

Registered number: 11867181
England and Wales

Genel Energy Finance 4 plc

Annual Report and Financial Statements

For the year ended 31 December 2024

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Strategic report

The Directors present their strategic report for Genel Energy Finance 4 plc (the “Company”) for the year ended 31 December 2024.

Principal activities and business review

The principal activity of the Company is as the issuer of bonds on behalf of the Genel Energy plc and its subsidiaries (the “Group”). The Company is not permitted to have any business other than to issue Bonds and on-lend to its parent, Genel Energy Holding Company Limited.

Results

The statement of comprehensive income is set out on page 14 and shows the results for the year. The profit for the year was \$10,000 (2023: \$10,000 profit). The Directors do not recommend the payment of a dividend for the year (2023: nil). As at 31 December 2024, the Company had net assets of \$113,500 (2023: \$103,500).

Going concern

The Company’s ability to continue as a going concern is dependent upon the Group’s ability to pay the interest on the bonds and comply with the bond covenants. The Group has fulfilled its obligations in relation to 2024 and regularly evaluates its financial position, cash flow forecasts and its compliance with financial covenants by considering multiple combinations of oil price, discount rates, production volumes, pipeline reopening, payments, capital and operational spend scenarios.

The Company has \$66 million receivable from its parent company (note 4) in relation to its existing bond. As explained in note 9, the Genel Energy plc has completed the private placement of \$100 million of new five-year senior unsecured bonds with a coupon rate of 11 percent per annum which will be issued by the Company. In connection with the bond placement, Genel Energy Plc has also agreed to buy-back existing bond.

Based on the Director’s review of the Group’s ability to service the interest and comply with the Bond covenants and the confirmation obtained from the ultimate parent company Genel Energy plc that intends to support the Company for at least 12 months following the signing of the annual report for the period ended 31 December 2024, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and consequently the financial statements have been prepared on a going concern basis.

Principal risks and uncertainties

The management of the business and the execution of the Company’s strategy are subject to a number of risks. The Company is part of the Group and the principal risks and uncertainties affecting the Group are discussed in more detail in the annual report of the Group which can be obtained from its website www.genelenenergy.com.

Financial risk management

Please refer to Note 2 for the Company’s disclosure on financial risk management.

Directors’ indemnities

The Company maintains liability insurance for its directors and officers. This has been in effect throughout the year ended 31 December 2024.

Key performance indicators

This Company is part of the Genel Group and the key performance indicators used to review and monitor the business are set by the Directors of the Group and are discussed in more detail in the Annual Report of the Group. The Directors do not consider it necessary to provide additional key performance indicators at a Company level for an understanding of the development, performance or position of the business.

Strategic report (*continued*)

Corporate responsibility

Please see the Sustainability section in the Group 2024 Annual Report (pages 26 to 61 inclusive), which is available at www.genelenergy.com, for the details of the Group's Environmental, Social and Governance related activities.

Stakeholders

We recognise the Group has a range of stakeholders including but not limited to our investors, the local government and communities in the regions in which we operate, our joint venture partners, employees, and suppliers. When making business decisions the Board of Directors of the Company considers, both individually and collectively, that they have acted in good faith in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) ((a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2024. The 2024 Annual Report of Genel Energy plc provides examples of how the Directors of Genel Energy plc has regard to the matters set out in s172(1) (a) to (f) of the Companies Act 2006.

Events occurring after the reporting period

There were no subsequent events that require adjusting or disclosing in the financial statements.

ON BEHALF OF THE BOARD

Luke Clements
Director
1 April 2025

Directors' report

The Directors present their report with the financial statements for the Company for the year ended 31 December 2024.

Business review and principal activities

The Company was incorporated on 7 March 2019 and is a wholly owned subsidiary of Genel Energy Holding Company Limited. The principal activity of the Company is as the issuer of bonds on behalf of the Group. The Company is not permitted to have any business other than to issue Bonds and on-lend to its parent, Genel Energy Holding Company Limited. The Company has no branch outside the UK.

In 2020, the Company issued \$300 million nominal value of bonds paying a 9.25% coupon and maturing for repayment in October 2025. As consideration for the issued bonds the Company received a receivable from Genel Energy Holding Company Limited. The Company repurchased \$6 million of its existing \$280 million senior unsecured bond at a price of 95 per cent in 2022, \$26 million at a price of 93.5 per cent in 2023 and \$182 million at a price of 102 per cent in 2024.

The profit for the year was \$10,000 (2023: \$10,000). The Directors do not recommend the payment of a dividend for the year (2023: nil).

Key performance indicator, events occurring after the reporting period and qualifying indemnity provision

Key performance indicators, events occurring after the reporting period and the qualifying indemnity provision is disclosed in the strategic report.

