fees, commissions for guarantees and other bank charges of $17.8 million (2020: $4.8 million).

Net finance costs includes foreign exchange losses of $6.9 million (2020: $15.4 million foreign exchange gain). Finance income amounted to $3.0 million (2020: $0.5 million), including Interest income from time deposits.

Taxation

Energean recorded tax charges of $5.4 million in 2021 (2020: $20.5 million tax credit), split between a current and prior year tax expense of $44.5 million (2020: $0.8 million), and a deferred tax credit of $39.2 million (2020: credit $21.5 million) and representing an effective rate of 6% (2020: -18%).

Operating cash flow

Cash from operations before tax and movements in working capital was $136.7 million (2020: ($25.5) million). After adjusting for tax and working capital movements, cash from operations was $132.5 million (2020: $1.5 million or $137.0 million on a pro forma basis). The decrease on a pro forma basis was primarily driven by payments made for buyers compensation in Israel amounting to $23.0 million and cash held on account in relation to the commodity hedges in Italy of $29.4 million.

Capital Expenditures

During the period, the Group incurred capital expenditures of $407.9 million (2020: $429 million). Capital expenditure mainly consisted of development expenditures in relation to the Karish Main and Karish North Fields in Israel ($243.4 million) , NEA project in Egypt ($52 million), Cassiopea field in Italy ($37.0 million), Scott field in UK ($11.6 million) and exploration expenditures in relation to Glengorm and Isabella in UK ($40.5 million) and Athena, Hercules, Hermes in Israel ($6.0 million).

Net Debt

As at 31 December 2021, net debt of $2,016 million (2020: $1,240 million) consisted of $2,500 million Israeli senior secured notes, $450 million of corporate senior secured notes and $50 million of convertible loan notes, less deferred amortised fees, equity component of convertible loan ($10.5 million) and cash balances of $930.6 million. The Senior Credit Facility for the Karish-Tanin Development, the EBRD Senior Facility, the EBRD Subordinated Facility and the New Egypt RBL Facility were repaid during the year amounting to a total of $1,807 million.

In accessing the bond markets, Energean has converted floating interest rate exposure to fixed rates giving a blended average interest rate of approximately 5% and increased Energean's weighted average debt maturity to approximately six years.

Credit ratings

Energean maintains corporate credit ratings with Standard and Poor's (S&P) and Fitch Ratings (Fitch).

On 4 November 2021 Energean plc was assigned its first corporate credit ratings from S&P and Fitch, following the issuance of the $450 million senior secured notes which mature in 2027.

- S&P assigned a B corporate credit rating to Energean plc and B rating for the senior secured notes maturing in 2027, with Positive Outlook. The positive outlook reflects the expectation that Energean will successfully launch the Karish gas field in Israel in 2022, supporting the credit quality of the company.

- Fitch assigned a B+ corporate credit rating to Energean plc and B+ rating for the senior secured notes maturing in 2027, with a Stable Outlook.

Risk management

Principal risks

There are no significant changes to the headline principal risks from those disclosed in the 2021 Interim results. A full description of Energean's principal risks will be disclosed in its 2021 Annual Report & Accounts.

Commodity price risk

The Group undertakes hedging activities as part of the ongoing financial risk management to protect against commodity price volatility and to ensure the availability of cash flow for re-investment in capital programmes that are driving business delivery. Commodity hedge contracts entered into in Italy aim to mitigate the risk of changes to the cost of natural gas and that relating to the sale of natural gas.

Hedge position	2022	2023
Gas		
Sales Volume hedged (MWs)	705,000	-
Average priced hedged (€/MWs)	55.89	-

At 31 December 2021, the Group's financial hedging programme on gas derivative instruments showed a pre-tax negative fair value of $12.5 million (2020: nil) included in other comprehensive income, with no ineffectiveness charge to the income statement.

Liquidity risk management and going concern

The Group carefully manages the risk of a shortage of funds by closely monitoring its funding position and its liquidity risk. The Going Concern assessment covers the period up to 31 March 2023 'the Forecast Period'.

Cash forecasts are regularly produced based on, inter alia, the Group's latest life of field production, budgeted expenditure forecasts, management's best estimate of future commodity prices (based on recent published forward curves) and headroom under its debt facilities. The Base Case cash flow model used for the going concern assessment conservatively assumes first gas from Karish in October 2022, Brent at $80/bbl in 2022 and $75/bbl in 2023 and PSV (Italian gas price) at €55/MWh in 2022 and €40/MWh in 2023.

In addition, on a regular basis, the Group performs sensitivity tests of its liquidity position to evaluate adverse impacts that may result from changes to the macro-economic environment such as a reduction in commodity prices. The Group is not exposed to floating interest rate risk. The Group also looks at the impact of changes or deferral of key projects. This is done to identify risks to liquidity to enable management to formulate appropriate and timely mitigation strategies in order to manage the risk of funds shortfalls and to ensure the Group's ability to continue as a going concern. Such assumptions underpin management's reasonable worst-case scenario to further assess the robustness of the Group's liquidity position over the Forecast Period.

Reverse stress testing was performed to determine what levels of prices and/or production would need to occur for the liquidity headroom to be eliminated, prior to any mitigating actions; the likelihood of such conditions occurring was concluded to be remote. In the event an extreme downside scenario occurred, prudent mitigating actions could be executed in the necessary timeframe such as a tightening of operating costs and reductions/postponement of other discretionary exploration and development expenditures. There is no material impact of climate change within the Forecast Period therefore it does not form part of the reverse stress testing performed by management.

1 *As of 31 December 2021 the Group's available liquidity was approximately $1 billion. In terms of the Group's Borrowing Facilities, the following was considered as part of management's assessment: Energean Israel Project Bond:*

In March 2021 Energean raised $2.5 billion through the issuance of bonds to (i) refinance its $1.45 billion Israel Project Finance Facility, (ii) cancel and replace the $700 million Term Loan which was drawn to fund the acquisition of Kerogen's minority interest in Energean Israel, (iii) fund capital and exploration expenditure in Israel, including Karish and Karish North, and (iv) for general corporate purposes of the Group.

2 *Energean plc Corporate Bond:*

In November 2021 Energean raised a $450 million Bond to (i) repay all amounts outstanding under the Egypt and Greek RBLs plus subordinated debt, (ii) to pay fees and other expenses related to the Bond, and (iii) for general corporate purposes of the Group.

There are no financial maintenance covenants associated with either of the Bonds.

3 *Greek State-Backed Loan*

In December 2021 Energean signed a €100 million loan backed by the Greek State which is to be used specifically for the development of the Prinos Area in Greece, including the Epsilon development.

In forming its assessment of the Group's ability to continue as a going concern, including its review of the forecasted cashflow of the Group over the Forecast Period, the Board has made judgements about:

- Reasonable sensitivities appropriate for the current status of the business and the wider macro environment; and
- The Group's ability to implement the mitigating actions within the Group's control, in the event this were required.

After careful consideration, the Directors are satisfied that the Group has sufficient financial resources to continue in operation for the foreseeable future, for the Forecast Period to 31 March 2023. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Events since December 2021

On 14 March 2022 - Energean signed a supply agreement with the Israel Electric Company, the largest Israeli buyer of natural gas. IEC will now have the right to purchase natural gas from Energean's fields. The gas price will be determined in each period, with purchased amounts determined on a daily basis. Starting upon the commencement of first gas production from Karish, the agreement will be valid for an initial one-year period with an option to extend subject to ratification by both parties.

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures include Adjusted EBITDAX, cost of production, capital expenditure, cash capital expenditure, net debt and gearing ratio and are explained below.

Cash cost of production

Cash cost of production is a non-IFRS measure that is used by the Group as a useful indicator of the Group's underlying cash costs to produce hydrocarbons. The Group uses the measure to compare operational performance period to period, to monitor costs and to assess operational efficiency. Cash cost of production is calculated as cost of sales, adjusted for depreciation and hydrocarbon inventory movements.

($m)	2021	*Pro forma* 2020	2020
Cost of sales	345.1	364.6	48.4
Less:			
Depreciation	(94.6)	(163.1)	(22.1)

($m)	2021	*Pro forma* 2020	2020
Change in inventory	11.1	(2.6)	2.2
Cost of production	261.6	198.9	28.5
Total production for the period (kboe)	14,963.5	17,621.0	1,331.0
Cash cost of production per boe ($/boe)	17.5	11.3	21.4

Adjusted EBITDAX

Adjusted EBITDAX is a non-IFRS measure used by the Group to measure business performance. It is calculated as profit or loss for the period, adjusted for discontinued operations, taxation, depreciation and amortisation, other income and expenses (including the impact of derivative financial instruments and foreign exchange), net finance costs and exploration costs. The Group presents Adjusted EBITDAX as it is used in assessing the Group's growth and operational efficiencies, because it illustrates the underlying performance of the Group's business by excluding items not considered by management to reflect the underlying operations of the Group.

($m)	2021	Pro forma 2020	*2020*
Adjusted EBITDAX	212.1	107.7	(8.3)
Reconciliation to profit/(loss):			
Depreciation and amortisation	(97.5)	(166.3)	(24.1)
Share-based payment	(5.7)	(3.2)	(3.2)
Exploration and evaluation expense	(87.7)	(164.6)	(4.4)
Impairment loss on property, plant and equipment	-	(182.9)	(65.3)
Other expense	(7.0)	(35.0)	(28.3)
Other income	17.9	22.1	9.1
Finance expenses	(97.4)	(16.9)	(5.0)
Finance income	3.0	1.2	0.4
Unrealised loss on derivatives	(21.5)	-	-
Net foreign exchange	(6.9)	7.8	15.5
Taxation income/(expense)	(5.4)	13.7	20.7
Loss for the year	(96.2)	(416.4)	(92.9)

Capital expenditure

Capital expenditure is a useful indicator of the Group's organic expenditure on oil and gas assets and exploration and appraisal assets incurred during a period. Capital expenditure is defined as additions to property, plant and equipment and intangible exploration and evaluation assets less decommissioning asset additions, right-of-use asset additions, capitalised share-based payment charge and capitalised borrowing costs:

($m)	2021	*Pro forma 2020*	*2020*
Additions to property, plant and equipment	521.4	659.1	550.6
Additions to intangible exploration and evaluation assets	54.8	108.1	11.8
Less:	168.2	201.8	133.4
Capitalised borrowing cost	181.0	97.7	97.7
Leased assets additions and modifications	8.7	17.2	2.0
Lease payments related to capital activities	(10.9)	(12.0)	(6.6)
Capitalised share-based payment charge	0.2	0.1	0.1
Capitalised depreciation	0.2	0.6	0.6
Change in decommissioning provision	(11.0)	98.2	39.6
Total capital expenditures	408.0	565.4	429.0
Movement in working capital	44.3	14.6	10.0
Cash capital expenditures per the cash flow statement	452.3	550.8	419.0

Cash Capital Expenditure

($m)	2021	2020
Payment for purchase of property, plant and equipment	403,503	403,986
Payment for exploration and evaluation, and other intangible assets	48,674	15,041
Total Cash Capital Expenditure	452,177	419,027

Net debt/(cash) and gearing ratio

Net debt is defined as the Group's total borrowings less cash and cash equivalents. Management believes that net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of any cash and cash equivalents that could be used to reduce borrowings. The Group defines capital as total equity and calculates the gearing ratio as net debt divided by total equity.

($m)	2021	2020
Current borrowings	-	1,113.0
Non-current borrowings	2,947.1	330.0
Total borrowings	2,947.1	1,443.0
Less: Cash and cash equivalents and bank deposits	(730.8)	(202.9)
Restricted cash	(199.7)	-
Net Debt	2,016.6	1,240.1
Total equity	717.1	1,194.4
Gearing Ratio	281.2%	103.8%

Risk Management

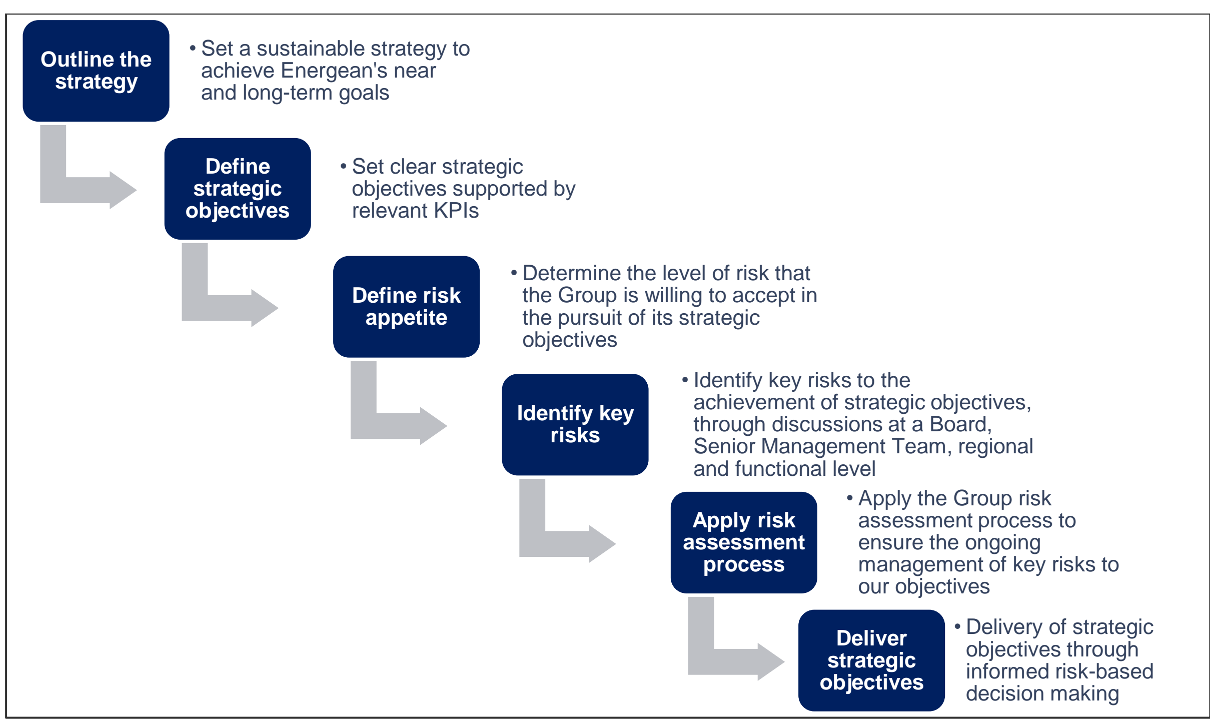
Successful and sustainable implementation of our strategy requires strong corporate governance and effective risk management. We deliver this through a comprehensive framework of business policies, systems and procedures that enable us to assess and manage risk effectively.

Managing risks and opportunities is essential to Energean's long-term success and growth. All investment opportunities may expose Energean to increased risks, particularly in the current risk environment, including climate change related risks and opportunities. Energean manages its exposure to such risks in accordance with the Board's appetite for risk.

Energean's risk management framework provides a systematic process for the identification and management of the key risks and opportunities which may impact the delivery of its strategic objectives. KPIs are set annually and determining the level of risk Energean is willing to accept in the pursuit of these objectives is a fundamental component of its risk management framework.

The Board operates a risk management framework for the Company and its subsidiaries (together the "Group") in order to identify, assess, control and monitor all current and emerging risks to the business arising from the achievement of its strategic objectives. The risk management framework establishes Energean's internal control and risk management process and includes the following:

Group risk management framework



Risk oversight and governance

Overall responsibility for risk oversight and the effectiveness of the Company's risk management and internal control systems rests with the Board. Principal risks, including emerging risks, as well as progress against key performance indicators, are reviewed at each quarterly scheduled Board meeting and deep dives on identified risks are undertaken by the Audit and Risk Committee, when deemed appropriate.

The Group's framework for risk management promotes a bottom-up approach to risk management with top-down support and challenge. The risks associated with the delivery of the strategy and work programmes and the associated mitigation measures and action plans are maintained in a series of risk registers at Group, audit and project level. Reporting of these risks within the organisation is structured so that risks are escalated through the various business units and functions to Board committees and to the Board itself.

Energean's Executive Management Team is responsible and accountable for overseeing and monitoring risks that fall under their identified remit, while the Audit and Risk Committee is additionally responsible for continuously evaluating the effectiveness of the Group's system of internal control and risk management methodology.

Group risk governance framework

Top-down:
Oversight, accountability, monitoring and assurance
The Board

Audit and Risk Committee	Executive Management Team
Chaired by Andy Bartlett, Senior Independent Non-Executive Director	**Chaired by Mathios Rigas, CEO**
• Responsible for setting the direction for risk management • Facilitates continual improvements of the risk management system • Monitors and reviews the scope and effectiveness of the Company's systems of risk and internal control • Monitors and reviews quarterly the Risk Heat Map of identified risks and provides feedback on potential next steps/ action items or other comments and suggestions.	• Performs a quarterly 'deep-dive' review of the Group risk register. • Communicates with risk owners to ensure assessment of the risks to the business • Regularly reviews and discusses with the risk owners challenging whether mitigations are being effectively executed within the agreed timeframe.

Board of Directors

The Board is responsible for overseeing the risk identification, assessment and mitigation process and undertakes regular assessments of the risks facing the Group, including current and emerging risks that could potentially threaten our business integrity, strategy, operating model, future performance, solvency and/or liquidity.

The overall tone for risk management is driven by the Board, which works closely with the Executive Management Team and Audit and Risk Committee to regularly review Energean's risk portfolio, monitor any emerging risk and better understand how risks are being managed across the Company. It considers:

- Executive Management / Committee updates;
- Strategic plan and budgets; and
- Risk assessments.

Audit and Risk Committee

The Board delegates to the Audit and Risk Committee the responsibility for reviewing the effectiveness of the Group's systems of internal control and risk management methodology. As part of this review, the Audit and Risk Committee considers the principal risks facing the Group and the nature and extent of these risks, based on assessments by management and the Group level Executives (e.g. Group CFO), Functions (e.g. Technical /ICT) or Bodies (e.g. Senior Management Committee) that may participate in the process.

Financial Control

An integral part of the Energean internal control system is the internal control system for financial reporting, which is responsible for the financial report preparation process in compliance with generally accepted international accounting standards. Energean's CFO and Head of Financial Control, in her capacity as officer in charge of preparing financial reports, are responsible for planning, establishing and maintaining the internal control system for financial reporting.

Internal Audit Function

The Internal Audit Function has a central role in the Group's risk management and internal control system, through objectively and independently evaluating controls, governance and risk management processes. The Internal Audit is performed by PricewaterhouseCoopers Business Solutions S.A. ("PwC"), and the Group's Internal Audit Lead, who is responsible for coordinating the relevant assurance and consulting engagements, aligning the internal audit risk assessment process with the Group risk register outcomes and proposing a risk based annual audit plan to Audit & Risk Committee.

Management Team Committee

The Executive Management Committee is responsible for detailed assessment of the risks to the business.

It considers risks linked to:

- Strategic objectives
- Business model.

Consolidation of business risks

To facilitate the assessment of the main risks facing the business, Energean undertakes a bottom-up review of the key risks faced by the business through the execution of two subprocesses (Inherent Risk Assessment and Residual Risk Assessment) and the key risks in each area are identified by the business units and functions in the Group across all regions, including mitigating actions and any controls in place. These are consolidated upwards into the Group's risk register and assessed according to their likelihood of occurring, as well as the potential consequences to Energean in terms of safety, reputational, financial, operational or organisational impact.

From this, the Executive Management Committee identifies the enterprise level risks which can be linked either to the Strategic Objectives or to the Business Model, which, taken together, are significant for Energean. A member of the Executive Management Team has ownership and accountability for the respective enterprise level risks. Collectively, the Executive Management Team reviews and discusses the enterprise level risks challenging whether mitigations are being effectively executed within the agreed timeframe. On a quarterly basis the enterprise level risks are discussed by the Board on a 'Risk Heat Map' to provide 'top down' challenge and support. The outcome of this review and the corresponding key messages, are communicated back down to the business units and functions to facilitate risk awareness and effective decision making throughout the Group.

Responding to the Changing Risk Environment in 2021

As part of our goal to continuously improve our risk management processes, the following tasks were completed in 2021:

- The Board completed a deep-dive risk workshop which focused on further understanding potential cyber threats to the business. The objective of the workshop was to provide the Board with further insight into the growing threats from cyber risk with a focus on the changing risk environment resulting from the increase in homeworking.
- Several activities were completed to assess our recently acquired Edison E&P business with respect to bribery and corruption risks and mitigating controls in place including the completion of a risk assessment conducted in all relevant operations of Energean Italy Spa, a business acquired through the Edison E&P acquisition in Italy. The assessment covered several at risk activities related to bribery and corruption risks, including commercial management, management of relations with public authorities, process of purchasing goods and services, personnel recruitment and management,

following which, the risk analysis which was produced, formed part of the implementation of the new organisational Model 231, pursuant to the Legislative Decree no. 231/2001.

- A contingent liabilities, litigation and ongoing disputes dashboard was maintained to assess any incidents, disputes or emerging risks that might trigger a potential financial liability impacting the Group. The dashboard was presented at each Audit & Risk Committee meeting and semi-annually to the Group financial controller and external auditors.
- To ensure awareness, understanding on and compliance with important governance, regulatory and security topics, mandatory e-learning was also implemented across the Group translated, as appropriate, in local languages, which included comprehensive modules on bribery and corruption, preventing the facilitation of tax evasion, modern slavery and cyber security.

Climate change related risks and opportunities

Climate change related risks and opportunities are fully integrated with Energean's multi-disciplinary, Group-wide risk management process, as per the recommendations of the TCFD.

The risk management framework ensures effective identification, assessment, control and monitoring of risks to the Company's business, in addition to capitalising on potential opportunities. Climate change-related risks are assessed against their potential financial, legal, physical, market and reputational impact, and key strategic and commercial decisions are assessed by reference to their financial importance.

In focus – climate change risk

During the 2019 risk identification and assessment process, Energean recognised climate change as a rapidly emerging risk. This was reflected by the Company's decision to announce a net-zero 2050 target, using gas as the transition medium to a low carbon future.

To achieve this transition, climate change related risks and opportunities have been identified, and future scenarios that facilitated in developing an integrated strategy approach have been analysed[78]. Our strategy and business plan to limit global warming has been structured, and is currently being implemented, in three different phases; short, medium and long-term, as per our Climate Change Policy published in 2021.

In 2021, the Nomination and ESG Committee was split in two, which created the Environment, Safety and Social Responsibility Committee, which is chaired by Robert Peck and is attended by the Chair of the Board, the CEO and the HSE Director, the latter being responsible for the operational management of any and all climate change issues. The purpose of the Committee is to evaluate Energean's policies and systems for identifying and managing ESG risks, which includes the identification of climate change risks, and to propose mitigation measures. The Committee convenes every quarter and reviews the Board papers on Energean's carbon emissions performance and KPIs.

Risk appetite

The Board sets Energean's risk appetite and acceptable risk tolerance levels for each of the eight key risk categories and has reviewed the strategies devised by the Executive Management Team to mitigate them. In considering Energean's risk appetite, the Board has reviewed the risk process, the assessment of risks and the existing controls and mitigating actions that reduce overall risk. During this process, the Board articulated which risks Energean should not tolerate, which should be managed to an acceptable level and which should be accepted in order to deliver our business strategy.

[78] Please refer to "Our Strategy- Tackling Climate Change- Our Climate Change Strategy".

Principal risks and uncertainties

Symbols used in the following pages

Trend versus prior year indicates our perception of pre-mitigation risk	Link to Business Model	Link to Strategy
▲ Increasing / worsening	A - Find and appraise	① - Eastern Mediterranean
▼ Reducing / improving	B - Develop	② - Gas
▬ Static	C - Produce	③ - Tackling climate change
N New Risk	D - Acquire	④ - Organic growth
Z No longer a risk	E - Implementing low carbon solutions	⑤ - Value-driven and return driven

Internally, the Group monitors and mitigates a more substantive list of risks, but those listed in the following pages are the enterprise level risks which can be linked either to the Strategic Objectives or to the Business Model, which, taken together, are significant for Energean. Our principal risks and risk reduction actions are monitored and assessed on an ongoing basis. The following table provides a summary overview of the principal risks to the Group against the previous year, while the following pages provide for each principal risk an analysis of the potential impacts, the corresponding mitigation measures, the risk appetite and the strategic objectives each of these risks may impact.

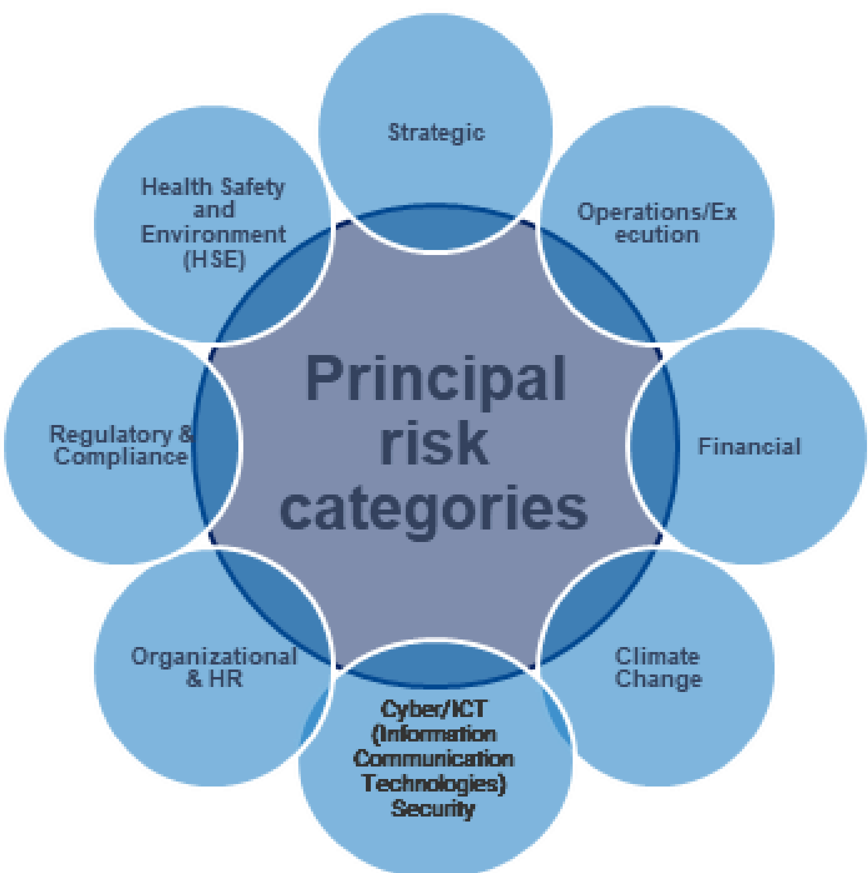
Highlights against previous year

Principal risks in 2020	Principal risks in 2021	Trend versus prior year
#1 Strategic I - Progress key development projects in Israel -	#1 Strategic -Operational Delivery	▼
#2 Strategic II- Market risk in Israel	#4 Strategic - Market risk in Israel	▼
#3 Strategic III - Progress key development projects	#2 Strategic - Operational Delivery	▼
#4 Strategic IV - Deliver exploration success and reserves addition	#3 Strategic- Deliver exploration success and reserves addition	▼
#5 Strategic V - Portfolio Integration		Z No longer a risk
#6 Operational risk I – Production performance		Z No longer a risk
	# 6 Organisational & HR risk	N New Risk
#7 Operational risk II – JV misalignment	# 7 Operational risk - Misalignment with JV operators	▲
#8 Financial Risk I. Maintaining liquidity and solvency	#5 Financial Risk - Maintaining liquidity and solvency	▼
#9 Financial Risk II - Egypt receivables	#8 Operational Risk - Egypt receivables	▼
#10 Financial Risk III – Decommissioning liability	#9 Operational Risk – Decommissioning liability	▲
#11 Organisational, compliance and regulatory risk I - cyber attack	#10 Cyber /ICT (Information Communication Technologies) Security	▲

#12 Organisational, compliance and regulatory risk II -Ethics, culture and compliance	#11 Regulatory & Compliance - Fraud, Bribery, and corruption	▬
#13 Organisational, compliance and regulatory risk III - HSE	#12 Health Safety and Environment (HSE)	▬
#13 Climate change risk I-Failure to manage the risk of climate change and to adapt to the energy transition	#13 Climate change	
#14 Climate Change II - Physical risks related to climate change	#14 Climate Change - Physical risks	▬
#15 Strategic-Geopolitical events	#15 Strategic- External geopolitical, political, social risks	▬
#16 External risk II - Global pandemic	#16 Pandemic	▲

Energean's enterprise-level principal risks that the Board considered to have a significant impact during our planning horizon are categorised under one of the eight principal risk categories, which together with the Pandemic, are outlined below on pages 85-103.

Categories of principal risks



#1 Strategic - Operational Delivery

Principal risk: Delay to first gas at Karish
Owner: Chief Executive Officer
Link to strategy: ① ② ③ ④ ⑤
Link to business model: B C E
Link to 2021 KPIs: Delivering our strategy, growing our business and tackling climate change

Risk appetite	Low – Successfully delivering Karish in Q3 2022 is crucial in facilitating the Group's transition to a sustainable cash-flow generator.
2021 movement	▼ Although COVID-19 continued to cause challenges, good progress was made on our flagship multi-tcf Karish gas development offshore Israel, which was approximately 92.5% complete at year end 2021. At the time of writing, Energean is targeting first gas by Q3 2022. This timetable expects approximately four - five months from sail-away to first gas, including the tow from Singapore to Israel, hook-up and commissioning. Following completion of the pre-sail-away commissioning and testing of mechanical and electrical systems, the final commissioning work will be performed offshore upon arrival in Israeli waters.
Impact	Delayed delivery of first gas from the FPSO could result in a delay in delivering future cash flows and thus delay Energean's ability to pay a meaningful and sustainable dividend to its shareholders. Delays could also result in increased capital expenditure and incremental G&A costs, which could result in a reduction to said cash flows. A failure to achieve certain milestones, such as first gas delivery could result in reputational damage within the wider market, including with Energean's investors, banks, gas buyers and wider stakeholders. Under its gas sale agreements ("GSPA"s), the Group may be subject to various contractual consequences in case of a delayed start up in supplying gas in accordance with specific deadlines detailed in the relevant GSPAs. Such contractual consequences may include early termination rights that certain buyers potentially have after applicable long-stop dates, and in the majority of the GSPAs, monetary contractual payments or early shortfall after the long-stop dates.
Mitigation	Energean has actively engaged with its contractors early to ensure highly effective working relationships and to incentivise contractors to accelerate the completion of works. Energean's contract with Technip is a lump-sum, turnkey EPCIC, which mitigates development risk and the potential for significant cost overruns. Energean's 2021 budget was updated to reflect the increased cost of interest and potential liquidated damages arising from a delay in first gas. Energean benefits from strong support from Government and continued engagement with customers in Israel. Energean has signed long-term contracts to supply 7.2 Bcm/yr of gas on plateau into the Israeli domestic market, all of which have floor pricing, take-or-pay and/or exclusivity provisions that largely insulate revenues against downside commodity price risk and underpin our goal of paying a sector-leading dividend. Energean's GSPAs are priced amongst the lowest in Israel, suggesting that buyers (who have signed GSPAs which contain termination rights) will have limited incentive to terminate them due to delay in first gas. Force Majeure notices have been issued under all of the GSPAs in relation to COVID-19. Subsequent updates were provided in writing to each buyer, as well as access to data rooms and documentation on relevant governmental restrictions. As of today, with the exception of Dalia, who sent notices to Energean, purporting to terminate its gas sales agreement (for which please refer to "*Review of Operations-Israel-GSPAs-Existing GSPAs"*), no claim was filed by such other buyers and no compensation is payable by Energean.

	Energean's responses to the foregoing and other communications with buyers are aimed to maintain the full extent of Company's rights for a Force Majeure relief under each of its GSPAs. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	First gas anticipated in Q3 2022. Thereafter, Karish will provide substantial, and importantly, stable cash flows based on fixed contracts with floor pricing and take or pay provisions.

#2 Strategic - Operational Delivery

Principal risk: Delayed delivery of future development projects (including NEA / NI in Egypt, Cassiopea in Italy and Epsilon in Greece)
Owner: Chief Executive Officer
Link to strategy: ① ② ④ ⑤
Link to business model: B C E
Link to 2021 KPIs: Delivering our strategy and growing our business

Risk appetite	Low – The three key new development projects are viewed as essential for the relevant country portfolios, substantially benefitting the long-term production profiles of the Company, whilst bringing cost and investment efficiencies and strategic benefits.
2021 movement	▼ This risk has decreased in 2021 as Energean continued to progress its development portfolio in line with expectations against its strategic goals, albeit under the weight of COVID 19. • FID taken on NEA/NI (Egypt) in January 2021; • EPCI contract awarded to TechnipFMC for NEA/NI in February 2021 • NEA/NI on track and 37.0% complete as of 31 December 2021[79] • Cassiopea (Italy) development on track and 24.2% complete at 31 December 2021[79] • Funding secured for the Epsilon Development in Greece.
Impact	A delay to any of these projects could result in a delay to, or reduction of, future cash flows, which could impact upon Energean's goal of paying a meaningful and sustainable dividend to its shareholders.
Mitigation	Energean is actively engaged with its partners, contractors and all other relevant stakeholders on all development projects to ensure effective working relationships. For further information, please refer to "*Performance in 2021*" on pages 9-11. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Developments to progress in line with expectations, targeting first gas from NEA/NI in H2 2022, Cassiopea in H1 2024 and Epsilon H1 2023. Continue to monitor project progress.

[79] As measured under the TechnipFMC EPCIC.

#3 Strategic- Deliver exploration success and reserves addition

Principal risk: Lack of new commercial discoveries and reserves replacement
Owner: Group Technical Director
Link to strategy: ① ② ④ ⑤
Link to business model: A C
Link to 2021 KPIs: Delivering our strategy and growing our business

Risk appetite	Medium – Exposure to exploration and appraisal failure is inherent in accessing the significant upside potential of exploration projects, and this remains a core value driver for Energean. The Group invests in data and exploits the strong experience of Energean's technical teams to mitigate this risk.
2021 movement	▼ This risk has been slightly decreased in 2021. In January 2021, Energean reached FID at the 1.2 Tcf (33 Bcm) Karish North field, 21-months after the announcement of the discovery. Energean's preparatory work ahead of the offshore Israel drilling campaign progressed in line with expectations during 2021. In June 2021, Energean signed a rig contract with Stena Drilling for the Stena IceMax drillship. The contract is for the drilling of three firm wells and two optional wells. Drilling commenced in March 2022, and the campaign has the potential to double the Israel gas resource base. For further information, please refer to "*Performance in 2021*" on pages 9-11.
Impact	Failure to make new significant gas discoveries and replenish the exploration portfolio will reduce the Group's ability to grow the business and deliver its strategy.
Mitigation	Energean focuses on high-grading of its exploration and appraisal programme and maintains a focus on low-risk, high-reward prospects with clear and short-term routes to commercialisation. The Group's next major exploration and appraisal campaign, offshore Israel, is on track. Ongoing monitoring of KPIs by Executive Management Team.
2022 Objectives	Execute exploration and appraisal campaign offshore Israel. Increase and diversify presence in Egypt. This was achieved in early 2022, with the award of an exploration licence for the East Bir El-Nus concession (Block-8), in the Western Desert of Egypt.

#4 Strategic - Market risk in Israel

Principal risk: The potential for Israeli gas market oversupply may result in offtake being at the take-or-pay level of existing GSPAs and could result in the failure to secure new GSPAs
Owner: Commercial Director
Link to strategy: ① ② ④ ⑤
Link to business model: B C
Link to 2021 KPIs: Delivering our strategy, growing our business

Risk appetite	Low – Strong commercial terms and contract security are a core component of Energean's business model and investment case. The Group utilises its strong regional ties and the experience of Energean's commercial teams to mitigate this risk.
2021 movement	▼This risk decreased in 2021 versus 2020, due to rising gas demand in Israel and the surrounding markets as a result of the recovery from the impact of COVID-19 on demand. In 2021, demand for gas in Israel was approximately 11.9 Bcm. Despite near-term pressure on demand, Israel's long-term gas demand outlook remains robust, with demand forecast to grow to 15.7 Bcm by 2025 and approximately 20.1 Bcm by 2035[80]. Natural gas demand increase is driven by the enduring growth in electricity demand, as well as by a transition of fuel mix, from coal and oil to natural gas and renewables. Also in 2021, Energean signed a MOU with EGAS for the sale and purchase of up to 3 Bcm/yr of natural gas on average for a period of 10 years. This also represents a commercialisation option for gas resources discovered in the 2022/23 Israel drilling campaign. There are existing export pipelines from Israel to Egypt that Energean can utilise.
Impact	Increased market competition may drive Israeli domestic gas prices down. Lower pricing may incentivise gas buyers to make nominations that are restricted to the take-or-pay levels within the GSPAs, rather than the full annual contracted quantities. This could reduce Energean's future net revenues and cash flows, potentially impacting upon its ambition to pay a meaningful and sustainable dividend.
Mitigation	All existing contracted reserves and resources are to the domestic market, including those of Karish North, for which it has been indicated that the normal export quotas under "Adiri 1 and Adiri 2" will apply. The same is true for further discoveries. Energean is investigating all options for the commercialisation of future exploration success, including further domestic supply as well as supply to key regional gas markets. Ongoing monitoring of KPIs is undertaken by Executive Management Team.
2022 Objectives	Energean will proactively seek to maintain good relationships with its gas buyers, whilst also evaluating potential export routes and other options for monetisation.

[80] Israel Ministry of Energy – Interim Report for the Examination of Government Policy on the Natural Gas Economy in Israel, July 2021.

#5 Financial Risk - Maintaining liquidity and solvency

Principal risk: Insufficient liquidity and funding capacity
Owner: Chief Financial Officer
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Growing our business

Risk appetite	Low – Energean seeks to set the foundations for the future via a solid capital structure.
2021 movement	▼ This risk has decreased in 2021. During the year, Energean raised over $3 billion from the debt capital markets to refinance existing borrowings. Energean ended the year with over $1 billion of liquidity.
Impact	Funding and liquidity risks could impact the Group's viability and ability to continue as a going concern, including a downturn in business operations for unexpected factors, like pandemics. The Company is exposed to commodity prices in relation to its sales and revenues under its crude oil and gas sales contracts, which are subject to variable market factors. Interest and foreign exchange rate movements could negatively affect profitability, cash flow and balance sheets (see Notes 27.3 and 27.5 to the consolidated financial statements). Erosion of balance sheet through impairments of financial assets may further impact the Group's financial position[81].
Mitigation	In 2021, Energean raised over $3 billion from the debt capital markets to refinance existing borrowings and increase liquidity. This included: (i) $2.5 billion senior secured notes, non-recourse to the Group, at the 100% subsidiary Energean Israel, (ii) €100 million Greek state backed loan, non-recourse to the Group, at Energean Greece and (iii) $450 million senior secured notes at Energean plc. In doing so, Energean extended the weighted average maturity to approximately six years, pushed out commencement of major debt repayment obligations to 2024 and converted floating interest rates to fixed rates. The Group ended the year with over $1 billion of liquidity[82], ensuring it is fully funded to deliver our projects, removing any near-term debt repayment obligations and eliminating exposure to interest rate volatility. Moving forward: • Financial covenants are incurrence based rather than maintenance covenants and therefore management of the same is fully within the control of the Group. The covenants are monitored, inter alia, in the context of setting the dividend policy, paying a dividend, making an acquisition or raising additional debt. • The Group actively monitors oil price movements and may hedge part of its production to protect the downside while maintaining access to upside and to ensure availability of cashflows for re-investment and debt-service. • All Karish gas contracts are based on pricing formulas which include floor prices; that ensures a minimum price for gas sales whatever the market conditions or pricing formulas outcome. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Evolve the capital allocation strategy from capital investment to sustainable cash-flow generation.

[81] For further information, please refer to Going Concern disclosure on pages 185-186 and Viability Statement disclosure on pages 104-105).
[82] Including restricted cash amounts of $200 million and undrawn Greek debt facility of €100 million.

#6 Organisational & HR risk

Principal risk: The potential risk of group level roles being overwhelmed by the additional workload associated with the Edison integration.
Owner: HR Director
Link to strategy: ④ ⑤
Link to business model: B, D
Link to 2021 KPIs: Delivering our strategy, growing our business

Risk appetite	Low – The pursuit of our strategy relies on attracting, motivating and retaining key talented people and their knowledge and expertise. Our performance and ability to grow depends on it.
2021 movement	N New Risk The pandemic has changed how people think about work. Priorities have shifted and workforce expectations have, and continue to change, in terms of flexible and remote working combined with the challenge of current and future wage inflation. We celebrated one year from the successful completion of the Edison acquisition. The organisational structure following the close of this transaction continues to evolve.
Impact	The impact of rapid growth, if poorly managed, puts additional pressure on people, their performance and wellbeing and could result in talent loss, particularly among high performers.
Mitigation	Talented People and Responsible Operations are two of our key business model foundations. Energean has a clearly defined recruitment drive to increase the headcount for Group level roles and has also launched an employee assistance program and a performance management process, alongside the competency framework, introduced in February 2022. Energean has active employee's incentives plans (LTIP, DBP and MBO awards) as well as an internal career development process. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Energean will continue to foster a culture of inclusion and diversity, as well as streamlining the learning and knowledge sharing processes. Continuous Performance enabled via SAP SuccessFactors to maximise value.

#7 Operational risk - Misalignment with JV operators

Principal risk(s): Misalignment with JV operators
Owner: Technical Director
Link to strategy: ① ② ④ ⑤
Link to business model: C
Link to 2020 KPIs: Growing our business

Risk appetite	Medium – The Group seeks to operate assets which align with the Group's core areas of expertise, but recognises that a balanced portfolio will also include non-operated ventures. The Group accepts that there are risks associated with a non-operator role and will seek to mitigate these risks by working with partners of high integrity and experience and maintaining close working relationships with all JV partners.
2021 movement	▲ – The risk increased in 2021 as a large component of the Italian portfolio and the entire UK portfolio are operated by joint venture partners.
Impact	Cost/schedule overruns. Poor operational performance of assets. Delay in first production from new projects. Negative impact on asset value. Ability to effect change towards lowering carbon footprint.
Mitigation	Actively engage with all JV partners early to establish good working relationships. Actively participate in operational and technical meetings to challenge, apply influence and/or support partners to establish a cohesive JV view. Active engagement with supply chain providers to monitor performance and delivery. Application of the Group risk management processes and non-operated ventures procedure. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Continue to proactively engage with JV partners and monitor JOA procedures.

#8 Operational Risk - Egypt receivables

Principal risk: Recoverability of revenues and receivables in Egypt
Owner: Country Manager Egypt
Link to strategy: ① ② ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Growing our business

Risk appetite	Low –The Group utilises its strong regional ties and the experience of its commercial teams to mitigate this risk.
2021 movement	▼ The risk has substantially decreased in 2021 as Energean reduced its total EGPC receivables position in Egypt to less than $95 million compared to the balance prevailing at the economic reference date of the Edison E&P acquisition (1 January 2019: $240 million) and $149 million as at 31 December 2020.
Impact	Loss of value. Work programme restricted by reduced financial capability. Reduced ability to meet debt covenants (incurrence only) and service outstanding debt.
Mitigation	Energean has a number of contractual solutions with EGPC to ensure an effective collection policy, including condensate proceeds, lump-sum payments, Abu Qir payables offsetting and local currency collection. Continued engagement with the Egyptian government and Ministry of Petroleum. Proposals for structuring and planning of overdue repayment, on a regular basis. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Further improve receivables position and agreements in place to accelerate recovery of overdue receivables. Maintain an active investment programme.

#9 Operational Risk - Decommissioning liability

Principal risk: Higher than expected decommissioning costs and acceleration of abandonment schedules
Owner: Technical Director
Link to strategy: ⑤
Link to business model: D
Link to 2021 KPIs: Growing our business

Risk appetite	Low – Energean is committed to optimising its decommissioning activities and spend.
2021 movement	▲The risk increased in 2021, mainly due to the inherent regulatory uncertainty related to decommissioning activities; legislative complexities; and the current absence of specific legislative references at national and international level for the regulation of decommissioning activities.
Impact	Uncertainty in relation to the planning of decommissioning time and costs. Reduction in cash flow. Negative impact on asset value. Substantial increase in long-term liabilities on balance sheet.
Mitigation	Utilisation of the strong experience of Energean's technical teams and commercial partnerships. Proactive interaction with local government and regulation bodies to jointly design/review decommissioning regulations. Scale achievement through grouping of assets in adjacent areas also promoting increased negotiation leverage in contracting activities. Potential creation of partnerships for decommissioning activities, further increasing scale potential and promoting transfer of decommissioning solutions. Adoption of new technologies promoting innovative solutions to further optimise costs and maximise operational excellence. Continued effort in identifying potential alternative uses for existing platforms prioritising assets with higher cost base. Adoption of abandonment cost cap insurance. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Continue to develop and refine strategy for optimising decommissioning spend.

#10 Cyber/ICT (Information Communication Technologies) Security

Principal risk: Major cyber-attack or information security incident
Owner: Information Technology Manager
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D
Link to 2021 KPIs: Growing our business and 'Best in Class' on safety

Risk appetite	Low – Energean is committed to maintaining the security and integrity of its data and IT systems.
2021 movement	▲ This risk increased in 2021. Energean continues to grow its operational presence in several sites and the industry remains a target putting the Group at further risk of cyber-attacks or IT system failure.
Impact	Loss of value. Reputational damage. Loss of data and theft of confidential information, and personal data. Regulatory implications and financial penalties.
Mitigation	Digital transformation of email and collaboration services to the Cloud. Constant implementation and monitoring of the Company's IT Security Policy. Control of disclosures and protection of any disclosed confidential information in third party contracts. Advanced network security detection and data encryption. Vulnerability Assessment and Penetration Testing. Annual mandatory security and GDPR awareness training. Staff susceptibility to phishing regularly tested. Comprehensive insurance policies in place. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Improvements and enhancements needed in most aspects, currently pursued.

#11 Regulatory and Compliance - Fraud, Bribery and corruption

Principal risk: Major breach of values, business principles and 'Ethos'
Owner: Chief Executive
Link to strategy: ⑤
Link to business model: A, B, C, D, E
Link to 2021 KPIs: Growing our business

Risk appetite	Low – Energean is committed to maintain integrity and high ethical standards in all of the Group's business dealings. The Group has a zero-tolerance approach to conduct that may compromise its reputation or integrity.
2021 movement	▬ This risk remained static in 2021. There were no reportable instances of fraud, bribery or corruption.
Impact	Reputational damage. Financial penalties or civil claim. Criminal prosecution.
Mitigation	Strong governance and anti-corruption policies and procedures. Audit reviews, use of data analytics and continuous monitoring of bribery and corruption controls across the Group to assess compliance. Robust financial procedures in place to mitigate fraud. Annual training programme in place for all employees, available also in local languages. Enhanced due diligence of business partners and customers and compliance auditing on major contractors. Ongoing monitoring of KPIs by Executive Management.
2022 Objectives	Continued focus on employee awareness communication and training to all different countries of operations, including in person training and workshops, as appropriate. A bribery and corruption risk assessment will be conducted in countries deemed of a higher risk, which will supplement the group risk assessment already in place.

#12 Health Safety and Environment (HSE)

Principal risk: Lack of adherence to health, safety and environment policies
Owner: HSE Director
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C
Link to 2021 KPIs: 'Best in Class' on safety

Risk appetite	Low – Energean is committed to managing its operations in a safe and reliable manner to prevent major accidents and to provide a high level of protection to its employees and contractors.
2021 movement	▬ This risk remained static in 2021. The Group's pro forma LTIF[83] for operated activity in 2021 was 0.33 per million hours worked (down from 0.88 in pro forma 2020). Our TRIR[84] for 2021 was 0.77 per million hours worked (down from 1.47 in pro forma 2020). There were no spills to the environment.
Impact	Serious injury or death. Negative environmental impacts. Reputational damage. Regulatory penalties and clean-up costs. Loss or damage to Company's assets and potential business interruption. Loss or damage to third parties and potential claims.
Mitigation	Effectively managing health, safety, security and environmental risk exposure is a top priority for the Board, Senior Leadership Team and Management Team. Ongoing monitoring of KPIs by Executive Management is also undertaken. Development and implementation of the Health Safety Environmental (HSE) & Social Responsibility (SR) policy that sets out corporate values, standards and expectations with respect to all HSE & SR matters in relation to company's employees, partners, stakeholders, general public, environment and sustainable development. Implementation and maintenance assurance of an HSE Management System and an effective H&S framework, covering all Energean's expectations and as per international standards. Implementation and maintenance assurance of suitable and effective Crisis Management and Emergency Response and Management Plans as per Energean's expectations and standards. Implementation and maintenance assurance of the Corporate Major Accident Prevention policy (CMAPP), covering Energean's expectations and standards.
2022 Objectives	Establish and implement the already developed HSEMS on Energean Power in Israel Have in place all the required HSE permits for the drilling campaign in Israel Have in place all the required HSE permits for Energean Power in Israel Plan an internal audit to be performed in 2022 to monitor the level of countries' compliance to the group guidance

[83] Lost Time Injury Frequency.
[84] Total Recordable Incident Rate.

#13 Climate change

Principal risk: Failure to manage the risk of climate change and to adapt to the energy transition
Owner: Chief Executive Officer and - HSE Director
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Delivering our strategy, growing our business and tackling climate change

Risk appetite	Low – The Group is committed to achieving its net-zero emissions[85] target by 2050 and reducing the near-term carbon intensity of its operations through the implementation of low carbon solutions and the acquisition of low carbon intensity hydrocarbons. Energean is focused on taking near-term investment decisions that ensure its assets remain competitive in an environment where demand for oil and gas may be lower than today and will continue to stress test its portfolio against a range of climate change scenarios, in line with the recommendations of the TCFD.
2021 movement	▬This risk remained static in 2021. The Group's significantly increased gas production in 2021 analysed in the light of IPPC's 2021 report and global pledges agreed at COP26 seem to impose medium to long term challenges for our adaptation and resilience to the energy transition.
Impact	Reputational damage and loss of investors and providers of capital. Reduced demand for Company's products due to technology developments towards alternative energy sources. Climate-related policy changes with associated increased costs. Ability to effect change towards lowering carbon footprint.
Mitigation	Aligned with the TCFD recommendations across all TCFD pillars in our year-end reporting. Climate change strategy development for the reduction, sequestration and offsetting of greenhouse gas emissions. This includes performance optimisation and carbon capture and offsetting projects. Carbon shadow prices are taken into consideration in the evaluation of projects and investments viability. Active commitment to CSR goals and targets. Strengthen our low carbon portfolio and reduce our GHG emissions intensity by shifting production from oil to gas. ESG ratings in top quartile, awarded 'AA' rating by MSCI, 'Gold' by Maala, "Outperformer" by Sustainalytics. Executive compensation tied to ESG performance targets from 2020. Fully committed to transparency and adherence to the 17 UN SDGs. First E&P company globally to commit to net-zero emissions by 2050 and now investigating acceleration of our 2050 net-zero commitment. Roll out of 'Green Electricity' across all operated assets. Agreements are already in place for purchasing 'Green Electricity' in our production sites in Greece, Italy, Israel and in Croatia and Egypt premises. Established a new climate change and sustainable development department to manage climate change projects. Implemented climate-based scenario analysis and internal carbon pricing to assist with investment-decision making. Ongoing monitoring of KPIs by Executive Management. Established a dedicated Environment, Safety and Social Responsibility committee chaired by Non-Executive Director Robert Peck to review climate change related risks and projects. Published our first Climate Change Policy in 2021.

[85] Scope 1 & 2 emissions.

2022 Objectives	Evaluation of Carbon Capture and Storage (CCS) projects underway, including the maturation of the convention of Prinos into the first CCS project in the East Med. The Prinos CCS proposal has been included in the Recovery & Resilience Fund (RRF) implementation proposal for Greece. Small-scale blue hydrogen production facility at the Sigma plant in Kavala, Greece, also under evaluation. We have received the formal confirmation by Important Projects of Common European Interest (IPCEI) UE Committee that our Eco-Hydrogen unit proposal (blue-hydrogen with carbon capture of more than 99%) is included in next IPCEI wave named “Regional Hubs And Their Links (RHATL)”, to work coupled with the Prinos CCS site. Evaluation of use of captured CO2 at Prinos for enhanced oil recovery (EOR), to unlock additional upstream value. A proposal to the European Structural and Investment Funds (ESIF) through the Greek Partnership Agreement for the Development Framework (PA) for the design and evaluation of the feasibility and effectiveness of the re-injection of Acid Gas in Prinos reservoirs, has been approved for financing.

#14 Climate Change - Physical risks

Principal risk: Disruption to operations and/or development projects due to severe weather
Owner: HSE Director
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Delivering our strategy, growing our business and tackling climate change

Risk appetite	Low – Management recognises that climate change is expected to lead to rising temperatures and changes to rainfall patterns in all the countries where it operates. Energean is evaluating measures to reduce the exposure and vulnerability of both its assets and its people to weather and climate events.
2021 movement	▬ This risk remained static in 2021. Rising sea levels coupled with extreme flooding could cause disruptions to the operational performance of Energean's assets, especially those located in higher risk areas. This could also result in damage to infrastructure and an increase in associated asset integrity and insurance costs. Longer term atmospheric or sea temperature rises could result in faster degradation of infrastructure and necessitate operational changes to the running of the Group's facilities.
Impact	Unexpected asset costs arising from operational incidents. Negative market reaction. Loss of investor confidence. Serious injury or death. Environmental impacts due to spills. Reputational damage. Loss or damage to assets and business interruption.
Mitigation	Monitoring of weather conditions and sea conditions. Energean collaborated with the Democritus University of Thrace to install the Odyssea Platform (an innovative monitoring marine data system) at the Prinos area assets. Use of protective barriers to combat flooding. Comprehensive insurance policies in place for key assets and infrastructure. Established a dedicated Environment, Safety and Social Responsibility committee chaired by Non-Executive Director Robert Peck to review climate change related risks and projects. A vulnerability assessment on the physical risks due to climate change performed in June 2020 at the Prinos asset concluded that natural disasters have a minor potential impact on the asset. Management believes that same vulnerability assessment provides adequate information for 2021 reporting purposes.
2022 Objectives	Continue monitoring of environmental conditions and reporting at both an asset and corporate level.

#15 Strategic- External geopolitical, political, social risks

Principal risk: Political and fiscal uncertainties in the Eastern Mediterranean
Owner: Chief Executive Officer
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Delivering our strategy and growing our business

Risk appetite	Medium – Energean's aim is to lead the energy transition in the eastern Mediterranean through a strategic focus on gas and achieve its net-zero ambition by 2050, whilst delivering meaningful and sustainable returns to our shareholders. The Company is willing to invest in countries where political and/or fiscal risks may occur provided such risks can be adequately managed to minimise the impact where possible.
2021 movement	▬ This risk remained static in 2021. Energean continues to screen new opportunities in the Eastern Mediterranean and this can be in jurisdictions deemed at higher risk of political or fiscal uncertainty. At the same time, the Group strives for full compliance with regards to fiscal requirements across all assets.
Impact	Loss of value; increasing costs; uncertain financial outcomes; loss of asset value.
Mitigation	Operate to the highest industry standards and monitor compliance with the Group's license portfolio, production sharing contracts and taxation requirements. Maintain sustained and positive relationships with governments and key stakeholders through robust investment plans and engagement in local projects. Continuous monitoring of the political and regulatory environments in which we operate. Legal/regulatory and strategic assessment ahead of any commitment. In Greece, the long-lasting experience in the field and the "*first-mover*' advantage is a considerable opportunity for the Group to employ efficient CCS technologies in Prinos, where we already operate.
2022 Objectives	Continued monitoring of geopolitical events and regulatory changes. Undertake risk assessment activities in relation to new projects. Integration of targets and sustainability projects (i.e. community investment) within the strategic plan and management incentive program. Energean strives to become a leader in CCS in the Eastern Mediterranean and is confident that we will be part of the solution.

#16 Pandemic

Principal risk: Risk related to the spread of pandemics and epidemics and the continuing impact of Covid 19, including the associated deterioration of health response capacity, financial and business disruption, whilst maintaining operability.
Owner: Executive Management and HSE Director
Link to strategy: ① ② ③ ④ ⑤
Link to business model: A B C D E
Link to 2021 KPIs: Delivering our strategy, growing our business and 'Best in Class' on Safety

Risk appetite	Low – Throughout 2021, the pandemic continued to impact countries around the world, spurring new lockdowns and business disruptions. Although lockdowns continued to challenge us and the way we work and interact with each other, Energean's number one priority is to protect the health and wellbeing of its people and to ensure business continuity.
2021 movement	▲ This risk increased in 2021. As a business, and at individual levels, conditions were extremely challenging. From a project delivery perspective, delays associated with COVID-19 have had a significant impact on the construction work associated with the FPSO and the progress of the Karish project.
Impact	Project delays; delay in revenue income, supply chain interruption; HSE risk / risk to employee wellbeing; operational restrictions e.g. ability to mobilise workforce.
Mitigation	Energean has taken significant actions to mitigate the impact of COVID-19 on the wellbeing of its workforce, including: Specific control measures, social distancing, and working from home (more than 50% of office workers worked from home in 2021) to protect its employees, in line with local regulatory obligations. Suitable training to provide the necessary level of knowledge and self-protection. Provision of periodic COVID-19 tests Introduced a global Employee Assistance Program offering professional support to address any personal challenges affecting their well-being. Closely monitoring official national guidance. Implementation of Business Continuity Plans at all workplaces, providing suitable mitigation measures ensuring operational continuity. Energean also promoted other teambuilding activities including online cooking, running for good causes, and hosting a variety of workshops and webinars. We also ensured that all our employees groupwide are covered with private medical insurance.
2022 Objectives	Continued re-assessment of our contingency planning, our emergency/incident response plan and our business continuity management plan.

Emerging risks

Russia's war on Ukraine seems to have created new challenges for Europe and is expected to lead into significantly higher prices of several commodities including energy (gas, oil and ultimately electricity), deteriorate trade links and lead to overall higher uncertainty, affecting both economic and financial sector confidence. It has also underlined the dangers of Europe's dependency on Russian oil & gas and any implications associated thereto. Current tensions have stoked fears of disruption of Russian gas flows to EU member states leading potentially to energy shortages which has resulted so far to even higher prices for European consumers who are already experiencing a severe cost-of-living crisis.

Given potential continuing uncertainty over Russia's oil and gas supplies to Europe, the European Commission is trying to accelerate actions towards diversifying its supply and increasing its energy

independence. A new Commission communication published on 8 March[86] sets out a new framework for more affordable, secure and sustainable energy (REPOWER EU) and specifically calls for a phasing out of fossil fuels dependence from Russia before 2030: The framework calls for a new EU gas storage policy, diversification of gas supplies, via higher LNG imports and pipeline imports specifically from non-Russian suppliers, and for higher levels of biomethane and hydrogen production. These actions are naturally to be complemented with further efforts towards energy efficiency, increasing the share of renewable and addressing infrastructure bottlenecks. Energean, with E&P assets in the east Mediterranean is well placed to contribute to these joint European efforts towards increasing the diversity of energy supply and also build towards the affordability of natural gas as a transitional fuel towards decarbonisation and a pre-cursor to clean hydrogen production.

Meanwhile, rising tensions between the West and Russia will likely damage regional stabilisation efforts, particularly in the Middle East. Most importantly, all-out war between Russia and Ukraine has already prompted a sharp increase in global energy and wheat prices, with a devastating humanitarian impact on already fragile countries in the area, whose governance problems could worsen.

Although not directly affected on our operations as there is no immediate impact with respect to the safety and security of our people and operations in East Mediterranean and North Sea and in any neighbouring countries, Energean will closely and actively continue to monitor the wide-ranging challenges to all countries in which we operate.

Main risk areas for management focus should be the subsequent sanctions and export controls imposed by countries around the world and how these could have an impact on a number of our activities, including supply, trading and treasury activities as more sanctions and export controls are expected.

Given the evolving situation, there are many other unknown factors and events that could materially impact our operations but cannot be fully defined as a specific risk at present, and therefore cannot be fully assessed or managed. These risks and future events could impact indirectly our supply chain, commodity prices, credit, commodity trading, treasury and legal environment including any increased taxation in the countries in which we operate. The tensions also might create heightened cyber-security threats to our information technology infrastructure onshore or offshore.

The Group has identified all these emerging risks and is actively assessing and monitoring these.

[86] COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS REPowerEU: Joint European Action for more affordable, secure and sustainable energy COM/2022/108 final.

Viability Statement

The Directors have assessed the viability of the Group over a 3 year period until 31 December 2024. The assessment started from the Year End 2021 actual financial position and considered the potential impact of the principal risks documented in the report on its forecasted financial projections. The basis for the forecasts is the Group Working Capital Model.

The board conducted the review over a 3-year period for the following reasons:

- The Group's key strategic projects, Karish, Karish North, NEA/NI, Cassiopea and Epsilon are expected to be onstream by mid-2024 delivering Energean's medium term plan targets of $1.4 billion EBITDAX and 200 Kboe/d
- This period covers the remaining capital intensive investment phase until respective first production from each of the strategic projects. These investments will materially increase the Group's free cashflow from H2 2022 in particular, when the Karish field comes online.
- Energean raised $2.5 billion of project bonds for its Israel Project, the first tranche of bonds are due for repayment in 2024 therefore the viability period captures both the coupon payments and the first principal repayment.

Based on these factors, the board considers that an assessment period up to 31st December 2024 appropriately reflects the underlying potential and viability of the Group and is the period over which principal risks are reviewed.

In order to make an assessment of the Group's viability, the Board has carried out a detailed assessment of the Group's principal risks, and the potential implications these risks could have on the Group's liquidity and its business model over the assessment period. This assessment included (i) monthly cash flow analysis, (ii) a number of sensitivity scenarios and (iii) a reasonable worst-case scenario including a combination of various sensitivities, together with associated supporting analysis provided by the Group's finance team. Sensitivity analysis focused on commodity price downside, slower-ramp up in gas offtake in Israel, downward pressure on contracted gas-prices in Israel due to an assumed delay and other strategic project delays (outside of Israel).

A summary of the key assumptions, aligned to the Group's principal risks, and the sensitivity scenarios considered can be found below.

Principal Risks	Base Case Assumptions	Sensitivity Scenarios
Strategic Risk: Delay to First Gas at Karish	First Gas from Karish in October 2022 – conservative assumption given Group's target of first gas in Q3 2022	No further delay to first gas given conservative base case, however sensitivity applied to both gas price and offtake ramp-up (see below) and increase in capex to account for potential cost increase due to delay
Market Risk in Israel: The potential for Israeli gas market oversupply may result in offtake being at the take-or-pay level of existing GSPAs and could result in the failure to secure new GSPAs	Minimum ACQ contracted volumes at floor prices, with conservative % ramp-up during the first 12 months	Slower ramp-up and reduction in average floor price – to reflect potential renegotiation or cancellation of contracts

Principal Risks	Base Case Assumptions	Sensitivity Scenarios
Strategic Risk: Delayed delivery of future development projects (including NEA / NI in Egypt, Cassiopea in Italy and Epsilon in Greece)	First gas from NEA and NI assumed October 2022 and July 2023 respectively, Cassiopea in H1 2024 and Epsilon in H1 2023.	3 month delay to NEA/NI and Epsilon. Cassiopea timeline in base case already has a conservative start date, no adjustment made.
Maintaining liquidity and solvency - Financial Risk: Insufficient liquidity and funding capacity	Oil price based on material discount to recent forward curve, at $80/bbl in 2022, $75/bbl in 2023 and $70/bbl in 2024. PSV gas price based on material discount to recent forward curve, €55/MWh in 2022, €40/MWh in 2023 and €30/MWh in 2024 FX rate for costs in € of €1: $1.2 FX rate for costs in £ of £1: $1.4 The $2.5 billion and $450 million bonds have a fixed coupon i.e. no exposure to LIBOR	Reduction of $5/bbl in oil and €5/MWh for PSV resulting in c. 40% reduction and 50% reduction vs. forward curve respectively.
Climate Change related risks: failure to manage the risk of climate change and to adapt to the energy transition	Carbon costs included across the portfolio where applicable, e.g. in Greece. Budget expenditure for green projects and or investments included in the base case such as (i) €4 million for on-site projects for absolute emissions reduction, (ii) €0.5 million investment in carbon removal projects (iii) FEED studies for CCS project.	Free allowances are used up until 2025 therefore charges are projected to be incurred outside of the Viability Period

Under such individual and combined sensitivity scenarios the Group's cash position at the end of viability period remains extremely robust. Nevertheless the Board has considered the availability and likelihood of mitigating factors such as the impact of hedging, additional funding options, further rationalisation of our cost and asset base, including cuts to discretionary capital expenditure such as exploration or shifting of expenditures under our control.

Based on the results of the analysis the Board of Directors has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Corporate Governance

Board of Directors

Karen Simon
Non-Executive Chairman

Ms. Simon was appointed as an independent non-executive director in September 2017 and became Non-executive Chairman in November 2019. Ms. Simon was formerly a Vice Chairman in J.P. Morgan's Investment Bank with over 35 years of corporate finance experience with the firm. Most recently, Ms. Simon headed up Director Advisory Services, a newly established client service at J.P. Morgan focused on public company directors. From 2004 to 2016, Ms. Simon worked with private equity firms in J.P. Morgan's Financial Sponsor Coverage group and was promoted to Head the European group in 2007 and the North American group in 2013. Ms. Simon held a number of other senior positions previously, including Co-Head of EMEA Debt Capital Markets and Head of EMEA Oil & Gas Coverage. Ms. Simon spent 20 years of her career working in London and is a dual US/UK citizen. She currently sits on the boards of Aker ASA in Oslo, an industrial investment company, Crescent Energy, a New York Stock Exchange listed energy company, and the Texas Woman's Foundation, a non-profit charity focused on the needs of underprivileged girls and women across Texas. Ms. Simon graduated from the University of Colorado and has Master's degrees from Southern Methodist University and from the American Graduate School of International Management.

Independent:
- Upon appointment as Chair.

Committee membership:
- Nomination & Governance – Chair
- Remuneration & Talent – Member.

Current external appointments:
- Aker ASA – Independent Non-Executive Director
- Crescent Energy - Independent Non-Executive Director

Matthaios (Mathios) Rigas
Chief Executive Officer

Mr. Rigas has over 20 years of investment banking and private equity experience and is a founding shareholder of the Energean Group, serving as CEO of the Energean Group since 2007. During the years 2001 to 2007 Mr. Rigas set up, and was Managing Partner of, Capital Connect Venture Partners, a private equity fund in Greece with investments in innovative enterprises in IT, healthcare, waste management and food industries. From 1999 to 2001, Mr. Rigas was in charge of Piraeus Bank's Shipping Division. Prior to that, from 1993 to 1999, he was the Vice President of Shipping, Energy & Project Finance at Chase Manhattan Bank in London where he arranged financing in excess of US$5 billion, mainly in the oil and gas sector. Mr. Rigas holds a degree in Mining and Metallurgical Engineering from the National Technical University of Athens and an MSc / DIC degree in Petroleum Engineering from Imperial College London.

Independent:
- N/A.

Committee membership:
- N/A.

Current external appointments:
- None.

Panagiotis (Panos) Benos
Chief Financial Officer

Mr. Benos has 18 years international experience in the oil and gas sector, both in banking and industry, with a long track record of upstream financing in emerging markets. Mr. Benos joined the Energean Group in 2011 from Standard Chartered Bank, where he was a director in the Oil and Gas team in London delivering a number of award-winning projects and acquisition finance deals in Africa, Asia and the Middle East. Before that he worked for ConocoPhillips from 2002 to 2006, where he held positions in European Treasury, North Sea Economics and International Downstream with a focus on the North Sea, Central Europe and the Middle East. He commenced his career at Royal Bank of Scotland in Shipping Finance. He is also a Chartered Accountant (ICAS) and holds an MSc in Shipping, Trade and Finance from Cass Business School.

Independent:
- N/A.

Committee membership:
- N/A.

Current external appointments:
- N/A.

Andrew Bartlett
Senior Independent Director

Mr. Bartlett was appointed as an independent non-executive director in August 2017. Mr. Bartlett has over 30 years' experience in the upstream oil and gas industry and currently serves as a Non-Executive director for Africa Oil Corporation and Prime Oil & Gas B.V. and as Energy Adviser to Helios Investment Partners LLP (a private equity partnership focused on Africa). Before his current directorships, Mr. Bartlett served as the chairman and Non-Executive director of Azonto Energy from 2013 to 2015 and Eland Oil & Gas from 2012 to 2013. He was also previously the Global Head of Oil & Gas M&A and Project Finance for Standard Chartered Bank between 2004 and 2011. Prior to this, he worked on the Trading and Derivatives desk of Standard Bank in South Africa. Before joining the investment banking industry, Mr. Bartlett worked for Shell plc between 1981 and 2001, as a petroleum engineer and development manager, where he gained extensive experience in the upstream operations of oil and gas fields and latterly as a founding VP of Shell Capital. He holds an MSc in Petroleum Engineering from Imperial College London.

Independent:
- Yes.

Committee membership:
- Audit & Risk Committee – Chair
- Remuneration & Talent Committee – Member.

Current external appointments:
- Africa Oil Corporation - Non-Executive Director, Head of Audit Committee
- Prime Oil and Gas B.V. - Non-Executive Director, Head of Audit Committee
- Adviser to Helios Investment Partners LLP

Efstathios (Stathis) Topouzoglou
Non-Executive Director

Mr. Topouzoglou was appointed as a non-executive director in May 2017. Mr. Topouzoglou is a founding shareholder of the Energean Group and co-founder of Prime Marine Corporation ("Prime"), serving as Prime's chief executive officer and managing director. Prime, a leading worldwide product tanker company, is a major global provider of seaborne transportation for refined petroleum products, LPG and ammonia. Mr. Topouzoglou has more than 39 years of experience in founding and growing companies in the energy transportation sector and holds a B.A. in Business Administration and Economics from the University of Athens, Greece.

Independent:
- No

Committee membership:
- Nomination & Governance – Member
- Environment, Safety & Social Responsibility – Member.

Current external appointments:
- Chief Executive Officer and Managing Director of Prime Marine Corporation.

Robert W. Peck
Independent Non-Executive Director

Former Ambassador Robert W. Peck was appointed as an independent non-executive director in July 2017. He is a 35-year veteran of Canada's diplomatic service. He was Canada's Ambassador to the People's Democratic Republic of Algeria from 2004 to 2007 and Ambassador to Greece and High Commissioner to the Republic of Cyprus from 2011 to 2015. As Canada's representative to both Algeria and Greece, Ambassador Peck worked closely with both the Canadian oil and gas and mining sectors. Earlier he occupied senior roles at headquarters in Ottawa including as Chief of Protocol of Canada and Press Secretary to the Minister of Foreign Affairs. On leave from the Government of Canada from 2000 to 2002 Ambassador Peck was Director of Corporate Communications and Investor Relations at CAE Inc., the global leader in aerospace simulation technology. Ambassador Peck holds a B.A. in History and Journalism from Concordia University in Montréal.

Independent:
- Yes

Committee membership:
- Environment, Safety and Social Responsibility - Chair.
- Nomination & Governance – Member
- Remuneration & Talent - Ex Officio member as board's employee representative

Current external appointments:
- n/a

Amy Lashinsky
Independent Non-Executive Director

Ms. Lashinsky was appointed as an independent non-executive director in November 2019. Ms. Lashinsky is the Co-Founder and Chief Executive of Alaco, an international risk management and business intelligence consultancy. Most active in the emerging and frontier markets, she has over three decades' experience advising multinationals, financial institutions and investors on matters such as reputational risk and ESG criteria, delivering intelligence reports to support transactions around the world. She also works with global law firms and their clients on various contentious matters, from strategic litigation support to asset tracing and judgement enforcement brought about through arbitration or litigation. Ms. Lashinsky trained as a securities analyst on Wall Street before joining Kroll in New York in 1985. She moved to London in 1988 to help establish Kroll's first overseas office, where she became Managing Director of its business intelligence unit. In 1995, Ms. Lashinsky set up Asmara Limited, which was sold to NYSE-listed Armor Holdings in 1998, before co-founding Alaco in 2002. Ms Lashinsky graduated from the University of Michigan with a B.A. in Political Science. In addition to her duties at Energean, she is a Trustee of the Rathbones Folio Prize for Literature.

Independent:
- Yes

Committee membership:
- Environment, Safety and Social Responsibility – Member
- Audit & Risk– Member.

Current external appointments:
- Alaco Limited – Chief Executive Officer

Kimberley Wood
Independent Non-Executive Director

Ms. Wood was appointed as an independent non-executive director in July 2020. Ms. Wood is an upstream energy lawyer based in London with over 20 years' experience and is a former partner of Vinson and Elkins LLP (2011-2015) and Norton Rose Fulbright LLP (2015-2018), where she is currently a senior consultant. She has extensive experience in the oil & gas sector, as well as existing independent non-executive director experience. Throughout her career, she has advised a wide range of companies in the sector, from small independents through to super-majors. She is included in the Who's Who Legal: Energy for 2020 and Women in Business Law for 2020. She holds a Bachelor of Law from the University of Edinburgh and a Master of Law from University College London; and she is admitted as a solicitor in England & Wales. She is also a Director of Gulf Keystone Petroleum Ltd, a company listed on the main market of the London Stock Exchange, where she chairs the Remuneration Committee, and is also a member of its Audit & Risk Committee, Nomination Committee and Safety & Sustainability Committee. She is also a Director of Africa Oil Corp, a company listed on the Toronto Stock Exchange and the NASDAQ Nordic Exchange, and a Director of Valeura Energy Inc., a company listed on the Toronto Stock Exchange and the London Stock Exchange.

Independent:
- Yes

Committee membership:
- Remuneration & Talent – Chair
- Audit & Risk – Member
- Nomination & Governance – Member.

Current external appointments:
- Gulf Keystone Petroleum Ltd – Non-Executive Director
- Africa Oil Corp – Non-Executive Director
- Valeura Energy Inc – Non-Executive Director.

Andreas Persianis
Independent Non-Executive Director

Mr. Persianis was appointed as an independent non-executive director in July 2020. Mr. Persianis is an experienced Non-Executive Director with over 30 years' international financial markets experience in central banking, asset management and Corporate Strategy. He is currently the Managing Director of Fiduserve Asset Management in Cyprus, a regulated Alternative Investment Fund Management company that sets up and manages private funds for a diverse range of private and institutional clients. Before that he was Founder and Managing Director of Centaur Financial Services, a discretionary portfolio management company with presence in the UK and Cyprus. He has served as a Non-Executive Director at Central Bank of Cyprus (2014-2019) and on the Bank of Cyprus Board in 2013. He is currently serving as an Independent Non-executive Director on the board of Hellenic Bank. He has also worked as a Senior Manager at Bain & Company (London), one of the world's largest strategy consulting firm. He holds an Electrical Engineering undergraduate degree from the University of Cambridge and a Master's in Business Administration (MBA, Major in Finance & Investment Banking) from the Wharton Business School.

Independent:
- Yes

Committee membership:
- Audit & Risk – Member
- Environment, Safety and Social Responsibility – Member.

Current external appointments:

- Hellenic Bank PLC– Independent Non-Executive Director.

Roy Franklin
Independent Non-Executive Director

Mr. Roy Franklin was appointed non-executive director in October 2021. Mr. Franklin has over 45 years of experience as a senior executive in the oil and gas industry. He began his career at BP where he spent 18 years, and served as head of M&A at BP Exploration as his latest position. After leaving BP, Mr. Franklin acted as managing director of Clyde Petroleum, and then as CEO of Paladin Resources until its acquisition by Talisman Energy in 2005. Mr. Franklin has extensive experience as a non-executive director. He sat on the boards of Amec Foster Wheeler plc (2016-2017), Keller Group plc (2007-2016), Equinor A/S (2015-2019), Premier Oil PLC (2017-2021) and Santos Limited (2006-2017). Mr. Franklin also acted as a member of the Advisory Board of Kerogen Capital LLC until September 30, 2021. Mr. Franklin currently acts as Chair of the international energy services group, John Wood Group PLC, as well as a non-executive Director of Kosmos Energy. Mr. Franklin holds a Bachelor of Science in Geology from the University of Southampton, and in 2004 was awarded an OBE in recognition of his services to the Oil & Gas industry.

Independent:

- Yes

Committee membership:

- Nomination & Governance – Member
- Environment, Safety and Social Responsibility – Member

Current external appointments:

- John Wood Group PLC – Non-Executive Chairman
- Kosmos Energy – Non-Executive Director

Statement of Compliance

Good corporate governance is essential to creating trust and engagement between us and our stakeholders, as well as contributing to the long-term success of our strategy. The Board is committed to the highest standards of corporate governance in accordance with the 2018 Corporate Governance Code (the "Code"), which the Company is pleased to confirm it has complied with.

In this report, we describe our corporate governance arrangements and explain how the Group applies the principles of the Code. The Code is available at www.frc.org.uk.

- Board Leadership and Company Purpose is set out on pages 112-113
- Division of responsibilities is set out on pages 113-114
- Composition, Succession and Evaluation is set out on page 114
- Audit, Risk & Internal Control is set out on page 115
- Remuneration is set out on page 115

We also set out our governance structures to consider the impact our business has on climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TFCD").

Attendance

Type and number of meetings held during the year:

Director	Board (11)	Audit & Risk (8)	Remuneration & Talent (6)	Nomination & Governance (2)	Environment, Sustainability & Social Responsibility (2)
Karen Simon	11	-	6	2	-
Mathios Rigas	11	-	-	-	-
Panos Benos	11	-	-	-	-
Andrew Bartlett	11	8	6	-	-
Robert Peck	11	-	-	2	2
Efstathios Topouzoglou	11	-	-	2	2
Amy Lashinsky	11	8	-	-	2
Kimberley Wood	11	8	6	2	-
Andreas Persianis	11	8	-	-	-
Roy Franklin[87]	1	-	-	1	0

The Board has a formal schedule of matters that can only be decided by the Board, and this schedule is reviewed by the Board on an ad-hoc basis.

The key matters considered by the Board in 2021 were:

HSE performance	Approving the Group 2022 budget
Acquisition of Kerogen's 30% stake in Energean Israel Limited and approval of SPA	Group strategy in light of the increased focus on ESG matters
Strategic decisions on capital expenditure	Board composition

[87] Appointed in October 2021, the number of possible Board meetings Mr. Franklin could have attended was 2, the number of Nomination & Governance meetings was 1 and the number of ESSR Committee meeting was zero.

Appointments to the Board	Reviewing the results of the employee survey and agreed upon action items.
Review of related party transactions	Review of risk register and a deep dive into risk management
Company's performance in light of COVID-19 including the safety of employees	
Material contracts	Reviewing and approving the financial statements for the 2020 year-end and 2021 half year
Financial reporting and controls	Compliance with statutory and regulatory obligations
Material litigation	Significant transactions
Internal controls and risk management	Delegations of authority
Executive remuneration	Taking Final Investment Decision on the investment into the Prinos asset.
Taking Final Investment Decision for Israel growth projects	Reviewing of Greek and Italian assets and capital allocation
Receiving updates on the Group's activities in carbon capture and blue hydrogen	Monitoring of progress against environmental commitments

Board leadership and Company's purpose

The Board's primary role is to promote the long-term sustainable success of the Company and to ensure that value is being generated for shareholders as well as contributing to wider society. This is carried out through detailed reviews by the Board of the Company's investment plans, funding plans, and corporate social responsibility strategy. Details of the Company's Corporate Social Responsibility commitments and actions are found on pages 50-57. Details of the Company's engagement with stakeholders is detailed in the section 172 (1) statement on pages 118-121. As required by the Code, the Board is required to consider and assess the risks the businesses face, and is assisted in this process by the Audit & Risk Committee and the Company's risk register is set out on pages 83-103. During 2021, the Board's composition and Committee structure was enhanced. The establishment of the Environmental, Sustainability and Social Responsibility (ESSR) Committee means that a key pillar of the Company's strategy (sustainability and the commitment to net-zero by 2050) is assessed in a single forum that then reports on its activities to the Board. For details on the ESSR Committee's activities are found on pages 127-128. The sustainability of the Company's business is considered further on pages 18-30 of the Strategic Report. During the year Roy Franklin joined the Board as a Non-Executive Director, who brought significant experience in the listed Oil & Gas sector and this experience is expected to facilitate delivery of the Company's strategy to be the leading exploration and production company in the East-Mediterranean.

As part of the Company's contribution to the wider society, the Board was again pleased to see the progress that the Company has made during 2021 on its commitment to the UN's Global Compact campaign and pledge to net-zero emissions by 2050. Furthermore, the Remuneration & Talent Committee again included targets to reduce emissions in the short-term and long-term bonus plans. This now means that the majority of the incentive plans in the Company have targets relating to reducing emissions. Furthermore this demonstrates the Company's commitment to creating value through sustainable development, taking into account the environmental aspects of its business. Further details of activity in relation to protecting minimizing impact on the environment can be found on pages 20-29.

Following the acquisition of the Edison portfolio in December 2020, Energean has grown from a company that produces 3,000 barrels of oil equivalent per day (boep/d) in 2019 to over 40,000 boep/d at the end of 2021, also having gone from operations in one country to eight in the East Med and North Sea and having made significant progress in reducing the carbon intensity of its operations (when measured

against the Kilograms of CO2 produced per boe) Energean's reserves have also significantly increased during the year. The Company is also proud of its health and safety record, further details of which can be found at page 64.

In June 2019, Robert Peck was appointed by the Board as the workforce Board representative. Employees can confidentially email Mr. Peck to raise any issues, to the extent appropriate. In addition, employees can raise concerns through the confidential whistleblowing procedure, for which the key point of contact is Andrew Bartlett, Chairman of the Audit & Risk Committee and Senior Independent Director.

The Board receives monthly updates from the Group HR Manager on staff-related matters and has a direct line of communication if required. The Company is committed to investing in its workforce and employees are able to submit requests for training to enable them to pursue professional training in their respective areas which is funded by the Company. Employees are also able to benefit from study leave to give them adequate time to study for these qualifications. The Company has also rolled out e-learning modules for employees to further develop their knowledge in key corporate matters such as anti-bribery and corruption. Eligible employees also benefit from pensions contributions which under the new remuneration policy will be aligned at the same rate as senior management. Eligible employees are also able to benefit from a number of share plans including the Deferred Bonus Plan and the Long Term Incentive Plan. Further details on employee related matters are found on pages 56-64. The Board also monitors the Company culture and includes culture related metrics in the Company's annual bonus plan. During 2021 these metrics included the successful integration of the ex-Edison business, and the roll out of employee manuals and other key policies. Goals relating to culture are also included in the 2022 bonus scorecard and the Board & Remuneration Committee will continue to monitor and track progress against these objectives.

Each year the Company welcomes shareholders to its Annual General Meeting ("AGM"), which provides a unique opportunity to ask questions to the Board. The results of the voting on each resolution proposed to the meeting are published via the Regulatory News Service and through the Tel Aviv Stock Exchange news service. Although the 2021 AGM was a closed meeting, due to the pandemic, the Company took steps to ensure that shareholders were still able to ask questions, electronically. During 2022 we hope that the AGM will return to its normal format with shareholders being able to ask questions in person.

At the 2021 AGM, the Company received less than 80% votes for the resolution no. 2 and no.3. Resolution 2 was an advisory vote on the Directors' remuneration report and resolution 3 sought the approval of the new Directors Remuneration Policy. The Company undertook a detailed review of feedback received on these resolutions to ensure that it fully understood shareholders' concerns behind that vote. This review included the Chair of the Remuneration & Talent Committee writing to and having follow up meetings with shareholders. The Committee noted the feedback received in relation to the timing of the changes to executive remuneration and shareholder views on the bonus performance metrics. The Committee took these views on Board when making remuneration decisions in 2022. In line with the provisions of the Code, the Company subsequently provided an update on its website on the views received from shareholders. The Board and Remuneration & Talent Committee continue to engage with shareholders on issues related to remuneration and looks forward to further engaging with shareholders and stakeholders before the 2022 AGM.

Division of responsibilities

The Board currently comprises:

- The Chairman (who was independent upon her appointment)
- Two Executive Directors (Chief Executive Officer and Chief Financial Officer)
- One Non-executive Director (Efstathios Topouzoglou)
- Six independent Non-executive Directors.

The independence of Mr. Topouzoglou was tested against the criteria set out in Provision 10 of the Code. Whilst he is considered to be independent in character and judgement, he is not deemed to be independent by reference to the criteria set out in the Code, as a result of being a significant shareholder, owning approximately 9.8% of the shares of the Company (as an individual and through his indirect holdings in both Oilco Investments Limited and HIL Hydrocarbon Investments Limited).

There is a clear division of responsibilities of the Chairman, the Executive Directors and the Non-executive Directors. The roles of Chairman and Chief Executive Officer are separate, and the responsibilities clearly defined. It is the Chairman's responsibility to provide leadership of the Board and set the Board agenda as well as to ensure that the Board is provided with accurate, timely and clear information in relation to the Group and its business. The Chief Executive Officer is responsible for setting the overall objectives and strategic direction of the Group as well as having day-to-day executive responsibility for the running of the Company's business. The Chairman and Chief Executive Officer share responsibility for the representation of the Company to third parties. As detailed on page 111, the Board met eleven times throughout the year, which is deemed to be sufficient, given the size and complexity of the Company's operations.

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. The Chairman is committed to promoting a culture of openness and debate. The Board provides rigorous challenge to management and such challenge is supported and facilitated by the Chairman. The Directors have strong experience in the sector in which the Company operates (and seeks to operate) and have a broad range of business, commercial and governmental experience. The Board is supported by the Company Secretary who is also Secretary to all the Board Committees. This ensures effective information flow between the Board and its Committees. Each Committee reports to the Board at the next Board meeting following its own meeting, so that the Board is kept up to date on key matters being dealt with. The Board benefits from the use of an electronic Board portal system to assist with the timely production of Board papers and reviewing key Company policies throughout the year. The Board has unfettered access to senior executives at the Company and is fully supported by the Company Secretarial team.

Every month, whether or not a Board meeting is scheduled, the Board receives a comprehensive report from management on the business's performance, which keep the non-executives up-to-date on all the key issues; and board members are able to ask management questions on any matter.

Each Board appointment is for an unlimited term, subject to being re-elected as a Director at each Annual General Meeting. A Non-Executive Director or the Company may terminate the appointment at any time upon three months' written notice. These appointments are subject to the provisions of the Articles of Association, the Code, the Companies Act and related legislations. The role of the Senior Independent Director, Andrew Bartlett, is to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. The Senior Independent Director is available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve, or for which such contact is inappropriate.

Composition, succession and evaluation

During the year the Nomination & Governance Committee oversaw the appointment of a new independent non-executive Director, Roy Franklin, which further strengthened the independence of the Board and added further technical skills to the Board skill set. Details of this appointment can be found in the Nomination & Governance Committee report on pages 129-132. Roy also joined the Nomination & Governance Committee and Environmental, Sustainability and Social Responsibility Committee.

In the second half of the year, as required by the Code, the Board underwent an internally facilitated review, further details of which are contained in the Nomination & Governance Committee report on pages 131-132. The results were reviewed by the Committee and discussed with the Board. Both the Committee and the Board were satisfied that each Director continues to contribute effectively.

The Board is satisfied that the Directors have the right combination of skills, experience and knowledge to assist the Company in achieving its long-term goals.

As the Board was only formally constituted just prior to the Company's listing on the London Stock Exchange in March 2018, no Independent Non-Executive Director had served more than four years by the end of 2021.

During 2022, the Board will carry out a further internal review as required by the Code, building on the findings of the above-mentioned internally facilitated review. The results of that internal review will be reported on in the 2022 Annual Report & Accounts as well as details on the plans for the externally facilitated review that is scheduled to take place during 2023.

Audit, risk and internal control

The Board established the Audit & Risk Committee upon admission to the London Stock Exchange, which, during 2021, comprised Andrew Bartlett, Amy Lashinsky, Andreas Persianis and Kimberley Wood, all of whom are Independent Non-Executive Directors. The Board is satisfied that Andrew Bartlett has recent and relevant experience and that the Committee as a whole has competence relevant to the sector in which the Company operates. The main roles and responsibilities of the Committee are set out in its terms of reference, which are available to download at www.energean.com or available upon request from the Company Secretary.

As part of its responsibilities, the Committee has formal and transparent policies in place to ensure the independence and effectiveness of the internal and external audit functions and satisfy itself on the integrity of the Company's financial and narrative statements. The Audit & Risk Committee considers the nature and extent of the principal risks facing the Group and the internal control framework. Further information about the Committee's activity is detailed on page 125 and further details on the Risk Management process is found on pages 79-82.

This Annual Report includes a number of disclosures that set out the Company's position and prospects. The Statement of Directors' Responsibilities confirms that the Directors believe those disclosures to be fair, balanced and understandable and the auditor, Ernst & Young LLP, has given its opinion that the financial statements give a true and fair view of the Group's affairs.

Remuneration

The Board established the Remuneration & Talent Committee as part of the admission process in March 2018. During 2021 the Committee members were Kimberley Wood, Karen Simon and Andrew Bartlett. Kimberley and Andrew are independent Non-Executive Directors and Karen was considered independent on her appointment as the Company's Chair. Robert Peck, as the Board's workforce representative, also attends meetings of the Remuneration & Talent Committee to ensure their views are taken into consideration.

The Committee has delegated responsibility for determining policy for Executive Director remuneration and setting the remuneration for the Chairman, Executive Directors and senior management. The Company has in place a long-term incentive plan ("LTIP") for the Executive Directors and senior management, which is designed to promote the long-term success of the Company by assessing performance over three years and is linked to absolute and relative share price performance against a peer group of other companies, as well as emission reductions.

Furthermore, the Company has in place an annual bonus scheme which incentivises management to progress with key projects such as first gas at Karish, entering into key gas contracts, as well as measures related to financial liquidity and ESG. It requires Executive Directors to defer one third of the bonus into shares to be held in trust for 2 years, these shares are then subject to a further holding period. This further aligns the Executive Directors with the long-term interests of the shareholders.

At the 2021 AGM shareholders approved the new Directors Remuneration Policy and the Board and Remuneration & Talent Committee spent a significant amount of time undertaking discussions with key stakeholders as part of this approval. The actions taken by the Board in response to shareholders' feedback on these matters is described on page 158.

The members of the Remuneration & Talent Committee are required to exercise independent judgement and discretion when authorising remuneration outcomes, with regard to Company and individual performance and wider circumstances. No Director is involved in deciding their own outcome; and when discussing fees for the Chairman, Karen Simon will excuse herself from these discussions. Further details of the role and activities of the Remuneration & Talent Committee and the Remuneration Policy are found on pages 133-143 of this report.

Climate change

Board oversight

Energean sees climate change as a major global concern and a top priority for our business. This is reflected in our strategy, and we apply all our governance processes to climate change-related issues. Responsibility for the governance of climate change issues within Energean rests with the Board. To reflect the increasing importance of climate change-related risks and opportunities, the Environment,

Safety & Social Responsibility Committee has taken over responsibility for climate change and ESS matters on behalf of the Board of Directors. The Board is also charged with reviewing investments for climate-related risks (among other risks).

The Environment, Safety & Social Responsibility Committee evaluates Energean's policies and systems for identifying and managing ESG risks, which includes identification of emerging risks, such as climate change risks, and proposes mitigation measures. The Committee further ensures Energean's compliance with relevant regulatory requirements and/or applicable international standards and guidelines. The Committee follows political and regulatory discussions and developments on an international, EU-wide and national level on a variety of ESG issues, including energy, climate and environment, and industrial trends, etc.