Political/charitable donations

The Company made no political or charitable donations during the year (2023: nil).

Directors

The Directors who held office during the year and up to the date of signing the report were:

Michael Adams

Luke Clements

Ahmet Bostancı (appointed 1 February 2024)

Paul Weir (resigned 1 February 2024)

Secretary

Chandni Karania

Independent auditors

Pursuant to Section 418 of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to the members or 28 days after the latest date prescribed for the filing of the financial statements with the registrar, whichever is earlier.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable 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 financial statements in accordance with UK adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, 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 inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD
Registered Number 11867181
Fifth Floor
36 Broadway
SW1H 0BH
London

Luke Clements
Director
1 April 2025

Independent auditor's report to the members of Genel Energy Finance 4 Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Genel Energy Finance 4 Plc (the 'Company') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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. Our audit opinion is consistent with the additional report to the audit committee.

Independence

We are independent of the Company 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 entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Company's ability to continue to adopt the going concern basis of accounting is included in the key audit matters section below.

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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2024	2023
	Going concern and recoverability of intercompany loan	✓	✓

Materiality	<i>Company financial statements as a whole</i> Company materiality was determined based on 1% of total assets as at year-end (2023: 1% of total assets as at year end) which has been calculated at \$0.7m (2023: \$2.5m)
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An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the Company's system of internal control. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

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, including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
<p><i>Going concern and recoverability of intercompany loan (see note 1 & 4)</i></p> <p>The preparation of the Company's financial statements on a going concern basis is dependent on Genel Energy Plc and its subsidiaries' (the "Group") ability to pay the interest on the bonds held by the Company and comply with the bond covenants, as well as the Group's ability to settle the intercompany loan which represents the onward financing provided by the Company to finance the Group's operations.</p> <p>The Company's use of the going concern basis, and the recoverability of its intercompany loan, is therefore dependent on the going concern status of the Group.</p> <p>Going concern was considered to be a key audit matter as a result of the estimates and judgements required in the going concern assessment of the Group as a</p>	<p>Our specific audit testing in this regard included:</p> <ul style="list-style-type: none"> • Obtaining and evaluating the Group Board papers assessing going concern for the forecast period as well as reviewing the assessment of risks and uncertainties within the supporting cash flow forecasts. We formed our own assessment of risks and uncertainties based on our understanding of the business and the oil and gas sector and compared this to the Board's assessment; • We obtained and reviewed the letter of support from the Group, which confirms the Parent Company's intention to provide financial support to the Company for the next 12 months. This includes confirmation of the planned issuance of a new bond by the Company, following the expected buyback of the existing bond in April 2025.

	<p>whole and the impact on the recoverability of the intercompany loan.</p> <ul style="list-style-type: none"> • Performing a detailed review of the cash flow forecasts prepared by Group Management and assessing the appropriateness of the period over which going concern was assessed; • Assessing Management's base case cash flow forecast and the underlying key assumptions approved by the Board. In so doing, we considered factors such as the timing of the re-opening of the Iraq-Turkiye pipeline and recommencement of export sales, domestic sale prices, the levels of historical operating costs and production forecasts, the level of Board approved capital expenditure against development plan, the planned repayment of the bond due in October 2025, the timing of receipts from the Kurdistan Regional Government ("KRG"), and the arbitration cost of approximately US\$36m; • Performing procedures on the going concern forecast model in order to confirm the mathematical accuracy of the model; • Agreeing the 31 December 2024 cash position to bank confirmations, and the latest available cash position to bank statements; • Verifying that bond covenants were not breached in the financial period and assessing whether there were forecast breaches in the going concern assessment period. We also re-performed the underlying calculations of covenants; • Appraising the approved work programmes and comparing the commitments to the forecasts ; • Considering the impact of the pipeline closure and the implications for the Group, and performed our own sensitivities based on key assumptions; • Discussing the going concern assessment with the Group Chief Executive Officer, Group Chief Financial Officer, Group Technical Director and In-house Legal Counsel in order to understand their
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	<p>views on the Iraq-Turkiye pipeline closure and considered these implications on going concern;</p> <ul style="list-style-type: none"> • Obtaining and reviewing Group Management's sensitivity analysis and reflecting further down-side scenarios of lower than the achieved domestic sale prices, additional costs such as the arbitration, potential acquisition's, and further significant delays in the receipt of payments due from the KRG to determine the impact on the cash flows; • Analysing post year end press releases for the Group, Group regulatory news announcements and board minutes for any indicators of obligations or significant adverse issues; and • Evaluating the adequacy and completeness of disclosures in the financial statements in respect of going concern. <p>Key observations: Our key observations are set out on the conclusions relating to going concern section of our report.</p>
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	Company financial statements
	2024 \$m	2023 \$m
Materiality	US\$0.7m	US\$2.5m
Basis for determining materiality	1% of Total Assets	1% of Total Assets