The Committee convenes twice year and reviews the Board papers on Energean's carbon emissions performance and KPIs where possible when the Committee meets before a Board meeting.

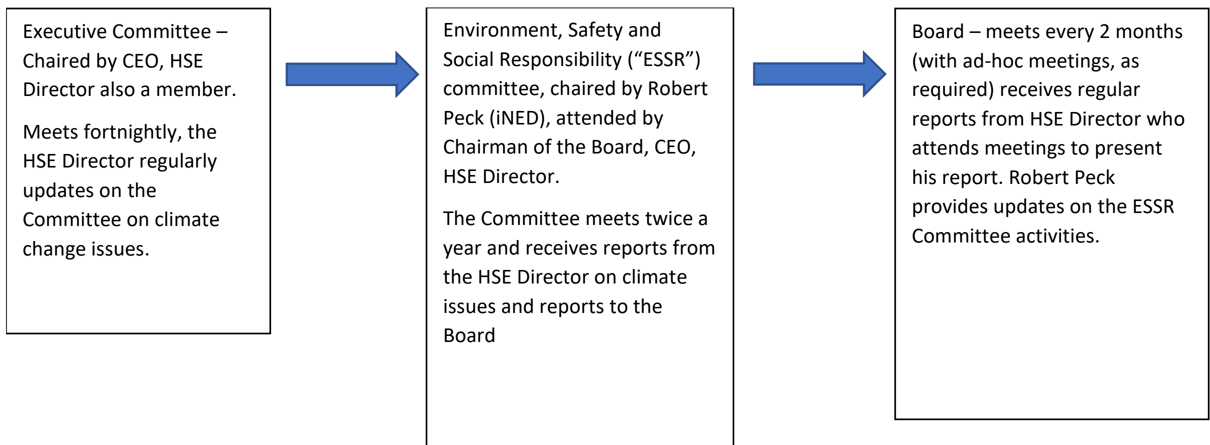
In addition, the Audit & Risk Committee looks at climate change-related issues, to ensure the identification of multi-disciplinary risks (including climate change-related risks), which may impact more than one part of the Company. This Committee is responsible for ensuring that measures to mitigate and adapt to the risks identified are effective and implemented as necessary.

The Remuneration & Talent Committee has responsibility for the annual directors' bonus targets, long term incentive plans, and the overall Remuneration Policy. Both the annual directors' bonus targets and the long-term incentive plans link executive bonuses to the achievement of emission reduction targets.

Management oversight

At Energean, ultimate responsibility and accountability for the Company's environmental and climate change policy, strategy and targets related to short-, medium- and long-term plans, lie with the CEO. The CEO is responsible for identifying and assessing business and climate-related risks, defining the strategy and approving action plans suitable to control and mitigate the identified risks. Furthermore, the CEO oversees the Company's overall environmental performance and sets climate performance expectations and targets. The CEO discusses all relevant actions and activities related to climate change and the energy transition with the Board. The CEO and the Board regularly discuss climate change-related issues, such as climate change policies, investment decisions where climate change considerations are a major driver, and the carbon credit price's impact on Energean's future financial performance.

The operational management of climate change issues is conducted by the HSE Director, who reports directly to the CEO and provides updates to the Board on a regular basis. The HSE Director maintains and oversees the development of Energean's Corporate HSE and Climate Change Policy, defines appropriate training programmes and drills for the entire Company to increase safety, environmental and climate change awareness, and monitors technological developments and opportunities to help achieve defined, appropriate climate change targets. The HSE Director is tasked with ensuring that the Company stays on track to meet its net-zero 2050 target. The HSE Director oversees the monitoring of Energean's carbon emissions throughout all assets and defines the carbon emission factors that Energean's financial team uses to understand the financial impact of climate change on Energean's portfolio. Furthermore, the HSE Director assesses the climate risks and opportunities in cooperation with Energean's financial, economic and technical departments.



Board expertise

To ensure Energean's Board and Management Team remain up to date on the most pertinent climate change developments and to further enhance their knowledge and skills in relation to climate change issues, Energean invites leading industry and climate change experts to Board and Committee meetings on a regular basis such as Chapter Zero. The HSE Manager proactively interacts with Board members and the Management Team to provide necessary information and further insights on specific climate change-related issues affecting the Company.

Company Vision and Values

Purpose

To create long-term value for all our stakeholders and help deliver the energy transition through a focus on gas.

Our Vision

To be the leading sustainable, gas focused and innovative independent E&P company in the Eastern Mediterranean.

Our Values

Energean seeks to fulfil its vision by adhering to the following values:

- Responsibility in all our actions and areas where we conduct our business
- Excellence in everything we do; deploying best practices to achieve profitable and sustainable growth
- Integrity; respecting our shareholders, employees and business; promoting transparency and accountability; cultivating a unique corporate sustainability culture
- Commitment to a talented workforce; investing in our people's development
- Caring for the environment; reducing our environmental footprint
- Engagement with local communities; meeting their expectations and needs.

Our Principles

Our values are underscored by our Corporate Principles, which are as follows:

- Being ethical and responsible
- Being transparent and accountable
- Creating an attractive workplace and being an employer of choice
- Mitigating environmental impacts and minimising our footprint
- Supporting local communities.

We believe that putting our values into practice and abiding by our principles will help us create long-term benefits for shareholders, customers, employees, suppliers, and the communities we serve.

Section 172 (1) Companies Act 2006 Statement

The Directors confirm that, throughout the year, they have acted in accordance with their responsibilities to promote the success of the Company, as required by section 172 of the Companies Act 2006.

This section further requires the Directors to have regard to a range of factors when making decisions, including the likely long-term consequences of any decision, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers and others, the impact of the Company's operations on the environment, maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company. The Company's key stakeholders are its employees, local communities, governments in the countries in which the Company operates, customers, and shareholders. The specific engagement with stakeholders on a day-to-day level is delegated to the executive management team with the Board being kept up to date with the results of this engagement and future plans. The Chairman of the Board and the Executive Directors routinely meet with shareholders to discuss the strategic direction of the Company and the feedback from these meetings is shared with the other Directors. Details of the Board's engagement with the workforce is found on page 118 of this report and details of the Board's and Company's engagement with local communities is found on page 119 of this report.

Throughout the year the Board placed a high importance on stakeholder considerations and considered these at the centre of its decision-making process.

The Board also had teach-in sessions with leading figures in the industry in relation to ESG matters, underpinning the commitment of the Company to be a net-zero emitter by 2050.

Long term impact of decisions

Energean has a clear ambition to be an Eastern Mediterranean focused dividend yield company committed to sustainability and being a net-zero emitter by 2050. Strategic decisions are taken at the Board with this ambition at the forefront and as such requiring the Board to consider the long-term impact of any decisions, especially in relation to reviewing the investment decisions in the Group's portfolio of assets. Examples of this decision making in action include the taking the final investment decision on the Israel growth projects and the proposed transformation of the Prinos asset in Greece into "Green Prinos" with plans approved for a carbon capture and storage project. For the Israel Growth projects the Directors considered the Company's wider growth plans and future ability to pay a dividend as well as enabling Israel to use gas as a transition fuel to move away from coal. For the "Green Prinos" the Board considered the vital role that carbon capture and storage will play in the Company's sustainability plans and vital role the facility will play in the region.

Engagement with:

Workforce

As required by the UK Corporate Governance Code, Robert Peck, an independent non-executive director, was appointed by the Board in 2019 to be the "employee voice" in the boardroom. Similar to 2020, the COVID pandemic unfortunately curtailed plans in 2021 for on-site visits to various Company locations by Mr. Peck. These will be rescheduled when circumstances permit. However, Mr. Peck met informally with mid-level managers and staff in Athens at the July board meeting and was briefed by team members responsible for the roll-out of the Company's new on-line performance management platform. Earlier in the year he participated in a virtual forum with Energean country managers to discuss the impact of the pandemic on employees and morale. Mr. Peck also joined the Remuneration and Talent Committee as an ex officio member where he participates in discussions related to the Company's work force.

As part of the 2021 bonus KPIs, the Executive Directors were set objectives relating to conduct and culture. The Executive Directors were awarded a 93.2% pay-out on this metric following the successful completion of the ex-Edison employees integration into the Energean business, which included the integration of IT systems, a new office for employees in Milan and a roll out of the SAP success factors system. Furthermore, significant progress was made in launching the employee manual and the alignment of policies of the two businesses. All of these achievements demonstrate the Board's focus on improving the employee experience and the Board looks forward to seeing these achievements furthered during 2022.

Local communities

Energean is very active in the communities in which it operates (further information on this can be found on pages 51-55), and the Directors are cognisant of their responsibilities to "give something back" by means that are appropriate to the particular communities. The Board receives information on such activities being carried out by the Company in monthly reports and at Board meetings. The activities are tied to the Company's commitment to the fulfilment of the 17 UN Sustainable Development Goals. Examples include:

- In Greece, we purchased and donated school supplies, classroom equipment, and stationery to 3 social institutions, 1 organisation and 3 schools, supporting over 500 students and their families in need in Kavala and the Island of Thassos, Greece.
- In Israel, we continued the support to three Paralympic swimmers in Israel in their journey and their successful participation in the Tokyo 2020 Paralympic Games via monthly financial aid and social media awareness. Our company has proudly supported these world champions for the last three years in a row.
- In Italy, in collaboration with "Caritas" (a Catholic organisation for charity), we donated school supplies and stationery, helping a Charity Center and 50 families and their children in Chieti Province, Italy.
- In Montenegro, we donated health and medical supplies to the nursing and supporting personnel of the state owned "Komanski most", a foundation that supports children, youth and adults with moderate to severe mental or developmental disabilities.
- In Egypt, we supported underprivileged families during Ramadan, by donating 200 food boxes to meet essential needs in Meadia, the Abu Qir operations site location.

On June 5th 2021 (World Environment Day), Energean organised the following activities aligning with the UN's 2021 theme of "Ecosystem Restoration":

- In Greece we hosted a webinar on ecosystem restoration;
- In Montenegro we funded and planted trees;
- In Egypt we hosted webinars on biodiversity in the Mediterranean, organised a beach clean-up at Meadia Beach, hosted a beach preservation session and also hosted environmental awareness sessions;
- In Israel we supported the production of education videos focusing on environmental preservation.

During 2021, Energean collaborated with:

Globally:
United Nations Global Compact & United National Global Working Group Participation
In Greece:
Management body of the Nestos River Delta, Lakes Vistonida-Ismarida and Thassos Island – Northeastern Greece
"Together for Children", an association of NGOs in the field of child welfare
The Holy Diocese of Philippi, Neapolis and Thassos - Northeastern Greece
Democritus University of Thrace (DUTH), Department of Environmental Engineering
Association of Paraplegics and Disabled people of the Ileia Prefecture,
In Israel:
Maala, a non-profit, CSR standards-setting organisation in Israel, which has set a dedicated CSR index on Tel Aviv Stock Exchange. Maala's CSR Index is an ESG rating system used as an assessment tool, benchmarking Israeli companies on their CSR performance. Energean was rated at Gold Level, for a second year in a row, at the 2021 Maala ESG Index – Israel
The Jewish National Fund
The Regional Unit of Kavala
Etgarim, an NGO dedicated to the empowerment and social integration of people with disabilities through outdoor sports - Haifa
Israeli Paralympic Committee.
The Nature and Parks Authority
"Living Room Memorial" (Zikaron BaSalon), a Holocaust Remembrance NGO
The University of Haifa and the Technion
Lev Chash" ("Feeling Heart"), a local NGO in Haifa
In Montenegro:
The Municipality of Bar – City of Bar
In Italy:
"Caritas Diocesana", a Catholic organisation for charity - Chieti Province
The Italian Naval League
In Egypt:
Go Clean, a recycling solutions company
The American University of Cairo

Governments

The Company has a transparent dialogue with all host governments in countries where it operates and seeks to operate. All these discussions are led by the Chief Executive Officer. The Company regularly engages in industry forums in these countries to further demonstrate its commitment to working closely with their governments.

Shareholders

Energean is committed to transparency and engaging with its shareholders, including providing all appropriate information to the investment community. The annual report and accounts are available from www.energean.com/investors/reports-presentations and, where elected or on request, will be

mailed to shareholders and to stakeholders who have an interest in the Company's performance. The Company responds to all requests for information from shareholders and maintains a separate Investor Relations section within the existing www.energean.com website, as a focal point for all investor relations matters. Moreover, there is regular dialogue with institutional shareholders via face-to-face meetings, investor roadshows, RNS announcements, regular trading updates and conferences, as well as general presentations that are published on the Company's website. Furthermore, the Board is advised of any specific remarks from institutional investors, to enable it to develop an in-depth understanding of the views of major shareholders. All shareholders have the opportunity to put forward questions to the Company's AGM.

At the 2021 AGM, the Company received less than 80% of votes in favour of resolution 2 & resolution 3, which sought to approve the Remuneration Policy and the Directors Remuneration Report. The Company carried out a detailed review of feedback received on this resolution to ensure that it fully understood the reasons behind the voting result and allow it to understand shareholders' concerns. In line with the provisions of the Code, the Company provided an update on its website on the views received from shareholders.

Maintaining a reputation for high standards of business conduct

It is our policy to conduct all our business in an honest and ethical manner, and comply with all applicable anti-bribery laws, including, but not limited to all applicable local laws where Energean operates and the U.K. Bribery Act 2010, and to accurately reflect all transactions on Energean's books and records.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We actively monitor and manage risks from bribery or ethical misconduct, and we run an anti-corruption and anti-bribery compliance program, actively overseen by the Board.

During the year, the Company continued to actively monitor and manage risks from bribery or ethical misconduct and the due diligence process was extended to include assessments for compliance health check on all our new customers to ensure that their internal policies meet the high standards that Energean expects from its partners.

Audit & Risk Committee Report

Andrew Bartlett - Chairman of the Audit & Risk Committee

I am pleased to present this Audit & Risk Committee Report for the year ended 31 December 2021, which sets out the role and work of the Committee during the year and key areas of focus for 2022. 2021 was a busy year for the Committee as it assisted the Board with its financial reporting obligations for the annual report, interim report and offering memoranda related to the issuance of two bonds. I would like to thank my fellow committee members for their hard work and commitment throughout the year.

Membership of the Committee

The members of the Audit & Risk Committee during the year were myself, Andreas Persianis, Amy Lashinsky, and Kimberley Wood (joined 1 January 2021).

The Board remains satisfied that the Committee has recent and relevant financial experience, and that the Committee as a whole has sufficient experience of the oil and gas sector to meet the requirements of the Code.

Furthermore, the Committee's members are all Independent Non-Executive Directors, and therefore the composition of the Committee complies with the Code. Committee members' skills and experience are documented on pages 106-110.

Any member of the Committee, the Company's external auditor, or its internal audit manager may request a meeting if he/she considers that one is necessary or expedient. No meetings of this nature were requested during the financial year. The Committee met with the external auditor without management present. The Chairman of the Board, CFO, external audit partner and internal audit manager attend meetings by standing invitation; the Company Secretary acts as Secretary to the Committee.

Attendance at Meetings

The Committee met eight times during the year, and attendance at these meetings is set out below:

Director	Number of meetings during the year	No. of meetings attended:
Andrew Bartlett	8	8
Kimberley Wood	8	8
Amy Lashinsky	8	8
Andreas Persianis	8	8

The Audit & Risk Committee's role

To assist the Board with discharging its responsibilities in relation to:

- Financial reporting, including monitoring the integrity of the Group's annual and half year financial statements and any other formal announcements relating to the Group's financial performance and reviewing the Group's accounting policies and significant financial reporting judgements;
- Reviewing the Group's internal financial controls;
- Reviewing and monitoring the scope of the annual audit and the extent of the non-audit work undertaken by the external auditors;
- Advising on the appointment, reappointment and removal of the external auditors and reviewing and monitoring the external auditor's independence and objectivity;
- Reviewing reports from the reserves auditor; and
- Reviewing the effectiveness of the internal audit, whistleblowing and fraud systems in place within the Group. The Audit & Risk Committee considers annually how the Group's internal audit requirements shall be satisfied and makes recommendations to the Board accordingly, as well as on any area it deems needs improvement or action. The Group's internal audit manager has a standing invitation to all committee meetings.

- Assessing the effectiveness of the Group's risk management and internal assurance processes. The Audit & Risk Committee reviews the Group's capability to identify and manage new types of risk and keeps under review the Group's overall risk assessment processes that inform the Board's decision making. In order to assist with achieving this, the Committee regularly liaises with the Company's compliance function.

The Committee receives regular regulatory updates to ensure that it remains up to date with developments in financial reporting.

Key matters considered in relation to the consolidated Financial Statements

The Audit & Risk Committee focused on a number of key judgements and reporting issues in the preparation of the full year results and the Annual Report. In particular, the Committee considered, discussed and where appropriate raised challenges in the areas set out below:

- Recoverability of oil and gas assets, including estimation of oil and gas reserve volumes. The Committee considered the approach taken by the Company on the impairment indicators and where appropriate, the approach taken to calculate the value-in-use for producing oil and gas assets. The Committee reviewed and challenged management's key assumptions for the oil and gas properties, which included reserves estimates, future oil and gas prices and discount rates. The Committee supported the view that there were no indicators of impairment at the year end. The Committee reviewed the financial statement disclosures and was satisfied they appropriately conveyed the judgements and estimates.
- The Committee received reports from management in order to assess the accounting treatment of the Karish/Tanin development costs incurred in the year, which were significant to the financial statements. The Committee reviewed the capitalisation of development costs and concluded they were appropriate, and were satisfied that accruals were in place at the year end to reflect the costs of services provided by contractors.

The Committee considered the approach taken by the Company in relation to revenue recognition following the acquisition of Edison E&P. The Committee reviewed the financial statements and were satisfied that the requirements of IFRS 15 were satisfied.

The Committee also considered the approach taken by the Company in relation to accounting for decommissioning and other provisions. Following the acquisition of Edison E&P the Company has taken on additional decommissioning liabilities. The Committee reviewed the accounting treatment related to a decrease in the estimated decommissioning costs for certain UK producing assets and agreed with management's conclusion that the carrying value of these assets should be reduced commensurately. The Committee reviewed disclosures in the financial statements and were satisfied with the disclosures on decommissioning provisions.

- The viability statement in the 2021 Annual Report and the going concern basis of accounting including consideration of evidence of the Group's capital, liquidity and funding position. The Committee considered the assessment of principal risks, assessed the Group's prospects in light of its current position and reviewed the disclosures on behalf of the Board. The Committee supported the viability statement and the management's going concern conclusion.

A requirement of the Code is that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This is the Group's fifth Annual Report and, in order to support the assessment, the Committee reviewed the principal risks, business model, financial review and KPIs to ensure these were representative of the business and consistent throughout the Report and that areas requiring significant judgement and explanation have due prominence. The Committee believes that the disclosures set out in the Annual Report provide the information necessary for shareholders to assess the Group's position, performance, business model and strategic outlook.

External auditors

Ernst & Young LLP ("EY" or the "External Auditor") were appointed as auditors in 2018 and undertook their first audit for the year ended 31 December 2017. Energean plc became a Public Interest Entity in 2018 on admission to trading on the London Stock Exchange. The Company must comply with section 494ZA of the Companies Act 2006 and will be required to put the external audit contract out to tender by 2028. The current lead audit partner is Andrew Smyth, who has been the lead partner since 2018. In compliance with this regulation, the lead audit partner will rotate to Paul Wallek during 2022. The fees paid to EY for their services are detailed in note 8g to the financial statements.

The External Auditor attends each meeting of the Committee and reports on their audit work and conclusions including the appropriateness of the judgements and estimates made by management and their compliance with UK-adopted International Accounting Standards. The Audit & Risk Committee has responsibility for the oversight of the external audit plan. This includes monitoring the independence and objectivity of EY, the quality of the audit services and their effectiveness, the level of fees paid, approval of non-audit services provided by EY and re-appointment. The Committee also met with the external auditors without management present.

The Committee concluded that EY are independent and objective, operate at a high standard and have recommended to the Board that the External Auditor be re-appointed at this year's AGM for the financial year ending 31 December 2022. The Committee regularly reviews the performance of the auditor and the Chairman of the Committee regularly meets with the Audit Partner to pass on any feedback.

Non-audit services

In order to safeguard the External Auditor's independence and objectivity, the Group has in place a policy setting out the circumstances in which the External Auditor may be engaged to provide services other than those covered by the Group audit. The policy complies with the FRC's Revised Ethical Standard for Auditors, published in December 2019. The Policy sets out those types of services that are strictly prohibited and those that are allowable in principle (permissible services). Any service types are considered by the Audit & Risk Committee Chairman on a case-by-case basis, supported by a risk assessment prepared by management. This is reported by management to the Committee who consider the services provided as part of concluding on the auditors independence.

The types of non-audit services provided by the auditor during 2021 were as follows:

- Tax certification services in Greece and Israel;
- Reporting accountant services in connection with the circular related to the acquisition of Kerogen's 30% interest in Energean Israel Limited;
- Reporting accountant services in relation to the $450 million bond issuance in Q4 2021;
- Climate change and sustainability assurance services provided by EY Greece;
- Agreed upon procedures on Loan Covenants provided by EY Greece; and
- Interim financial statements review.

In all these cases, safeguards were adopted and reasons given as to why these safeguards were considered to be effective. The Committee was satisfied that the independence of the External Auditor was not affected by the performance of any of these services. The non-audit services provided were required by law and/ or are typically performed by the auditor. Furthermore, in each case there were business justifications for using the External Auditor for non-audit services. The Chairman of the Committee agreed with each justification before the service was carried out.

Further details on non-audit services are outlined in note 8g to the financial statements on page 214.

Interactions with the FRC

During the year in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures, the FRC carried out a review of the financial statements for the year ended 31 December 2020. In 2021 the FRC wrote to the company requesting further information on several areas. The Committee were regularly updated on the correspondence between the Company and the FRC and commented on any communication where appropriate. Following this engagement with the FRC the company undertook to make certain additional disclosures in the financial statements for the year ended 31 December 2021. The Committee was satisfied that these disclosures have been included in the financial statements.

The FRC's role is to consider compliance with reporting standards and is not to verify the information provided to them. Therefore, given the scope and inherent limitations of their review, which does not benefit from any detailed knowledge of the Group, it would not be appropriate to infer any assurance from their review that our 2020 Annual Report and Accounts was correct in all material respects.

Internal controls and Risk Management

The Audit & Risk Committee is responsible for the oversight of the Group's system of internal controls, including the risk management framework and the work of the internal audit function. Details of the risk management framework are provided within the risk management section on pages 80-85. The Group's principal risks and uncertainties, which provide a framework for the Committee's focus, are discussed on pages 85-103. Management has identified the key operational and financial processes that exist within the business and has developed an internal control framework. This is structured around a number of Group policies and processes and includes a delegated authority framework. During the year the committee assessed the key findings raised from internal audits conducted throughout the year and undertook a number of "deep dives" including, inter alia, cyber security and insurance framework.

Internal auditors

PricewaterhouseCoopers Business Solutions S.A. ("PwC"), since January 2018 have been appointed as the Group's internal auditor. The Committee is currently reviewing the Company's needs in this area, with the main goal of increasing the efficiency of the internal audit function through the extension of the scope of work with PwC and involvement of subject matter experts in specific audit engagements.

The internal audit function's key objective is to provide independent and objective assurance on risks and controls to the Board, the Audit & Risk Committee and senior management, and to assist the Board in meeting its corporate governance responsibilities. During the year the Company appointed an internal resource to co-ordinate internal audit projects, align the internal audit risk assessment process with the wider Board risk register reporting and facilitate communication between internal audit, the Audit & Risk Committee, Senior Management and process owners.

The Audit & Risk Committee's members meet regularly with the internal audit team and approve areas that will be assessed by way of internal audit throughout the year. During the year, each internal audit engagement was sponsored by an independent non-executive who was then responsible for approving the relevant scope and objectives and oversaw the key aspects of the audit process.

The Audit & Risk Committee is responsible for the review and approval of the role and mandate of the internal audit function, as reflected in the Internal Audit Charter, including the approval of the annual internal audit plan, and monitoring the effectiveness of the function. Each report produced by the internal auditor is presented in dedicated meetings with the Audit and Risk Committee and the status of follow-up action points reviewed against the agreed deadlines.

In its annual assessment of the effectiveness of the internal audit function, the Audit & Risk Committee carried out the following:

- Met with the internal audit team without the presence of management to discuss the effectiveness of the function;
- Reviewed and re-assessed the internal audit work plan; and
- Monitored and assessed the role and effectiveness of the internal audit function in the overall context of the Group's risk management policy.

During the year PwC undertook three (2020: four) internal audits at a cost of $71,509 (2020: $60,906). Following Internal Audit's reviews of the Company's internal control systems, the Committee considered whether any matter required disclosure as a significant failing or weakness in internal controls during the year. No such matters were identified.

Reserves committee

During the year the reserves committee met to discuss the Group's reserves auditing process and support the Audit & Risk committee in this area. Given his technical background and industry experience Roy Franklin joined the reserves committee in November 2021. During 2022 the committee will receive reserve reports from each country of operation and meet with their respective reserve auditors to assist with the year-end reporting process.

Fair, balanced and understandable assessment

The Committee advised the Board that in its view the 2021 Annual Report including the financial statements for the year ended 31 December 2021, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess Energean's position and performance, business model and strategy. In making this assessment the members of the Committee critically assessed drafts of this Annual Report including the financial statements and discussed with management the process undertaken to make sure these requirements were met.

This included:

- Confirming that the contents of the annual report were consistent with information shared with the Board during 2021 to support the assessment of Energean's position and performance; ensuring that consistent materiality thresholds are applied for favourable and unfavourable items
- Receiving reports from management at Board and Board Committee meetings that the information contained within the Annual Report was considered to be fair, balanced and understandable; and
- Considering comments from the external auditor.

Other activities

Whistleblowing policy

The Group has a Whistleblowing policy in place and the Committee is responsible for overseeing the arrangements and the effectiveness of the processes for this. The policy exists to enable employees to raise any concerns in confidence about wrongdoing or impropriety within the Group. The whistleblowing policy was reviewed by the Committee during the year to ensure that it remained fit for purpose.

Performance of the Committee

The performance of the committee was reviewed as part of the internal evaluation of the Board's effectiveness. In the previous annual report the committee set out its targets for 2021, namely,

- Ensure seamless Edison integration with Energean processes and controls adopted within our new subsidiaries
- Further strengthen various finance functions through recruitment for the larger Group and to meet the requirement for quarterly financial reporting for the bond financing which closed in March 2021
- Now we are a much bigger company post Edison, reassess our Risk Management reporting processes through an external review with an aim to be in the top quartile energy companies in this respect and to adopt an expanded set of risk reporting KPIs.

I am pleased to report that good progress has been made against these objectives with the successful integration of the former Edison SpA companies, the finance function has recruited senior hires to assist with the increased reporting obligations following the two bond issues during the year. Risk management has continued to be a focus at the Committee and at the Board and deep dives have been carried out into the risk management process and key risks that the business face. The Committee will continue to monitor progress in these areas and advise on whether any further enhancements should be made.

Our priorities for 2022

- Further strengthen the Internal Audit process by using where appropriate sector specialists in relevant topics in addition to PwC;
- Further develop in-house risk management reporting and awareness; and
- Follow up internal audits on acquired subsidiaries now that integration has been completed with a focus on cyber security and insurance optimisation.

Approval

This report in its entirety has been approved by the Audit & Risk Committee, and signed on its behalf by:

Andrew Bartlett
Audit & Risk Committee Chairman
23 March 2022

Environment, Sustainability and Social Responsibility Committee

Robert Peck, Chairman of Environment, Sustainability and Social Responsibility ("ESSR") Committee

It is my pleasure to introduce the ESSR Committee Report for 2021, which sets out its composition, role and activities during the year.

The ESSR Committee became effective on 1 January 2021, following the separation of the Nomination & Environment, Social and Governance Committee into the ESSR Committee and the Nomination & Governance Committee.

Membership

The members of the ESSR Committee throughout 2021 were myself (as Chair), Amy Lashinsky, Efstathios Topouzoglou and Andreas Persianis. Roy Franklin joined the committee following his appointment to the Board on 13th October 2021. The Company Secretary acts as secretary to the Committee.

Meetings

The ESSR Committee met on 2 occasions during 2021 with attendance details set out below:

Director	Number of possible meetings	Number of meetings attended
Robert Peck	2	2
Andreas Persianis	2	2
Efstathios Topouzoglou	2	2
Amy Lashinsky	2	2
Roy Franklin[88]	0	0

Role of the Committee

The ESSR Committee plays a fundamental role in assisting the Board in reviewing the effectiveness of the group's policies and systems for managing health and safety risks, assessing the policies and systems within the group for ensuring compliance with regulatory requirements and reviewing the Company's environmental strategy including KPIs. The Committee also reviews the Company's annual sustainability report and receives updates on the Company's performance with key rating agencies. Furthermore, the Committee receives updates from the Group's HSE Director on Health, Safety and Environmental matters and the Company's Head of CSR for updates on the Company's performance against its CSR goals. The Committee also advises the board on safety, the environment including climate change, and Energean's overall sustainability performance.

To view the ESSR Committee's terms of reference, please visit the Company's website www.energean.com.

Activities during 2021

Sustainability reporting

The Committee reviewed the progress being made on the publication of the Company's annual sustainability report covering 2020. The Committee received updates from the Head of CSR and reviewed drafts of the report before publication, and the Committee Chair signed off on the publication of the report on behalf of the Board.

[88] Joined the Committee on 13 October 2021.

Chapter Zero teach-in

The Committee received an informative teach-in from Dr. Carol Bell on the work carried out by "Chapter Zero". The presentation covered key themes in the oil & gas sector, an overview and analysis of targets set by other listed companies, as well as investor expectations in relation to net-zero commitments .

Deep dive on HSE

The Committee conducted a deep dive into the work of the group HSE Department and received a presentation from the HSE Director and the Head of HSE for Israel on this work. As part of this deep dive the Committee reviewed the policies and systems for identifying and managing health and safety risks, the structure, governance forums, roles & responsibilities and HSE challenges for the function. The Committee also received an overview on the HSE procedures in place, the audit plan for any independent audits to be carried out and emergency response and readiness.

Priorities for 2022

During 2022, the Committee will:

- Review sustainability reporting for 2021 and the plans for the reporting in 2022, this will include the review of the Group's Sustainability Report;
- Review of HSE-related measures and safety protocols for the FPSO in light of the Karish & Tanin pre-start-up audit;
- Receive updates (and approve where appropriate) from the HSE Director on climate change targets/measures for 2022, new initiatives and committee teach-in on Carbon Capture Storage (CCS); and
- Carry out a deep dive on the planned Corporate Social responsibility (CSR) activities for 2023: review of the CSR policy to ensure it responds to current business challenges and review the funding levels post-Edison integration taking into account key priorities for the Company since the acquisition.

Robert Peck
ESSR Committee Chairman
23 March 2022

Nomination & Governance Committee

Karen Simon, Chair of Nomination & Governance Committee.

It is my pleasure to introduce the Nomination & Governance Committee Report for 2021, which sets out its composition, role and activities during the year.

The Nomination & Governance Committee became effective from 1 January 2021, following the de-merger of the Nomination & ESG Committee.

In this report we will also set out the areas of focus for the new Nomination & Governance Committee for 2022.

Membership

The members of the Nomination & Governance Committee throughout 2021 were myself (as Chairman), Kimberley Wood, Robert Peck, Efstathios Topouzoglou and Roy Franklin (appointed on 13 October 2021).

The UK Corporate Governance Code ("Code") recommends that a majority of Nomination Committee members be Independent Non-Executive Directors and that the Chairman of the Board (other than where the Committee is dealing with the appointment of a successor to the chairmanship) or an independent Non-Executive Director should chair the Committee. This requirement was satisfied as I was considered to be independent upon appointment as a Chairman, and Kimberley Wood, Robert Peck and Roy Franklin are considered to be Independent Non-Executive Directors.

The Company Secretary acts as secretary to the Committee.

Meetings

The Nomination & Governance Committee met on 2 occasions during 2021 with attendance details set out below:

Director	Number of possible meetings	Number of meetings attended
Karen Simon	2	2
Robert Peck	2	2
Stathis Topouzoglou	2	2
Kimberley Wood	2	2
Roy Franklin[89]	1	1

Role of the Committee

The Nomination & Governance Committee plays a fundamental role in assisting the Board in reviewing the structure, size and composition of the Board, including providing advice to the Board on the retirement and appointment of additional and/or replacement Directors. It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive and other senior executives.

To view the Nomination & Governance Committee's terms of reference, please visit the Company's website www.energean.com.

Diversity

The Nomination & Governance Committee's key area of responsibility is to ensure the composition of the Board is appropriate for oversight of the strategic direction of the Group and this includes reviewing the balance of skills and knowledge. The Nomination & Governance Committee recognises the benefits of diversity in the boardroom and believes that a wide range of experience, backgrounds, perspectives, and skills generates effective decision-making. As at 31 December 2021, the Board included three females, representing 30% of the Board, which is slightly below the 33% target set by the Hampton-Alexander

[89] Joined the Committee on 13 October 2021.

review; however the Company remains as one of the few companies in the FTSE 350 with a female Chairman.

Senior management's make-up at the year-end was 38% female v 62% male. Their direct reports are 27% female v 73% male.

Time commitment of the Chairman

Karen Simon is also a Non-Executive Director of Aker ASA, an Oslo Stock Exchange-listed company and Crescent Energy, a New York Stock Exchange-listed company. The Board believes that Karen has adequate time available to devote to the Company. Karen was deemed to be independent on appointment and was first appointed to the Board as an Independent Non-Executive Director in November 2017. She has, therefore, only served four years out of a possible nine years.

Appointment of new Independent Non-Executive Directors

The Nomination & Governance Committee was pleased to recommend to the Board that Roy Franklin be appointed as an independent Non-Executive Director. The appointment increased the percentage of independent Non-Executive Directors (excluding the independent Non-Executive Chair) from 56% to 67%.

Mr. Franklin has over 45 years' experience as a senior executive in the oil and gas industry. Mr Franklin has extensive experience as a non-executive director, further information on his experience can be found on page 110. He is also Chair of international energy services group, John Wood Group PLC, and a non-executive Director of Kosmos Energy.

Mr. Franklin was the non-executive Chairman of Energean Israel Limited until February 2021. Mr. Franklin served as a shareholder representative for the 30% shareholder, Kerogen and was not remunerated by the Company for his services. The Board does not believe that his independence was comprised as a result of being a Director of a subsidiary of the Group as he was not acting on behalf of the Company but on the behalf of an external shareholder. The Board is also of the view that Mr. Franklin's character and reputation further support the conclusion of independence. Mr. Franklin's former role as Chairman of Energean Israel Limited makes him uniquely placed to provide insight to the Board of Directors on the company's flagship project.

The Nomination & Governance Committee did not engage an external search firm for the appointment of Roy Franklin, being satisfied that this was unnecessary, as an extensive pool of candidates had been identified during previous searches and Mr. Franklin was one of them. .

Succession

The Nomination & Governance Committee keeps under review the succession plans for senior management and has met with the CEO separately to discuss these plans further. There are no anticipated changes to the make-up of senior management in the near future.

Induction

Following the appointment of Roy Franklin a number of meetings were set up for him to virtually meet with senior executives, other Board members and with key external advisors, each of whom was able to give an overview of their area and details of their interactions with the Board. Key corporate documents were also made available, as well as previous Board materials.

Internal Board review

During the year myself and the Company Secretary met with each Director individually to carry out a follow up review to Board evaluation that was carried out in late 2020. The findings of this review were then reported back to a meeting of the Committee with all Directors in attendance. The Committee and the Board were pleased to note that significant progress had been made against the external review.

Furthermore during the year, and as highlighted last year's report, we continued to implement the recommendations from the externally facilitated board review. In the below table we provide an update on this.

Outcome / Review	Proposed Actions listed in the 2020 Annual Report	Status Update
Procedural		
Strategy review – the Board to consider adding a formal strategy day to the Board schedule with a number of external speakers and senior management present.	This has been added to the Board schedule for 2021.	Complete, during the November Board the meeting focused on strategic matters and had a number of external speakers
Review of the Board planner – the Board to ensure sufficient time is allocated to each topic such as strategy, risk, people, culture, stakeholders/ESG, investors, diversity, specific assets, specific countries.	The agenda is agreed with the Chair in advance of each meeting, the Board has added "deep dives" into certain areas at each Board meeting; and the Chair ensures that sufficient time is given to each item during the meeting.	Complete.
Review of meeting schedule – the Board to consider adding of monthly board calls and to ensure the board has sufficient time in each meeting to work through the board agenda. Furthermore, consider adding private sessions for NEDs at the end of each board meeting.	Monthly informal board calls have been added to the Board schedule between formal board meetings; and a separate session for NEDs has been added to the end of each board meeting.	Complete, the monthly calls and separate NED sessions have taken place and will continue to do so.
Structural		
Committee structure –The Board to consider looking to split out the NESG Committee into the Nomination & Governance Committee and a separate committee for ESG.	In the NESG Committee Report in the 2020 ARA we explained how we have amended the committee structure.	Complete.
Strategic		
The Board to consider a plan for NED engagement with the business and which areas could be allocated to particular board members to become familiar with.	The implementation of this recommendation will be carried out in the first half 2021.	The implementation of this recommendation remains ongoing and the Board continues to consider plans in this area taking into account Director's skills. In the Audit & Risk Committee non-executive directors have responsibilities for certain areas and report to the Committee on those areas.

Outcome / Review	Proposed Actions listed in the 2020 Annual Report	Status Update
The Board to agree a set of board objectives for 2021.	The Board objectives for 2021 will be reviewed in the first part of the year and performance against them discussed at the end of each board meeting to ensure the Board is moving forward with its objectives.	Complete, the Board objectives are aligned to the Company objectives and decisions are taken with these objectives in mind. Performance against these objectives is then discussed by Non-executive Directors at the end of each meeting.

Re-election of Directors

In light of the assessment that all Directors continue to perform and provide a valuable contribution to the board and its Committees, all Directors will be eligible to submit themselves for re-election at the 2022 AGM.

Performance of the Committee

The performance of the Nomination & Governance Committee was assessed as part of the internal review as mentioned earlier in this report.

Our priorities for 2022

- Continue to focus on board composition and to identify candidates with geographic, gender and ethnic diversity;
- Look to right size the Board with an expected decrease in the overall number of Directors; and
- Review Committee Chairs/SID role and make adjustments where appropriate.

Karen Simon
Nomination & Governance Committee Chair
23 March 2022

Remuneration Report

Energean Plc – Chair letter

Dear Shareholder,

During 2021, Energean delivered excellent operational and financial progress, reflecting the transformational acquisition and full integration of Edison E&P. Record financial results were achieved, with solid performance from existing assets contributing to a 50% pro-forma[90] year-on-year increase in revenue to $497 million, and a 90% pro forma[91] year-on-year increase in Adjusted EBITDAX to $212 million. Our flagship Karish development is targeting First Gas by Q3 2022, meaning Energean is on-track to achieve >200kboe/d in the medium term.

In addition, in 2021, we further strengthened and de-risked our balance sheet by raising the largest ever EMEA energy international high yield bond, and so remain fully-funded for all projects across our eight countries of operation. This remarkable success means that the Board has been able to set a new dividend policy.

I am very pleased the market has continued to recognise Energean's strength. Since listing in 2018, management has delivered a shareholder return in excess of 125% to the end of February 2022. This is an exceptional achievement, and testament to the confidence investors have in our management team. This contrasts with disappointing returns in the wider market. For example, the FTSE 350 Oil, Gas, Coal index has seen an increase of less than 5% over the same period.

Energean's success is not limited to commercial performance. Energean was the first UK E&P company to set a net-zero carbon target in 2019 and has a clear goal to accelerate this as far as is possible. To date, we have made great strides in recording, reporting, and reducing our Scope 1 and 2 carbon emissions and are well on track to reduce our carbon intensity by over 85% by 2025 versus our base year of 2019. In 2021, carbon intensity reduced to 18 kgCO2e/boe – a 19% decrease versus 2020 levels. This industry leading approach to ESG has been recognised by the CFI, who last year awarded the company with 'Best ESG Energy Growth Strategy - Europe 2021'.

Our world-class executive team is fundamental to our success. Our CEO, Mathios Rigas, has grown the company from an effective 'start-up' into one of the largest independent E&P companies in Europe. Our CFO has raised the largest ever EMEA energy international high yield bond and ensured the company has remained fully-funded for all projects across our eight countries of operation. Both of our executive directors have demonstrated exceptional leadership in unlocking significant shareholder value through targeted acquisitions and organic growth.

Outcomes in the year

Strong performance in the year has naturally fed through into the performance-related pay outcomes for the executive directors. The Committee approved a vesting level under the annual bonus of 80% for both directors. The Committee considered this vesting level appropriate, balancing strong performance in integrating Edison, ensuring liquidity, developing production and progressing sustainability objectives. However the out-turn also reflects the delay to Karish First Gas. While this delay to First Gas was outside the control of the directors, being driven by the impact of COVID-19 delaying the completion of the FPSO, this was nevertheless reflected in the scorecard, and the portion of the bonus based on delivering Karish First Gas did not vest. Disclosure on achievement against the 2021 bonus scorecard is set out on pages 146-151.

2021 was a somewhat anomalous year as two Long Term Incentive Awards vested during the year. This reflects that, given the timing of the IPO, there was a 3-month delay in the 2018 award, which has resulted in the out-turn for this first award being reported in this year's single figure rather than last year's. These are the first LTIP awards that have vested since IPO. One award completed at the end of June 2021 and vested at 77.9% of maximum. Another award vested at the end of December 2021 and vested at 72.8%

[90] Pro forma revenue and adjusted EBITDAX are presented as if Edison E&P results were consolidated for the entire year; the locked box date of the transaction was 31 December 2018 and therefore all economic results since that date accrue to Energean.

[91] As per above.

of maximum. While slightly different performance criteria applied to each award, the level of vesting under both awards reflects strong shareholder returns across the performance periods. Full details on both awards are set out on page 153.

This initial double-vesting has meant a significant increase in the single figure value for both directors. This reflects the fact that single figure values in previous years did not include any LTIP awards. Given the two LTIP award vestings, the single figure for 2021 is also likely to be higher than future single figure values which will revert to the normal one LTIP vesting each year. As such, the 2021 single figure value should not be seen as representative of the ongoing level of executive pay at Energean.

Policy review in 2021

Last year, Energean introduced a new Remuneration Policy. I was pleased with the feedback we heard during the preceding shareholder consultation, and the support given by the proxy agencies and our institutional shareholders at the AGM. I would like to thank all shareholders who gave their support last year, as well as those who provided feedback during consultation.

Following the AGM vote we subsequently wrote again to our largest shareholders to invite their feedback and also held a number of follow up meetings. We had discussion meetings and received feedback both from those that supported and those that did not and details of the feedback received are set out on page 158.

Remuneration in 2022

Executive Directors
As disclosed last year, as part of the Policy review, the Committee committed to reviewing the CEO's salary in 2022, reflecting that the CEO last year requested that he not be considered for a salary increase given the societal context and ongoing uncertainty of COVID-19. The Committee was appreciative of this gesture and committed to reviewing the CEO's salary in 2022 instead. The CEO's salary has remained unchanged for the past four years since Energean listed on the London Stock Exchange in 2018. For 2022, the CEO has requested no increase to his base salary. The Committee has, however, recommended a base salary adjustment for 2022 to £750,000 from £675,000. This will be applied retrospectively for 2022 only if First Gas has been achieved from our flagship Karish project during the year. This increase reflects an annualised increase of 2.7% of base salary since 2018 and the uplift is aligned with the key milestone of delivery of our flagship Karish project.

In 2021, we awarded a staggered compensation uplift to the CFO. As disclosed last year, the uplift was contingent on continued strong performance through 2021. Shareholders welcomed the staggered nature of the uplifts given they required the CFO to evidence strong performance across a longer period. The Committee has considered the Company's and the CFO's performance in the last year and has determined that it is appropriate for the second stage of the uplift to proceed. Evidence of the CFO's continued strong performance during the year includes the issuance of $450 million senior secured notes, maturing in 2027, as well as the €100 million non-recourse project funding package backed by the Greek State for the Epsilon project in Greece, all of which combined, further increased Energean's near term liquidity. As such, the second increase in salary to £600k and increase in bonus opportunity to 200% of salary will apply for 2022.

A competitive, incentivising remuneration policy for senior management is important in delivering our strategy. In turn, this secures the creation of shareholder value. As such, the Committee believes the proposed changes to the remuneration framework will better position both the company and shareholders for future success.

There will be no other changes to the remuneration structure for the Executive Directors aside from those set out above. For 2022, we have reviewed our bonus scorecard to align this with priorities for the year ahead. Both Executive Directors will also receive an LTIP grant in 2022, and the targets are in line with last year's award. Full details on the approach to remuneration in 2022 are provided on pages 141-143.

Chair fee
The Committee also reviewed the fees paid to the Chair in 2021. The Chair fee has not increased since the company first listed in 2018, and Karen Simon became Chair in November 2019 on the same fee level that was paid to Simon Heale, the previous Chair (£150,000). The Committee reflected on the significant growth in the company over the period since listing, including the expanding operational footprint and

geographic complexity of the Group, and determined that an uplift to the Chair's fee was appropriate for 2022. The Chair's fee will therefore be increased to £220,000.

This uplift rebalances the Chair's fee to a level commensurate with the market value and complexity of Energean. In reviewing the market positioning of the Chair's fee, the Committee was also cognisant that Energean is in the all-too-rare position for a UK-listed company in having a female Chair, meaning there is an added responsibility on the Committee to ensure that Karen's fee level is comparable with the fee levels paid in the wider market.

NED fees
There will be no adjustments made to the NED 'base fee'. Some adjustments have been made to the Committee Chair fees to reflect the increased time commitments required.

Concluding remarks

In formulating the pay proposals for 2022, as well as approving pay outcomes for the year, the Committee have been mindful of the experience of the wider workforce. Energean views its people, the Energean family, as the foundation upon which our success is built. The Committee is therefore mindful of how pay in the boardroom compares with pay across the organisation.

The bonus outcome for the Executive Directors cascades down the organisation, ensuring consistency across the company in incentive outturns. More broadly, the Committee is also kept abreast of workforce matters through provision of key management information, including gender pay gap data. We have a dedicated workforce NED in Robert Peck, who acts as the 'employee voice' at board level. The Committee is therefore confident that its pay decisions are appropriate in the context of the broader workforce experience.

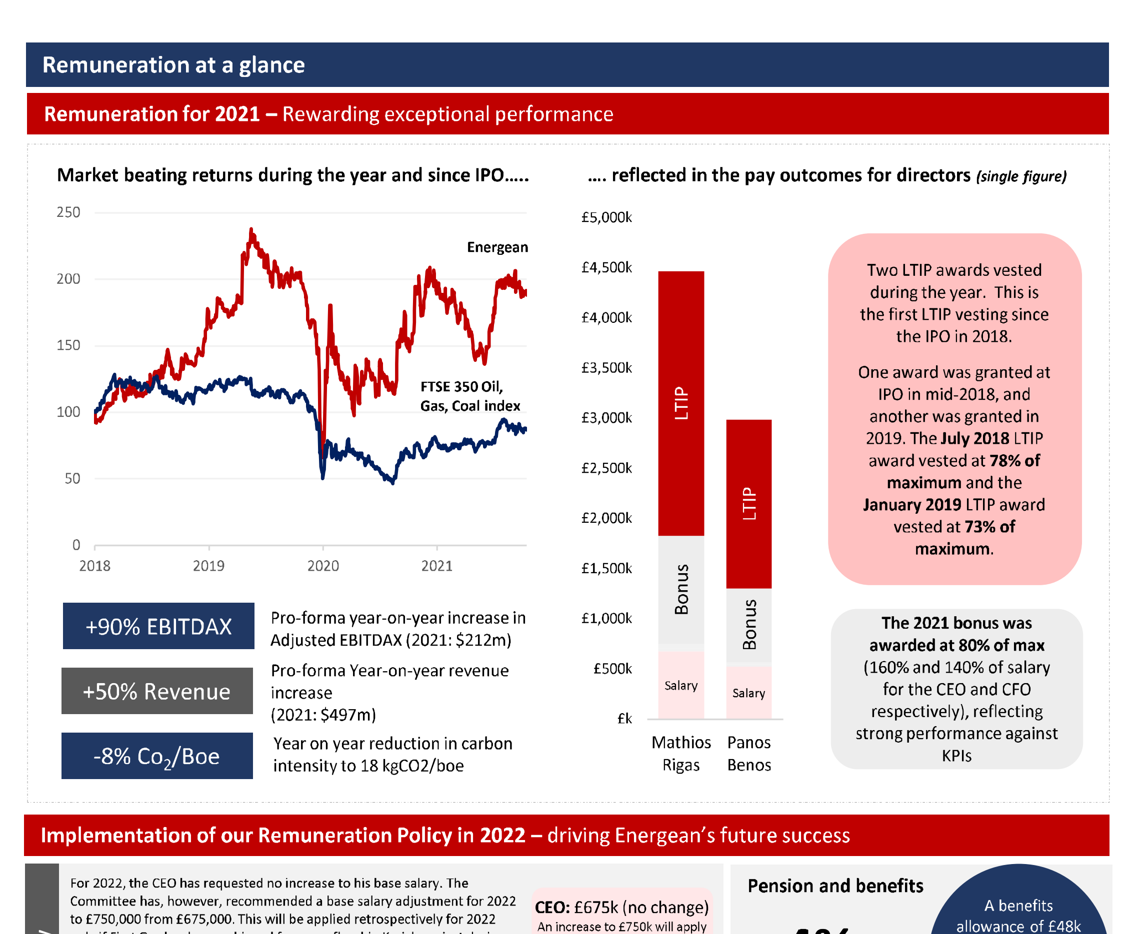
While the Committee recognises there continues to be a significant focus on executive pay in the wider environment, the growth and returns generated by Energean over recent years have been substantial. The Committee is committed to the principle of paying for performance, and therefore believe that the pay proposals for 2022 are fair and reasonable.

Looking ahead, Energean is on a continued strong growth trajectory. 2022 will be an exciting year of further growth and change, including delivering First Gas and the intention to pay our inaugural dividend. The Committee believes these remuneration changes will support our clear strategy by continuing to incentivise and reward our management team for market outperformance.

Kimberley Wood
Remuneration & Talent Committee Chair, Energean Plc

Remuneration at a glance

Remuneration for 2021 – Rewarding exceptional performance



Implementation of our Remuneration Policy in 2022 – driving Energean's future success

Salary

For 2022, the CEO has requested no increase to his base salary. The Committee has, however, recommended a base salary adjustment for 2022 to £750,000 from £675,000. This will be applied retrospectively for 2022 only if First Gas has been achieved from our flagship Karish project during the year. This increase reflects an annualised increase of 2.7% of base salary since 2018 and the uplift is aligned with the key milestone of delivery of our flagship Karish project. As disclosed last year, the CFO will receive the second stage of his increase due to continued strong performance (from £525k to £600k).

CEO: £675k (no change)
An increase to £750k will apply only if First Gas is achieved

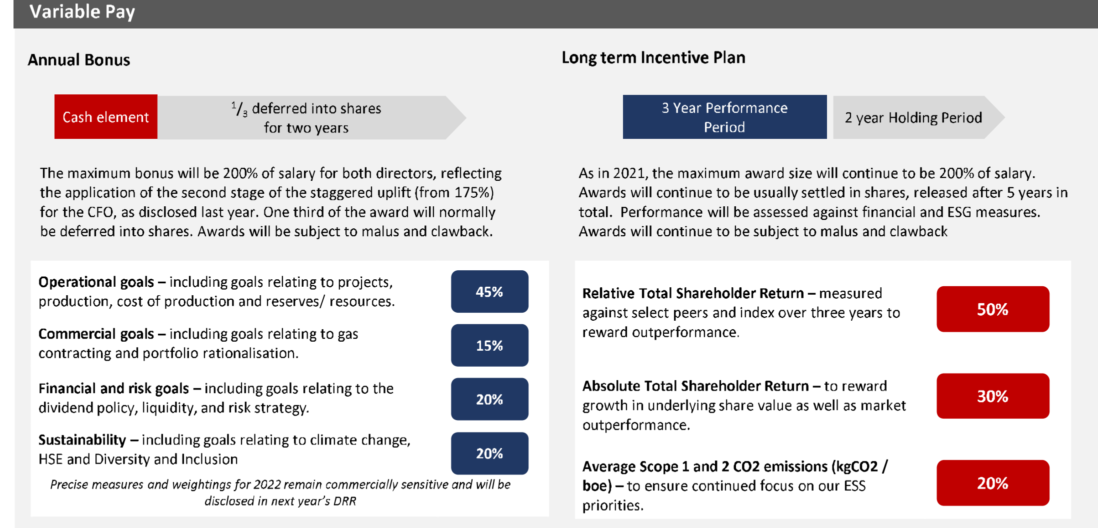
CFO: £600k
2021: £525k (+14%)

Pension and benefits

4%
Pension in line with wider workforce

A benefits allowance of £48k and £25k will apply for the CEO and CFO respectively

Variable Pay



Annual Bonus

Cash element | 1/3 deferred into shares for two years

The maximum bonus will be 200% of salary for both directors, reflecting the application of the second stage of the staggered uplift (from 175%) for the CFO, as disclosed last year. One third of the award will normally be deferred into shares. Awards will be subject to malus and clawback.

Measure	Weighting
Operational goals – including goals relating to projects, production, cost of production and reserves/ resources.	45%
Commercial goals – including goals relating to gas contracting and portfolio rationalisation.	15%
Financial and risk goals – including goals relating to the dividend policy, liquidity, and risk strategy.	20%
Sustainability – including goals relating to climate change, HSE and Diversity and Inclusion	20%

Precise measures and weightings for 2022 remain commercially sensitive and will be disclosed in next year's DRR

Long term Incentive Plan

3 Year Performance Period | 2 year Holding Period

As in 2021, the maximum award size will continue to be 200% of salary. Awards will continue to be usually settled in shares, released after 5 years in total. Performance will be assessed against financial and ESG measures. Awards will continue to be subject to malus and clawback

Measure	Weighting
Relative Total Shareholder Return – measured against select peers and index over three years to reward outperformance.	50%
Absolute Total Shareholder Return – to reward growth in underlying share value as well as market outperformance.	30%
Average Scope 1 and 2 CO2 emissions (kgCO2 / boe) – to ensure continued focus on our ESS priorities.	20%

Executive shareholdings

Both directors are significant shareholders in the company, with current shareholdings of:

CFO c.1.9%
CEO c.11.1%

In-post shareholding guidelines: 200% of salary for all Executive Directors

Shareholding requirement applies for two-years following departure

Remuneration Policy

Set out below is a summary of our current Remuneration Policy (Remuneration Policy) for Executive Directors, which was approved by shareholders at the 2021 AGM. A full version of the Policy is contained in our 2020 Annual Report, available on our website at https://www.energean.com/investors/reports-presentations/

Base salary	
Purpose and link to strategy	To appropriately recognise skills, experience and responsibilities and attract and retain talent by ensuring salaries are market competitive.
Operation	Generally reviewed annually with any increase normally taking effect from 1 January although the Remuneration Committee may award increases at other times of the year if it considers it appropriate. The review takes into consideration a number of factors, including (but not limited to): • The individual Director's role, experience and performance. • Business performance. • Market data for comparable roles in appropriate comparator businesses. • Pay and conditions elsewhere in the Group.
Maximum Opportunity	No absolute maximum has been set for Executive Director base salaries. Any annual increase in salaries is at the discretion of the Remuneration Committee taking into account the factors stated in this table and the following principles: • Salaries would typically be increased at a rate no greater than the average salary increase for other Group employees. • Larger increases may be considered appropriate in certain circumstances (including, but not limited to, a change in an individual's responsibilities or in the scale of their role or in the size and complexity of the Group). • Larger increases may also be considered appropriate if a Director has been initially appointed to the Board at a lower than typical salary.
Performance Conditions	No performance conditions

Pension	
Purpose and link to strategy	To provide competitive post-retirement benefits or cash allowance as a framework to save for retirement. This is to support the recruitment and retention of talent.
Operation	Typically payable as a cash allowance, however executives can also choose to participate in a company pension scheme or receive payments into a personal pension or a combination thereof. Contributions are set as a percentage of base salary. Post-retirement benefits do not form part of the base salary for the purposes of determining incentives.
Maximum Opportunity	Pension contributions will be set in line with the average workforce pension contribution (in percentage of salary terms).

	For 2022, this rate will be 4% of salary. This is the rate that is currently available to the wider workforce (based on the rate applicable to the workforce in Greece).
Performance Conditions	No performance conditions.

Benefits	
Purpose and link to strategy	To provide market competitive benefits.
Operation	Benefits are currently provided as a single benefits allowance (in lieu of separate payments for relevant benefits). The Remuneration Committee has discretion to replace the benefits allowance by separate payments for relevant benefits or to provide additional benefits in certain circumstances (for example relocation or tax equalisation). Executive Directors are entitled to reimbursement of reasonable expenses (including any tax thereon). Executive Directors also have the benefit of a qualifying third-party indemnity from the Company and directors' and officers' liability insurance.
Maximum Opportunity	For the current Executive Directors, the maximum annual value of benefits will be £48,000 (Mathios Rigas) and £25,000 (Panos Benos). For any future Executive Director appointed during the lifetime of this Remuneration Policy, the value of their benefits package would not exceed £48,000. These totals exclude any expenses treated as taxable benefits by tax authorities or tax equalisation benefits, should these be provided in exceptional circumstances, or any one-off costs relating to recruitment, loss of office or relocation.
Performance Conditions	No performance conditions.

Annual Bonus	
Purpose and link to strategy	To link reward to key financial and operational targets for the forthcoming year. Additional alignment with shareholders' interests through the operation of bonus deferral.
Operation	The Executive Directors are participants in the annual bonus plan which is reviewed annually to ensure bonus opportunity, performance measures and targets are appropriate and supportive of the business plan. Typically, no more than two-thirds of an Executive Director's annual bonus is delivered in cash following the release of audited results and the remaining amount is deferred into an award over Company shares under the Deferred Bonus Plan (DBP). • Deferred awards are usually granted in the form of conditional share awards or nil-cost options (or, exceptionally, as cash-settled equivalents). • Deferred awards usually vest two years after award although may vest early on leaving employment or on a change of control (see later sections). • An additional payment or award may be made in respect of shares which vest under deferred awards to reflect the value of dividends (including special dividends) which would have been paid on those shares during the vesting period (this payment may assume that

	dividends had been reinvested in Company shares on a cumulative basis).
Maximum Opportunity	The maximum award that can be made to an Executive Director under the annual bonus plan is 200% of salary. For 2022, both executive directors will receive a maximum opportunity of 200% of salary.
Performance Conditions	The bonus is based on performance against financial, strategic, operational, ESG or personal measures appropriate to the individual Executive Director assessed over one year. The precise measures and weighting of the measures are determined by the Remuneration Committee ahead of each award to ensure they are aligned with strategic priorities. Where appropriate, a sliding scale of targets will be applied to a measure, with pay-out not exceeding 20% for threshold performance increasing to 100% for maximum performance. In relation to operational, milestone or qualitative targets, the structure of the target may vary based on the nature of the target set and may be based on the Remuneration Committee's judgement in assessing the performance outturn. Any bonus pay-out is ultimately at the discretion of the Remuneration Committee. The Committee will consider the use of discretion when determining the actual overall level of individual bonus payments and it may adjust the formulaic bonus pay-out upwards or downwards if it considers it appropriate to do so.

Long Term Incentive Plan (LTIP)	
Purpose and link to strategy	To link reward to key strategic and business targets for the longer term and to align executives with shareholders' interests.
Operation	Awards are usually granted annually under the LTIP to selected senior executives. Individual award levels and performance conditions on which vesting will be dependent are reviewed annually by the Remuneration Committee. LTIP awards are usually granted as conditional awards of shares or nil-cost options (or, exceptionally, as cash-settled equivalents). Awards granted to Executive Directors normally vest or become exercisable at the end of a period of at least three years following grant and normally have a holding period taking the time horizon to no earlier than five years following grant. Awards may vest early on leaving employment or on a change of control (see later sections). An additional payment or award may be made in respect of shares which vest under LTIP awards to reflect the value of dividends (including special dividends) which would have been paid on those shares during the vesting and, if relevant, holding period (this payment may assume that dividends had been reinvested in Company shares on a cumulative basis).
Maximum Opportunity	The maximum award permitted to be granted to an Executive Director in respect of any one year under the LTIP is shares with a market value (as determined by the Remuneration Committee) of 200% of salary.

Performance Conditions	All LTIP awards granted to Executive Directors must be subject to a performance condition. The precise measures and weighting of the measures are determined by the Remuneration Committee ahead of each award to ensure they are aligned with strategic priorities. Performance will usually be measured over a performance period of at least three years. For achieving a 'threshold' level of performance against a performance measure, no more than 25% of the portion of the LTIP award determined by that measure will vest. Vesting then increases on a sliding scale to 100% for achieving a maximum performance target. Any LTIP vesting is ultimately at the discretion of the Remuneration Committee.

Share ownership guidelines	
Purpose and link to strategy	To create alignment between the long-term interests of Executive Directors and shareholders.
Operation	Executive Directors are required to build and maintain a holding of 200% of salary in Company shares. Until an Executive Director is compliant with this guideline, they are required to retain at least 50% of vested post-tax shares. Unless the Remuneration Committee determines otherwise, this guideline will continue to apply for two years after an Executive Director ceases employment with the Group.

Non-executive Director fees	
Purpose and link to strategy	To appropriately recognise responsibilities, skills and experience by ensuring fees are market competitive.
Operation	NED fees comprise payment of an annual basic fee and additional fees for further Board responsibilities including but not limited to: • Senior Independent Director • Audit & Risk Committee Chairman • Remuneration & Talent Committee Chairman • Environment, Safety & Social Responsibility Committee Chairman The Chairman of the Board receives an all-inclusive fee. No NED participates in the Group's incentive arrangements or pension plan or receives any other benefits other than where travel to the Company's registered office is recognised as a taxable benefit in which case a NED may receive the grossed-up costs of travel as a benefit. Non-Executive Directors are entitled to reimbursement of reasonable expenses (including any tax thereon). Fees are reviewed annually and are paid in cash or shares. Non-Executive Directors also have the benefit of a qualifying third-party indemnity from the Company and directors' and officers' liability insurance.

Annual Report on Remuneration

Unaudited information

Implementation of remuneration policy in 2022

This section provides an overview of how the Remuneration Committee is proposing to implement our Remuneration Policy in 2022 for the Executive Directors.

Base salary

As detailed in the Chair's Letter, last year, the CEO requested that he not be considered for a salary increase. The Committee therefore committed to reviewing the CEO's salary in 2022 instead. For 2022, the CEO has requested no increase to his base salary, which has remained unchanged since 2018, when Energean listed. The Committee has, however, recommended a base salary adjustment for 2022 to £750,000 from £675,000. This will be applied retrospectively for 2022 only if First Gas has been achieved from our flagship Karish project during the year.

In 2021, we awarded a staggered compensation uplift to the CFO. The uplift was contingent on continued strong performance through 2021. Shareholders welcomed the staggered nature of the uplifts given they required the CFO to evidence strong performance across a longer period. The Committee has considered the Company and the CFO's strong performance in the last year and has determined that it is appropriate for the second stage of the uplift to proceed. As such, the second increase in salary to £600,000 will apply for 2022.

	Salary (retrospectively *from First Gas*)	Salary 1 January 2022	Salary 1 January 2021	% increase
Mathios Rigas (CEO)	£750,000	£675,000	£675,000	11%[92]
Panos Benos (CFO)	-	£600,000	£525,000	14.3%

Pension

Both Executive Directors are entitled to receive a pension equivalent to 4% of their base salary. This rate aligns to the rate offered to the wider workforce (based on the contribution available to the Greek workforce).

Benefits

Mathios Rigas and Panos Benos receive a contractual benefits package worth £48,000 p.a. and £25,000 p.a. respectively.

Annual bonus

As detailed in the Chair's Letter, an uplift in the bonus opportunity for the CFO was also proposed last year subject to his continued strong performance across the year. Given the CFO's continued strong performance, the annual bonus plan for 2022 will offer a maximum bonus opportunity of 200% annual salary for both of the Executive Directors. One-third of any bonus earned will continue to be deferred into DBP shares.

As outlined in the Remuneration Committee Chair's Statement, the annual bonus for 2022 will be determined by a restructured bonus scorecard that is aligned with strategic priorities for the year ahead.

[92] Conditional on achieving First Gas.

Performance measure	As a percentage of maximum bonus opportunity
Operational goals (including goals relating to projects, production, cost of production and reserves/ resources)	45%
Commercial goals (including goals relating to gas contracting and portfolio rationalisation)	15%
Financial and Risk goals (including goals relating to the dividend policy, liquidity, and risk strategy)	20%
Sustainability (including goals relating to climate change, HSE and Diversity and Inclusion)	20%

The targets for these performance measures in relation to the financial year 2022 are deemed commercially sensitive. However, it is envisaged that retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report to the extent that they do not remain commercially sensitive at that time. In the event of unforeseen acquisitions, divestments or investments during the year, the Remuneration Committee would consider how performance targets should be adjusted to ensure that they remain appropriately challenging and would explain any such adjustments in next year's Remuneration Report.

The Remuneration Committee has discretion, where it believes it to be appropriate, to override any formulaic outcome arising from the bonus plan.

Long-term incentive plan

The Executive Directors will receive an award under the LTIP during 2022 over shares worth 200% of annual salary applicable for year. Awards will vest three years after grant and be subject to an additional two-year holding period. The proposed performance measures for the 2022 award are consistent with the measures for the 2021 award, and are set out below.

Performance measure	Proportion of award determined by measure	Threshold Performance	Maximum Performance
Relative Total Shareholder Return over 3 Financial Years	50%	Median ranking *12.5% of award*	Upper quartile ranking *50% of award*
Absolute Total Shareholder Return over 3 Financial Years	30%	8% p.a. *7.5% of award*	12% p.a. *30% of award*
Average Scope 1 &2 CO2 emissions (kgCO2 / boe) over 3 Financial Years	20%	18 *0% of award*	6 *20% of award*

Total Shareholder Return performance will be measured against the following peer group: AkerBP, Lundin, Delek Drilling, Isramco, Tamar, Ratio, Kosmos, Harbour Energy, Capricorn Energy PLC (formerly Cairn Energy), Tullow Oil plc, Diversified Oil & Gas plc, Jadestone, Serica, Seplat, Genel and the FTSE 350 Oil and Gas and Coal index. This is aligned with the peer group that applied for the 2021 LTIP award.

The Committee reflected on the targets that would apply for the 2022 LTIP award and considered that the targets that applied for the 2021 award continue to be appropriate. For the TSR metrics, the Committee recognised that strong share price performance over recent months means there is a strong 'base effect' that means strong outperformance will need to be maintained to generate a payout under the incentive. For the emissions reduction target, these targets are regarded as stretching in the context of the company's ESG strategy.

Vesting is calculated on a straight-line basis for performance between the threshold and maximum performance targets. The Remuneration & Talent Committee has discretion, where it believes it to be appropriate, to override any formulaic outcome arising from the LTIP. Typically, this will only be exercised in a negative direction.

Non-Executive Director remuneration

The table below shows the fee structure for Non-Executive Directors for 2022. As detailed in the Chair letter, Committee reviewed the fees paid to the Chair in 2021. The Chair fee has not increased since the company first listed in 2018, and Karen Simon became Chair in November 2019 on the same fee level as the previous Chair. The Committee reflected on the significant growth in the company over the period since listing, including the expanding operational footprint and geographic complexity of the Group, as well as the increasing complexity and time commitment of the role, and determined that an uplift to the Chair's fee was appropriate for 2022.

There will be no adjustments made to the NED 'base fee'. Some adjustments will be made to the Committee Chair fees to reflect the increased time commitments required. Non-Executive Director fees are determined by the full Board except for the fee for the Chair of the Board, which is determined by the Remuneration Committee.

	2022 fees	2021 fees
Chair of the Board all-inclusive fee	£220,000	£150,000
Basic Non-Executive Director fee	£55,000	£55,000
Senior Independent Director additional fee	£10,000	£10,000
Audit Committee Chair additional fee	£25,000	£5,000
Nomination & ESG Committee Chair additional fee	£15,000	£5,000
Remuneration Committee Chair additional fee	£15,000	£5,000

Audited information

The information provided in this section of the Remuneration Report up until the 'Unaudited information' heading on page 155 is subject to audit.

Single total figure of remuneration

The following table sets out the total remuneration for Executive Directors and Non-Executive Directors for 2021 with comparative figures for 2020.

	2021 (£ '000)								2020 (£ '000)					
	Salary and fees	Pension[93]	Benefits[93]	Annual bonus[94]	LTIP[95]	Total Fixed	Total Variable	Total[96]	Salary and fees	Benefits	Annual bonus	Total Fixed	Total Variable	Total[96]
Executive Directors														
Mathios Rigas	675	27	48	1,080	2,635	750	3,715	**4,465**	675	75	858	750	858	**1,608**
Panos Benos	525	21	25	735	1,680	571	2,415	**2,986**	450	50	572	500	572	**1,072**
Non-executive Directors[97]														
Karen Simon	150	-	-	-	-	150	-	**150**	150	-	-	150	-	**150**
Andrew Bartlett	68.125	-	-	-	-	68.125	-	**68.125**	63	-	-	63	-	**63**
Robert William Peck	58.75	-	-	-	-	58.75	-	**58.75**	55	-	-	55	-	**55**
Stathis Topouzoglou	53.75	-	-	-	-	53.75	-	**53.75**	50	-	-	50	-	**50**
Amy Lashinsky	53.75	-	-	-	-	53.75	-	**53.75**	50	-	-	50	-	**50**
Kimberley Wood	60	-	-	-	-	60	-	**60**	26	-	-	26	-	**26**
Andreas Persianis	55	-	-	-	-	55	-	**55**	24	-	-	24	-	**24**

[93] Pension/ Benefits – In 2021, Mathios Rigas and Panos Benos received a pension allowance worth 4% of salary (equivalent to the wider workforce) and a separate benefits allowance. This approach replaced a contractual benefits package paid in 2020 worth £75,000 p.a. and £50,000 p.a. respectively.

[94] Annual bonus – bonus payments are paid two-thirds in cash and one-third in deferred shares. Deferred shares vest after two years. Details of the performance measures and targets are set out in the following section.

[95] LTIP – this figure includes two Long Term Incentive awards that completed in 2021. One award vested in June 2021 and one award completed in December 2021. The first LTIP vested in June 2021 and vested at 77.9% of maximum. For this award, £434k and £289k is related to share price appreciation between the grant and vesting date in September 2021 for the CEO and CFO respectively. The second LTIP completed in December 2021 and will vest at 72.8% of maximum and the value provided in the single figure is based on an estimated share price based on a Q4 (1 October – 31 December 2021) average (£8.91). For this award, an estimated £167k and £100k is related to share price appreciation between the grant date and vesting date for the CEO and CFO respectively.

[96] Total remuneration paid to Directors in respect of 2022 is £7,962,346 (2021: £3,130,000).

[97] Non-executive directors - Roy Franklin joined the board on 13 October 2021.

Roy Franklin	11.971	-	-	-	-	11.971	-	11.971	-	-	-	-	-	-
Ohad Marani[98]	-	-	-	-	--	-	-	-	-	-	-	32	-	32

[98] Stepped down on 26 July 2020.

Annual bonus

The maximum annual bonus opportunity for the Executive Directors in 2021 was 200% of salary for the CEO and 175% of salary for the CFO. Two-thirds of any bonus will be paid in cash with the remaining third granted in shares under the DBP which vest two years post grant.

Performance measures and targets applying to the 2021 annual bonus, along with performance achieved, are set out below. Further detail on the respective areas of performance follows the summary table.

Performance Measure	% of maximum	Performance achieved
Operational goals	50%	31.3%
Commercial goals	10%	9.5%
Financial and Risk goals	20%	19.8%
ESS goals	15%	14.8%
People and Culture goals	5%	4.7%
Total	**100%**	**80%**

Further detail on the various performance areas of the annual bonus is set out below.

Operational goals

Operational goals accounted for 50% of the overall bonus. Principally goals set for this segment have defined threshold, target and maximum performance levels attached, which are disclosed below. The goals for this segment related to achieving First Gas, other project progress, absolute production and cost of production targets, adding resources from Glengorm, and wider reserves growth.

Performance measure	Proportion of bonus	Threshold performance *0% vesting*	Target performance *50% vesting*	Maximum performance *100% vesting*	Actual performance	% of maximum bonus payable
Operational goals						
Deliver First Gas Karish	15%	FPSO Sail Away	FPSO in Israel	Hook Up	No sail away due to COVID-19 delays	*0%*
Project Progress	5%	Goals relating to operational progress, including NEA-NI development, Karish North development, and development of a second Oil Train. Progress was weighted based on overall project cost. Committee approved an outcome of 70%, reflecting hold-ups on some projects, including the FPSO, but good overall progress on other projects.				*3.5% (70% of element vesting)*
Production	11.25%	35k boep/d	37.5k boep/d	40k boep/d	41 kboep/d	*11.25% (100% of element vesting)*
Cost of Production	11.25%	$17 per barrel	$15.5 per barrel	$14 per barrel	$14.3 per barrel	*10.9% (97% of element vesting)*
Reserves adds from Glengorm (adjusted for UK Sale)	1.9%	33.7mmboe	63.5mmboe	70mmboe	Neither well was successful	*0%*
Reserves growth	5.6%	190 mmboe	210 mmboe	245 mmboe	253.3 mmboe	*5.6% (100% of element vesting)*

Performance within the operational category therefore was assessed at 31.3% out of the maximum 50% available.

For the 'Project Progress' sub-category, the Committee assessed constituent target ranges within the overall sub-category to come to an overall result for the 5% available. A target range had been set within this sub-category in relation to development of a second oil train. Given the FPSO delay, it was decided to slip the delivery date of this module backward to align it with the Karish North installation, and the target range on the second oil train development was therefore revised to align with the revised overall project schedule. The Committee approved an overall outcome of 70% for the project progress sub-category, recognising strong progress across projects, but factoring in some discount for the delay associated with the FPSO hold-up.

Commercial goals

Commercial goals accounted for 10% of the overall bonus. 5% linked to a strategic goal of optimising the portfolio, while the balancing 5% linked to a quantitative ratio of contracted sales to reserves target.

Performance measure	Proportion of bonus	Threshold performance *0% vesting*	Target performance *50% vesting*	Maximum performance *100% vesting*	Actual performance	% of maximum bonus payable
Commercial goals						
Successful Divestments and Optimisation of Portfolio	5%	The Committee considered this sub-category on a holistic basis. Successful divestment/ optimisation actions included acquisition of ENI shares in Vega/Rospo for no consideration, enabling a 50% increase in oil production; developing a proceedable offer for Glengorm; creation of an "Adriatic package" to provide reference for Montenegro DoD; and conducting a ground-up review of the Italian operation, including recommendation for disposal. The Committee approved an outcome of 90% for this element.				4.5% (90% of element vesting)
Ratio of contracted sales to reserves	5%	90%	95%	100%	100%	5% (100% of element vesting)

Performance within the commercial category therefore was assessed at 9.5% out of the maximum 10% available.

Financial and Risk goals

Financial and Risk goals accounted for 20% of the overall bonus, split between quantitative targets relating to average life of group debt (worth 8% of the overall bonus) and available liquidity (7%), and a discretionary category relating to development of a risk strategy (5%).

Performance measure	Proportion of bonus	Threshold performance *0% vesting*	Target performance *50% vesting*	Maximum performance *100% vesting*	Actual performance	% of maximum bonus payable
Financial and Risk						
Weighted average life of group debt	8%	3 years	4 years	5 years	5.4 years	8% (100% of element vesting)
Available liquidity	7%	$100 million	$150 million	$200 million	$1.04 billion	7% (100% of element vesting)
Develop a risk strategy	5%	Successful initiatives included implementation of a new ERP system; updating all policy manuals developed in 2018 and progress on new Enterprise Risk Management system. The Committee recognised strong progress on this element and approved a vesting outcome of 95%.				4.75% (95% of element vesting)

Performance within the financial and risk category was therefore assessed at 19.8% out of the maximum 20%, principally due to a particularly strong performance in raising liquidity, and extending the life of Group debt.

Environment, safety and sustainability

Area of focus		Achievement
Climate Change (10%)	• To reduce carbon emissions intensity. The Committee set a target range of 3% reduction at threshold, 5% at target and 8% at maximum. • To mature the carbon capture/ storage project. • To develop the Energean strategy around transitioning to net-zero. • To gain a strong sustainability rating relative to the peer group. The Committee set a threshold target of coming in the top 50% of the peer group, a target of coming in top 25% of peer group and max of top 15% of peer group. • To include climate change requirements in company's suppliers' selection and evaluation policy	• Strong performance on 2021 carbon emissions intensity reduction - successfully reduced from 22.2kg/COe/boe to 18.3gCO2e/boe, meaning a reduction of c.18% vs. a max target range of 8%. • Prinos carbon capture project proposal submitted to Greek government. Project approved and currently progressing required milestones. • Strategy and net-zero transition plan successfully developed and submitted to the Board. • Sustainability rating vs. peers – MSCI ESG rating at AA level (score of 5.6 well above 4.7 previous score, and 4.6 industry average score). Energean at top of peer group, with other 5 E+P companies rated below AA. In overall E+P sector, only 13% in AAA level and another 13% at AA level with Energean. • New Climate Change Policy and new contractors HSE Policy has been issued, and new selection and evaluation rules agreed.
Health and Safety (5%)	• Overall HSE Performance against annual plan, including performance against LTIF and TRIR targets. • To align all countries' HSE Management Systems (MS) with the Group HSE MS including reporting & internal audit by implementing a digital solution	• Well-below LTIF and TRIR 2021 targets (includes employees and contractors) – LTIF of 0.42 in 2021 (vs. <0.65 target) and TRIR of 0.97 (vs. <1.3 target). • Successfully aligned HSE management systems, including roll-out of new HSE management software.

Performance within the environment, safety and sustainability category was therefore assessed at 14.8% out of the maximum 15%, reflecting strong performance against pre-set climate change and health and safety objectives.

People & culture

Area of focus		Achievement
People and Culture (5%)	• Edison integration – Fully completed by end of 2021, including ICT, system integration, new office in Milan, SAP Success Factors roll out. • Employee Manual – Launch the Employee Manual, aligning all policies with Edison by end of 2021 • Culture Survey - Proposal to run the GRID survey close to year end, reflecting one year since Edison transaction.	• Successfully progressed Edison integration, including development of new organisational chart, signing of new contracts, progression on integration of (IT) systems and completed move to new offices in Milan. • Progressed on -boarding initiatives, including development of employee manual ready to be launched Q1 2022.

		• Culture survey has been planned and is ready to launch, with launch expected in Q1 2022.

Overall, the Committee approved a vesting outcome of 4.7% out of the maximum 5% on the People and Culture element of the bonus. This was to reflect very strong performance on Edison integration, with a discount applied to reflect the slight delay to the roll-out of the culture survey.

Overall outcome for the 2021 annual bonus

The overall outcome on the annual bonus was therefore:

	Total bonus payable *% of maximum*	Total bonus payable *£'000 and % of annual salary*
Mathios Rigas	80.0%	£1,080,000 *(160% of salary)*
Panos Benos	80.0%	£735,000 *(140% of salary)*

The Remuneration Committee considered this bonus outcome in light of the Group's overall financial and operational performance during 2021 and was satisfied that it was appropriate and that no discretionary adjustment to the outcome was required.

LTIP awards vesting in the financial year

2021 was an anomalous year as two LTIP awards vested during the year. This is related to the company's IPO date – as one award was granted at the point of the company's IPO in mid-2018, and another was granted at the start of the 2019 performance year, two awards completed during 2021. This has had the effect of significantly increasing both directors' single figure value. Given the inclusion of two awards in the single figure disclosures, it means they should not be seen as representative of the likely level of executive pay going forward.

July 2018- June 2021 award

The share award granted after the company listed in June 2018 was subject to performance measured between 1 July 2018 and 30 June 2020. The value of this award is set out below.

	Number of shares awarded	Value at award date	Number of shares vesting[99]	Value at vest[100]
Mathios Rigas	252,904	£1,350,000	196,986	£1,485,274
Panos Benos	168,602	£900,000	131,324	£990,183

[99] The vesting figures shown in the table above reflect the 77.89% of the total award that met performance conditions on 30 June 2020, and that vested on 6 September 2021. The vesting shares will become exercisable after a two-year holding period on 5 September 2023.

[100] The share price used to value the shares is the share price on the vesting date of 6 September 2021 (£7.54). This compares to a grant price of £5.34. The portion of the award that is attributable to share price growth is: for Mathios Rigas: £434k and for Panos Benos: £289k.

The performance conditions[101] that applied to this award are set out below.

	Weighting	Threshold *25% vesting*	Maximum *100% vesting*	Performance achieved	Pay-out level *% of maximum*
Relative TSR[102]	70%	Median	Upper quartile	1st in peer group	100%
Absolute TSR	10%	12.5% p.a.	20% p.a.	17.9% p.a.	78.93%
Karish-Tanin First Gas	20%	30 June 2021	31 March 2021	Not reached	0%

Strong TSR performance meant the award vested at 77.89% of maximum. Unfortunately, the First Gas date was missed, meaning this portion of the award lapsed in full. When considering performance outcomes, the Committee looks beyond formulaic results to ensure the outcomes align with overall business performance. The Committee considered the holistic performance of the business and decided that the formulaic outcome was an appropriate one, and reflective of the shareholder and stakeholder experience. It therefore decided that the award should vest without any further adjustment.

January 2019- December 2021 award

The share award granted at the start of the 2019 financial year was subject to performance measured between 1 January 2019 and 31 December 2021. The value of this award is set out below.

	Number of shares awarded	Value at award date	Number of shares vesting[103]	Value at vest[104]
Mathios Rigas	177,309	£1,350,000	129,063	£1,149,951
Panos Benos	106,385	£810,000	77,437	£689,964

[101] Straight-line vesting applies for all performance conditions.

[102] Companies included in the relative TSR peer group: Capricorn Energy (Cairn Energy), EnQuest, Genel Energy, Gulf Keystone Petroleum, Hurricane, Isramco Negev, Kosmos Energy, Nostrum Oil & Gas, Ophir Energy, Premier Oil (Harbour Energy), Ratio, Rockhopper Exploration, Seplat Petroleum, SOCO International (Pharos Energy), Tamar Petroleum and Tullow Oil.

[103] The vesting figures shown in the table above reflect the 72.79% of the total award that met performance conditions on 31 December 2021. This award will vest on 28 March 2022. The vesting shares will become exercisable after a two-year holding period on 28 March 2024.

[104] The share price used to value the shares is the 3-month average share price on 31 December 2021 (£8.91). This compares to a grant price of £7.61. The portion of the award that is attributable to share price growth is: for Mathios Rigas: £168k and for Panos Benos: £101k.

The performance conditions[105] that applied to this award are set out below.

	Weighting	Threshold *25% vesting*	Maximum *100% vesting*	Performance achieved	Pay-out level *% of maximum*
Relative TSR[106]	55%	Median	Upper Quartile	1st in peer group	100%
Absolute TSR	20%	12.5% p.a.	20% p.a.	13.9% p.a.	38.94%
Karish Tanin First Gas	15%	30 June 2021	31 March 2021	Not reached	0%
Production – average over 3 years	10%	8,000 bpd	12,000 bpd	15,366 bpd	100%

Strong TSR performance meant the award vested at 72.79% of maximum. Unfortunately, since the same First Gas target applied to the 2019 grant as applied in the 2018 grant, this portion of the award lapsed in full. The performance level achieved for average production over three years includes production from Edison assets. This transaction completed in December 2020. The Committee considered the holistic performance of the business and decided that the formulaic outcome was an appropriate one, and reflective of the shareholder and stakeholder experience. It therefore decided that the award should vest without any further adjustment.

LTIP awards during the financial year

An award was granted under the LTIP to selected senior executives, including the Executive Directors, in March 2021. This award is subject to the performance conditions described below and will vest in March 2024 with a subsequent two-year holding period for any vested shares to March 2026. The Committee considered the share price at the time of grant, recognising the need to mitigate the risk of windfall gains.

	Type of award	Date of grant	Maximum number of shares[107]	Face value (£)	Face value (% of salary)	Threshold vesting	End of performance period
Mathios Rigas	Conditional share award	26 April 2021	167,410	£1,350,000	200%	25% of award	31 December 2023
Panos Benos		26 April 2021	111,607[108]	£1,050,000	200%		

105 Straight-line vesting applies for all performance conditions.
106 Companies included in the peer group: Cairn Energy (Capricorn Energy), EnQuest, Genel Energy, Gulf Keystone Petroleum, Hurricane, Isramco Negev, Kosmos Energy, Nostrum Oil & Gas, Ophir Energy, Premier Oil (Harbour Energy), Ratio, Rockhopper Exploration, Seplat Petroleum, SOCO International (Pharos Energy), Tamar Petroleum and Tullow Oil.
107 The maximum number of shares that could be awarded has been calculated using the share price of £8.06 (average closing share price for the five dealing days prior to grant) and excludes any additional shares that may be awarded in relation to dividends accruing during the vesting and holding periods.
108 The maximum number of shares granted to Panos Benos should have been 130,208 (200% x £525,000 (2021 salary) ÷ £8.064). However, due to an administrative error, the number of shares actually granted in April 2021 was only 111,607. To address this, the outstanding 18,601 shares will be granted in March / April 2022 and will be subject to the same vesting conditions as the original grant.

Vesting of the awards is subject to satisfaction of the following performance conditions. Vesting is calculated on a straight-line basis for performance between the threshold and maximum performance targets. Any LTIP vesting is at the discretion of the Remuneration Committee. They will consider the vesting level at the end of the performance period to ensure the final outcome is appropriate and reasonable, being particularly mindful of windfall gains.

Performance measure	Proportion of award determined by measure	Threshold Performance	Maximum performance
Relative Total Shareholder Return over three-year performance period[109]	50%	Median ranking *12.5% of award*	Upper quartile ranking *50% of award*
Absolute Total Shareholder Return over three-year performance period	30%	8% p.a. *7.5% of award*	12% p.a. *30% of award*
Average Scope 1 & 2 CO_2 emissions ($kgCO_2$ / boe) over 3 Financial Years	20%	18 *0% of award*	6 *20% of award*

Loss of office payments/payments to former directors

There have been no payments to former Directors or payments to Directors for loss of office during 2021.

Statement of Directors' shareholding and share interests

Executive Directors are expected to achieve a holding of shares worth 200% of salary. The Remuneration Committee reviews ongoing individual performance against this shareholding requirement at the end of each financial year. Both Executive Directors currently exceed their minimum guideline. The number of shares held by Directors as at 31 December 2021 is set out below:

	Number of shares as at 31 December 2021				
	Shares owned outright	Interests in share incentive schemes, subject to performance conditions	Interests in share incentive schemes, subject to employment	Percentage of Issue Share Capital (minus LTIP and DBP shares)	Share ownership guidelines met?[110]
Director		LTIP[111]	DBP[112]		
Mathios Rigas	19,826,292	493,025	66,322	11.16	Yes
Panos Benos	3,418,999	328,684	44,215	1.93	Yes
Karen Simon	198,072			0.11	n/a
Andrew Bartlett	5,554			0.003	n/a

[109] Total Shareholder Return performance will be measured against the following peer group: AkerBP, Lundin, Delek Drilling, Isramco, Tamar , Ratio, Kosmos, Harbour Energy, Capricorn Energy PLC (formerly Cairn Energy), Tullow Oil plc, Diversified Oil & Gas plc, Jadestone, Serica, Seplat, Genel and the FTSE 350 Oil and Gas and Coal index.

[110] For the purposes of determining the value of Executive Director shareholdings, the individual's current annual salary and the share price as at 31 December 2021 has been used (£8.55 per share).

[111] This relates to shares awarded under the LTIP in March 2020 and March 2021.

[112] This relates to shares awarded under the DBP in March 2020 & 2021 in relation to the 2019 & 2020 annual bonus.

Robert William Peck	6,755			0.004	n/a
Efstathios Topouzoglou	17,623,314			9.92	n/a
Amy Lashinsky	1,507			0.0008	n/a
Kimberley Wood	0			n/a	n/a
Andreas Persianis	0			n/a	n/a
Roy Franklin	0			n/a	

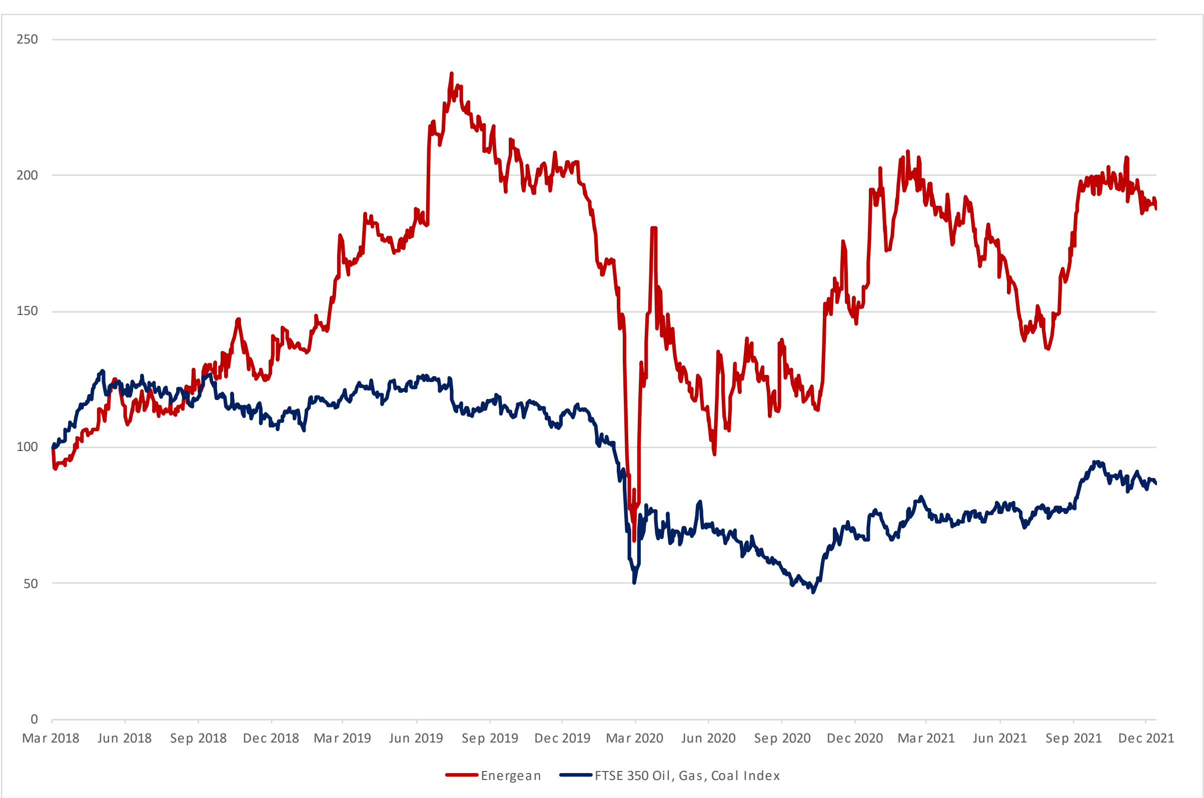
Between 31 December 2021 and 23 March 2022, Efstathios Topouzoglou sold 656,234 shares held in his own name.

Unaudited information

The information provided in this section of the Remuneration Report is not subject to audit.

Performance graph and CEO remuneration table

The chart below compares the Total Shareholder Return performance of the Company over the period from Admission to 31 December 2021 to the performance of the FTSE 350 Oil, Gas and Goal Producers Index. This index has been chosen because it is a recognised equity market index of which the Company is a member. The base point in the chart for the Company equates to the Offer Price of £4.55 per share.



The table below summarises the CEO single figure for total remuneration, annual bonus pay-outs and long-term incentive vesting levels as a percentage of maximum opportunity over this period.

	2021	2020	2019	2018
CEO single figure of remuneration £'000	£4,465k	£1,608k	£1,134k	£1,581k
Annual bonus pay-out (as a % of maximum opportunity)	80.0%	84.8%	37.9%	82.1%
LTIP vesting out-turn (as a % of maximum opportunity)[113]	75.4%	n/a (no award vested in 2020)	n/a (no award vested in 2019)	n/a (no award vested in 2018)

Percentage change in remuneration of the board of directors

The chart below shows the percentage change in annual salary, benefits and bonus for each Executive and Non-Executive Director compared with the average for all Company employees between 2020 and 2021.

Annual percentage change table

	Salary change (2020 to 2021)	Benefits change (2020 to 2021)	Annual bonus change (2020 to 2021)	Salary change (2019 to 2020)	Benefits change (2019 to 2020)	Annual bonus change (2019 to 2020)
Average for all employees[114]	8.88%	16.13%	40.6%	6.2%	-8.70%	12.49%
Executive Directors						
Mathios Rigas	0.0%	-36.0%	25.9%	0%%	0%	+124%
Panos Benos	16.7%	-50.0%	28.5%	0%	0%	+124%
Non-Executive Directors						
Karen Simon	0%	0%	0%	0%	0%	0%
Andrew Bartlett	0%	0%	0%	0%	0%	0%
Robert William Peck	0%	0%	0%	0%	0%	0%
Stathis Topouzoglou	0%	0%	0%	0%	0%	0%
Amy Lashinsky	0%	0%	0%	0%	0%	0%
Kimberley Wood	0%	0%	0%	0%	0%	0%
Andreas Persianis	0%	0%	0%	0%	0%	0%
Roy Franklin	0%	0%	0%	-	-	-

Since Energean plc only has 36 UK employees, it is exempt from the legislative requirement to disclose a ratio between the remuneration of the CEO and UK employees. However, the Committee continues to monitor the approach to remuneration that applies to the wider workforce. Further detail on the Committee's approach to the wider workforce is set out in the wider workforce section on page 158.

[113] The 2021 LTIP value is an average based on two awards that completed in 2021. The 2018 LTIP award that completed in June 2021 vested at 77.9% of maximum. The 2019 LTIP award that completed in December 2021 vested at 72.8% of maximum.

[114] Average employee pay has been calculated on a full-time equivalent basis based on all employees of Energean plc.

Relative importance of the spend on pay

The chart below illustrates the total expenditure on remuneration in 2020 and 2021 for all of the Company's employees compared to dividends payable to shareholders.

	2021 (£m)	2020 (£m)	Change
Total expenditure on remuneration	92.3	27.3	236.6%
Dividends payable to shareholders/ share buybacks	Nil	nil	-

Consideration by the Directors of matters relating to Directors' remuneration

The Remuneration Committee is chaired by Kimberley Wood. During the year, the Remuneration Committee also comprised Andrew Bartlett and Karen Simon. Details of their attendance is set out on page 111.

The Remuneration Committee met six times during 2021. Other attendees present at these meetings by invitation were the CEO, the CFO, the Head of HR and the Company Secretary. No individual was in attendance when their own remuneration was being determined.

The Committee is mindful of the UK Corporate Governance Code and considers that it appropriately addresses the following principles set out in the Code:

Clarity	This Remuneration Report provides open and transparent disclosure of our executive remuneration arrangements for our internal and external stakeholders. In terms of engagement with the wider workforce, Energean has appointed Robert Peck as the employee representative on the Board. As part of this role, Robert will ensure that the "employee voice" will be heard at the Board and will engage with employees to obtain their views on decisions to be taken by the Board.
Simplicity and alignment to culture	Variable remuneration arrangements for our executives are straightforward with individuals eligible for an annual bonus and, at more senior levels, a single long-term incentive plan. Performance measures used in these plans are aligned with delivery of Group KPIs, key strategic Group objectives and long-term sustainable value creation. They are also aligned with our commitment to adopt a responsible, sustainable business model.
Predictability	Our executive remuneration arrangements contain maximum opportunity levels for each component of remuneration with variable incentive outcomes varying depending on the level of performance achieved against specific measures. The charts within our Remuneration Policy as set out in the 2020 Annual Report and Accounts provide estimates of the potential total reward opportunity for the Executive Directors under our current Remuneration Policy.
Proportionality and risk	Our variable remuneration arrangements are designed to provide a fair and proportionate link between Group performance and reward. In particular, partial deferral of the annual bonus into shares, five-year release periods for LTIP awards and stretching shareholding requirements that apply during and post-employment provide a clear link to the ongoing performance of the Group and therefore long-term alignment with stakeholders. We are also satisfied that the variable pay structures do not encourage inappropriate risk-taking. Notwithstanding this, the Remuneration Committee retains an overriding discretion that allows it to adjust formulaic annual bonus and / or LTIP outcomes so as to guard against disproportionate outturns. Malus and clawback provisions also apply to both the annual bonus and LTIP and can be triggered in circumstances outlined in the Remuneration Policy.

The Remuneration Committee is responsible for determining the Company Chair's fee and all aspects of Executive Director remuneration as well as the determination of other senior management's

remuneration. The Remuneration Committee also oversees the operation of all share plans. Full terms of reference of the Remuneration Committee are available on our website at www.energean.com.

During the year, the Remuneration Committee received independent and objective advice from Deloitte LLP principally on market practice and incentive design for which Deloitte LLP was paid £99,083 fees (charged on a time plus expenses basis). Deloitte LLP is a founding member of the Remuneration Consultants Group and as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Deloitte LLP has also provided advice to the Company in relation to technology consulting support, tax, direct and indirect tax compliance services, payroll services and transaction support services in connection with the acquisition of Edison E&P.

Workforce remuneration and engagement

In formulating the pay proposals for 2022, as well as approving pay outcomes for the year, the Committee have been mindful of the experience of the wider workforce. Energean views its people, the Energean family, as the foundation upon which our success is built. The Committee is therefore mindful of how pay in the boardroom compares with pay across the organisation.

The bonus outcome for the Executive Directors cascades down the organisation, ensuring consistency across the company in incentive outturns. More broadly, the Committee is also kept abreast of workforce matters through provision of key management information, including gender pay gap data. We have a dedicated workforce NED in Robert Peck, who acts as the 'employee voice' at board level. The Committee is therefore confident that its pay decisions are appropriate in the context of the broader workforce experience

During 2022, Robert will continue to attend meetings and the Committee members will take part in staff events such as town halls meetings and meet with staff in person where possible.

Shareholder voting on remuneration resolutions

	Votes for	Votes against	Votes withheld
Approval of the Directors' Remuneration Policy 2021 AGM	103,849,415 (75%)	34,092,723 (25%)	0
Approval of the Annual Report on Remuneration 2021 AGM	105,565,663 (77%)	32,376,475 (23%)	0

At the Annual General Meeting held on 24 May 2021, all resolutions were passed with high levels of support. However, as a significant minority of shareholders were unsupportive of the resolutions relating to the Directors' Remuneration Report and Directors' Remuneration Policy, we subsequently wrote to our largest shareholders to invite their feedback and also held a number of follow up meetings. We had discussion meetings and received feedback both from those that supported and those that did not.

Broadly the feedback received primarily related to issues around timing of changes to executive remuneration and suggestions to the Remuneration Committee about how they would like to see performance measures and targets strengthened going forward. The revised 2022 bonus scorecard, along with improved disclosure on 2021 bonus outcomes within this report, will evidence this strengthening of performance measurement within Energean's variable pay.

Our inclusion of ESG measures in the LTIP continues to be viewed positively and has been maintained for 2022. All views received during the consultation were carefully considered by the Committee and formed part of its decision making relating to remuneration implementation in 2022. We will continue to proactively engage with shareholders and advisory bodies and welcome any further input from shareholders.

External Board appointments

Executive Directors are not normally entitled to accept a Non-Executive Director appointment outside the Company without the prior approval of the Board. Neither of the current Executive Directors currently holds any such appointment.

By order of the Board.

Kimberley Wood
Chair of the Remuneration & Talent Committee
23 March 2022

Group Directors' Report

The Directors are pleased to present their report on the affairs of the Group, together with the financial statements for the year ended 31 December 2021. The Corporate Governance Statement set out on pages 111-117 forms part of this report.

Details of significant events since the balance sheet date are contained in note 30 to the financial statements on page 251. Details of financial instruments and financial risks are set out in note 27 to the financial statements on page 239. An indication of likely future developments in the business of the Company and its subsidiaries are included in the strategic report.

Details of the Company's engagement with suppliers and customers and other key stakeholders is covered in the section 172 (1) statement on pages 118-121. The principal risks are detailed on pages 84-103.

Results and dividends

The Group's financial results for the year ended 31 December 2021 are set out in the consolidated financial statements.

No dividends have been paid in respect of the year 2021 (2020: nil); and the Directors will not recommend to shareholders that a dividend be paid at the 2022 AGM.

Capital structure

Details of the issued share capital are shown in note 20 to the financial statements. As at 31 December 2021, the Company's issued share capital consisted of 177,602,560 ordinary shares of £0.01 each. The Company has only one class of share, which carries no right to fixed income. Each share carries the right to one vote at General Meetings of the Company. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association (the "Articles") and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of employee share plans are outlined in note 3.15 to the financial statements on page 199.

Directors' appointments and powers

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. The powers of directors are described in the Articles and the Schedule of Matters Reserved for the Board, copies of which are available on request.

Directors' authority over shares

The authority to issue shares in the Company may only be granted by the Company's shareholders and, once granted, such authority can be exercised by the Directors. At the 2021 AGM, shareholders approved a resolution for the Company to make purchases of its own shares to a maximum of 10% of its issued Ordinary shares. This resolution remains in force until the conclusion of the AGM in 2022. As at 23 March 2022, the Directors had not exercised this authority. The Directors are proposing to renew this authority at the 2022 AGM.

There are a number of agreements entered into by members of the Group that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts and bank loans and other financing agreements. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that arises in relation to a takeover.

Directors' details

The biographical details and appointments of the Directors are set out on pages 106-110. All of the Directors will offer themselves for re-election at the AGM in May 2022.

The Directors during the year were:

- Karen Simon (Non-Executive Chairman)
- Mathios Rigas (Chief Executive Officer)
- Panos Benos (Chief Financial Officer)
- Andrew Bartlett (Senior Independent Non-Executive Director)
- Robert Peck (Independent Non-Executive Director)
- Efstathios Topouzoglou (Non-Executive Director)
- Andreas Persianis (Independent Non-Executive Director)
- Kimberley Wood (Independent Non-Executive Director)
- Amy Lashinsky (Independent Non-Executive Director)
- Roy Franklin (Independent Non-Executive Director) – appointed on 13 October 2021

Articles of Association

The Company's Articles may only be changed by special resolution at a General Meeting of shareholders. The Articles contain provisions regarding the appointment, retirement and removal of Directors. A Director may be appointed by an ordinary resolution of shareholders in a General Meeting following nomination by the Board (or member(s) entitled to vote at such a meeting). The Directors may appoint a Director during any year; however, the individual must stand for re-election by shareholders at the next AGM.

Directors' indemnities

Under the Articles, the Directors may be indemnified out of the assets of the Company against certain liabilities which may be incurred in relation to the affairs of the Company or in relation to the duties, powers and office of each Director. These indemnity provisions for the benefit of the Directors were implemented upon incorporation of the Company on 8 May 2017 and remain in force at the date of this report.

Political contributions

No political donations were made during the year (2020: nil)

Substantial shareholdings

The Company has been notified in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules (or otherwise) of the following holdings in the Company's issued share capital:

Shareholder	Number of Shares	Number of Voting Rights	% of Issued Share Capital
Growthy Holdings Co. Limited	18,948,260	18,948,260	10.67
Standard Life Aberdeen plc affiliated investment management entities	15,951,947	15,951,947 (indirect)	8.98
Oilco Investments Limited	16,016,734	16,016,734	9.02
Clal Insurance Company Limited	13,599,003	283,577 (direct) 13,315,426(indirect)	7.66
The Phoenix Holdings Ltd.	8,968,710	8,968,710	5.06
Pelham Capital Limited	7,353,314	7,353,314 (Direct)	4.14

Annual General Meeting (AGM)

The Company's AGM will be held in London in May 2022. Formal notice of the AGM will be issued separately from this Annual Report and Accounts.

Registrars

The Company's share registrar in respect of its ordinary shares traded on the London Stock Exchange is Computershare Investor Services PLC, full details of which can be found in the Company Information section on page 273.

Greenhouse gas (GHG) emissions reporting

Details of the Group's emissions are contained in the Corporate Social Responsibility report on pages 69-71.

Directors' statement of disclosure of information to auditor

Each of the Directors in office at the date of the approval of this report has confirmed that, so far as such Director is aware, there is no relevant audit information (as defined in Section 418 of the Companies Act 2006) of which the Company's auditor is unaware; and such Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Going concern

In assessing the appropriateness of the going concern assumption over the period from 23 March 2022 to 30 March 2023 (the 'going concern period'), management have stress tested the Company's most recent financial projections to incorporate a range of potential future outcomes by considering Energean's principal risks, including further potential delays on key projects and adverse changes in oil and gas prices as compared to those included in the cash flow forecasts. The results of management's assessment were reviewed by the Audit and Risk Committee and the Board of Directors. Further details in respect of the going concern assessment is provided in note 2.1 to the consolidated financial statements.

This assessment confirmed that the Company has adequate cash and undrawn credit facilities to enable it to meet its obligations as they fall due in order to continue its operations throughout the going concern period. Therefore, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Overseas branches and subsidiaries

Details of subsidiaries of the Group are set out in note 31 on pages 252-253 to the Financial Statements.

Hedging

Details of hedging are set out in note 27 on pages 240-242 to the Financial Statements.

Independent auditor

Having reviewed the independence and effectiveness of the auditor, the Audit & Risk Committee has recommended to the Board that the existing auditor, Ernst & Young LLP ("EY"), be reappointed. EY has expressed its willingness to continue in office as auditor. An ordinary resolution to reappoint EY as auditor of the Company will be proposed at the forthcoming AGM.

Requirements of the Listing Rules

The following table provides references to where the information required by Listing Rule 9.8.4R is disclosed.

Listing Rule requirement	Listing Rule Reference	Section
Capitalisation of interest	LR 9.8.4R (1)	Note 10/page 215
Publication of unaudited financial information	LR 9.8.4R (2)	Not applicable
Long-term incentive schemes	LR 9.8.4R (4)	Directors' remuneration report/ pages 133-159 and note 26, page 239 of the financial statements
Director emoluments	LR 9.8.4R (5), (6)	No such waivers.
Allotment of equity securities	LR 9.8.4R (7), (8)	No such share allotments
Listed shares of a subsidiary	LR 9.8.4R (9)	Not applicable
Significant contracts with Directors and controlling shareholders	LR 9.8.4R (10), (11)	Directors' report/ pages 160-161
Dividend waiver	LR 9.8.4R (12), (13)	Not applicable
Board statement in respect of relationship agreement with the controlling shareholder	LR 9.8.4R (14)	Not applicable

This Directors' Report was approved by the Board and signed on its behalf by the Company Secretary on 23 March 2022.

By order of the Board

Eleftheria Kotsana
Company Secretary
23 March 2022
Company number: 10758801, 44 Baker Street, London W1U 7AL

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the group and parent company financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare financial statements for each financial year.

Under that law the directors are required to prepare the group financial statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Under company law the directors must not approve the group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in UK-adopted IAS (and in respect of the parent company financial statements, FRS 101) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance;
- In respect of the group financial statements, state whether UK-adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements;
- In respect of the parent company financial statements, state whether applicable UK Accounting standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual Financial Report:

The directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with the Companies Act 2006 and UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole;
- That the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- That they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and parent company's position and performance, business model and strategy.

Mathios Rigas
Director
23 March 2022

Panos Benos
Director
23 March 2022

Financial Statements

Independent Auditor's Report to the Members of Energean plc

Opinion

In our opinion:

- Energean plc's group financial statements and parent company financial statements (the 'financial statements') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Energean plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise:

Group	Parent company
Group statement of financial position as at 31 December 2021	Company statement of financial position as at 31 December 2021
Group income statement for the year then ended	Company statement of changes in equity for the year then ended
Group statement of comprehensive income for the year then ended	Related notes 1 to 16 to the financial statements including a summary of significant accounting policies
Group statement of changes in equity for the year then ended	
Group statement of cash flows for the year then ended	
Related notes 1 to 32 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework ('United Kingdom Generally Accepted Accounting Practice').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- In conjunction with our walkthrough of the group's financial close process, we confirmed our understanding of management's going concern assessment process which included the preparation of a base case cash flow model covering the period 1 January 2022 to 31 March 2023, a reasonable worst-case scenario and two reverse stress test scenarios.
- We assessed the appropriateness of the duration of the going concern assessment period to the end of March 2023 and considered whether there are any known events or conditions that will occur beyond the period.
- We tested the integrity of the models used to calculate the forecast cash flows underlying the going concern assessment and, where applicable, assessed consistency with information relevant to other areas of our audit.
- We assessed the reasonableness of the key assumptions included in the base case and reasonable worst case cash flow models. Our evaluation of the key assumptions within the models included comparing oil and gas price forecasts to external data, verifying reserves and production estimates to Competent Person Reports, assessing the progress of the Karish oil and gas development against plan, and ensuring consistency of forecast operating costs and capital expenditure against approved budgets. We searched for potentially contradictory evidence that could indicate that management's assumptions were inappropriate.
- We verified the starting cash position and the available financing facilities reflected in the models to the audit work we have performed on those balances, including our understanding of the key terms associated with the facilities, most notably the fact these facilities do not contain financial covenants that the group must comply with across the going concern assessment period.
- We evaluated the appropriateness of management's two reverse stress test scenarios and assessed the likelihood of such conditions arising during the going concern assessment period to be remote.
- We reviewed the group's going concern disclosures included in the financial statements in order to assess whether the disclosures were appropriate and accurately reflected the outcome of the directors' assessment process.

Our key observations

- The directors' assessment forecasts that the group will retain sufficient liquidity throughout the going concern assessment period in both the base case and an unmitigated reasonable worst-case scenario.
- As a consequence of the refinancing undertaken during the year, there are no financial covenants the group must comply with over the going concern assessment period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period through to 31 March 2023.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group or company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further five components. • The components where we performed full or specific audit procedures accounted for 99% of Total assets, 99% of Revenue, and 99% of group Loss before tax.
Key audit matters	• Recoverability of oil and gas assets, including estimation of oil and gas reserve volumes • Revenue recognition and the risk of management override • Karish and Tanin development project spend
Materiality	• Overall group materiality of $25.6 million which represents 0.5% of group assets, adjusted to remove the amount of goodwill related to the group's investments in Energean Israel Limited and Edison E&P.

An overview of the scope of the group audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the sixteen (2020: twenty) reporting components of the group, we selected ten (2020: twelve) components covering entities within Israel, Italy, Greece, Egypt, Cyprus, and the United Kingdom, which represent the principal business units within the group.

Of the ten components selected, we performed an audit of the complete financial information of five components ('full scope components') which were selected based on their size or risk characteristics. For the remaining five components ('specific scope components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the consolidated financial statements either because of the size of these accounts or their risk profile.

The table below illustrates the coverage obtained from the work performed by our audit teams:

Reporting components	Number	% of Group total assets	% of Group Revenue	% of Group Loss before tax
Full scope	5	92%	93%	51%
Specific scope[115]	5	7%	6%	48%
Full and specific scope coverage	10	99%	99%	99%
Remaining components[116]	6	1%	1%	1%
Total reporting components	16	100%	100%	100%

Changes from the prior year

Two components which were previously designated as specific scope have been reclassified as review scope for 2021 (presented within the remaining components caption above). Furthermore, the number of review scope components has fallen to six as a result of changes to the group's internal reporting structure. These changes were as a result of the changes to the group's composition following the integration of the Edison E&P acquisition and our current year assessment of the risks of material misstatement in the group's significant accounts.

Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the five full scope components, audit procedures were performed on one of these directly by the primary audit team. For the five specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to conclude that sufficient audit evidence had been obtained as a basis for our opinion on the group as a whole.

The group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits the principal business locations of the group on a rotating basis. During the current year's audit cycle, a visit was undertaken by the primary audit team to the component team in Italy. This visit involved discussing the audit approach with the component team and any issues arising from their work and meeting with local management. Ongoing travel restrictions arising from the Covid-19 pandemic prevented further physical site visits in 2021, but we continued with our programme of virtual site visits and component team oversight in the current year. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at group level, gave us appropriate evidence for our opinion on the group financial statements.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact Energean plc. The group has determined that the most significant potential future impacts from climate change will be limited access to capital, increasing costs, and the potential for earlier asset retirement, amongst others. These are explained on pages 20-29 and 31-33 in the required Task Force for Climate related Financial Disclosures and on pages 79-103 in the principal risks and uncertainties, which form part of the 'Other information', rather than the audited financial statements. Our procedures on these disclosures

[115] The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the group.

[116] Of the remaining six (2020: seven) components, none are individually greater than 1% of the Group's Total assets. We performed other procedures, including the following, to respond to any potential risks of material misstatement to the consolidated financial statements:

- Analytical review procedures on an individual component basis,
- Tested consolidation journals, intercompany eliminations and foreign currency translation calculations,
- Made enquiries of management about unusual transactions in these components; and
- Reviewed minutes of Board meetings held throughout the period.

therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

As explained in Note 4.2 Estimation uncertainty governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted international accounting standards. In Note 4.2 to the financial statements a description has been provided on how climate change risks have been considered in the key judgements and estimates in the financial statements.

Our audit effort in considering climate change was focused on ensuring that the effects of material climate risks disclosed on pages 31-32 and the group's commitment to be Net-zero (Scope 1 and 2) by 2050 have been appropriately reflected in the estimation of oil & gas reserves and the impairment assessments for oil and gas assets. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of oil and gas assets, including estimation of oil and gas reserve volumes	
Key audit matter description	Tangible oil and gas assets: $3,457 million (2020: $3,054 million) Refer to the Audit and Risk Committee Report (pages 122-126); Accounting policies (pages 185-206); and Notes 3.6, 3.8, 3.11, 4.2, and 13 of the Consolidated Financial Statements This refers to the risk that capitalised costs associated to tangible oil and gas assets may be recorded at a level that exceeds the future recoverable amounts. This risk affects the production and development assets in Israel, Italy, Egypt, Greece and the UK. Where indicators of impairment exist, management determines the recoverable amount of the asset or cash generating unit ('CGU') by preparing discounted cash flow models. We have focused on this area because the models include a number of management estimates and judgements including reserve and resource volume estimates, future oil and gas prices, discount rates, production forecasts and operating and capital expenditures. Changes to one or more of these key inputs could lead to a potential impairment, change the amount of impairment recognised or result in a reversal of a previously recognised impairment.
Our response to the risk	We assessed management's approach to identifying indicators of impairment or reversal of a previously recognised impairment through the year. We considered external and internal factors that may represent such indicators of impairment or result in a reversal of a previously recognised impairment. We concurred with management that there were no indicators of impairment identified for any of the group's production and development assets at year-end, given improvements to both external and internal factors, in particular the price environment and internal reserves reporting, respectively. In the case of the Greece CGU, we concurred with management that indicators of a potential reversal of previously recognised impairment existed.

<table>
<tr><td></td><td>For this CGU we tested the methodology applied by management to determine the recoverable amount in accordance with the requirements of International Accounting Standard 36: Impairment of Assets and validated the mathematical accuracy of management's cash flow forecasts.

We tested the reasonableness of the forecast of future cash flows of this CGU by considering evidence available to support assumptions and the reliability of past forecasts. Our audit work on the recoverable amount assessment comprised the following key procedures:
• With the assistance of EY's valuations specialists, we evaluated the price and discount rate assumptions used by management (which included benchmarking against industry peers for the former);
• We obtained and reviewed the most recent third party reserves and resources reports and compared them with management's impairment analysis for completeness and consistency;
• We assessed the qualifications of management's specialist used for the reserves and resources estimates;
• We performed testing to determine the sensitivity of the impairment model to changes in key assumptions; and
• We verified that all required disclosures in relation to the impairment assessment and related estimates are included in the consolidated financial statements.

The audit procedures to address this risk were performed by our Greek component team and overseen by the primary team.</td></tr>
<tr><td>Key observations communicated to the Audit and Risk Committee</td><td>We reported to the Audit and Risk Committee that:
• We consider management's key assumptions used in the recoverable amount assessment for the Greece CGU to be reasonable.
• Based on our audit procedures, including relevant sensitivities performed, we concur with the conclusions reached by management that no impairment reversal was required.
• Management's disclosures in the financial statements accurately reflect the key judgements and estimates made in performing the assessment.</td></tr>
</table>

Revenue recognition and the risk of management override	
Key audit matter description	Total revenue: $497 million (2020: $28 million) Refer to the Audit and Risk Committee Report (pages 122-126); Accounting policies (pages 185-206); and Note 7 of the Consolidated Financial Statements Revenue is recognised when the group satisfies a performance obligation by transferring oil or gas to its customer, which is generally when the customer takes physical possession of the oil or gas. There is a risk that revenue could be materially misstated as a result of delayed or accelerated invoicing and/or posting of inappropriate journal entries. The acquisition of Edison E&P at the end of 2020 added material producing assets to the group's portfolio, mainly in Italy (Vega, Rospo Mare, Clara North West, Sarago Mare fields) and Egypt (Abu Qir field). A lower level of revenue continues to be generated from the Greek producing assets Prinos, Prinos North, South Kavala and Epsilon, and from the UK North Sea producing assets.

Our response to the risk	Our procedures to test the appropriateness of revenue recognised during the year included: • Confirming our understanding of the revenue accounting process, identifying the related risks and the controls put in place to address those risks, and assessing the design effectiveness of these controls; • Utilising our data-driven audit tools to perform 3-way correlation analysis between revenue, accounts receivable and cash accounts for revenue streams in each country, and investigating trends or data points outside our expectations based on our understanding of the revenue streams; • Inspecting a sample of invoices and related delivery notes for revenue recorded in the period to verify the revenues have been recorded in the correct period (with reference to the sale terms) as well as the occurrence of the transaction; • Sending trade receivable confirmations to third parties and testing subsequent cash receipts; • Taking a risk-based approach to identifying, analysing and testing any manual entries posted to revenue accounts; • Detailed analytical procedures over revenue and cost of sales, including the cost per barrel; • Reconciling the volume of sales with inventory registers, where applicable; and • Confirming that the prices used to calculate revenue are consistent with the relevant contractual terms.
Key observations communicated to the Audit and Risk Committee	We reported to the Audit and Risk Committee that: • On the basis of the procedures performed we are satisfied with the accuracy of revenue recognised by Energean for the year ended 31 December 2021 and did not note any issues with respect to fraud or management override.

Karish and Tanin development project spend	
Key audit matter description	Karish and Tanin development costs incurred during the year ended 31 December 2021 and capitalised within Oil and Gas properties (including capitalised borrowing costs): $432 million (2020: $497 million) Refer to Accounting policies (pages 185-206); and Notes 3.5, 3.23 and 13 of the Consolidated Financial Statements The Karish and Tanin development attained Final Investment Decision in March 2018 and consequently there has been significant project-related expenditure since this date. The main contractor is TechnipFMC through a lump sum EPCIC contract to deliver the FPSO and related subsea infrastructure. We focused on the risks of inappropriate capitalisation of costs in accordance with IAS 16: Property, Plant and Equipment and the completeness of project cost accruals recorded as at 31 December 2021.

Our response to the risk	We performed audit procedures focused on capitalisation criteria and the completeness of accruals for the key elements of costs incurred for the Karish / Tanin development. These procedures included: • Understanding the criteria used by management to assess whether costs should be capitalised or expensed and testing this against the requirements of IAS 16 and industry practice; • Verifying that the capitalisation criteria were met for costs that we selected on a sample basis as part of our audit procedures relating to the project costs; • Reviewing the agreements with the major project contractors and confirming spend during the year with the primary sub-contractor, Technip FMC, which accounted for approximately 36% of the development costs incurred in the year, to understand the nature of services to be provided and the associated milestones; • Obtaining a listing of project cost accruals at 31 December 2021, validating a sample of costs to supporting documents and comparing to the contractual milestones for the development project work; and • Performing a search for unrecorded liabilities through reviewing invoices received and cash payments made after the balance sheet date. We compared these to the project costs accrued by management and assessed whether there were any material omissions. The audit procedures to address this risk were principally performed by the Israeli component team with oversight by the primary team.
Key observations communicated to the Audit and Risk Committee	We reported to the Audit and Risk Committee that: • The capitalisation of development costs for the Karish and Tanin project spend met the IAS 16 capitalisation criteria; and • The accruals recorded at year end are complete and appropriately reflect the cost of services provided by the project contractors during 2021.

In the prior year, our auditor's report included a key audit matter in relation to accounting for the acquisition of the Edison E&P business, which is no longer relevant in the current year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be $25.6 million (2020: $20.0 million), which is 0.5% (2020: 0.5%) of group assets, adjusted to remove the amount of goodwill related to the group's investments in Energean Israel Limited and Edison E&P. This goodwill was driven by the recognition of a deferred tax liability as part of the business combination accounting which we did not consider to be reflective of the underlying business activities. We believe that adjusted total assets provides us with a suitable basis for setting materiality for development stage oil and gas exploration and production companies, providing a reliable measure to assess the size of the group's operations.

We determined materiality for the parent company to be $8.2 million (2020: $5.6 million), which is 0.5% (2020: 0.5%) of total assets.

During the course of our audit, we reassessed initial materiality and no adjustment to materiality was made, therefore no additional testing was required due to an amendment in final materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was 50% (2020: 50%) of our planning materiality, namely $12.9 million (2020: $10.0 million). We have set performance materiality at this percentage based on our assessment of the likelihood of misstatements and our understanding of the group gained through our planning procedures.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $2.6 million to $7.8 million (2020: $2.0 million to $3.5 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $1.3 million (2020: $1.0 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 6-165 and 267-273, including the Strategic Report and the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 162;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 104-105;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on pages 104-105;
- Directors' statement on fair, balanced and understandable set out on page 115;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 83-84;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 79-82; and;
- The section describing the work of the audit committee set out on pages 122–126.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on pages 164-165, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, Companies Act 2006, the UK Corporate Governance Code and Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and laws and regulations relating to health and safety, employee matters, environmental and bribery and corruption practices. We understood how the group is complying with those frameworks by making enquiries of management and with those responsible for legal and compliance procedures. Other procedures performed to address the risk of management override included evaluating the business rationale for significant unusual and one-off transactions, reviewing the minutes of the Board of Directors and Audit and Risk Committee, and including a level of unpredictability in our testing.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, focussing on opportunities for management to reflect bias in key accounting estimates. We also engaged our forensics specialists in assisting our assessment of the susceptibility of the Group's financial statements to fraud.
- We determined there to be a risk of fraud associated with management override of the revenue process, specifically from inappropriate invoicing or journal entries. We have reported our findings in our key audit matters section of our report. Our procedures incorporated data analytics and manual journal entry testing into our audit approach.
- Based on this understanding we designed our audit procedures to identify non-compliance with laws and regulations that could give rise to a material misstatement in the financial statements; this included the provision of specific instructions to component teams. Our procedures focused on enquires of group management and a review of Board minutes, Audit and Risk Committee papers, Internal Audit reports and correspondence received from regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Risk Committee, we were appointed by the company on 3 September 2020 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 December 2017 to 31 December 2021 inclusive.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
24 March 2022

Group Income Statement

Year ended 31 December 2021

($'000)	Notes	2021	2020
Revenue	7	496,985	28,014
Cost of sales	8a	(345,112)	(48,416)
Gross profit/(loss)		**151,873**	**(20,402)**
Administrative and selling expenses	8b/c	(42,973)	(15,283)
Exploration and evaluation expenses	8d	(87,678)	(4,424)
Impairment of property, plant and equipment	13	-	(65,299)
Other expenses	8e	(7,019)	(28,329)
Other income	8f	17,884	9,186
Operating profit/ (loss)		**32,087**	**(124,551)**
Finance income	10	2,950	493
Finance costs	10	(97,380)	(4,986)
Unrealised loss on derivatives	27	(21,477)	-
Net foreign exchange gain/(losses)	10	(6,922)	15,445
Loss before tax		**(90,742)**	**(113,599)**
Taxation income / (expense)	11	(5,412)	20,741
Loss for the year		**(96,154)**	**(92,858)**
Attributable to:			
Owners of the parent		(96,046)	(91,414)
Non-controlling interests		(108)	(1,444)
		(96,154)	**(92,858)**

Basic and diluted loss per share (cents per share)			
Basic	12	($0.54)	($0.52)
Diluted	12	($0.54)	($0.52)

Group Statement of Comprehensive Income

Year ended 31 December 2021

($'000)	2021	2020
Loss for the year	**(96,154)**	**(92,858)**
Other comprehensive profit/(loss):		
Items that may be reclassified subsequently to profit or loss		
Cash Flow hedges		
Gain/(loss) arising in the period	(6,182)	(7,483)
Income tax relating to items that may be reclassified to profit or loss	1,546	1,721
Exchange difference on the translation of foreign operations, net of tax	(12,781)	19,222
	(17,417)	**13,460**
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit pension plan	(165)	(49)
Income taxes on items that will not be reclassified to profit or loss	40	12
	(125)	(37)
Other comprehensive profit/(loss) after tax	**(17,542)**	**13,423**
Total comprehensive loss for the year	**(113,696)**	**(79,435)**
Total comprehensive loss attributable to:		
Owners of the parent	(113,590)	(76,262)
Non-controlling interests	(106)	(3,173)
	(113,696)	(79,435)

Group Statement of Financial Position

Year ended 31 December 2021

($'000)	Notes	2021	2020
Assets			
Non-current assets			
Property, plant and equipment	13	3,499,473	3,107,272
Intangible assets	14	228,141	275,816
Equity-accounted investments		4	4
Other receivables	19	52,639	31,568
Deferred tax asset	15	154,798	126,056
Restricted cash	17	100,000	-
		4,035,055	3,540,716
Current assets			
Inventories	18	87,203	73,019
Trade and other receivables	19	288,526	318,339
Restricted cash	17	99,729	-
Cash and cash equivalents	16	730,839	202,939
		1,206,297	594,297
Total assets		5,241,352	4,135,013
Equity and Liabilities			
Equity attributable to owners of the parent			
Share capital	20	2,374	2,367
Share premium	20	915,388	915,388
Merger reserve	20	139,903	139,903
Other reserves		7,488	1,792
Foreign currency translation reserve		(12,823)	(42)
Share-based payment reserve		19,352	13,419
Retained earnings		(354,559)	(144,734)
Equity attributable to equity holders of the parent		717,123	928,093
Non-controlling interests	21	-	266,299
Total equity		717,123	1,194,392
Non-current liabilities			
Borrowings	22	2,947,126	330,092
Deferred tax liabilities	15	67,425	68,609
Retirement benefit liability	23	2,767	7,839
Provisions	24	801,026	881,535
Other payables	25	225,987	177,193
		4,044,331	1,465,268
Current liabilities			
Trade and other payables	25	454,986	355,454
Current portion of borrowings	22	-	1,112,984
Derivative financial instruments	27	12,546	6,915
Provisions	24	12,366	-
		479,898	1,475,353
Total liabilities		4,524,229	2,940,621
Total equity and liabilities		5,241,352	4,135,013

Approved by the Board on the 23 March 2022

Matthaios Rigas
Chief Executive Officer

Panos Benos
Chief Financial Officer

Group Statement of Changes in Equity

Year ended 31 December 2021

($'000)	Share capital	Share premium[117]	Other reserve[118]	Equity component of convertible bonds[119]	Share based payment reserve[120]	Translation reserve[121]	Retained earnings	Merger reserves	Total	Non-controlling interests	Total
At 1 January 2020	2,367	915,388	5,862	-	10,094	(19,264)	(53,320)	139,903	1,001,030	259,722	1,260,752
Loss for the period	-	-	-	-	-	-	(91,414)	-	(91,414)	(1,444)	(92,858)
Remeasurement of defined benefit pension plan			(37)	-					(37)		(37)
Hedges net of tax	-	-	(4,033)	-	-	-	-	-	(4,033)	(1,729)	(5,762)
Exchange difference on the translation of foreign operations	-	-	-	-	-	19,222	-	-	19,222	-	19,222
Total comprehensive income	-	-	(4,070)	-	-	19,222	(91,414)	-	(76,262)	(3,173)	(79,435)
Transactions with owners of the company											
Share capital increase in subsidiary	-	-	-	-	-	-	-	-	-	9,750	9,750
Employee share schemes (note 26)	-	-	-	-	3,325	-	-	-	3,325	-	3,325

[117] The share premium account represents the total net proceeds on issue of the Company's shares in excess of their nominal value of £0.01 per share less amounts transferred to any other reserves.
[118] Other reserves are used to recognise remeasurement gain or loss on cash flow hedges and actuarial gain or loss from the defined benefit pension plan.
[119] Refer to note 21.
[120] The share-based payments reserve is used to recognise the value of equity-settled share-based payments granted to parties including employees and key management personnel, as part of their remuneration.
[121] The foreign currency translation reserve is used to record unrealised exchange differences arising from the translation of the financial statements of entities within the Group that have a functional currency other than US dollar.

($'000)	Share capital	Share premium[117]	Other reserve[118]	Equity component of convertible bonds[119]	Share based payment reserve[120]	Translation reserve[121]	Retained earnings	Merger reserves	Total	Non-controlling interests	Total
At 1 January 2021	2,367	915,388	1,792	-	13,419	(42)	(144,734)	139,903	928,093	266,299	1,194,392
Loss for the period							(96,046)		(96,046)	(108)	(96,154)
Remeasurement of defined benefit pension plan			(125)						(125)		(125)
Hedges, net of tax			(4,638)						(4,638)	2	(4,636)
Exchange difference on the translation of foreign operations						(12,781)			(12,781)		(12,781)
Total comprehensive income	-	-	(4,763)	-	-	(12,781)	(96,046)	-	(113,590)	(106)	(113,696)
Transactions with owners of the company											
Share based payment charges (note 26)					5,940				5940		5,940
Exercise of Employee Share Options	7				(7)				-		-
Acquisition of non-controlling Interests[122]	-	-	-	10,459	-	-	(113,779)	-	(103,320)	(266,193)	(369,513)
At 31 December 2021	2,374	915,388	(2,971)	10,459	19,352	(12,823)	(354,559)	139,903	717,123	-	717,123

[122] Represents the acquisition of the remaining 30% minority interest in Energean Israel Limited from Kerogen Investments No.38 Limited, for more details please refer to note 21.

Group Statement of Cash Flows

Year ended 31 December 2021

($'000)	Note	2021	2020 (Restated)
Operating activities			
Loss before taxation		**(90,742)**	**(113,599)**
Adjustments to reconcile loss before taxation to net cash provided by operating activities:			
Depreciation, depletion and amortisation	13, 14	97,451	24,125
Impairment loss on property, plant and equipment	13	-	65,299
Loss from the sale of property, plant and equipment	13	36	7,568
Impairment loss on intangible assets	14	82,125	2,936
Defined benefit (gain)/ expense	23	(4,062)	104
Movement in provisions	24	(4,465)	(204)
Payments for buyers' compensation[123]		(22,958)	
Change in decommissioning provision estimates	24	(10,198)	-
Finance income	10	(2,950)	(493)
Finance costs	10	97,380	4,986
Unrealised loss on derivatives		21,477	-
Non-cash revenues from Egypt[124]		(39,100)	-
Other liabilities derecognised	8(f)	-	(4,094)
Share-based payment charge	26	5,732	3,325
Net foreign exchange loss/ (gain)	10	6,922	(15,445)
Cash flow (used in)/from operations before working capital adjustments		**136,648**	**(25,492)**
(Increase)/Decrease in inventories		(16,484)	1,944
Decrease in trade and other receivables		46,351	24,936
(Decrease)/Increase in trade and other payables		(34,726)	136
Cash flow from operations		**131,789**	**1,524**
Income tax received/(paid)		715	(55)
Net cash inflow from operating activities		**132,504**	**1,469**

[123] During August 2021 and in accordance with the GSPAs signed with a group of gas buyers, the Group has agreed to pay compensation to these counterparties due to the fact the gas supply date is taking place beyond a certain date as defined. in the GSPAs (being 30 June 2021). The compensation is accounted as variable purchase consideration under IFRS 15 hence recognised once production commences and gas is delivered to the offtakers.

[124] Non-cash revenues from Egypt arise due to taxes being deducted at source from invoices as such revenue and tax charges are grossed up to reflect this deduction but no cash inflow or outflow results.

($'000)	Note	2021	2020 (Restated)
Investing activities			
Payment for purchase of property, plant and equipment	13	(403,503)	(403,968)
Payment for exploration and evaluation, and other intangible assets	14	(48,674)	(15,041)
Acquisition of a subsidiary, net of cash acquired	21/6	841	(203,204)
Movement in restricted cash		(199,729)	-
Proceeds from disposal of property, plant and equipment		-	1,879
Amounts received from INGL related to the future transfer of property, plant & equipment[125]	25	5,673	22,229
Interest received		2,609	542
Net cash used in investing activities		**(642,783)**	**(597,563)**
Financing activities			
Drawdown of borrowings	22	175,000	557,000
Repayment of borrowings	22	(1,807,140)	(38,040)
Senior secured notes Issuance	22	3,068,000	-
Proceeds from capital increases by non-controlling interests	21	-	9,750
Acquisition of-non-controlling interests	21	(175,000)	-
Transaction costs related to acquisition of non-controlling interest		(1,677)	-
Repayment of obligations under leases		(10,852)	(6,645)
Debt arrangement fees paid		(48,377)	(11,563)
Finance cost paid for deferred license payments		(3,494)	(3,993)
Finance costs paid		(136,695)	(70,463)
Net cash inflow from financing activities		**1,059,765**	**436,046**
Net (decrease) / increase in cash and cash equivalents		**549,486**	**(160,048)**
Cash and cash equivalents at beginning of the period		202,939	354,419
Effect of exchange rate fluctuations on cash held		(21,586)	8,568
Cash and cash equivalents at end of the period	16	**730,839**	**202,939**

[125] Comparative amounts have been restated to reclassify the amounts received from INGL from financing activities to investing activities. Refer to Note 3.26.

1 Corporate Information

Energean plc (the 'Company') was incorporated in England & Wales on 8 May 2017 as a public company with limited liability, under the Companies Act 2006. Its registered office is at 44 Baker Street, London W1U 7AL, United Kingdom. The Company and all subsidiaries controlled by the Company, are together referred to as “the Group”.

The Group has been established with the objective of exploration, production and commercialisation of crude oil and natural gas in Greece, Israel, North Africa, UK and the wider Eastern Mediterranean.

The Group’s core assets and subsidiaries as of 31 December 2021 are presented in note 32.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS). The consolidated financial statements have also been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) as applied to financial periods beginning on or after 1 January 2021.

The consolidated financial information is presented in US Dollars and all values are rounded to the nearest thousand dollars except where otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis. The principal accounting policies adopted by the Group are set out below.

Going concern

The Group carefully manages the risk of a shortage of funds by closely monitoring its funding position and its liquidity risk. The Going Concern assessment covers the period up to 31 March 2023 ‘the Forecast Period’.

Cash forecasts are regularly produced based on, inter alia, the Group’s latest life of field production, budgeted expenditure forecasts, management’s best estimate of future commodity prices (based on recent published forward curves) and headroom under its debt facilities. The Base Case cash flow model used for the going concern assessment conservatively assumes first gas from Karish in October 2022, Brent at $80/bbl in 2022 and $75/bbl in 2023 and PSV (Italian gas price) at €55/MWh in 2022 and €40/MWh in 2023.

In addition, on a regular basis, the Group performs sensitivity tests of its liquidity position to evaluate adverse impacts that may result from changes to the macro-economic environment such as a reduction in commodity prices. The Group is not exposed to floating interest rate risk. The Group also looks at the impact of changes or deferral of key projects. This is done to identify risks to liquidity to enable management to formulate appropriate and timely mitigation strategies in order to manage the risk of funds shortfalls and to ensure the Group’s ability to continue as a going concern. Such assumptions underpin management’s reasonable worst-case scenario to further assess the robustness of the Group’s liquidity position over the Forecast Period.

Reverse stress testing was performed to determine what levels of prices and/or production would need to occur for the liquidity headroom to be eliminated, prior to any mitigating actions; the likelihood of such conditions occurring was concluded to be remote. In the event an extreme downside scenario occurred, prudent mitigating actions could be executed in the necessary timeframe such as a tightening of operating costs and reductions/postponement of other discretionary exploration and development expenditures. There is no material impact of climate change within the Forecast Period therefore it does not form part of the reverse stress testing performed by management.

As of 31 December 2021 the Group's available liquidity was approximately $1 billion. In terms of the Group's Borrowing Facilities, the following was considered as part of management's assessment:

1 Energean Israel Project Bond:

In March 2021 Energean raised $2.5billion through the issuance of bonds to (i) refinance its $1.45bn Israel Project Finance Facility, (ii) cancel and replace the $700 million Term Loan which was drawn to fund the acquisition of Kerogen's minority interest in Energean Israel, (iii) fund capital and exploration expenditure in Israel, including Karish and Karish North, and (iv) for general corporate purposes of the Group.

2 Energean plc Corporate Bond:

In November 2021 Energean raised a $450 million Bond to (i) repay all amounts outstanding under the Egypt and Greek RBLs plus subordinated debt, (ii) to pay fees and other expenses related to the Bond, and (iii) for general corporate purposes of the Group.

There are no financial maintenance covenants associated with either of the Bonds.

3 Greek State-Backed Loan

In December 2021 Energean signed a €100 million loan backed by the Greek State which is to be used specifically for the development of the Prinos Area in Greece, including the Epsilon development.

In forming its assessment of the Group's ability to continue as a going concern, including its review of the forecasted cashflow of the Group over the Forecast Period, the Board has made judgements about:

- Reasonable sensitivities appropriate for the current status of the business and the wider macro environment; and
- the Group's ability to implement the mitigating actions within the Group's control, in the event this were required.

After careful consideration, the Directors are satisfied that the Group has sufficient financial resources to continue in operation for the foreseeable future, for the Forecast Period to 31 March 2023. For this reason, they continue to adopt the going concern basis in preparing the consolidated financial statements.

2.2 New and amended accounting standards and interpretations

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group.

Covid-19-related rent concessions beyond 30 June 2021 (Amendment to IFRS 16) – 1 April 2021

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments

resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

These amendments had no impact on the consolidated financial statements of the Group.

New and amended standards and interpretations in issue but not yet effective for the 2021 year end

New standards and interpretations that are in issue but not yet effective are listed below:

- Annual improvements to IFRS 2018-2020 - 1 January 2022
- Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16) – 1 January 2022
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) – 1 January 2022
- Reference to the Conceptual Framework (Amendments to IFRS 3) – 1 January 2022
- IFRS 17 Insurance Contracts - 1 Jan 2023
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information - 1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – 1 January 2023
- Definition of Accounting Estimates (Amendments to IAS 8) - 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – 1 January 2023
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Deferral of Effective Date of Amendment - 1 January 2024

The adoption of the above standard and interpretations is not expected to lead to any material changes to the Group's accounting policies or have any other material impact on the financial position or performance of the Group.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as detailed in Note 31. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the investor's returns

The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Profit or loss and each component of other comprehensive income (OCI) are attributed to owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Transactions with non-controlling interests that do not result in loss of control of a subsidiary, are accounted for as transactions with the owners (i.e. as equity transactions). The difference between the fair value of any consideration and the resulting change in the non-controlling interests' share of the net assets of the subsidiary, is recorded in equity.

3 Summary of significant accounting policies

The principal accounting policies and measurement bases used in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented in the consolidated financial statements unless otherwise stated.

3.1 Functional and presentation currency and foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of the Company and its subsidiaries entities are measured using the currency of the primary economic environment in which each entity operates ("the functional currency").

The functional currency of the Company is US Dollars (US$). The US Dollar is the currency that mainly influences sales prices, revenue estimates and has a significant effect on its operations. The functional currencies of the Group's main subsidiaries are Euro for Energean Italy Spa, Energean International E&P Spa, Energean Oil & Gas S.A., and US$ for Energean Israel Limited, Energean Egypt Limited, Energean International Limited and Energean Capital Limited.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the retranslation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Such monetary assets and liabilities are translated at year end foreign exchange rates. Non-monetary items denominated in a foreign currency are translated at the exchange rates prevailing at the date of the transaction and are not subsequently remeasured.

Translation to presentation currency

For the purpose of presenting consolidated financial statements information, the assets and liabilities of the Group are expressed in US$. The Company and its subsidiaries' assets and liabilities are translated using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates have fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognised in other comprehensive income and accumulated in the Group's translation reserve. Such translation differences are reclassified to profit or loss in the period in which the foreign operation is disposed of.

3.2 Business combinations and goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

Where appropriate, the cost of acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified are accounted for in profit or loss. Contingent consideration classified as equity is not remeasured.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under *IFRS 3 Business Combinations* are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12, 'Income Taxes' and IAS 19, 'Employee Benefits' respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based payment at the acquisition date; and
- Non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are measured at fair value less costs to sell.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the time from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3.3 Joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in Associates and Joint Ventures

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its Associate and Joint Venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the Associate or Joint Venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the Associate or Joint Venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the Associate or Joint Venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the Associate or Joint Venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an Associate and a Joint Venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the Associate or Joint Venture.

The financial statements of the Associate or Joint Venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its Associate or Joint Venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the Associate or 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 Associate or Joint Venture and its carrying value, and then recognises the loss within 'Share of profit of an Associate and a Joint Venture' in the statement of profit or loss.

Upon loss of significant influence over the Associate or joint control over the Joint Venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the Associate or Joint Venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have the right to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Group recognises its share of:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The Group is engaged in oil and gas exploration, development and production through unincorporated joint arrangements particularly in Italy and the UK. These are classified as joint operations in accordance with IFRS 11. The Group accounts for its share of the results and assets and liabilities of these joint operations. In addition, where Energean acts as operator to the joint operation, the gross liabilities and receivables (including amounts due to or from non-operating partners) of the joint operation are included in the Group's balance sheet. Where another party acts as operator, the Group's share of the liabilities of those non-operated fields is recognised within trade and other payables. A list of the Group's joint operations and its working interest in each is disclosed in note 32.

3.4 Exploration and evaluation expenditures

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised as intangible assets by field or exploration area, as appropriate. All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the statement of profit or loss. When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

Farm-outs — in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash

consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Group as a gain on disposal.

3.5 Oil and gas properties – assets in development

Expenditure is transferred from 'Exploration and evaluation assets' to 'Assets in development' which is a subcategory of 'Oil and gas properties' once the work completed to date supports the future development of the asset and such development receives appropriate approvals. After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within 'Assets in development'. Development expenditure is net of proceeds from the sale of oil or gas produced during the development phase to the extent that it is considered integral to the development of the asset. Any costs incurred in testing the assets to determine whether they are functioning as intended, are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss. When a development project moves into the production stage, all assets included in 'Assets in development' are then transferred to 'Producing assets' which is also a sub-category of 'Oil and gas properties'. The capitalisation of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to 'Oil and gas properties' asset additions, improvements or new developments.

3.6 Commercial reserves

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. There should be a 50% statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as proven and probable reserves and a 50% statistical probability that it will be less.

3.7 Depletion and amortisation

All expenditure carried within each field is amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, generally on a field-by-field basis or by a group of fields which are reliant on common infrastructure. Costs included in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to recover the commercial reserves remaining. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

3.8 Impairments of oil & gas properties

The group assesses assets or groups of assets, called cash-generating units (CGUs), for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable; for example, changes in the group's assumptions about commodity prices, low field utilisation, significant downward revisions of estimated reserves or increases in estimated future development expenditure or decommissioning costs. If any such indication of impairment exists, the group makes an estimate of the asset's or CGU's recoverable amount.

Where there is evidence of economic interdependency between fields, such as common infrastructure, the fields are grouped as a single CGU for impairment purposes. A CGU's recoverable amount is the higher of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the CGU is considered impaired and is written down to its recoverable amount.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the group and not applicable to entities in general.

In order to discount the future cash flows the Group calculates CGU-specific discount rates. The discount rates are based on an assessment of a relevant peer group's Weighted Average Cost of Capital (WACC). The Group then adds any exploration risk premium which is implicit within a peer group's WACC and subsequently applies additional country risk premium for CGUs. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any amortisation that would have been charged since the impairment.

The reversal is limited such that the carrying amount of the asset exceeds neither its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

3.9 Other property, plant and equipment

Other property, plant and equipment comprise of plant machinery and installation, furniture and fixtures.

Initial recognition

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciation

Depreciation of other property, plant and equipment is calculated on the straight-line method so as to write-off the cost amount of each asset to its residual value, over its estimated useful life. The useful life of each class is estimated as follows:

	Years
Property leases and leasehold improvements	3 - 10
Motor vehicles and other equipment	2 - 5
Plant and machinery	7 - 15
Furniture, fixtures and equipment	5 - 7

Depreciation of the assets in the course of construction commences when the assets are ready for their intended use, on the same basis as other assets of the same class.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Repairs, maintenance, and renovations

Expenditure for routine repairs and maintenance of property, plant and equipment is charged to the profit or loss in the year in which it is incurred. The cost of major improvements and renovations and other subsequent expenditure are included in the carrying amount of the asset when the recognition criteria of IAS 16 'Property, Plant and Equipment' are met. Major improvements and renovations capitalised are depreciated over the remaining useful life of the related asset.

3.10 Other intangible assets

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses.

Costs associated with maintenance of computer software programs are recognised as an expense when incurred.

Computer software costs are amortised using the straight-line method over their useful live, of between three and five years, which commences when the computer software is available for use.

3.11 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its depreciable property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment is assessed at the level of cash-generating units (CGUs) which, in accordance with IAS 36 'Impairment of Assets', are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. This is usually at the individual royalty, stream, oil and gas or working interest level for each property from which cash inflows are generated.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of fair value less costs of disposal (FVLCD) and value-in-use (VIU). The future cash flow expected is derived using estimates of proven and probable reserves and information regarding the mineral, stream and oil & gas properties, respectively, that could affect the future recoverability of the Company's interests. Discount factors are determined individually for each asset and reflect their respective risk profiles.

Assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the conditions that gave rise to the recognition of an impairment loss are subsequently reversed and the asset's recoverable amount exceeds its carrying amount. Impairment losses can be reversed only to the extent that the recoverable amount does not exceed the carrying value that would have been determined had no impairment been recognised previously.

Exploration and evaluation assets are tested for impairment when there is an indication that a particular exploration and evaluation project may be impaired. Examples of indicators of impairment include a significant price decline over an extended period, the decision to delay or no longer pursue the exploration and evaluation project, or an expiration of rights to explore an area. In addition, exploration and evaluation assets are assessed for impairment upon their reclassification to producing assets (oil and gas interest in property, plant and equipment). In assessing the impairment of exploration and evaluation assets, the carrying value of the asset would be compared to the estimated recoverable amount and any impairment loss is recognised immediately in profit or loss.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

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 of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3.12 Convertible bonds

Convertible bonds are separated into liability and equity components based on the terms of the contract. The fair value of the liability component on initial recognition is calculated by discounting the contractual

cash flows using a market interest rate for an equivalent non-convertible instrument. The difference between the fair value of the liability component and the proceeds received on issue is recorded as equity.

Transaction costs are apportioned between the liability and the equity components of the instrument based on the amounts initially recognised. The liability component is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or settlement. The equity component is not remeasured.

3.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the date of inception. The arrangement is assessed to determine whether fulfilment is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement. The Group is not a lessor in any transactions, it is only a lessee.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases, leases of low-value assets and leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Cost comprises the initial amount of the lease liability and any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs required to remove or restore the underlying asset, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Property leases 1 to 10 years
- Motor vehicles and other equipment 1 to 12 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises 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 the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its 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 remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to

future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 21).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

iv) Other leases outside the scope of IFRS 16

Leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources are outside the scope of IFRS 16 and are recognised as exploration and evaluation costs or as oil and gas assets, as appropriate. Please refer to notes 3.4 and 3.5.

Accounting for leases in joint operations

Where the Group enters into lease agreements as operator of a joint operation and is sole signatory to a lease contract, it recognises its obligations under the lease in full to reflect the legal position of the Group as the contracting counterparty for such leases. Where the obligations of the non-operator parties under the joint operating agreement give rise to a sub-lease, the related proportion of the right-of-use asset is derecognised and a finance lease receivable recorded to reflect the proportion of the lease liability recoverable from the non-operator parties to the joint operating agreement.

3.14 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or 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.

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.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment under the expected credit loss model. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables.

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.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. 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. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

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 are transferred.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, 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 considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities recognised at fair value through profit and loss are recognised in the statement of profit or loss. The Group discloses the unwinding of the discount separately, in finance costs, from the mark to market gain or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, modified and through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) 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, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps and forward commodity contracts, to hedge its interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedging instrument and the hedged item to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item attributable to the hedged risk.

From time to time, the Group may use forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to forward commodity contracts is recognised in revenue or cost of sales.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity.

The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Ordinary shares

Ordinary shares are classified as equity and measured at their nominal value. Any premiums received on issue of share capital above its nominal value, are recognised as share premium within equity. Associated issue costs are deducted from share premium.

3.15 Share-based payment

Equity-settled transactions

Awards to non-employees:

The fair value of the equity settled awards has been determined at the date the goods or services are received with a corresponding increase in equity (share-based payment reserve).

Awards to employees:

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The fair value of the equity settled awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing

categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, demand deposits and also cash reserves retained as a bank security pledge in respect of bank guarantees (Note 28), with a maturity of three months or less that are subject to an insignificant risk of changes in their fair value.

The cash reserves retained as a bank security pledge in respect of bank guarantees are defined as deposits in escrow and held in designated bank deposits accounts to be released when the Group meet the specified expenditure milestones.

Restricted cash comprises balances retained in respect of the Group's Senior Secured Notes and cash collateral provided under a letter of credit facility for issuing bank guarantees for Group's activities in Israel (see Note 17). The nature of the restrictions on these balances mean that they do not qualify for classification as cash equivalents.

3.18 Over/underlift

Lifting or offtake arrangements for oil and gas produced in certain of the Group's jointly owned operations are such that each participant may not receive and sell its precise share of the overall production in each period. The resulting imbalance between cumulative entitlement and cumulative production less stock is underlift or overlift. Underlift and overlift are valued at market value and included within receivables and payables respectively. Movements during an accounting period are adjusted through cost of sales such that gross profit is recognised on an entitlements basis.

In respect of redeterminations, any adjustments to the Group's net entitlement of future production are accounted for prospectively in the period in which the make-up oil is produced. Where the make-up period extends beyond the expected life of a field an accrual is recognised for the expected shortfall.

3.19 Inventories

Inventories comprise crude oil and by-product (Sulphur), 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. Spare parts consumed within a year are carried as inventory and recognised in profit or loss when consumed.

The Group assesses the net realisable value of the inventories at the end of each year and recognises in the consolidated statement of profit or loss the appropriate valuation adjustment if the inventories are overstated. When the circumstances that previously caused impairment no longer exist or when there is clear evidence of an increase in the inventories' net realisable value due to a change in the economic circumstances, the amount thereof is reversed.

3.20 Provisions

Provisions 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material,

provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning costs

Provision for decommissioning is recognised in full when the related facilities are installed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment.

The amount recognised is the estimated cost of decommissioning, discounted to its net present value at a risk-free discount rate, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

3.21 Revenue

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. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of gas, crude oil and by products

Sales revenue represents the sales value, net of VAT, of actual sales volumes to customers in the year together with the gain/loss on realisation of cash flow hedges.

The Group’s accounting policy under IFRS 15 is that revenue is recognised when the Group satisfies a performance obligation by transferring oil or gas to its customer. The title to oil and gas typically transfers to a customer at the same time as the customer takes physical possession of the oil or gas. Typically, at this point in time, the performance obligations of the Group are fully satisfied. The revenue is recorded when the oil or gas has been physically delivered to a vessel or pipeline.

Rendering of services

The Group recognises revenue from technical advisory services, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue from advisory services on the basis of the labour hours expended relative to the total expected labour hours to complete the service.

3.22 Retirement benefit costs

State managed retirement benefit scheme

Payments made to state managed retirement benefit schemes (e.g. Government Social Insurance Fund) are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the government scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan

The Group operates an unfunded defined benefit plan in which a lump sum amount is specified and is payable at the termination of employees’ services based on such factors as the length of the employees’ service and their salary. The liability recognised for the defined benefit plan is the present value of the defined benefit obligation at the reporting date.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. These assumptions used in the actuarial valuations are developed by management with the assistance of independent actuaries.

Service costs on the defined benefit plan are included in staff costs. Interest expense on the defined benefit liability is included in finance costs. Gains and losses resulting from other remeasurements of the defined benefit liability are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

3.23 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Excluded from the above capitalisation policy are any qualifying assets that are inventories that are produced in large quantities on a repetitive basis.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

3.24 Tax

Income tax expense represents the sum of current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated financial statements because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. No deferred tax is recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Current and deferred tax assets and corresponding liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its tax assets and liabilities on a net basis.

3.25 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Remeasurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets (see Note 3.18)
- Translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group’s foreign entities (see Note 3.1)

- Merger reserves - On 30 June 2017, the Company became the parent company of the Group through the acquisition of the full share capital of Energean E&P Holdings Limited. From that point, in the consolidated financial statements, the share capital became that of Energean plc. The previously recognised share capital and share premium of Energean E&P Holdings Limited was eliminated with a corresponding positive merger reserve.

Share-based payment reserve: The share-based payments reserve is used to recognise the value of equity-settled share-based payments granted to parties including employees and key management personnel, as part of their remuneration.

Retained earnings includes all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the balance sheet date.

3.26 Restatement of comparatives in Consolidated Cash Flow Statement

Following a review of the Group's 2020 Annual Report by the Directors subsequent to correspondence with the Financial Reporting Council ('FRC'), the Group has changed the classification of the amounts received from INGL from financing activities to investing activities. These cash inflows represent the contribution received from INGL in relation to the onshore section of the Karish and Tanin infrastructure and the near shore section of pipeline extending to approximately 10km offshore. For further information on the INGL transaction refer to note 25.

The Group previously presented the contributions from INGL as financing activities as this was reflective of the length of time between their receipt from INGL and when Energean is expected to complete the construction of this infrastructure. Following the review performed, the Group has reconsidered the treatment and considers that the cash inflows from INGL should be classified as investing activities in accordance with IAS 7 as they do not meet the definition of a financing activity, which is 'activities that result in changes in the size and contribution of the contributed equity and borrowings of the entity'. Comparative figures for the 2020 financial year have been restated as follows.

($'000)	As previously stated	Reclassification of prepayments from INGL	Restated
Amounts received from INGL related to the future transfer of property, plant & equipment	-	22,229	22,229
Net Cash used in Investing activities	(619,792)	22,229	(597,563)
Advance payment from future sale of property, plant and equipment (INGL)	22,229	(22,229)	-
Net cash inflow from financing Activities	458,275	(22,229)	436,046

The FRC has confirmed that the matter is now closed. The FRC's question was originally contained in a letter issued in respect of our 2020 Annual Report & Accounts. The FRC's role is to consider compliance with reporting standards and is not to verify the information provided to them. Therefore, given the scope and inherent limitations of their review, which does not benefit from any detailed knowledge of the Group, it would not be appropriate to infer any assurance from their review that our 2020 Annual Report and Accounts was correct in all material respects.

4 Critical accounting estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires the use of accounting estimates and assumptions, and also requires management to exercise its judgement, in the process of applying the Group's accounting policies.

Estimates, assumptions and judgement applied are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates, assumptions and judgement are based on management's best knowledge of current events and actions, actual results may ultimately differ.

4.1 Critical judgements in applying the Group’s accounting policies

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements:

Determining whether an acquisition constitutes a Business Combination (note 6)

Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Group to make certain judgements. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on or after acquisition.

On 17 December 2020, the Group completed its acquisition of Edison Exploration & Production S.p.A. ("Edison E&P") from Edison S.p.A. ("Edison"). The gross consideration for the transaction, as at the locked box date of 1 January 2019, is $284 million and the final net consideration, as of 17 December 2020, is $270 million. Prior to 1 July 2018 Edison E&P did not operate as a consolidated group, instead the relevant component entities formed part of a broader exploration and production business unit. On 1 July 2018 a new legal sub group of Edison E&P was established. As part of the acquisition management identified relevant inputs, processes and outputs that met the definition of a business under IFRS 3.

Following 17 December 2020, Edison E&P Group has been consolidated into the Group. The business combination is subject to the application of acquisition accounting as required by IFRS 3 Business Combinations.

Carrying value of intangible exploration and evaluation assets (note 14)

Amounts carried under intangible exploration and evaluation assets represent active exploration projects. Capitalised costs will be written off to the income statement as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment in accordance with the Group’s accounting policy. The process of determining whether there is an indicator for impairment or impairment reversal and quantifying the amount requires critical judgement. The key areas in which management has applied judgement as follows: the Group’s intention to proceed with a future work programme; the likelihood of license renewal or extension; the assessment of whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and the success of a well result or geological or geophysical survey.

Identification of cash generating units

In considering the carrying value of property, plant and equipment the Group has to make a critical judgement in relation to the identification of the smallest cash generating units to which those assets are allocated. In all countries except for Italy the cash generating unit is considered to be at the concession level. In Italy the gas field concessions are connected via a shared pipeline with different points of entry, which allows production to be changed from one concession to another. In view of this

shared infrastructure that exists in Italy and the ability to move sales between assets as well as the management of spare parts and the organisational structure of the Italian business the Group has determined that the related cash inflows are interdependent and therefore identified cash generating units in Italy to be at the country and commodity level (being Italy gas and Italy oil) which is consistent with how the Group monitors the business.

4.2 Estimation uncertainty

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 discussed below:

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where indicators of impairments or impairment reversals are present and an impairment or impairment reversal test is required, the calculation of the recoverable amount requires estimation of future cash flows within complex impairment models. The recoverable amount (which is the higher of fair value less costs to sell and value in use) of the cash-generating unit to which the assets belong is then estimated based on the present value of future discounted cash flows. Key assumptions and estimates used in both the impairment models and in the calculation of the fair value of property, plant and equipment acquired as part of business combination relate to: commodity prices assumptions, production profile, the future impact risks associated with climate change and other factors, post-tax discount rates and commercial reserves and the related cost profiles. Proven and probable reserves are estimates of the amount of oil and gas that can be economically extracted from the Group's oil and gas assets. The Group estimates its reserves using standard recognised evaluation techniques. The estimate is reviewed at least twice annually by management and is regularly reviewed by independent consultants.

Proven and probable reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to host governments under the terms of the Production Sharing Contracts. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers.

Management has considered how the Group's identified climate risks and climate related goals (as discussed in the Strategic Report) may impact the estimation of the recoverable value of cash-generating units in the impairment assessments. The anticipated extent and nature of the future impact of climate on the Group's operations and future investment, and therefore estimation of recoverable value, is not uniform across all cash-generating units. In particular, this is impacted by the activity of the cash-generating unit, current technologies and production processes employed and the current level of emissions and energy efficiency.

The Group is in the process of identifying a range of actions and initiatives to progress towards the Group's commitment to become a net-zero emitter by 2050. In certain cases the costs of such actions have been quantified and are included in the Group's forecasts which are used to estimate recoverable value for the Group's cash-generating units, most significantly carbon costs in Prinos.

There is a range of inherent uncertainties in the extent that responses to climate change may impact the recoverable value of the Group's cash-generating units, with many of these being outside the Group's control. These include the impact of future changes in government policies, legislation and regulation, societal responses to climate change, the future availability of new technologies and changes in supply and demand dynamics.

Further details about the carrying value of property, plant and equipment are shown in Note 13 of the consolidated financial statements.

Measurement of Contingent consideration (note 27.2)

The acquisition of Edison Exploration & Production S.p.A completed in 2020 included a contingent consideration of up to $100.0 million for which the fair value has been estimated at $78.5 million at

31 December 2021, based on pricing simulations. The final consideration amount will be determined on the basis of future gas prices (PSV) recorded at the time of the commissioning of the Cassiopea field, which is expected in 2024.

Hydrocarbon reserve and resource estimates

The Group's oil and gas development and production properties are depreciated on a unit of production basis at a rate calculated by reference to developed and undeveloped proved and probable commercial reserves (2P developed and undeveloped) which are estimated to be recoverable with existing and future developed facilities using current operating methods, determined in accordance with the Petroleum Resources Management System published by the Society of Petroleum Engineers, the World Petroleum Congress and the American Association of Petroleum Geologists.

Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future prices. The level of estimated commercial reserves is also a key determinant in assessing whether the carrying value of any of the Group's oil and gas properties has been impaired. As the economic assumptions used may change and as additional geological information is produced during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results which include:

- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets change
- Impairment charges in profit or loss
- Provisions for decommissioning may change where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities
- The recognition and carrying value of deferred tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

The impact upon commercial reserves (if any) and the aggregate depletion charge for the year of a fluctuation of the forward Brent oil price assumption as well as the Group's carrying amount of oil and gas properties for the current and prior period are presented in note 13. Management monitors the impact on the commercial reserves and the depletion charge on a Group level.

Decommissioning liabilities (note 23):

There is uncertainty around the cost of decommissioning as cost estimates can vary in response to many factors, including from changes to market rates for goods and services, to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure, discount and inflation rates may also change. Therefore significant estimates and assumptions are made in determining the provision for decommissioning.

The estimated decommissioning costs are reviewed annually by an internal expert and the results of this review are then assessed alongside estimates from operators. Provision for environmental clean-up and remediation costs is based on current legal and contractual requirements, technology and price levels.

5 Segmental reporting

The information reported to the Group's Chief Executive Officer and Chief Financial Officer (together the Chief Operating Decision Makers) for the purposes of resource allocation and assessment of segment performance is focused on four operating segments: Europe, (including Greece, Italy, UK, Croatia), Israel, Egypt and New Ventures (Montenegro and Malta).

The Group's reportable segments under IFRS 8 Operating Segments are Europe, Israel and Egypt. Segments that do not exceed the quantitative thresholds for reporting information about operating segments have been included in Other. Before the acquisition of Edison E&P on 17 December 2020, the Group had no activities in Egypt and the Europe segment comprised only Greece (including the Prinos and Epsilon production asset, Katakolo non-producing assets and Ioannina and Aitoloakarnania exploration assets).

Segment revenues, results and reconciliation to profit before tax

The following is an analysis of the Group's revenue, results and reconciliation to profit/(loss) before tax by reportable segment:

($'000)	Europe	Israel	Egypt	Other & inter-segment transactions	Total
Year ended 31 December 2021					
Revenue from Oil	165,496	-	-	144	165,640
Revenue from Gas	137,468	-	133,503	(2)	270,969
Other	13,156	-	55,446	(8,226)	60,376
Total revenue	**316,120**	**-**	**188,949**	**(8,084)**	**496,985**
Adjusted EBITDAX[126]	**88,288**	**(4,969)**	**130,634**	**(1,881)**	**212,072**
Reconciliation to profit before tax:					
Depreciation and amortisation expenses	(55,001)	(93)	(41,626)	(731)	(97,451)
Share-based payment charge	(967)	(231)	-	(4,523)	(5,721)
Exploration and evaluation expenses	(86,490)	(50)	-	(1,138)	(87,678)
Other expense	(2,150)	(461)	(1,543)	(2,865)	(7,019)
Other income	16,065	19	1,851	(51)	17,884
Finance income	13,450	7,849	985	(19,334)	2,950
Finance costs	(28,318)	(18,526)	(9,059)	(41,477)	(97,380)
Unrealised loss on derivatives	(21,477)	-	-	-	(21,477)
Net foreign exchange gain/(loss)	31,000	520	479	(38,921)	(6,922)
Profit/(loss) before income tax	**(45,600)**	**(15,942)**	**81,721**	**(110,921)**	**(90,742)**
Taxation income / (expense)	29,026	5,017	(39,100)	(355)	(5,412)
Profit/(loss) from continuing operations	**(16,574)**	**(10,925)**	**42,621**	**(111,276)**	**(96,154)**
Year ended 31 December 2020					
Revenue from oil	17,987	-	1,580	-	19,567
Revenue from Gas	2,250	-	5,097	-	7,347
Petroleum products sales	326	-	-	-	326
Rendering of services	6,800	-	92	(6,118)	774
Total revenue	**27,363**	**-**	**6,769**	**(6,118)**	**28,014**
Adjusted EBITDAX[126]	(4,874)	(3,574)	4,143	(4,030)	(8,335)
Reconciliation to profit before tax:					
Depreciation and amortisation expenses	(21,399)	(294)	(1,989)	(443)	(24,125)

[126] Adjusted EBITDAX is a non-IFRS measure used by the Group to measure business performance. It is calculated as profit or loss for the period, adjusted for discontinued operations, taxation, depreciation and amortisation, share-based payment charge, impairment of property, plant and equipment, other income and expenses (including the impact of derivative financial instruments and foreign exchange), net finance costs and exploration and evaluation expenses.

($'000)	Europe	Israel	Egypt	Other & inter-segment transactions	Total
Share-based payment charge	(471)	(42)	-	(2,712)	(3,225)
Exploration and evaluation expenses	(2,942)	(502)	-	(980)	(4,424)
Impairment loss on property, plant and equipment	(65,299)	-	-	-	(65,299)
Other expense	(1,137)	(2,700)	-	(24,492)	(28,329)
Other income	4,154	-	689	4,343	9,186
Finance income	224	201	64	4	493
Finance costs	(3,619)	(326)	175	(1,216)	(4,986)
Net foreign exchange gain/(loss)	10,769	1,862	(967)	3,781	15,445
Profit before income tax	(84,594)	(5,375)	2,115	(25,745)	(113,599)
Taxation income / (expense)	21,009	495	(1,081)	318	20,741
Profit from continuing operations	(63,585)	(4,880)	1,034	(25,427)	(92,858)

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2021 and 31 December 2020, respectively:

Year ended 31 December 2021 ($'000)	Europe	Israel	Egypt	Other & inter-segment transactions	Total
Oil & Gas properties	537,600	2,584,828	342,528	(9,694)	3,455,262
Other fixed assets	16,578	3,917	24,076	(360)	44,211
Intangible assets	74,868	95,941	20,484	36,848	228,141
Trade and other receivables	164,131	22,769	102,605	(979)	288,526
Deferred tax asset	154,798	-	-	-	154,798
Other assets	674,157	379,248	98,720	(81,711)	1,070,414
Total assets	1,622,132	3,086,703	588,413	(55,896)	5,241,352
Trade and other payables	202,797	74,115	25,511	152,563	454,986
Borrowings	-	2,463,524	-	483,602	2,947,126
Decommissioning provision	766,573	35,525	-		802,098
Other current liabilities	(20,395)	-	-	32,941	12,546
Other non-current liabilities	134,203	180,689	24,663	(32,082)	307,473
Total liabilities	1,083,178	2,753,853	50,174	637,024	4,524,229
Other segment information					
Capital Expenditure:					
Property, plant and equipment	72,782	247,463	52,085	(14,330)	358,000
Intangible, exploration and evaluation assets	40,523	6,342	215	3,329	50,409

Year ended 31 December 2020 ($'000)	Europe	Israel	Egypt	Other & inter-segment transactions	Total
Oil & Gas properties	572,834	2,156,236	326,366	(1,728)	3,053,708
Other fixed assets	21,727	765	27,588	3,484	53,564
Intangible assets	139,267	89,607	39,219	7,723	275,816
Trade and other receivables	154,469	1,304	162,222	344	318,339
Deferred tax asset	103,200	-	22,856	-	126,056
Other assets	251,240	37,464	247,028	(228,202)	307,530
Total assets	1,242,737	2,285,376	825,279	(218,379)	4,135,013
Trade and other payables	187,117	76,146	57,959	34,232	355,454
Borrowings	121,264	1,093,965	-	227,847	1,443,076
Decommissioning provision	826,729	38,399	-	-	865,128
Other current liabilities	140,629	6,914	54,652	(195,280)	6,915
Other non-current liabilities	25,291	193,920	32,284	18,553	270,048
Total liabilities	1,301,030	1,409,344	144,895	85,352	2,940,621
Other segment information					
Capital Expenditure:					
Property, plant and equipment	14,117	405,279	860	(197)	420,059
Intangible, exploration and evaluation assets	1,219	6,625	-	1,147	8,991

Segment cash flows

Year ended 31 December 2021 ($'000)	Europe	Israel	Egypt	Other & inter-segment transactions	Total
Net cash from / (used in) operating activities	43,394	(28,764)	128,659	(10,785)	132,504
Net cash (used in) investing activities	(99,040)	(490,381)	(53,553)	191	(642,783)
Net cash from financing activities	120,446	831,677	(132,414)	240,056	1,059,765
Net increase/(decrease) in cash and cash equivalents	64,800	312,532	(57,308)	229,462	549,486
Cash and cash equivalents at beginning of the period	13,609	37,421	76,240	75,669	202,939
Effect of exchange rate fluctuations on cash held	(7,093)	(125)	322	(14,690)	(21,586)
Cash and cash equivalents at end of the period	71,316	349,828	19,254	290,441	730,839

Year ended 31 December 2020 (Restated) ($'000)					
Net cash from / (used in) operating activities	(5,442)	(2,469)	22,808	(13,428)	1,469
Net cash (used in) investing activities	(18,626)	(370,007)	(925)	(208,005)	(597,563)
Net cash from financing activities	19,164	297,987	(174)	119,069	436,046
Net increase/(decrease) in cash and cash equivalents	**(4,904)**	**(74,489)**	**21,709**	**(102,364)**	**(160,048)**
At beginning of the year	6,084	110,488	-	237,847	354,419
Cash acquired from business Acquisition	7,234	-	55,650	(62,884)	-
Effect of exchange rate fluctuations on cash held	5,195	1,422	(1,119)	3,070	8,568
Cash and cash equivalents at end of the period	**13,609**	**37,421**	**76,240**	**75,669**	**202,939**

6 Business combination

Acquisition of Edison E&P

On 17 December 2020, the Group acquired 100% of the issued share capital and obtained control of Edison Exploration & Production S.p.A ("Edison E&P"). Edison E&P contains a portfolio of assets including producing assets in Egypt, Italy, the UK North Sea and Croatia with development assets in Egypt and Italy and balanced-risk exploration opportunities across the portfolio. The acquisition of Edison E&P qualified as a business combination as defined in IFRS 3.

The final fair values of the identifiable assets and liabilities of Edison E&P are unchanged from the provisionally estimated amounts as at the date of acquisition.

($'000)	Fair value recognised on acquisition
Assets:	
Property, plant and equipment	689,188
Identifiable intangible assets	133,786
Inventory	68,977
Trade and other receivables[127]	336,081
Cash and cash equivalents	62,884
Deferred tax assets	70,832
	1,361,748
Liabilities	
Trade and other payables	(199,399)
Retirement benefit liability	(3,021)
Other long-term liabilities	(51,059)
Decommissioning liabilities	(808,994)

[127] Trade receivables include mainly balances from EGPC, the Egyptian governmental body that are significantly aged. Consideration has been given to whether the carrying amount appropriately reflects their recoverable amount and a loss allowance recognised. As such it has been concluded that book value equates to fair values.

($'000)	Fair value recognised on acquisition
	(1,062,473)
Total identifiable assets acquired and liabilities assumed	**299,275**
Goodwill arising on acquisition	25,346
Fair value of purchase consideration transferred	**324,621**
Satisfied by:	
Cash paid	266,088
Amount payable	3,311
Contingent consideration arrangement	55,222
Total consideration transferred	**324,621**
Net cash outflow arising on acquisition:	
Cash consideration	(266,088)
Less: cash and cash equivalent balances acquired	62,884
Net consolidated cash outflow	**(203,204)**

The base consideration payable of $398.6 million, which excludes contingent consideration, was agreed as of a locked box date of 1 January 2019 with the impact of economic performance, capital expenditure and working capital movements from this date to completion of 17 December 2020 adjusted within the final consideration payable of $269.9 million from which amount of $266.6 million was paid in December 2020 and amount $3.3 million paid in January 2021.

The contingent consideration arrangement will vary depending on future Italian gas prices at the point in time at which first gas production is delivered from the Cassiopea field in Italy which is expected in 2024. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between $0 and $100 million.

The fair value of the contingent consideration arrangement of $55.2 million was estimated by applying forward gas price curves against the expected date of first gas as at acquisition date. This resulted in an aggregate fair value of $299.3 million being allocated to the identifiable assets and liabilities acquired, prior to the recognition of a deferred tax liability of $22.9 million as further described below.

Goodwill of $25.3 million was recognised upon acquisition. An amount of $22.9 million was due to the requirement of IAS 12 to recognise deferred tax assets and liabilities for the difference between the assigned fair values and tax bases of assets acquired and liabilities assumed. The assessment of fair value of such licences is therefore based on cash flows after tax. Hence, goodwill arises as a direct result of the recognition of this deferred tax adjustment ("technical goodwill"). None of the goodwill recognised will be deductible for income tax purposes.

7 Revenue

($'000)	2021	2020
Revenue from crude oil sales	165,924	17,987
Revenue from gas sales	270,969	7,347
Revenue from LPG sales	20,945	538
Revenue from condensate sales	34,126	1,042
Gain/(Loss) on forward transactions	(285)	-
Petroleum products sales	4,618	326
Rendering of services	688	774
Total revenue	**496,985**	**28,014**

100% of the gas produced at Abu Qir (Egypt) is sold to EGPC under a Brent-linked gas price. At Brent prices of between $40/bbl and $72/bbl the gas price is $3.5/mmBTU, limiting volatility and exposure to commodity price fluctuations. For Brent prices above $72/bbl the gas price increases until it reaches a cap of $5.88/mmBTU at Brent prices in excess of $100/bbl. For Brent prices below $40/bbl the gas price decreases until it reaches a gas price floor of US$1.29/mmBTU at a Brent price of $0/bbl.

Sales for the year ended 31 December (Kboe)	2021	2020
Greece		
Oil	403	639
Egypt (net entitlement)		
Gas	6,351	425
LPG	394	32
Condensate	553	64
Italy		
Oil	2,083	62
Gas	1,474	65
UK		
Gas	40	5
Oil	271	17
Croatia		
Gas	57	3
Total	**11,626**	**1,312**

8 Operating profit/(loss)

	($'000)	2021	2020
(a)	*Cost of sales*		
	Staff costs (note 9)	64,564	14,562
	Energy cost	11,578	5,310
	Flux Cost	11,561	
	Royalty payable	24,759	430
	Other operating costs[128]	149,133	8,227
	Depreciation and amortisation (note 13)	94,647	22,052
	Stock overlift/underlift movement	(11,130)	(2,165)
	Total cost of sales	**345,112**	**48,416**
(b)	*Administration expenses*		
	Staff costs (note 9)	16,759	5,745
	Other General & Administration expenses	15,444	4,584
	Share-based payment charge included in administrative expenses	5,714	2,776
	Depreciation and amortisation (note 13, 14)	2,480	780
	Auditor fees (note 8g)	2,273	1,251
		42,670	**15,136**
(c)	*Selling and distribution expense*		
	Staff costs (note 9)	80	29
	Other selling and distribution expenses	223	118
		303	**147**
(d)	*Exploration and evaluation expenses*		
	Staff costs for Exploration and evaluation activities (Note 9)	3,695	1,175
	Exploration costs written off (Note 14)	82,125	2,936
	Other exploration and evaluation expenses	1,858	313
		87,678	**4,424**
(e)	*Other expenses*		
	Transaction costs in relation to Edison E&P acquisition[129]	2,052	17,914
	Intra-group merger costs	605	2,188
	Loss from disposal of Property plant & Equipment	36	7,568
	Other indemnities	-	210
	Write-down of inventory	581	101
	Provision for litigation and claims	520	
	Write down of property, plant and equipment costs	779	

[128] Other operating costs comprise of insurance costs, gas transportation and treatment fees concession fees and planned maintenance costs.

[129] Direct costs incurred in 2020 and 2021 relating to the acquisition of Edison's E&P business.

	($'000)	2021	2020
	Other expenses	2,446	348
		7,019	28,329
(f)	*Other income*		
	Income from accounts payable written off[130]	-	4,094
	Reversal of expected credit loss allowance	1,853	2
	Change in estimates of decommissioning provisions[131]	7,836	
	Change in estimate of defined benefit obligation	3,463	
	Reversal of provision for litigation and claims	4,494	
	Proceeds from termination of agreement with Neptune Energy[132]	-	5,000
	Other income	238	(94)
		17,884	9,002
(g)	*Fees to the Company's auditor for:*		
	The audit of the Company's annual accounts	748	710
	The audit of the Company's subsidiaries pursuant to legislation	783	333
	Total audit services	1,531	1,043
	Audit-related assurance services – half-year review	242	175
	Reporting accountant services	1,008	264
	Other services	75	73
		2,856	1,555

9 Staff costs

The average monthly number of employees (including Executive Directors) employed by the Group worldwide was:

Number	2021	2020
Administration	167	99
Technical	437	307
	604	406

In addition, the Group. consolidate the personnel costs of its Operating Company, Abu Qir Petroleum Company ('AQP'), owned at 100%. The table below details the average number of employees related to AQP employees:

Number	2021	2020
AQP employee (excluding Energean employees)	640	25
	640	25

[130] Related to derecognition of specific accounts payables balances in the Greek subsidiary following waiver agreements with creditors.

[131] There was a change in the assumptions underpinning the decommissioning provision that resulted in an overall decrease to the provisions recognised.

[132] Related to termination fees paid by Neptune Energy following the termination of the agreement for Neptune Energy to acquire Edison E&P's UK and Norwegian subsidiaries from the Group.

($'000)	2021	2020
Salaries	94,624	30,095
Social security costs	11,995	5,965
Share-based payments (note 25)	5,933	3,325
	112,552	**39,385**
Payroll cost capitalised in oil & gas assets and exploration & evaluation costs	(20,218)	(12,109)
Payroll cost expensed	92,334	27,276
Included in:		
Cost of sales (note 8a)	64,564	14,562
Administration expenses (note 8b)	22,473	8,521
Exploration & evaluation expenses (note 8d)	3,695	1,175
Selling and distribution expenses (note 8c)	80	29
Intra-group merger costs (note 8e)	605	756
Other	917	2,233
	92,334	**27,276**

Details of Directors' remuneration, Directors' transactions and Directors' interests are set out in the part of the Directors' Remuneration Report described as having been audited, which forms part of these Consolidated Financial Statements.

10 Net finance cost

($'000)	Notes	2021	2020
Interest on bank borrowings	22	96,678	90,008
Interest on Senior Secure Notes	22	106,993	
Interest expense on long term payables	25	4,101	6,716
Interest expense on short term liabilities		55	
Less amounts included in the cost of qualifying assets	13,14	(174,153)	(93,581)
		33,674	**3,143**
Finance and arrangement fees		12,420	4,042
Commission charges for bank guarantees		2,404	-
Unamortised financing costs related to Greek RBL and Egypt RBL[133]		18,108	-
Other finance costs and bank charges		2,972	744
Loss on interest rate hedges		7,002	-
Unwinding of discount on right of use asset		1,316	919

[133] On 18 November 2021 the Group fully repaid the Prinos Project Finance (Greek RBLs) before the maturity date of 31 December 2024 and, as such, the unamortised financing costs have been expensed in the period.

($'000)	Notes	2021	2020
Unwinding of discount on provision for decommissioning		8,722	247
Unwinding of discount on deferred consideration		12,854	-
Unwinding of discount on convertible loan		3,159	-
Mark-to-market on contingent consideration		1,626	-
Less amounts included in the cost of qualifying assets		(6,877)	(4,109)
Total finance costs		97,380	4,986
Interest income from time deposits		(2,950)	(493)
Total finance income		(2,950)	(493)
Foreign exchange (gain)/losses		6,922	(15,445)
Net financing (income)/costs		101,352	(10,952)

11 Taxation

(a) Taxation charge

($'000)	2021	2020
Corporation tax - current year	(44,922)	(1,171)
Corporation tax - prior years	353	404
Deferred tax (Note 15)	39,157	21,508
Total taxation (expense)/income	(5,412)	20,741

(b) Reconciliation of the total tax charge

The Group calculates its income tax expense by applying a weighted average tax rate calculated based on the statutory tax rates of each country weighted according to the profit or loss before tax earned by the Group in each jurisdiction where deferred tax is recognised or material current tax charge arises.

The effective tax rate for the period is 6% (31 December 2020: (18)%).

The tax (charge)/credit of the period can be reconciled to the loss per the consolidated income statement as follows:

($'000)	2021	2020
Loss before tax	**(90,742)**	**(113,599)**
Tax calculated at 32.8% weighted average rate (2020: 24.9%)[134]	29,721	28,232
Impact of different tax rates	(5,176)	326
Utilisation of unrecognised deferred tax/ (Non recognition of deferred tax)	2,953	(2,544)
Permanent differences[135]	(34,470)	(5,251)
Foreign taxes	(244)	(1,081)
Tax effect of non-taxable income & allowances	1,348	649
Other adjustments	103	6
Prior year tax	353	404
Taxation (expense)/income	**(5,412)**	**20,741**

12 Loss per share

Basic earnings per ordinary share amounts are calculated by dividing net income for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted income per ordinary share amounts is calculated by dividing net income for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued if dilutive employee share options were converted into ordinary shares. Given the reported loss for the year, the effect of such outstanding shares is not dilutive.

($'000)	2021	2020
Total loss attributable to equity shareholders	(96,046)	(91,414)
Effect of dilutive potential ordinary shares	-	-
	(96,046)	(91,414)

	2021	2020
Basic weighted average number of shares	177,278,840	177,089,406
Dilutive potential ordinary shares	-	-
Diluted weighted average number of shares	**177,278,840**	**177,089,406**
Basic (loss)/earnings per share	**$(0.54)/share**	**$(0.52)/share**
Diluted (loss)/earnings per share	**$(0.54)/share**	**$(0.52)/share**

[134] For the reconciliation of the tax rate, the weighted average rate of the statutory tax rates in Greece (25%), Israel (23%), Italy (24%), Cyprus (12.5%), United Kingdom (40%) and Egypt (40.55%) was used weighted according to the profit or loss before tax earned by the Group in each jurisdiction, excluding fair value uplifts profits.

[135] Permanent differences mainly consisted of non-deductible expenses, consolidation differences, intercompany dividends and foreign exchange differences.

13 Property, plant & equipment

Property, Plant & Equipment at Cost ($'000)	Oil and gas assets[136]	Leased assets[137]	Other property, plant and equipment	Total
At 1 January 2020	**2,147,163**	**9,117**	**56,699**	**2,212,979**
Additions	411,932	1,951	1,581	415,464
Acquisition of subsidiary	646,507	40,549	2,132	689,188
Lease modification	-	(1,519)	-	(1,519)
Disposal of assets	(4,795)	-	(5,328)	(10,123)
Capitalised borrowing cost	94,929	-	-	94,929
Capitalised depreciation	576	-	-	576
Change in decommissioning provision	39,620	-	-	39,620
Transfer from Intangible assets	41,822	-	-	41,822
Foreign exchange impact	52,575	743	5,153	58,471
At 31 December 2020	**3,430,329**	**50,841**	**60,237**	**3,541,407**
Additions	345,180	6,428	1,623	353,231
Lease modification	-	2,261	-	2,261
Disposal of assets	(23)	-	(34)	(57)
Capitalised borrowing cost	178,891	-	-	178,891
Capitalised depreciation	227	-	-	227
Change in decommissioning provision	(13,174)	-	-	(13,174)
Transfer from Intangible assets	14,317	-	26	14,343
Foreign exchange impact	(57,960)	(2,285)	(2,806)	(63,051)
At 31 December 2021	**3,897,787**	**57,245**	**59,046**	**4,014,078**
Accumulated Depreciation				
At 1 January 2020	**263,512**	**3,448**	**43,748**	**310,708**
Charge for the period				
Expensed	18,105	3,073	2,149	23,327
Impairments	64,727	-	572	65,299
Foreign exchange impact	30,299	458	4,044	34,801
At 31 December 2020	**376,643**	**6,979**	**50,513**	**434,135**
Charge for the period				
Expensed	81,234	12,274	1,998	95,506

[136] Included within the carrying amount of Oil & Gas assets are development costs of the Karish field related to the Sub Sea and On-shore construction. In line with the agreement with Israel Natural Gas Lines ("INGL"), shortly after delivery of first gas there will be a transfer of title ("hand over") of these assets to INGL. For further details refer to note 25.

[137] Included in the carrying amount of leased assets at 31 December 2021 is right of use assets related to Oil and gas properties and Other property, plant and equipment of $25.1 million and $2.9 million respectively. The depreciation charged on these classes for the year ending 31 December 2021 was $11.7 million and $0.6 million respectively.

Property, Plant & Equipment at Cost ($'000)	Oil and gas assets[136]	Leased assets[137]	Other property, plant and equipment	Total
Impairment	774			774
Disposal of assets	-	-	21	21
Foreign exchange impact	(16,129)	(151)	449	(15,831)
At 31 December 2021	442,522	19,102	52,981	514,605
Net carrying amount				
At 31 December 2020	3,053,686	43,862	9,724	3,107,272
At 31 December 2021	3,455,265	38,143	6,065	3,499,473

Borrowing costs capitalised for qualifying assets during the year are calculated by applying a weighted average interest rate of 5.49% for the year ended 31 December 2021 (for the year ended 31 December 2020: 8.72%).

The additions to Oil & Gas properties for the year ended 31 December 2021 is mainly due to development costs of Karish field related to the EPCIC contract (FPSO, Sub Sea and On-shore construction cost) at the amount of $247 million, development cost for Cassiopea project in Italy at the amount of $38 million and NEA/NI project in Egypt at the amount of $52 million.

Management assessed the CGUs in Egypt, Italy, Israel and the UK for indicators of impairment and none were identified. In Greece management has performed a value in use (VIU) assessment of the Prinos cash generating unit (CGU) following identification of triggers for impairment reversal. Management's assessment noted that Epsilon is currently in the development phase, and although robust technical analysis supports production at the 2P level, given that the production of the first 3 wells has not commenced, there is still significant uncertainty that the relevant production levels will be achieved; EU Emissions Trading System (ETS) prices are set to increase, resulting in higher operational costs in Greece and possible additional taxes for exceeding GHG emissions. These factors together with sensitivity analysis performed resulted in management concluding that no impairment reversal was required. Management will reassess the position once the Epsilon field starts producing.

During the year 2020 the Group executed an impairment test for the Prinos CGU (Prinos and Epsilon fields). In that period, indicators of impairment were noted for the Prinos CGU, being a reduction in both short-term (Dated Brent forward curve) and long-term price assumptions and a change in the Group's Prinos field production forecast, which resulted in an impairment of $65.3 million in the carrying value of the Prinos CGU.

Depreciation and amortisation for the year has been recognised as follows:

($'000)	2021	2020
Cost of sales (note 8a)	94,647	22,052
Administration expenses (note 8b)	2,480	780
Other operating (income)/expenses	97	1,293
Capitalised depreciation in oil & gas properties	227	576
Total	97,451	24,701

Cash flow statement reconciliations:

Payment for additions to property, plant and equipment ($'000)	2021	2020
Additions to property, plant and equipment	521,435	550,589
Associated cash flows		
Payment for additions to property, plant and equipment	(403,503)	(403,968)
Non-cash movements/presented in other cash flow lines		
Borrowing cost capitalised	(178,891)	(94,929)
Right-of-use asset additions/modifications	(8,689)	(1,951)
Lease payments related to capital activities	10,852	6,645
Capitalised share-based payment charge	(200)	(99)
Capitalised depreciation	(227)	(576)
Change in decommissioning provision	13,174	(39,620)
Movement in working capital	46,049	(16,091)

14 Intangible assets

($'000)	Exploration and evaluation assets	Goodwill	Other Intangible assets	Total
Intangibles at Cost				
At 1 January 2020	71,601	75,800	1,941	149,342
Additions	8,379	-	612	8,991
Acquisition of subsidiary	115,438	25,346	18,348	159,132
Capitalised borrowing costs	2,761	-	-	2,761
Transfers to property, plant and equipment	(41,822)	-	-	(41,822)
Exchange differences	1,856	-	1,454	3,310
31 December 2020	158,213	101,146	22,355	281,714
Additions	47,995	-	2,413	50,408
Capitalised borrowing costs	2,202	-	-	2,202
Change in decommissioning provision	2,141			2,141

($'000)	Exploration and evaluation assets	Goodwill	Other Intangible assets	Total
Transfers to property, plant and equipment	(265)	-	(14,078)	(14,343)
Exchange differences	(4,953)	-	(983)	(5,936)
At 31 December 2021	**205,333**	**101,146**	**9,707**	**316,186**
Accumulated amortisation and impairments				
At 1 January 2020	**261**	**-**	**1,405**	**1,666**
Charge for the period	-	-	1,375	1,375
Impairment	2,936	-	-	2,936
Exchange differences	(193)	-	114	(79)
31 December 2020	**3,004**	**-**	**2,894**	**5,898**
Charge for the period		-	1,946	1,946
Impairment	82,125	-	-	82,125
Exchange differences	(1,850)	-	(74)	(1,924)
31 December 2021	**83,279**	**-**	**4,766**	**88,045**
Net carrying amount				
At 31 December 2020	**155,209**	**101,146**	**19,461**	**275,816**
At 31 December 2021	**122,054**	**101,146**	**4,941**	**228,141**

Cash flow statement reconciliations:

Payment for additions to intangible assets ($'000)	2021	2020
Additions to intangible assets	54,750	11,753
Associated cash flows		
Payment for additions to intangible assets	(48,674)	(15,041)
Non-cash movements/presented in other cash flow lines		
Borrowing cost capitalised	(2,141)	(2,761)
Change in decommissioning provision	(2,202)	-
Movement in working capital	(1,733)	6,049

Borrowing costs capitalised for qualifying assets for the year ended 31 December 2021 amounted to $2.1 million (31 December 2020: $2.8 million). The interest rates used was 5.49% for the year ended 31 December 2021 (31 December 2020: 8.72%).

Goodwill arises principally because of the requirement to recognise deferred tax assets and liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination.

In 2021 two appraisal wells were drilled targeting Glengorm South and Glengorm Central. Both wells were unsuccessful and did not find hydrocarbons. All wells have been plugged and abandoned. Therefore the related costs of the unsuccessful wells and the associated fair value uplift recognised as part of the Edison E&P acquisition (as discussed in note 6) were impaired ($79.8 million).

15 Net deferred tax (liability)/asset

Deferred tax (liabilities)/assets ($'000)	Property, plant and equipment	Right of use asset IFRS 16	Decom-missioning	Prepaid expenses and other receivables	Inventory	Tax losses	Deferred expenses for tax	Retirement benefit liability	Accrued expenses and other short-term liabilities	Total
At 1 January 2020	**(137,998)**	**(1,078)**	**-**	**(971)**	**733**	**90,412**	**-**	**913**	**7,646**	**(40,343)**
Acquisition of subsidiary (Note 6)	10,080					60,752				70,832
Increase / (decrease) for the period through:										
Profit or loss (Note 11)	8,381	819	8,877	(3,474)	(98)	7,384		53	(434)	21,508
Other comprehensive income	-	-	-	130	-	-		-	1,603	1,733
Exchange difference	(4,006)	(33)	-	(336)	60	7,293	-	84	655	3,717
31 December 2020	**(123,543)**	**(292)**	**8,877**	**(4,651)**	**695**	**165,841**	**-**	**1,050**	**9,470**	**57,447**
Increase / (decrease) for the period through:										
Profit or loss (Note 11)	9,848	(718)	50,808	890	(254)	(32,501)	5,020	(932)	6,996	39,157
Other comprehensive income									1,586	1,586
Reclassifications in the current period[138]	(28,442)		33,644	2,025	(233)	(4,903)	6, 010	200	(8,301)	-
Exchange difference	1,584	20	(3,889)	165	(25)	(8,257)		(52)	(363)	(10,817)
31 December 2021	**(140,553)**	**(990)**	**89,440**	**(1,571)**	**183**	**120,180**	**11,030**	**266**	**9,388**	**87,373**

[138] These reclassifications primarily relate to the assets and liabilities acquired in the Edison E&P acquisition which completed in December 2020 and reflect updated information on the allocation of the deferred taxes across the relevant categories.

($'000)	2021	2020
Deferred tax liabilities	(67,425)	(68,609)
Deferred tax assets	154,798	126,056
	87,373	57,447

At 31 December 2021 the Group had gross unused tax losses of $1,123.8 million (as of 31 December 2020: $783.6 million) available to offset against future profits and other temporary differences. A deferred tax asset of $120.2 million (2020: $165.8 million) has been recognised on tax losses of $449.0 million, based on the forecasted profit models as updated with the 31 December 2021 proved and probable reserve profiles. The Group did not recognise deferred tax on tax losses and other differences of total amount of $1,090.4 million.

In Greece, Italy and the UK, the net deferred tax asset for carried forward losses recognised in excess of the other net taxable temporary differences was $59.3 million, $0.19 million and $13.8 million (2020: $58.7 million, $20.6 million and $4.2 million) respectively. An additional deferred tax asset of $81.4 million (2020: $42.6 million) arose primarily in respect of deductible temporary differences related to property, plant and equipment, decommissioning provisions and accrued expenses, resulting in a total deferred tax asset of $154.9 million (2020: $126.1 million).

Greek tax losses (Prinos area) can be carried forward without limitation up until the relevant concession agreement expires (by 2039), whereas, the tax losses in Israel, Italy and the United Kingdom can be carried forward indefinitely. Based on the Prinos area forecasts (including the Epsilon development), the deferred tax asset is fully utilised by 2029. In Italy, deferred tax asset of $67.9 million recognised on decommissioning costs scheduled up to 2030 when the Italian assets expect to enter into a declining phase. Finally, in the UK, decommissioning losses is expected to be tax relieved up until 2027, whereas, deferred tax asset recognised on UK tax losses is fully offset against deferred tax liabilities on temporary differences.

On 3 March 2021 it was announced in the UK budget that the UK non-ring fence corporation tax rate will increase from 19% to 25% with effect from 2023. The Group does not currently recognise any deferred tax assets in respect of UK non-ring fence tax losses and therefore this rate change did not impact the tax disclosures.

16 Cash and cash equivalents

($'000)	2021	2020
Cash at bank	729,390	197,514
Deposits in escrow	1,449	5,425
	730,839	202,939

Bank demand deposits comprise deposits and other short-term money market deposit accounts that are readily convertible into known amounts of cash. The effective interest rate on short-term bank deposits was 0.386% for the year ended 31 December 2021 (year ended 31 December 2020: 1.07%).

Deposits in escrow comprise mainly cash retained as a bank security pledge for the Group's performance guarantees in its exploration blocks. These deposits can be used for funding the exploration activities of the respective blocks.

17 Restricted cash

Restricted cash comprises mainly cash retained under the Israel Senior Secured Notes requirement as follows:

- Short term - $96.76 million Interest Payment Account for the accrued interest period until 31 December 2022 (less coupons actually paid) and from 31 December 2022 the Interest Reserve Account will be funded 6 months forward
- Long term - $100 million Debt Payment Fund that would be released upon achieving three quarters annualised production of 3.8 BCM/year from Karish asset in Israel.

The remaining amount of $2.96 million included in restricted cash is related to cash collateral provided under a letter of credit facility for issuing bank guarantees for Group’s activities in Israel up to $75 million.

18 Inventories

($'000)	2021	2020
Crude oil	32,832	16,946
Raw materials and supplies	54,371	56,073
Total inventories	**87,203**	**73,019**

The Group’s raw materials and supplies consumption for the year ended 31 December 2021 was $6.5 million (year ended 31 December 2020: $1.3 million).

The Group recorded impairment and write-off charges on inventory of $0.6 million for the year ended 31 December 2021 (year ended 31 December 2020: $0.1 million) related to materials written off (note 8e).

19 Trade and other receivables

($'000)	2021	2020
Trade and other receivables - Current		
Financial items:		
Trade receivables[139]	178,804	226,118
Receivables from partners under JOA	5,138	
Other receivables[140]	38,683	
Government subsidies[141]	3,212	3,481
Refundable VAT	42,376	49,414
Receivables from related parties (note 28)	1	22
	268,214	**279,035**
Non-financial items:		
Deposits and prepayments[142]	17,139	38,756
Deferred insurance expenses	2,095	507
Accrued interest income	1,078	41
	20,312	39,304
	288,526	**318,339**
Trade and other receivables - Non-Current		
Financial items:		
Other tax recoverable	16,478	16,686
	16,478	16,686
Non-financial items:		
Deposits and prepayments	12,337	13,409
Other deferred expenses[143]	22,958	-
Other non-current assets	866	1,473
	36,161	14,882
	52,639	**31,568**

[139] Included within this balance is an amount of $21.2 million receivable from INGL as a result of the relevant milestones being achieved, in line with the agreement. Refer to note 25 for further details on the agreement with INGL.

[140] Included in other receivables is $29.4 million cash on account in relation to the hedges in Italy.

[141] Government subsidies mainly relate to grants from Greek Public Body for Employment and Social Inclusion (OAED) to financially support the Kavala Oil S.A. labour cost from manufacturing under the action plan for promoting sustainable employment in underdeveloped or deprived districts of Greece, such as the area of Kavala.

[142] Included in deposits and prepayments, are mainly prepayments for goods and services under the GSP Engineering, Procurement, Construction and Installation Contract (EPCIC) for Epsilon project.

[143] In accordance with the GSPAs signed with a group of gas buyers, the Company has agreed to pay compensation to these counterparties due to the fact the gas supply date is taking place beyond a certain date as defined in the GSPAs (being 30 June 2021). The compensation, amounting to $23 million) has been fully paid as of the reporting date. The compensation presented as a non-current asset (under the caption deferred expenses) and will be accounted for as variable consideration in line with IFRS 15 once production commences and gas is delivered to the offtakers.

The table below summarises the maturity profile of the Group receivables:

31 December 2021 ($'000)	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
Trade receivables	178,804	178,804	2,832	175,972	-	-
Government subsidies	3,212	3,212		3,212	-	-
Refundable VAT	42,376	42,376	1,774	40,602	-	-
Receivables from partners under JOA	5,138	5,138	5,138	-	-	-
Other receivables	38,683	38,683	36,105	2,578	-	-
Other tax recoverable	16,478	16,478	-	-	-	16,478
Total	284,691	284,691	45,849	222,364	-	16,478

31 December 2020 ($'000)	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
Trade receivables	226,118	226,118	92,194	133,924	-	-
Government subsidies	3,481	3,481	-	3,481	-	-
Refundable VAT	49,414	49,414	34,618	14,796	-	-
Other tax recoverable	16,686	16,686	-	-	-	16,686
Total	295,699	295,699	126,812	152,201	-	16,686

20 Share capital

On 30 June 2017, the Company became the parent company of the Group through the acquisition of the full share capital of Energean E&P Holdings Limited, in exchange for 65,643,120 £0.01 ($0.013) shares in the Company issued to the previous shareholders. As of this date, the Company's share capital increased from £50 thousand ($65k) to £706 thousand ($917k). From that point, in the consolidated financial statements, the share capital became that of Energean plc. The previously recognised share capital of $14.9 million and share premium of $125.8 million was eliminated with a corresponding positive merger reserve recognised of $139.9 million. The below tables outline the share capital of the Company.

Issued and authorised	Equity share capital allotted and fully paid	Share capital ($'000)	Share premium ($'000)
At 1 January 2020 and at 31 December 2020	177,089,406	2,367	915,388
Issued during the year			
- New shares	-	-	-
- Share based payment	513,154	7	-
At 31 December 2021	177,602,560	2,374	915,388

21 Non-controlling interests

	Voting rights (%)		Share of loss ($'000)		Accumulated balance ($'000)	
Name of subsidiary	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2020	Year ended 31 December 2021	Year ended 31 December 2020
Energean Israel Ltd	-	30.00	(106)	(3,173)	-	266,299
Total	-	30.00	(106)	(3,173)	-	266,299

Material partly-owned subsidiaries

Energean Israel Limited

On 25 February 2021, the Group completed the acquisition of the remaining 30% minority interest in Energean Israel Limited from Kerogen Investments No.38 Limited, Energean now owns 100% of Energean Israel Limited.

This resulted in a reduction of the Group's reported non-controlling interest balance to $nil as at that date.

The Total Consideration includes:

- An up-front payment of $175 million (the "Up-Front Consideration") paid at completion of the transaction
- Deferred cash consideration amounts totalling $180 million, which are expected to be funded from future cash flows and optimisation of the group capital structure, post-first gas from the Karish project. The deferred consideration is discounted at the selected unsecured liability rate of 9.77%.
- $50 million of convertible loan notes (the "Convertible Loan Notes"), which have a maturity date of 29 December 2023, a strike price of £9.50 and a zero-coupon rate

Following is a schedule of additional interest acquired in Energean Israel Limited:

	$'000
Cash consideration paid to non-controlling shareholders at completion	175,000
Deferred cash consideration	154,499
Convertible Loan Notes - Liability Component	38,337
Convertible Loan Notes - Equity Instrument Component	10,459
Cost related to the transaction	1,677
Carrying value of the 30% minority interest	(266,193)
Difference recognised in retained earnings	**113,779**

The Acquisition of the remaining 30% minority interest in Energean Israel added 2P reserves of 29.5 billion cubic metres ("Bcm") of gas and 30 million barrels of liquids, representing approximately 219 million barrels of oil equivalent ("MMboe") in total, to the Group.

The summarised financial information of Energean Israel Limited for the year ended 31 December 2020, is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of financial position as at 31 December 2020:

($'000)	2020
Current assets	38,725
Non current assets	2,178,689
Current liabilities	(1,207,374)
Non-current liabilities	(122,759)
Total equity	887,281

Summarised statement of profit or loss for 2020:

($'000)	2020
Administration expenses	(3,909)
Exploration and evaluation expenses	(502)
Other expenses	(2,701)
Operating loss	(7,112)
Finance income	2,063
Finance costs	(326)
Loss for the year before tax	(5,375)
Tax income	495
Net loss for the period	(4,880)
Other comprehensive loss:	
Items that may be reclassified subsequently to profit or loss:	
Cash Flow hedge, net of tax	(7,483)
Tax relating to items that may be reclassified subsequently to profit or loss	1,721
Other comprehensive (loss)/income	(5,762)
Total comprehensive income/(loss) for the period	(10,642)

22 Borrowings

($'000)	2021	2020
Non-current		
Bank borrowings - after two years but within five years		
4.5% Senior Secured notes due 2024 ($625 million)	617,060	-
4.875% Senior Secured notes due 2026 ($625 million)	615,966	-
Senior Credit facility ($237 million)	-	227,848
EBRD Senior Facility Loan ($180 million)	-	84,420
EBRD Subordinated Facility Loan ($20 million)	-	17,824
Convertible loan notes ($50 million) – (note 19)	41,495	-
Bank borrowings - more than five years		
6.5% Senior Secured notes due 2027 ($450 million)	442,107	-
5.375% Senior Secured notes due 2028 ($625 million)	615,451	-
5.875% Senior Secured notes due 2031 ($625 million)	615,047	-
Carrying value of non-current borrowings	2,947,126	330,092
Current		
6.83% EBRD Senior Facility Loan due 2024 ($97,6 million)	-	19,020
Senior Credit Facility for the Karish-Tanin Development ($1,450 million)	-	1,093,964
Carrying value of current borrowings	-	1,112,984
Carrying value of total borrowings	2,947,126	1,443,076

The Group has provided security in respect of certain borrowings in the form of share pledges, as well as fixed and floating charges over certain assets of the Group.

$2,500,000,000 senior secured notes:

On 24 March 2021, the Group completed the issuance of $2.5 billion aggregate principal amount of senior secured notes.

The Notes have been issued in four series as follows:

- Notes in an aggregate principal amount of $625 million, maturing on 30 March 2024, with a fixed annual interest rate of 4.500%.
- Notes in an aggregate principal amount of $625 million, maturing on 30 March 2026, with a fixed annual interest rate of 4.875%.
- Notes in an aggregate principal amount of $625 million, maturing on 30 March 2028, with a fixed annual interest rate of 5.375%.
- Notes in an aggregate principal amount of $625 million, maturing on 30 March 2031, with a fixed annual interest rate of 5.875%.

The interest on each series of the Notes is payable semi-annually, on 30 March and on 30 September of each year, beginning on 30 September 2021.

On 29 April 2021 the Group satisfied the escrow release conditions in respect of its $2.5 billion aggregate principal amount of the Notes offering. As a result of satisfying the said escrow release conditions, the proceeds of the Offering were released from escrow.

The Notes are listed for trading on the TACT Institutional of the Tel Aviv Stock Exchange Ltd. (the "TASE").

The use of proceeds from the Offering is as follows:

- To repay outstanding Senior Credit Facility for the Karish-Tanin Development facility and outstanding amount under a $700 million term loan;
- To replace the existing undrawn amounts available under those facilities;
- To fund certain reserve accounts; and
- For transaction expenses and the Group's general corporate purposes.

The Company had undertaken to provide the following collateral in favour of the Trustee:

- First rank Fixed charges over the shares of Energean Israel Limited, Energean Israel Finance Ltd and Energean Israel Transmission Ltd, the Karish & Tanin Leases, the gas sales purchase agreements ("GSPAs"), several bank accounts, Operating Permits (once issued), Insurance policies, the Company exploration licenses (Block 12, Block 21, Block 23, Block 31 and 80% of the licenses under "Zone D") and the INGL Agreement.
- Floating charge over all of the present and future assets of Energean Israel Limited and Energean Israel Finance Ltd.
- Energean Power FPSO (subject to using commercially reasonable efforts, including obtaining Israel Petroleum Commissioner approval and any other applicable governmental authority).

Senior Credit Facility for the Karish-Tanin Development:

On 29 April 2021, following the release of the senior secured notes proceeds of $2.5bn, the Company repaid its existing outstanding facility.

$450,000,000 senior secured notes:

On 18th November 2021, the Group completed the issuance of $450 million of senior secured notes, maturing on 30 April 2027 and carrying a fixed annual interest rate of 6.5%.

The interest on the notes is paid semi-annually on 30 April and 30 October of each year, beginning on 30 April 2022.

The notes are listed for trading on the Official List of the International Stock Exchange ("TISE").

The use of proceeds from the Offering is as follows:

- To repay all amounts outstanding under, and cancel all commitments made available pursuant to certain of its existing debt facilities, being the Egypt reserve-based lending facility and the Greek reserve-based lending facility plus subordinated debt;
- To pay fees and other expenses related to the Offering; and
- For general corporate purposes of the Group

The issuer is Energean plc and the Guarantors are Energean E&P Holdings, Energean Capital Ltd, Energean Egypt Ltd, and Energean Egypt Services JSC.

The company undertook to provide the following collateral in favour of the Security Trustee:

- Share pledge of Energean Capital Ltd, Energean Egypt Ltd, Energean Italy Ltd and Energean Egypt Services JSC
- Fixed charges over the material bank accounts of the Company and the Guarantors (other than Energean Egypt Services JSC)
- Floating charge over the assets of Energean plc (other than the shares of Energean E&P Holdings)

EBRD Senior Facility, EBRD Subordinated Facility, New Egypt RBL Facility:

On 18 November 2021, following the release of the senior secured notes proceeds of $450 million, the Company repaid its existing debt facilities, being the New Egypt reserve based lending facility and the Greek reserve based lending facility plus subordinated debt.

Energean Oil and Gas SA ('EOGSA') loan for Epsilon/Prinos Development:

On 27 December 2021 EOGSA entered into a loan agreement with Black Sea Trade and Development Bank for €90.5 million to fund the development of Epsilon Oil Field. The loan is subject to an interest rate of 3,45 % plus EURIBOR, in addition to fees and commission and has final maturity date 7 years and 11 months after the First Disbursement Date.

On 27 December 2021 EOGSA entered into an agreement with Greek State to issue €9.5 million of notes maturing in 8 years with fix rate 0,31% plus margin as the following table:

Year	Margin
1	3.0%
2	3.5%
3	3.5%
4	4.5%
5	4.5%
6	4.5%
7	5.5%
8	6.5%

Capital management

The Group defines capital as the total equity and net debt of the Group. Capital is managed in order to provide returns for shareholders and benefits to stakeholders and to safeguard the Group's ability to continue as a going concern.

Energean is not subject to any externally imposed capital requirements. To maintain or adjust the capital structure, the Group may put in place new debt facilities, issue new shares for cash, repay debt, engage in active portfolio management, adjust the dividend payment to shareholders, or undertake other such restructuring activities as appropriate.

($'000)	2021	2020
Net Debt		
Current borrowings	-	1,112,984
Non-current borrowings	2,947,126	330,092
Total borrowings	2,947,126	1,443,076
Less: Cash and cash equivalents	(730,839)	(202,939)
Restricted cash	(199,729)	-
Net Debt (1)	**2,016,558**	**1,240,137**
Total equity (2)	717,123	1,194,392
Gearing Ratio (1)/(2):	**281.2%**	**103.8%**

Reconciliation of liabilities arising from financing activities

($'000)	1 January	Cash inflows	Cash outflows	Reclass-ification	Acquisition of subsidiary	Additions	Lease modification	Borrowing costs including amortisation of arrangement fees	Derivatives de-designated as cash flow hedges during the period	Foreign exchange impact	Fair value changes	31 December
2021	1,622,354	3,243,000	(2,006,761)	(35,373)	-	187,778	2,261	251,471	4,641	8,691	28,843	3,307,005
Senior Secured Notes	-	2,950,000	(115,717)	(35,640)	-	-	-	106,988		-	-	2,905,631
Convertible loan notes (note 19)	-	-	-	-	-	38,337	-	3,158				41,495
Long -term borrowings	330,092	175,000	(537,873)	(1,713)	-	-	-	35,277		(783)	-	-
Current borrowings	1,112,984	118,000	(1,320,989)	2,080	-	-	-	87,460		465	-	-
Lease liabilities	47,623	-	(10,852)	-	-	6,304	2,261	1,316		(2,227)		44,425
Deferred licence payments	69,518	-	(14,344)	-	-	-	-	2,056		-	-	57,230
Contingent Consideration	55,222										23,228	78,450
Deferred consideration of acquisition of minority	-	-	-	-	-	143,137	-	12,855		11,236	-	167,228
Derivatives not designated as hedging instruments	6,915	-	(6,986)	-	-	-	-	2,361	4,641	-	5,615	12,546
2020	999,551	557,000	(140,621)	(1,130)	43,347	57,173	(1,519)	100,522		434	7,597	1,622,354
Long -term borrowings	877,931	237.000	(53,033)	(740,579)	-	-	-	8,669		104	-	1,112,984
Current borrowings	38,052	320,000	(61,437)	735,649				80,720				330,092
Lease liabilities	6,111	-	(6,644)	3,800	43,347	1,951	(1,519)	247		330		47,623
Deferred licence payments	78,139	-	(14,843)					6,222				69,518
Contingent consideration						55,222		-				55,522
Derivatives not designated as hedging instruments	(682)		(4,664)					4,664			7,597	6,915

23 Retirement benefit liability

The Group operates defined benefit pension plans in Greece and Italy.

Under Italian law, Energean Italy Spa is required to operate a Target Retirement Fund "TFR" for its local employees. This is technically a defined benefit scheme, though has no pension assets, with the liability measured by independent actuaries.

In accordance with the provisions of Greek labour law, employees are entitled to compensation in case of dismissal or retirement. The amount of compensation varies depending on salary, years of service and the manner of termination (dismissal or retirement). Employees who resign are not entitled to compensation. The compensation payable in case of retirement is equal to 40% of the compensation which would be payable in case of unjustified dismissal.

These plans are not funded and are defined benefit plans in accordance with IAS 19. The Group charges the accrued benefits in each period with a corresponding increase in the relative actuarial liability. The payments made to retirees in every period are charged against this liability. The liabilities of the Group arising from the obligation to pay termination indemnities are determined through actuarial studies, conducted by independent actuaries.

23.1 Provision for retirement benefits

($'000)	2021	2020
Defined benefit obligation	2,767	7,839
Provision for retirement benefits recognised	**2,767**	**7,839**
Allocated as:		
Non-current portion	2,767	7,839
	2,767	**7,839**

23.2 Defined benefit obligation

($'000)	2021	2020
At 1 January	7,839	4,265
Change in estimate144	(3,463)	
Acquisition of subsidiary	-	3,021
Current service cost	191	364
Interest cost	13	39
Extra payments or expenses	775	557
Actuarial losses - from changes in financial assumptions	162	49
Benefits paid	(2,314)	(866)
Transfer in/(out)	(34)	
Exchange differences	(402)	410
At 31 December	**2,767**	**7,839**

[144] During the year there was a change in the defined benefit estimate in Greece, specifically in relation to the periods of service to which an entity attributes benefit.

23.3 Actuarial assumptions and risks

The most recent actuarial valuation was carried out as of 31 December 2021 and it was based on the following key assumptions:

	2021	2020
Greece		
Discount rate	2.00%	1.70%
Expected rate of salary increases	3.84%	3.54%
Average life expectancy over retirement age	19.4 years	19.4 years
Inflation rate	2.00%	1.84%
Italy		
Discount rate	0.94%	-
Expected rate of salary increases	N/A	-
Average life expectancy over retirement age	20.9	-
Inflation rate	2.00%	-

Sensitivity analysis

The sensitivity analysis below shows the impact on the defined benefit obligation of changing each assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2021	2020
Greece		
Percentage Effect on defined benefit obligation		
Change + 0.5% in Discount rate	-3%	-9%
Change – 0.5% in Discount rate	3%	9%
Change +0.5% in Expected rate of salary increases	3%	8%
Change -0.5% in Expected rate of salary increases	-3%	-8%
Italy		
Percentage Effect on defined benefit obligation		
Change + 0.5% in Discount rate	-1%	-
Change – 0.5% in Discount rate	1%	-

	2021	2020
Greece		
Percentage Effect on current service cost		
Change + 0.5% in Discount rate	-4%	-12%
Change – 0.5% in Discount rate	4%	12%
Change +0.5% in Expected rate of salary increases	5%	12%
Change -0.5% in Expected rate of salary increases	-5%	-12%

The amounts presented reflect the impact from the percentage increase / (decrease) in the given assumption by +/- 0.5% on the defined benefit obligation and current service cost, while holding all other assumptions constant.

The plan exposes the Group to actuarial risks such as interest rate risk, longevity changes and inflation risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high-quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Euro. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability.

Longevity of members

Any increase in the life expectancy of the members will increase the defined benefit liability.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's defined benefit liability.

24 Provisions

($'000)	Decommissioning	Provision for litigation and other claims	Total
At 1 January 2020	**13,145**	**133**	**13,278**
New provisions	38,125	-	38,125
Change in estimates	1,496	-	1,496
Refunds	-	(145)	(145)
Acquisition of subsidiary	808,994	16,375	825,369
Unwinding of discount	919	-	919
Currency translation adjustment	2,448	45	2,493
At 31 December 2020	**865,127**	**16,408**	**881,535**
Current provisions	**-**	**-**	**-**
Non-current provisions	**865,127**	**16,408**	**881,535**
At 1 January 2021			
New provisions		520	520
Change in estimates	(18,808)	(4,494)	(23,302)
Recognised in property, plant and equipment	(13,174)		
Recognised in Intangible assets	2,202		
Recognised in profit& loss	(7,836)		
Payments	(2,653)	-	(2,653)
Unwinding of discount	8,722	-	8,722
Currency translation adjustment	(50,290)	(1,140)	(51,430)
At 31 December 2021	**802,098**	**11,294**	**813,392**
Current provisions	**12,366**	**-**	**12,366**
Non-current provisions	**789,732**	**11,294**	**801,026**

Decommissioning provision

The decommissioning provision represents the present value of decommissioning costs relating to oil and gas properties, which are expected to be incurred up to 2040, when the producing oil and gas properties are expected to cease operations. The future costs are based on a combination of estimates from an external study completed at the end of 2019 and internal estimates. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices and the impact of energy transition and the pace at which it progresses which are inherently uncertain.

The decommissioning provision represents the present value of decommissioning costs relating to assets in Italy, Greece, UK, Israel and Croatia. No provision is recognised for Egypt as there is no legal or constructive obligation as at 31 December 2021.

	Inflation assumption	Discount rate assumption	Cessation of production assumption	2021 ($'000)	2020 ($'000)
Greece	1.2%- 1.6%	0.89%	2034	17,058	16,082
Italy	1.07%- 1.37%	1.23%	2022-2040	527,801	551,464
UK	2.5%	1.49%	2023-2031	203,246	239,708
Israel	2.2%	1.95%	2041	35,525	38,399
Croatia	1.8%	1.25%	2022	18,467	19,474
Total				802,097	**865,127**

Litigation and other claims provisions

Litigation and other claim provision relates to litigation actions currently open in Italy with the Termoli Port Authority in respect of the fees payable under the marine concession regarding FSO Alba Marina serving the Rospo Mare field in Italy. Energean Italy Spa has appealed these cases to the Campobasso Court of Appeal. None of the other cases has yet had a decision on the substantive issue. The Group provided €5.6 million (c$6.3 million) against an adverse outcome of these court cases.

Energean Italy Spa has currently open litigations with three municipalities in Italy related to the imposition of real estate municipality taxes (IMU/TASI), interest and related penalties concerning the periods 2016 to 2019. For the years before 2019, Edison SpA bears uncapped liability for any amount assessed according to the sale and purchase agreement (SPA) signed between the companies while Energean is liable for any tax liability related to tax year 2019. For all three cases, Energean Italy SpA (together with Edison SpA, as appropriate) filed appeals presenting strong legal and technical arguments for reducing the assessed taxes to the lowest possible level as well as cancelling entirely the imposed penalties. The Group strongly believes based on legal advice received that the outcome of the court decisions will be in its favour with no material exposure expected in excess of the provision of $2.3 million recognised.

Other provisions include non-income tax provisions and a potential claim in Egypt.

It is not currently possible to accurately predict the timing of the settlement of these claims and therefore the expected timing of the cash flows.

25 Trade and other payables

($'000)	2021	2020
Trade and other payables-Current		
Financial items:		
Trade accounts payable	109,525	193,987
Payables to partners under JOA[145]	43,499	64,752
Deferred licence payments due within one year	-	14,344
Deferred consideration for acquisition of minority	167,228	-
Other creditors	12,043	12,502
Short term lease liability	8,253	10,561
	340,548	296,146

[145] Payables related to operated Joint operations primarily in Italy.

($'000)	2021	2020
Non-financial items:		
Accrued expenses[146]	64,823	49,812
Other finance costs accrued (note 10)	36,693	2,630
Social insurance and other taxes	7,643	5,695
Income taxes	5,279	1,171
	114,438	59,308
	454,986	355,454
Trade and other payables-Non-Current		
Financial items:		
Deferred licence payments[147]	57,230	55,174
Contingent consideration (note 27)	78,450	55,222
Long term lease liability	36,172	37,062
Other payables		
	171,852	147,458
Non-financial items:		
Contract Liability[148]	53,537	29,105
Social insurance	598	630
	54,135	29,735
	225,987	177,193

Trade and other payables are non-interest bearing except for finance leases and deferred licence payments.

[146] Included in trade payables and accrued expenses in FY21 and FY20, are mainly Karish field related development expenditures (mainly FPSO and Sub Sea construction cost), development expenditure for Cassiopea project in Italy and NEA/NI project in Egypt.

[147] In December 2016, Energean Israel acquired the Karish and Tanin offshore gas fields for $40.0 million closing payment with an obligation to pay additional consideration of $108.5 million plus interest inflated at an annual rate of 4.6% in ten equal annual payments. As at 31 December 2021 the total discounted deferred consideration was $57.23 million (as at 31 December 2020: $69.52 million). The Sale and Purchase Agreement ("SPA") includes provisions in the event of Force Majeure that prevents or delays the implementation of the development plan as approved under one lease for a period of more than ninety (90) days in any year following the final investment decision ("FID") date. In the event of Force Majeure the applicable annual payment of the remaining consideration will be postponed by an equivalent period of time, and no interest will be accrued in that period of time as well. Due to the effects of the COVID-19 pandemic which constitute a Force Majeure event, the deferred payment due in March 2022 would be postponed by the number of days that such Force Majeure event last. As of 31 December 2021 Force Majeure event length has not been finalised as the COVID-19 pandemic continues to affect the progress of the project, and as such the deferred payment due in March 2022 will be postponed accordingly.

[148] In June 2019, Energean signed a Detailed Agreement with Israel Natural Gas Lines ("INGL") for the transfer of title (the "hand over") of the nearshore and onshore part of the infrastructure that will deliver gas from the Karish and Tanin FPSO into the Israeli national gas transmission grid. As consideration, INGL will pay Energean 369 million Israeli new shekel (ILS), c$115 million for the infrastructure being built by Energean which will be paid in accordance with milestones detailed in the agreement. The agreement covers the onshore section of the Karish and Tanin infrastructure and the near shore section of pipeline extending to approximately 10km offshore. It is intended that the hand over to INGL will become effective at least 90 days after the delivery of first gas from the Karish field which expected in Q3 2022.

26 Employee share schemes

Analysis of share-based payment charge

($'000)	2021	2020
Energean DSBP Plan	1,215	693
Energean Long Term Incentive Plan	4,718	2,632
Total share-based payment charge	5,933	3,325
Capitalised to intangible and tangible assets	200	99
Expensed as cost of sales	5	
Expensed as administration expenses	5,712	2,776
Expensed to exploration and evaluation expenses	14	442
Expensed as other expenses	2	8
Total share-based payment charge	5,933	3,325

Energean Long Term Incentive Plan (LTIP)

Under the LTIP, Senior Management can be granted nil exercise price options, normally exercisable from three to ten years following grant provided an individual remains in employment. The size of awards depends on both annual performance measures and Total Shareholder Return (TSR) over a period of up to three years. There are no post-grant performance conditions. No dividends are paid over the vesting period; however, Energean's Board may decide at any time prior to the issue or transfer of the shares in respect of which an award is released that the participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those shares on such terms and over such period (ending no later than the Release Date) as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

The weighted average remaining contractual life for LTIP awards outstanding at 31 December 2021 was 1.3 years (31 December 2020: 1.4 years), number of shares outstanding 2,036,982 and weighted average price at grant date £5.99.

There are further details of the LTIP in the Remuneration Report on pages 133-159.

Deferred Share Bonus Plan (DSBP)

Under the DSBP, the portion of any annual bonus above 30% of the base salary of a Senior Executive nominated by the Remuneration Committee was deferred into shares.

Deferred awards are usually granted in the form of conditional share awards or nil-cost options (or, exceptionally, as cash-settled equivalents). Deferred awards usually vest two years after award although may vest early on leaving employment or on a change of control.

The weighted average remaining contractual life for DSBP awards outstanding at 31 December 2021 was 0.8 years, number of shares outstanding 234,902 and weighted price at grant date £6.75.

27 Financial instruments

The Group is exposed to a variety of risks including commodity price risk, interest rate risk, credit risk, foreign currency risk and liquidity risk. The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors. Compliance with policies and exposure limits are monitored and reviewed internally on a regular basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

27.1 Fair values of financial assets and liabilities

The information set out below provides information about how the Group determines the fair values of various financial assets and liabilities.

The fair values of the Group's non-current liabilities measured at amortised cost are considered to approximate their carrying amounts at the reporting date.

The carrying value less any estimated credit adjustments for financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values due to their short term-nature. The fair value of the group's finance lease obligations is estimated using discounted cash flow analysis based on the group's current incremental borrowing rates for similar types and maturities of borrowing and are consequently categorised in level 2 of the fair value hierarchy.

Contingent consideration

The share purchase agreement (the "SPA") dated 4 July 2019 between Energean and Edison SpA provides for a contingent consideration of up to $100.0 million subject to the commissioning of the Cassiopea development gas project in Italy. The consideration was determined to be contingent on the basis of future gas prices (PSV) recorded at the time of the commissioning of the field, which is expected in 2024. No payment will be due if the arithmetic average of the year one (i.e., the first year after first gas production) and year two (i.e., the second year after first gas production) Italian PSV Natural Gas Futures prices is less than €10/Mwh when first gas production is delivered from the field. $100 million is payable if that average price exceeds €20/Mwh.

The contingent consideration to be payable in 2024 was estimated at acquisition date to amount to $61.7 million, which discounted at the selected cost of debt resulted in a present value of $55.2 million as at the acquisition date.

As at 31 December 2021, the two-year future curve of PSV prices increased from the date of acquisition and indicate an average price in excess of €20/Mwh. We estimate the fair value of the Contingent Consideration as at 31 December 2021 to be $78.5 million based on a Monte Carlo simulation (31 December 2020: $55.2 million).

The fair value of the consideration payable has been recognised at level 3 in the fair value hierarchy.

Contingent consideration reconciliation

Contingent consideration	2021
1 January	55,174
Unwinding of discount	1,799
Mark to Market	21,477
31 December	78,450

The fair value of the Contingent Consideration is estimated by reference to the terms of the SPA and the simulated PSV pricing by reference to the forecasted PSV pricing, historical volatility and a log normal distribution, discounted at a cost of debt. Noting the natural gas future prices for PSV are currently in excess of the €20/MWh (the threshold for payment of €100 million), we estimate the fair value of the Contingent Consideration as at 31 December 2021 to be $78.5 million based on a Monte Carlo simulation.

Fair values of derivative financial instruments

The Group held financial instruments at fair value at 31 December 2021 related to interest rate and commodity derivatives. All derivatives are recognised at fair value on the balance sheet with valuation changes recognised immediately in the income statement, unless the derivatives have been designated as a cash flow hedge. Fair value is the amount for which the asset or liability could be exchanged in an arm's length transaction at the relevant date. Where available, fair values are determined using quoted prices in active markets. To the extent that market prices are not available, fair values are estimated by reference to market-based transactions, or using standard valuation techniques for the applicable

instruments and commodities involved. Values recorded are as at the balance sheet date, and will not necessarily be realised.

The Group undertakes hedging activities as part of the ongoing financial risk management to protect against commodity price volatility and to ensure the availability of cash flow for re-investment in capital programmes that are driving business delivery. Commodity hedge contracts entered into in Italy aim to mitigate the risk of changes to the cost of natural gas and that relating to the sale of natural gas.

Hedged Quantity (bbls)	Contract Month	Cargo Month	Cargo Size	Fixed Price $
54800	March 2022	March 2022	250 000	77.00

Hedged Quantity (MWs)	Contract Month	Cargo Month	Gas Sales Size	Fixed Price €
40,000	December 2021	December 2021	125,634	76.00
85,000	January 2022	January 2022	204,576	75.88
85,000	February 2022	February 2022	205,528	75.88
85,000	March 2022	March 2022	181,954	75.88
50,000	April 2022	April 2022	226,013	75.88
50,000	May 2022	May 2022	226,806	44.06
50,000	June 2022	June 2022	223,084	42.26
50,000	July 2022	July 2022	222,110	40.46
50,000	August 2022	August 2022	222,679	39.13
50,000	September 2022	September 2022	216,103	39.13
50,000	October 2022	October 2022	215,290	40.07
50,000	November 2022	November 2022	200,205	40.07
50,000	December 2022	December 2022	206,640	40.07

As at 31 December 2021, the interest rate derivatives were settled following the repayment of the related loan. The commodity hedges are Level 2. There were no transfers between fair value levels during the year.

The fair value hierarchy of financial assets and financial liabilities that are not measured at fair value (but fair value disclosure is required) is as follows:

	Fair value hierarchy as at 31 December 2021			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Trade and other receivables (note 19)	-	284,692	-	284,692
Cash and cash equivalents and bank deposits (note 16)	730,839	-	-	730,839
Restricted Cash	199,729			199,729
Total	**930,568**	**284,692**	**-**	**1,215,260**
Financial liabilities				
Financial liabilities held at amortised cost:				
Trade and other payables – current	-	173,319	-	173,319

	Fair value hierarchy as at 31 December 2021			
	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Borrowings (note 22)	-	2,947,126	-	2,947,126
Deferred consideration for acquisition of minority	-	167,228	-	167,228
Net obligations under finance leases (note 25)	-	44,425	-	44,425
Convertible loan notes (note 22)	-	41,495	-	41,495
Deferred licence payments (note 25)	-	57,230	-	57,230
Financial liabilities at FVTPL				
Interest rate derivatives	-	12,546	-	12,546
Contingent Consideration (note 6)	-		78,450	78,450
Total	**-**	**3,443,369**	**78,450**	**3,521,819**

	Fair value hierarchy as at 31 December 2020			
($'000)	Level 1	Level 2	Level 3	Total
Financial assets				
Trade and other receivables (note 17)	-	246,307	-	246,307
Cash and cash equivalents and bank deposits (note 14)	202,939	-	-	202,939
Total	**202,939**	**246,307**	**-**	**449,246**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings (note 20)	-	1,443,076	-	1,443,076
Net obligations under finance leases (note 23)	-	47,623	-	47,623
Deferred licence payments (note 22)	-	69,518	-	69,518
Financial liabilities held at FVTPL:				
Interest rate derivatives	-	6,915	-	6,915
Contingent consideration (note 4)	-	-	55,222	55,222
Total	**-**	**1,567,132**	**55,222**	**1,622,354**

27.2 Commodity price risk

The Group undertakes hedging activities as part of the ongoing financial risk management to protect against commodity price volatility and to ensure the availability of cash flow for re-investment in capital programmes that are driving business delivery. Commodity hedge contracts entered into in Italy aim to mitigate the risk of changes to the cost of natural gas and that relating to the sale of natural gas.

Hedge position	2022	2023
Gas		
Volume hedged (MWs)	705,000	-
Average priced hedged (€/MWs)	55.89	-

At 31 December 2021, our financial hedging programme on gas derivative instruments showed a pre-tax negative fair value of $12.5 million (2020: nil) included in derivative financial instruments, with no ineffectiveness charge to the income statement.

There are no hedging contracts entered into with regards to oil price.

27.3 Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 December 2021, the Group has no exposure to interest rate risks as all borrowings are at fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

($'000)	2021	2020
Variable rate instruments		
Borrowings	-	1,443,076
		1,443,076

27.4 Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that all of its transactions giving rise to credit risk are made with parties having an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Also, the Group has policies to limit the amount of credit exposure to any banking institution, considering among other factors the credit ratings of the banks with which deposits are held. Credit quality information in relation to those banks is provided below.

With regard to the risk of potential losses caused by the failure of any of the counterparties the Company interacts with to honour the commitments they have undertaken, the Group has implemented for some time procedures and tools to evaluate and select counterparties based on their credit rating, constantly monitor its exposure to the various counterparties and implement appropriate mitigating actions, primarily aimed at recovering or transferring receivables. For the period ended 31 December 2021 the Group has also considered the impact of COVID-19 in relation to the recoverability of its trade receivables and expected credit loss allowances recognised at period end.

Presented below is a breakdown of trade receivables by past due bracket:

($'000)	31 December 2021	31 December 2020
Trade receivables	215,776	257,779
Allowance for impairment	(31,834)	(31,661)
Total	**183,942**	**226,118**

Trade receivables include balances from EGPC, the Egyptian governmental body that are significantly aged.

($'000)	31 December 2021		31 December 2020	
	Trade receivables	Allowance	Trade receivables	Allowance
Not yet due	44,602	(1,461)	133,144	(2,127)
Past due by less than one month	12,187	(399)	16,511	(424)
Past due by one to three months	12,212	(400)	14,269	(298)
Past due by three to six months	12,959	(425)	53,055	(1,850)
Past due by more than six months	41,646	(25,786)	40,800	(26,962)
Total	**123,606**	**(28,471)**	**257,779**	**(31,661)**

Trade Receivables by geography

($'000)	31 December 2021	31 December 2020
Italy	41,757	62,622
United Kingdom	5,428	1,931
Egypt	123,850	184,940
Greece	2,893	5,617
Croatia	212	301
Israel	21,275	-
Other Countries	2,215	2,368
Total	**197,630**	**257,779**

Credit quality of bank deposits

The credit quality of the banks in which the Group keeps its deposits is assessed by reference to the credit rating of these banks. Moody's credit ratings of the corresponding banks in which the Group keeps its deposits is as follows:

($'000)	2021	2020
Aa3	-	51,502
A1	288,953	63,244
A2	549,494	1
A3	10,139	697
BBB	64,760	73,950
BB	16,590	-
B3	634	12,364
Caa1	-	775
Caa2	-	406
	930,570	202,939

The Company has assessed the recoverability of all cash balances and considers they are carried within the consolidated statement of financial position at amounts not materially different to their fair value.

The credit ratings of the Group's trade receivables are as follows:

($'000)	2021	2020
Non-rated	178,804	226,139
Total	178,804	226,139

27.5 Foreign exchange risk

The Group is exposed to foreign exchange risk as it undertakes operations in various foreign currencies. The key sources of the risk are attributed to the fact that the Group has certain subsidiaries with Euro functional currencies in which a number of loan agreements denominated in US$ and sales of crude oil are additionally denominated in US$.

The Group's exposure to foreign currency risk, as a result of financial instruments, at each reporting date is shown in the table below. The amounts shown are the US$ equivalent of the foreign currency amounts.

	Liabilities		Assets	
($'000)	2021	2020	2021	2020
Dollars (US$)	759,232	130,161	265,166	19,710
United Kingdom Pounds (£)	236,115	358,083	107,336	373,462
Euro	588,952	1,072,146	724,116	1,559,366
CAD	-	15	-	-
NOK	4,403	259	18	50,723
ILS	1,501	32,593	22,442	23,103
SGD	276	161	238	91
EGP	-	41	-	1
Total	**1,590,479**	**1,593,459**	**1,119,316**	**2,026,456**

The following table reflects the sensitivity analysis for profit and loss results for the year and equity, taking into consideration for the periods presented foreign exchange variation by +/- 10%.

	31 December 2021													
	USD		GBP		Euro		ILS		NOK		SGD		EGP	
	Variation		Variation		Variation		Variation		Variation		Variation		Variation	
	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%
Profit or loss (before tax)	(24,122)	29,629	(10,249)	12,275	5,324	(6,755)	-	-	2,094	(1,904)	(439)	399	(4)	5
Other comprehensive income	-	-	-	-	-	-			-	-	-	-		
Equity	(24,122)	29,629	(10,249)	12,275	5,324	(6,755)	-	-	2,094	(1,904)	(439)	399	(4)	5

	31 December 2020													
	USD		GBP		Euro		ILS		NOK		SGD		EGP	
	Variation		Variation		Variation		Variation		Variation		Variation		Variation	
	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%
Profit or loss (before tax)	12,542	(15,329)	1,503	(1,746)	14,191	(17,220)	5,570	(5,063)	4,637	(5,659)	25	(23)	(4)	5
Other comprehensive income	15,245	(3,706)												
Equity	27,787	(19,035)	1,503	(1,746)	14,191	(17,220)	5,570	(5,063)	4,637	(5,659)	25	(23)	(4)	5

The above calculations assume that interest rates remain the same as at the reporting date.

27.6 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its risk to a shortage of funds by monitoring its debt rating and the maturity dates of existing debt and other payables. As at 31 December 2021, the Group had available c$113 million (2020: $1,040 million) of undrawn committed borrowing facilities.

The undrawn facilities are in relation to the Greek State-Backed Loan of €100 million which is to be used specifically for the development of the Prinos Area in Greece, including the Epsilon development.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group manages its liquidity risk by ongoing monitoring of its cash flows. Group management prepares budgets and regular cash flow forecasts and takes appropriate actions to ensure available cash deposits and credit lines with the banks are available to meet the Group's liabilities as they fall due.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments:

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
($'000)							
Bank loans	2,950,701	3,936,296	64,095	93,004	208,562	1,640,222	1,930,412
Lease liabilities	44,425	21,953	1,919	4,937	6,216	7,130	1,744
Trade and other payables	467,986	552,689	139,467	208,120	26,704	137,047	11,350
Total	**3,463,112**	**4,510,938**	**205,481**	**306,061**	**241,482**	**1,784,399**	**1,943,506**

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
($'000)							
Bank loans	1,443,076	1,652,004	13,541	1,226,014	98,718	273,231	40,500
Lease liabilities	47,623	48,199	3,539	7,372	5,978	10,082	21,228
Trade and other payables	395,980	412,544	218,910	63,735	26,155	92,394	11,350
Total	**1,866,679**	**2,112,747**	**235,990**	**1,297,121**	**130,851**	**375,707**	**73,078**

28 Related parties

28.1 Related party relationships

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Directors of Energean plc are considered to be the only key management personnel as defined by IAS 24. The following information is provided in relation to the related party transaction disclosures provided in note 27.2 below:

Adobelero Holdings Co Ltd. is a beneficially owned holding company controlled by Panos Benos, the CFO of the Group.

Growthy Holdings Co Ltd is a beneficially owned holding company controlled by Matthaios Rigas, the CEO of the Group.

Oil Co Investments Limited is beneficially owned and controlled by Efstathios Topouzoglou, a Non-Executive Director of the Group. The nature of the Group's transactions with the above related parties is mainly financing activities.

Kerogen Capital is an independent private equity fund manager specialising in the international oil and gas sector, which until February 2021 held the 30% of Energean Israel ordinary shares not held by the Group (please refer to note 21).

Seven Maritime Company (Seven Marine) is a related party company controlled by one the Company's shareholders Mr Efstathios Topouzoglou. Seven Marine owns the offshore supply ships Valiant Energy and Energean Wave which support the Group's investment program in northern Greece.

Capital Earth Ltd: During the year ended 31 December 2021 the Group received consultancy services from Capital Earth Limited, a consulting company controlled by the spouse of one of Energean's executive director, for the provision of Group Corporate Social Responsibility Consultancy and Project Management Services.

28.2 Related party transactions

Purchases of goods and services

($'000)	Nature of transactions	2021	2020
Other related party "Seven Marine"	Vessel leasing and services	2,000	1,473
Other related party "Prime Marine Energy Inc"	Construction of field support vessel	10,273	19,950
Other related party "Capital Earth Ltd"	Consulting services	35	129
		12,308	21,552

Following a competitive tender process, the Group has entered into an agreement to purchase a Field Support Vessel ("FSV") from Prime Marine Energy Inc., a company controlled by director and shareholder at Energean plc, for $33.3 million. The FSV is being constructed to meet the Group's specifications and will provide significant in-country capability to support the Karish project, including FPSO re-supply, crew changes, holdback operations for tanker offloading, emergency subsea intervention, drilling support and emergency response. The purchase of this multi-purpose vessel will enhance operational efficiencies and economics when compared to the leasing of multiple different vessels for the various activities.

28.3 Related party balances

Payables

($'000)	Nature of balance	2021	2020
Seven Marine	Vessel leasing and services	417	407
		417	**407**

28.4 Key management compensation

The Directors of Energean plc are considered to be the only key management personnel as defined by IAS 24 Related Party Disclosures.

31 December 2021 ($'000)	Salary and fees	Benefits	Annual bonus	Total
Executive Directors	1,650	100	1,664	3,414
Non-Executive Directors	703	-	-	703
Total	**2,353**	**100**	**1,664**	**4,117**

31 December 2020 ($'000)	Salary and fees	Benefits	Annual bonus	Total
Executive Directors	1,436	160	1,215	2,811
Non-Executive Directors	574	-	-	574
Total	**2,010**	**160**	**1,215**	**3,385**

29 Commitments and contingencies

In acquiring its oil and gas interests, the Group has pledged that various work programmes will be undertaken on each permit/interest. The exploration commitments in the following table are an estimate of the net cost to the Group of performing these work programmes:

($'000)	2021	2020
Capital Commitments[149]		
Due within one year	20,575	102,255
Due later than one year but within two years	51,180	84,855
Due later than two years but within five years	1,497	200,895
	73,252	**388,005**
Performance guarantees[150]		
Greece	1,176	6,743
Israel	89,683	62,101
UK	99,570	96,655
Italy	21,292	15,361
Montenegro	566	614
	212,287	**181,474**

[149] Amount of $7.7 million is towards to Government and amount of $65.6 million refers to capital commitments to partners based on future work programmes.

[150] Performance guarantees are in respect of abandonment obligations, committed work programmes and certain financial obligations.

Issued guarantees:

Karish and Tanin Leases - As part of the requirements of the Karish and Tanin Lease deeds, the Group provided the Ministry of National Infrastructures, Energy and Water with bank guarantees in the amount of $10 million for each lease (total $20 million). The bank guarantees were in force until 29 December 2019, and were renewed in March 2021 until 31 March 2022.

Blocks 12, 21, 22, 23 and 31 in Israel - As part of the requirements of the exploration and appraisal licences which granted to the Group during the Israeli offshore BID in December 2017, the Group provided the Ministry of National Infrastructures, Energy and Water in January 2018 with bank guarantees in the amount of $6 million for all 5 blocks mentioned above. The bank guarantees are in force until 13 January 2023. In addition, $5 million bank guarantee related Block 12 drilling was issued in November 2021 and is in force until 17 December 2022

Blocks 55, 56, 61 and 62, also known as "ZONE D" - As part of the requirements of the exploration and appraisal licences which granted to the Group during the Israeli 2nd offshore BID in July 2019, the Group provided the Ministry of National Infrastructures, Energy and Water in January 2018 with bank guarantees in the amount of $3.2 million for all 4 blocks mentioned above. The bank guarantees are in force until 28 September 2022.

Israeli Natural Gas Lines ("INGL") - As part of the agreement signed with INGL on June 2019 the Group provided INGL bank guarantee at the amount of 116 million ILS (approx. $54 million) in order to secure the first milestone payment from INGL. The first bank guarantee at the amount of 92 million ILS (approx. $30 million) in force until 21 November 2022. During June 2021 and November 2021 additional two bank guarantees were issued to secure INGL's additional milestone payments in total of 18 million ILS (approx. $6 million) and 56 million ILS (approx. $18 million), accordingly, these bank guarantees are in force until 30 June 2022 and 30 November 2022, respectively.

Israel Other - As part of the ongoing operations in Israel, the Group provided various bank guarantees to third parties in Israel which amounted approx. $2 million. The main bank guarantees are in force till end of first quarter of 2022, the remaining bank guarantees are in force till end of third quarter of 2022.

United Kingdom: Following Edison E&P acquisition the Group issued letters of credit amount $99.6 million for United Kingdom decommissioning obligations and obligations under the United Kingdom licenses

Italy: Following Edison E&P acquisition the Group issued letters of credit amount $21.3 million for decommissioning obligations and obligations under the Italian licenses

Legal cases and contingent liabilities

The Group had no material contingent liabilities as of 31 December 2021.

30 Subsequent events

On the 14 March 2022 - Energean signed a supply agreement with the Israel Electric Company, the largest Israeli buyer of natural gas. IEC will now have the right to purchase natural gas from Energean's fields. The gas price will be determined in each period, with purchased amounts determined on a daily basis. Starting upon the commencement of first gas production from Karish, the agreement will be valid for an initial one-year period with an option to extend subject to ratification by both parties.

31 Subsidiary undertakings

At 31 December 2021, the Group had investments in the following subsidiaries:

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 31 December 2021 (%)	Shareholding At 31 December 2020 (%)
Energean E&P Holdings Ltd	22 Lefkonos Street, 2064 Nicosia, Cyprus	Holding Company	100	100
Energean Capital Ltd	22 Lefkonos Street, 2064 Nicosia, Cyprus	Holding Company	100	100
Energean MED Limited	44 Baker Street, London W1U 7AL, United Kingdom	Oil and gas exploration, development and production	100	100
Energean Oil & Gas S.A.	32 Kifissias Ave. 151 25 Marousi Athens, Greece	Oil and gas exploration, development and production	100	100
Energean International Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100
Energean Israel Limited (Note 6)	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	70
Energean Montenegro Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100
Energean Israel Finance SARL	560A rue de Neudorf, L-2220, Luxembourg	Financing activities	100	70
Energean Israel Transmission LTD	Andre Sakharov 9, Haifa, Israel	Gas transportation license holder	100	70
Energean Isreal Finance LTD	Andre Sakharov 9, Haifa, Israel	Financing activities	100	70
Energean Egypt Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100

Name of subsidiary	Country of incorporation / registered office	Principal activities	Shareholding At 31 December 2021 (%)	Shareholding At 31 December 2020 (%)
Energean Hellas Limited	22 Lefkonos Street, 2064 Nicosia, Cyprus	Oil and gas exploration, development and production	100	100
Energean Italy S.p.a.	31 Foro Buonaparte, 20121 Milano, Italy	Oil and gas exploration, development and production	100	100
Energean International E&P S.p.a.	31 Foro Buonaparte, 20121 Milano, Italy	Oil and gas exploration, development and production	100	100
Energean Sicilia Srl	Via Salvatore Quasimodo 2 - 97100 Ragusa (Ragusa)	Oil and gas exploration, development and production	100	100
Energean Exploration Limited	44 Baker Street, London W1U 7AL, United Kingdom	Oil and gas exploration, development and production	100	100
Edison E&P UK Ltd	44 Baker Street, London W1U 7AL, United Kingdom	Oil and gas exploration, development and production	100	100
Edison Egypt Energy Services JSC	Cairo, Egypt	Oil and gas exploration, development and production	100	100

32 Exploration, development and production interests

Country	Fields	Fiscal Regime	Group's working interest	Field Phase	Joint Operation	Operator
Israel						
	Karish	Concession	100%	Development	No	NA
	Tanin	Concession	100%	Development	No	NA
	Blocks 12, 21, 22, 23, 31	Concession	100%	Exploration	No	NA
	Four licenses Zone D	Concession	80%	Exploration	Yes	Energean
Egypt						
	Abu Qir	PSC	100%	Production	No	NA
	Abu Qir North	PSC	100%	Production	No	NA
	Abu Qir West	PSC	100%	Production	No	NA
	Yazzi	PSC	100%	Development	No	NA
	Python	PSC	100%	Development	No	NA
	Field A (NI-1X)	PSC	100%	Exploration	No	NA
	Field B (NI-3X)	PSC	100%	Exploration	No	NA
	NI-2X	PSC	100%	Exploration	No	NA
	North East Hap'y	PSC	30%	Exploration	Yes	ENI
	Viper (NI-4X)	PSC	100%	Exploration	No	NA
Greece						
	Prinos	Concession	100%	Production	No	NA
	Epsilon	Concession	100%	Development	No	NA
	Prinos exploration area	Concession	100%	Exploration	No	NA
	South Kavala	Concession	100%	Production	No	NA
	Katakolo	Concession	100%	Undeveloped	No	NA
	Ioannina	Concession	40%	Exploration	Yes	Repsol
	West Patraikos	Concession	50%	Exploration	Yes	HELPE
	Block-2	Concession	75%	Exploration	Yes	Energean
Italy						
	Vega A	Concession	100%	Production	Yes	Energean
	Vega B	Concession	100%	Production	Yes	Energean
	Rospo Mare	Concession	100%	Production	Yes	Energean
	Verdicchio	Concession	100%	Production	No	NA
	Vongola Mare	Concession	95%	Production	Yes	Energean

Country	Fields	Fiscal Regime	Group's working interest	Field Phase	Joint Operation	Operator
	Gianna	Concession	49%	Development	Yes	ENI
	Accettura	Concession	50%	Production	Yes	Energean
	Anemone	Concession	19%	Production	Yes	ENI
	Appia	Concession	50%	Production	Yes	Energean
	Argo-Cassiopea	Concession	40%	Development	Yes	ENI
	Azalea	Concession	16%	Production	Yes	ENI
	Calipso	Concession	49%	Production	Yes	ENI
	Candela Dolce	Concession	40%	Production	Yes	ENI
	Candela Povero	Concession	40%	Production	Yes	ENI
	Carlo	Concession	49%	Production	Yes	ENI
	Cassiano	Concession	50%	Production	Yes	Energean
	Castellaro	Concession	50%	Production	Yes	Energean
	Cecilia	Concession	49%	Production	Yes	ENI
	Clara East	Concession	49%	Production	Yes	ENI
	Clara North	Concession	49%	Production	Yes	ENI
	Clara Northwest	Concession	49%	Production	Yes	ENI
	Clara West	Concession	49%	Production	Yes	ENI
	Comiso	Concession	100%	Production	No	NA
	Cozza	Concession	85%	Production	Yes	Energean
	Daria	Concession	49%	Production	Yes	ENI
	Didone	Concession	49%	Production	Yes	ENI
	Emma West	Concession	49%	Production	Yes	ENI
	Fauzia	Concession	40%	Production	Yes	ENI
	Giovanna	Concession	49%	Production	Yes	ENI
	Leoni	Concession	50%	Production	Yes	Gas Plus
	Monte Urano-San Lorenzo	Concession	40%	Production	Yes	Energean
	Naide	Concession	49%	Production	Yes	ENI
	Portocannone	Concession	62%	Production	Yes	Energean
	Quarto	Concession	33%	Production	Yes	Padana Energia
	Ramona	Concession	49%	Production	Yes	ENI
	Regina	Concession	25%	Production	Yes	ENI
	Salacaro	Concession	50%	Production	Yes	Energean
	San Giorgio Mare	Concession	95%	Production	Yes	Energean

Country	Fields	Fiscal Regime	Group's working interest	Field Phase	Joint Operation	Operator
	San Marco	Concession	100%	Production	No	NA
	Santa Maria Mare	Concession	96%	Production	Yes	Energean
	Santo Stefano	Concession	95%	Production	Yes	Energean
	Sarago Mare	Concession	85%	Production	Yes	Energean
	Sinarca	Concession	40%	Production	Yes	Gas Plus
	Talamonti	Concession	50%	Production	Yes	Energean
	Tresauro	Concession	25%	Production	Yes	Enimed
UK						
	Garrow	Concession	68%	Production	Yes	Alpha Petroleum
	Kilmar	Concession	68%	Production	Yes	Alpha Petroleum
	Scott	Concession	10%	Production	Yes	CNOOC
	Telford	Concession	16%	Production	Yes	CNOOC
	Wenlock	Concession	80%	Production	Yes	Alpha Petroleum
	Glengorm	Concession	25%	Exploration	Yes	CNOOC
	Isabella	Concession	10%	Exploration	Yes	Total Energies E&P North Sea UK Limited
Montenegro						
	Block 26, 30	Concession	100%	Exploration	No	NA
Croatia						
	Irena	PSC	70%	Exploration	No	NA
	Izabela	PSC	70%	Production	No	NA
Malta						
	Blocks 1, 2 and 3 of Area 3	Concession	100%	Exploration	No	NA

Company Statement of Financial Position

As at 31 December 2021

($'000)	Notes	2021	2020
Assets			
Non-current assets			
Investment in subsidiaries	3	1,154,387	1,031,991
Property plant and equipment		59	71
Loans and other intercompany receivables	5	336,150	2,183
		1,490,596	1,034,245
Current assets			
Trade and other receivables	6	131,677	25,745
Cash and cash equivalents		18,910	67,187
		150,587	92,932
Total assets		1,641,183	1,127,177
Liabilities			
Current liabilities			
Trade and other payables	8	12,105	10,532
		12,105	10,532
Non-current liabilities			
Other payables		551	153
Borrowings	9	483,441	-
		483,992	153
Total liabilities		496,097	10,685
Capital and reserves			
Share capital	10	2,374	2,367
Share premium	10	915,388	915,388
Other reserves		10,459	-
Share based payment reserve	12	19,374	13,419
Retained earnings		197,491	185,318
Total equity		1,145,086	1,116,492
Total equity and liabilities		1,641,183	1,127,177

During the year the Company made a profit of $12.2 million (31 December 2020: loss of $1.7 million).

Approved by the Board and authorised for isssuance on 23 March 2022.

Matthaios Rigas
Chief Executive Officer

Panagiotis Benos
Chief Financial Officer

Company Statement of Changes in Equity

For the year ended 31 December 2021

($'000)	Share Capital	Share Premium	Share based payment reserve	Equity component of convertible bonds	Retained earnings	Total equity
At 1 January 2020	2,367	915,388	10,094	-	186,993	1,114,842
Profit/(loss) for the year	-	-	-	-	(1,675)	(1,675)
Transactions with owners of the company						
Employee share schemes	-	-	3,325	-	-	3,325
At 31 December 2020	2,367	915,388	13,419	-	185,318	1,116,492
Profit/(loss) for the year	-	-	-		12,173	12,173
Transactions with owners of the company						
Share based payment charges			5,962			5,962
Exercise of Employee Share options	7		(7)			-
Convertible bond issue (note 9)				10,459		10,459
At 31 December 2021	2,374	915,388	19,374	10,459	197,491	1,145,086

Company Accounting Policies

For the year ended 31 December 2021

1 General information

Energean plc ('the Company') was incorporated in England & Wales on 8 May 2017 as a public company with limited liability, under the Companies Act 2006. Its registered office is at 44 Baker Street, London W1U 7AL, United Kingdom. The Financial Statements are presented in US dollars and all values are rounded to the nearest US$ thousands ($'000), except where otherwise stated. Energean plc is the ultimate Parent of the Energean Group.

2 Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The parent company Financial Statements have therefore been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 (FRS 101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council. As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1 and (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment;
- The requirements of paragraphs 10(d), 16, 38A to 38D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 share-based payments
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Where relevant, equivalent disclosures have been given in the Group accounts.

The Company has applied the exemption from the requirement to publish a separate income statement for the parent company set out in section 408 of the Companies Act 2006.

2.1 Going concern

The Directors have performed an assessment and concluded that the preparation of the financial statements on a going concern basis is appropriate. In making this assessment a number of factors were considered, refer to note 2.1. of the consolidated financial statements. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and consider it appropriate to adopt the going concern basis in preparing the financial statements

2.2 Foreign currencies

The US dollar is the functional currency of the Company. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date, with a corresponding charge or credit to the income statement.

2.3 Investments

Fixed asset investments, representing investments in subsidiaries, are stated at cost and reviewed for impairment

if there are indications that the carrying value may not be recoverable.

2.4 Trade and other receivables

Receivables represent the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Company is required to assess the carrying values of each of the amounts due from subsidiary undertakings, considering the requirements established by IFRS 9 Financial Instruments. The IFRS 9 impairment model requires the recognition of 'expected credit losses'. If the subsidiary has sufficient liquid assets to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. However, if the subsidiary could not demonstrate the ability to repay the loan, if demanded at the reporting date, the Company calculated an expected credit loss.

2.5 Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obligated to make future payments in respect of the purchase of those goods and services.

2.6 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, modified and through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

2.7 Convertible bonds

Convertible bonds are separated into liability and equity components based on the terms of the contract. The fair value of the liability component on initial recognition is calculated by discounting the contractual cash flows using a market interest rate for an equivalent non-convertible instrument. The difference between the fair value of the liability component and the proceeds received on issue is recorded as equity.

Transaction costs are apportioned between the liability and the equity components of the instrument based on the amounts initially recognised. The liability component is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or settlement. The equity component is not remeasured.

2.8 Share issue expenses

Costs of share issues are written off against share premium arising upon the issuance of share capital.

2.9 Capital management

The Company defines capital as the total equity of the Company. Capital is managed in order to provide returns for shareholders and benefits to stakeholders and to safeguard the Company's ability to continue as a going concern. The Company is not subject to any externally imposed capital requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, and put in place new debt facilities.

2.10 Share-based payments

The Company has share-based awards that are equity settled as defined by IFRS 2. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee remuneration expense together with a corresponding increase in equity (share-based payment reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand and time deposits and other short-term highly liquid investments with a maturity of less than 3 months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.12 Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements and key sources of estimation uncertainty in the current year.

3 Investments in subsidiaries

The following table shows the movement in the investment in subsidiaries during the year

($'000)	
At 31 December 2020	**1,031,991**
Additions	122,396
At 31 December 2021	**1,154,387**

During 2021, the Company increased its investments in subsidiary undertakings by $122.4 million (31 December 2020: $154.8 million). These additions relate partly to further injections of cash, for the issuance of shares, in existing subsidiaries ($72.4 million) and partly due to the transaction with Kerogen to acquire the minority interest in Energean Israel Limited ($50 million).

A complete list of Energean plc Group companies at 31 December 2021, and the Group's percentage of share capital are set out in the note 31 of the Group financial statements. The principal activity of the majority of these companies relates to oil and gas exploration, development and production. All of these subsidiaries have been consolidated in the Group's financial statements.

4 Dividends

No dividends were paid or declared during the period. No dividend is proposed in respect of the year ended 31 December 2021 (2020: $nil).

5 Loans and other intercompany receivables

($'000)	2021	2020
Loans to subsidiaries	334,073	1,638
Receivables from share-based plan to subsidiary undertakings	2,077	545
At 31 December	**336,150**	**2,183**

The loans to subsidiaries consist of three loans, two of which were issued in the current year and the loan to Energean International Limited ('EIL'). Loans were issued to Energean Capital Limited ('ECL') ($221.2 million) and Energean Oil and Gas S.A. ('EOGSA') ($110.9 million) during the year. The ECL loan incurs a fixed rate of interest at 5.5% per annum and matures on 18 May 2027. The EOGSA loan incurs a fixed rate of interest at 6.7% and matures on 18 November 2029. The loan to EIL incurs a fixed rate of interest at 3% per annum and has maturity date on 20 December 2023.

At 31 December 2021 no expected credit loss allowances (2020: $nil) were held in respect of the recoverability of amounts due from subsidiary undertakings.

6 Trade and other receivables

($'000)	2021	2020
Financial items		
Receivables from shareholders	-	22
Due from subsidiary undertakings	129,840	23,417
	129,840	**23,439**
Non-financial items		
Deposits and prepayments	1,069	1,894
Refundable VAT	768	412
	1,837	**2,306**
Total trade and other receivables	**131,677**	**25,745**

At 31 December 2021 no expected credit loss allowances (2020: $nil) were held in respect of the recoverability of amounts due from subsidiary undertakings. The increase in the current year relates to amounts receivable from Energean E&P Holdings that are currently held in time deposits, expiring in 2022 ($120 million). $80 million of the receivable incurs interest at a fixed rate of 0.82% per annum and the remaining $40 million at a fixed interest rate of 0.73% per annum.

The amounts due from subsidiary undertakings include the current portion of the loans issued to Energean Capital Limited, Energean Oil and Gas S.A. and Energean International which incur a fixed rate of interest as set out above in note 5 of the financial statements. The remaining amounts due from subsidiaries accrue no interest and relate to intragroup recharges for subsidiaries' employees share-based payments and management services provided by the Company to its subsidiaries under a "Master Intercompany Services Agreement".

7 Financial risk management objectives

The Company follows the Group's policies for managing all its financial risks. Refer to note 27 in the Group Financial Statements.

8 Trade and other payables

($'000)	2021	2020
Staff costs accrued	2,291	1,922
Trade payables	2,790	939
Due to subsidiary undertakings	1,097	385
Finance costs accrued	3,575	-
Accrued expenses	2,040	7,031
Taxes and social security costs payable	261	250
Other creditors	51	5
Total trade and other payables	**12,105**	**10,532**

The amounts are unsecured and are usually paid within 30 days of recognition.

9 Borrowings

On 25 February 2021, the Group completed the acquisition of the remaining 30% minority interest in Energean Israel Limited from Kerogen Investments No.38 Limited, Energean now owns 100% of Energean Israel Limited. The transaction resulted in $50 million of convertible loan notes (the "Convertible Loan Notes") being issued, which have a maturity date of 29 December 2023, a strike price of £9.50 and a zero-coupon rate. For further details on the transaction refer to note 21 in the consolidated financial statements.

On 18 November 2021, the Company completed the issuance of $450 million aggregate principal amount of senior secured notes maturing in 2027 at a fixed interest rate of 6.5%. For further details on the transaction refer to note 22 in the consolidated financial statements.

($'000)	2021	2020
Non-current		
Convertible loan notes	41,496	-
6.5% Senior Secured notes	441,945	-
Carrying value of non-current borrowings	**483,441**	

10 Share capital

	Equity share capital allotted and fully paid	Share capital ($'000)	Share premium ($'000)
Authorised			
At 31 December 2019	**177,089,406**	**2,367**	**915,388**
At 31 December 2020	**177,089,406**	**2,367**	**915,388**
Issued during the year			
- Employee share schemes	513,154	7	-
At 31 December 2021	**177,602,560**	**2,374**	**915,388**

As at 31 December 2021, the Company's issued share capital consisted of 177,602,560 ordinary shares of £0.01 each. The Company has only one class of share, which carries no right to fixed income. Each share carries the right to one vote at General Meetings of the Company.

11 Staff costs

($'000)	2021	2020
Wages and salaries	2,117	2,770
Directors' remuneration	3,136	2,032
Social insurance costs and other funds	1,913	974
Share-based payments	3,933	2,362
Pension contribution & insurance	458	67
Total Staff Cost	**11,557**	**8,205**

12 Share-based payment

Energean Long Term Incentive Plan (LTIP)

Under the LTIP, Senior Management can be granted nil exercise price options, normally exercisable from three to ten years following grant provided an individual remains in employment. The size of awards depends on both annual performance measures and Total Shareholder Return (TSR) over a period of up to three years. There are no other post-grant performance conditions.

No dividends are paid over the vesting period; however, Energean's Board may decide at any time prior to the issue or transfer of the shares in respect of which an award is released that the participant will receive an amount (in cash and/or additional Shares) equal in value to any dividends that would have been paid on those shares on such terms and over such period (ending no later than the Release Date) as the Board may determine. This amount may assume the reinvestment of dividends (on such basis as the Board may determine) and may exclude or include special dividends.

The weighted average remaining contractual life for LTIP awards outstanding at 31 December 2021 was 1.3 years (31 December 2020: 1.4 years), number of shares outstanding 2,036,982 and weighted average price at grant date £5.99.

There are further details of the LTIP in the Remuneration Committee Report section of the Annual Report and note 26 in the consolidated financial statements.

Deferred Share Bonus Plan (DSBP)

Under the DSBP, the portion of any annual bonus above 30% of the base salary of a Senior Executive nominated by the Remuneration Committee is deferred into shares.

Deferred awards are usually granted in the form of conditional share awards or nil-cost options (or, exceptionally, as cash-settled equivalents). Deferred awards usually vest two years after award although may vest early on leaving employment or on a change of control.

The weighted average remaining contractual life for DSBP awards outstanding at 31 December 2021 was 0.8 years (31 December 2020: 0.8 years), number of shares outstanding 234,902 and weighted average price at grant date £6.75.

There are further details refer to note 26 in the consolidated financial statements.

13 Related party transactions

The Company's subsidiaries at 31 December 2021 and the Group's percentage of share capital are set out are in note 31 of the consolidated financial statements. The following table provides the Company's balances which are outstanding with subsidiary companies at the balance sheet date:

($'000)	2021	2020
Loans to subsidiaries	334,073	1,638
Receivables from share-based plan to subsidiary undertakings	2,077	545
Trade and other receivables	129,840	23,417
Total amounts receivable from subsidiary undertakings	**465,990**	**25,600**
Amounts payable to subsidiary undertakings	**1,097**	**385**
	464,893	**25,215**

The amounts outstanding are unsecured and will be settled in cash.

The following table provides the Company's transactions only with partially owned subsidiary companies (minority interest exists) recorded in the income statement:

($'000)	2021	2020
Amounts invoiced to partially owned subsidiaries under a "Master Intercompany Services Agreement"[151]	786	5,354
	786	**5,354**

Transaction with other related party ($'000)	2021	2020
Consulting services by Capital Earth Limited	35	129
	35	**129**

Capital Earth Limited is a consulting company controlled by the spouse of one of Energean's executive directors. Refer to note 28 in the consolidated financial statements for further details.

14 Directors' remuneration

Directors' remuneration has been provided in the remuneration report within the Annual Report. Please refer to pages 133-159 of the Annual Report.

15 Auditor's remuneration

Auditors' remuneration has been provided in the group financial statements. Please refer to note 8 of the group financial statements for details of the remuneration of the company's auditor on a group basis.

16 Events after reporting period

Please refer to note 30 of the consolidated financial statements.

[151] The amounts invoiced in 2021 relate to the period prior to 25 February 2021, before Energean Israel became a wholly owned subsidiary. As at 31 December 2021 there are no partially owned subsidiaries.

Other Information

2021 Report on Payments to Governments

Basis of preparation

This Report provides a consolidated overview of the payments to governments made by Energean plc and its subsidiary undertakings ("Energean") for the full year 2021 as required under the Report on Payments to Governments Regulations 2014 (2014/3209), as amended in December 2015 (2015/1928), (the "Regulations") and DTR 4.3A of the Financial Conduct Authority's Disclosure and Transparency Rules.

This Report is available for download from www.energean.com.

Activities

Payments made to governments that relate to Energean's activities involving the exploration, development, and production of oil and gas reserves ("Extractive Activities") are included in this disclosure. Payments made to governments that relate to activities other than Extractive Activities are not included in this report as they are not within the scope of the Regulations.

Government

Under the Regulations, a government is defined as any national, regional or local authority of a country and includes a department, agency or undertaking that is a subsidiary undertaking controlled by such an authority. All of the payments included in this disclosure have been made to national governments, either directly or through a ministry or department of the national government, with the exception of Greek payments in respect of production royalties and licence fees, which are paid to Hellenic Hydrocarbon Resources Management SA.

Project

Payments are reported at project level with the exception that payments that are not attributable to a specific project are reported at the entity level. A "Project" is defined as operational activities which are governed by a single contract, licence, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government. If such agreements are substantially interconnected, those agreements are to be treated as a single project.

"Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture, production sharing agreement, or other overarching legal agreement. Indicators of integration include, but are not limited to, geographic proximity, the use of shared infrastructure and common operational management.

Payments

The information is reported under the following payment types.

Production entitlements

Under production-sharing agreements ("PSAs"), production is shared between the host government and the other parties to the PSA. The host government typically receives its share or entitlement in kind rather than being paid in cash.

Taxes

Taxes are paid by Energean on its income, profits or production and are reported net of refunds. Consumption taxes, personal income taxes, sales taxes, property and environmental taxes are excluded.

Royalties

Royalties are payments for the rights to extract oil and gas resources, typically at a set percentage of revenue less any allowable deductions.

Dividends

Dividends, in this context, are dividend payments other than those paid to a government as an ordinary shareholder of an entity, unless paid in lieu of production entitlements or royalties. For the year ended December 31, 2021, there were no reportable dividend payments to a government.

Bonuses

Bonuses are usually paid upon signature of an agreement or a contract, declaration of a commercial discovery, commencement of production or achievement of a specified milestone.

Fees

Fees and other sums are paid as consideration for the acquisition of a licence that enables access to an area for the purposes of performing Extractive Activities. Administrative government fees that are not specifically related to Extractive Activities, or to access extractive resources, are excluded, as are payments made in return for services provided by a government.

Infrastructure improvements

Infrastructure improvements payments relate to the construction of infrastructure (road, bridge or rail) that are not substantially dedicated for the use of extractive activities. Payments that are of a social investment in nature, for example building of a school or hospital, are also excluded. For the year ended December 31, 2021, there were no reportable payments for infrastructure improvements.

Cash basis

Payments are reported on a cash basis, meaning that they are reported in the period in which they are paid, as opposed to being reported on an accruals basis (which would mean that they were reported in the period for which the liabilities arise).

Materiality level

For each payment type, total payments below $118,329 to a government are excluded from this report.

Exchange rate

All payments have been reported in US dollars. Payments made in currencies other than US dollars are typically translated at the average exchange rate of the year under consideration.

Payments overview

The table below shows the relevant payments to governments made by Energean in the year ended 31 December 2021 shown by country and payment type.

Of the seven payment types that the UK regulations require disclosure of, Energean did not make any payments in respect of production entitlements, dividends or infrastructure improvements, therefore, those categories are not shown in the tables.

Country ($m)	Income taxes	Royalties	Bonuses	Fees	Total
Egypt	33.60[152]	-	0.70	0.12	34.42
Israel	-	-	-	0.42	0.42
Italy	-	19.13	-	3.37	22.50
United Kingdom	(0.79)	-	-	1.22	0.43
Total	32.81	19.13	0.70	5.13	57.77

Payments by project

Payments by Project ($m)	Income taxes	Royalties	Bonuses	Fees	Total
Egypt - Abu Qir	33.60	-	0.50	0.10	34.20
Egypt - North El Amriya / North Idku	-	-	-	0.02	0.02
Egypt - Exploration	-	-	0.20	-	0.20
Egyptian Government Report	33.60	-	0.70	0.12	34.42
Israel - Karish/Tanin leases	-	-	-	0.18	0.18
Israel - Exploration assets	-	-	-	0.24	0.24
Israeli Government Report	-	-	-	0.42	0.42
Italy - A.C 13.AS	-	-	-	0.06	0.06
Italy - A.C 14.AS	-	-	-	0.08	0.08
Italy - A.C 16.AG	-	-	-	0.32	0.32
Italy - A.C Other	-	-	-	0.14	0.14
Italy - B.C 10.AS	-	1.35	-	0.15	1.50
Italy - B.C 13.AS	-	9.54	-	0.33	9.87
Italy - B.C 14.AS	-	4.05	-	0.13	4.18
Italy - B.C 9.AS	-	-	-	0.03	0.03
Italy - B.C1.LF	-	-	-	0.09	0.09
Italy - B.C2.LF	-	-	-	0.07	0.07

[152] Our Egyptian assets are operated under PSAs, which set out the terms of the activities, including the applicable tax laws and regulations. Under the Abu Qir PSA, Energean is entitled to the net production from the asset, which forms the basis for the calculation and reporting of its payments to the Egyptian Government. Taxes include in-kind volumes due by Energean to the Egyptian Tax Authorities under the PSAs, which provide that the tax obligations of the company are settled by the Egyptian General Petroleum Corporation (EGPC) out of its share of profit oil. The monetary value of those payments is determined using the same method as per production entitlements. The corporate income taxes paid in 2021, were settled by EGPC on Energean's behalf out of production entitlement (payment in kind), in accordance with the terms of our PSAs. The terms of our PSAs provide that corporate income taxes are paid in the year following that to which they relate. Accordingly, 2021 payment relates to 2020 taxable profits.

Italy - B.C7.LF	-	0.81	-	0.19	1.00
Italy - B.C8.LF	-	1.19	-	0.34	1.53
Italy - B.C Other	-	-	-	0.20	0.20
Italy - C.C6.EO	-	0.97	-	0.22	1.19
Italy - Candela	-	-	-	0.26	0.26
Italy - Colle Di Lauro	-	0.27	-	0.04	0.31
Italy - Comiso II	-	0.12	-	0.01	0.13
Italy - Garaguso	-	0.49	-	0.07	0.56
Italy - Montignano	-	-	-	0.06	0.06
Italy - S.Anna (Tresauro)	-	0.34	-	0.01	0.35
Italy - Other	-	-	-	0.57	0.57
Italian Government	-	19.13	-	3.37	22.50
UK - Tors & Wenlock assets	-	-	-	0.93	0.93
UK – Scott & Telford assets	-	-	-	0.03	0.03
UK - Appraisal assets	-	-	-	0.21	0.21
UK – Markham				0.05	0.05
UK – Corporate	(0.79)	-	-	-	(0.79)
UK Government	(0.79)	-	-	1.22	0.43
Total	32.81	19.13	0.70	5.13	57.77

Glossary

CO_2 - Carbon dioxide

SO_2 - Sulphur dioxide

NOx - Nitrogen oxides

GBP or £ - Pound sterling

USD or $ - US dollar

EUR or €- Euro

A

ACQ - Annual Contract Quantity AGM - Annual General Meeting B

bbl - Barrel

Bcf - Billion cubic feet bcm - Billion cubic metres

boe - Barrels of oil equivalent

boe/d - Barrels of oil equivalent per day bopd - Barrels of oil per day

C

Capex - Capital expenditure CEO - Chief Executive Officer CFO - Chief Financial Officer COO - Chief Operating Officer

CMAPP - Corporate Major Accident Prevention Policy CNG - Compressed natural gas

CPR - Competent Person's Report

CSR - Corporate Social Responsibility

E

E&P - Exploration and production

EBITDAX - Earnings before interest, tax, depreciation, amortisation and exploration expenses EBRD - European Bank for Reconstruction and Development

EOR - Enhanced Oil Recovery

EPCIC - Engineering, Procurement, Construction, Installation and Commissioning

F

FAR - Fatal Accident Rate - number of fatalities per 100 million hours worked FDP - Field Development Plan

FEED - Front-end Engineering and Design FID - Final Investment Decision

FPSO - Floating Production Storage and Offloading vessel FRC - Financial Reporting Council

FRS - Financial Reporting Standard

G

G&A - General and Administrative

GSPA - Gas Sale and Purchase Agreement GSP - GSP Offshore S.R.L.

H

H&S - Health and Safety

HMRC - HM Revenue and Customs HSE - Health, Safety and Environment

I

IAS - International Accounting Standard

IASB - International Accounting Standards Board IFRS - International Financial Reporting Standard INGL - Israel Natural Gas Lines Ltd

IPO - Initial Public Offering

IPP - Independent Power Producers IR - Investor Relations

J

JOA - Joint Operating Agreement JV - Joint Venture

K

kboepd - Thousands of barrels of oil equivalent per day km - Kilometres

KPI - Key Performance Indicator

L

LIBOR - London Interbank Offered Rate LSE - London Stock Exchange

LTI - Lost Time Injury

LTIF - Lost Time Injury Frequency

M

M3 - Cubic metre MN - Million

MMbbls - Million barrels MMbo - Million barrels of oil

MMboe - Million barrels of oil equivalents MMbtu - Million British Thermal Units MMscf - Million standard cubic feet

MMscf/day or MMscfd - Million standard cubic feet per day MMtoe - Million tonnes of oil equivalent

MoU - Memorandum of Understanding

N

NGO - Non-Governmental Organisation NPV - Net Present Value

NSAI - Netherland, Sewell & Associates, Inc. O Opex - Operating expenses

P

PP&E - Property, plant and equipment

R

2P reserves - Proven and probable reserves RBL - Reserve Based Lending

2C resources - Contingent resources

S

Sq km or km2 - Square kilometres

T

Tcf - Trillion cubic feet

TRIR - Total Recordable Injury Rate TASE - Tel Aviv Stock Exchange

W

WI - Working interest

Company Information

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Financial calendar

May 2022: Annual General Meeting