Rationale for the benchmark applied	The Company's sole purpose is as an issuer of the bonds, and its sole activity relates to being a vehicle for the bond expense. The cash is entirely loaned to Genel Energy Holding Company Limited (the "Immediate Parent Company") and held as a receivable asset. Total assets is considered to be an appropriate basis for materiality given the Company's sole purpose is issuing bonds for onward lending to the wider Genel Energy Plc group.	
Performance materiality	US\$0.5m	US\$1.7m
Basis for determining performance materiality	Performance materiality was set at 70% taking into consideration factors including the high degree of estimation and judgement particularly on the going concern and recoverability of the intercompany loan.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of \$13,000 (2023: \$49,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: <ul style="list-style-type: none"> • 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.
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	In the light of the knowledge and understanding of the 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.
Matters on which we are required to report by exception	<p>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:</p> <ul style="list-style-type: none"> • 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 financial statements 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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 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 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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the framework that the Company operates in;
- Discussion with Management, those charged with governance and in-house legal counsel; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be UK adopted international accounting standards, the Companies Act 2006, laws and regulations in Norway where the bond is listed particularly the Nordic ABM Issuer Rules, tax laws in the UK and Norway, UK Sanctions Law and the Bribery Act.

Our procedures in respect of the above included:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations noted above;
- Enquiries of Management, those charged with governance and Internal Legal Counsel of any known or suspected instances of non-compliance with laws and regulations;
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with local tax and regulatory authorities to identify potential litigation and claims and non-compliance with laws and regulations;
- Performing a review of local and international tax compliance with the involvement of our tax specialists;
- Reviewing of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiries of Management and those charged with governance of any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Holding discussions with the audit engagement team, as part of the Group audit, as to how and where fraud might occur in the financial statements and where any potential indicators of fraud may arise in the Company in order to consider how our audit strategy should reflect our considerations.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journals and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Obtaining an understanding of the design and implementation of relevant controls surrounding the financial reporting close process such as controls over the posting of journals and obtained an understanding of the segregation of duties in these processes;
- Addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries, which met defined risk criteria, to supporting documentation where we considered there to be a higher risk of potential fraud and other adjustment;
- Assessing whether the judgements made in making accounting estimates, specifically that in the Key Audit Matters section of the report, are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Applying professional scepticism in our audit procedures and performing randomised procedures to include a level of unpredictability; and
- Performing an assessment of the Company's IT and the wider control environment and as part of this work we obtained an understanding of the design and implementation of IT access controls.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Anne Sayers (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
1 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

For the year ended 31 December 2024

	<i>Notes</i>	2024 \$000	2023 \$000
Interest income		24,413	26,358
(Loss) / Gain on buyback	5	(4,645)	1,131
Bond interest	5	(18,183)	(24,748)
Other finance income		-	1
Discount unwind	5	(1,575)	(2,732)
Profit before income tax		10	10
Income tax expense		-	-
Profit for the year		10	10
Other comprehensive income		-	-
Total comprehensive income for the year		10	10

The result relates to continuing activities.

The notes on page 18 to 24 form part of these financial statements.

The notes are an integral part of these financial statements.

Balance sheet

At 31 December 2024

ASSETS	<i>Notes</i>	2024		2023	
		\$000	\$000	\$000	\$000
Non-current assets					
Receivables due from parent company	4	-	248,742	-	248,742
		<u>-</u>	<u>248,742</u>	<u>-</u>	<u>248,742</u>
Current assets					
Receivables due from parent company	4	66,279	-	66,279	-
		<u>66,279</u>	<u>-</u>	<u>66,279</u>	<u>-</u>
Total Assets			66,279	248,742	
LIABILITIES					
Non-current liabilities					
Borrowings	5	-	(243,690)	-	(243,690)
		<u>-</u>	<u>(243,690)</u>	<u>-</u>	<u>(243,690)</u>
Current liabilities					
Payables due to fellow subsidiaries		(16)	(16)	(16)	(16)
Borrowings	5	(64,866)	-	(64,866)	-
Accrued interest	5	(1,283)	(4,932)	(1,283)	(4,932)
		<u>(66,165)</u>	<u>(4,948)</u>	<u>(66,165)</u>	<u>(4,948)</u>
Total liabilities			(66,165)	(248,638)	
Net assets			114	104	
Equity attributable to equity holders of the parent					
Share capital	6	64	64	64	64
Retained earnings		50	40	50	40
Total equity		114	104	114	104

The notes on page 18 to 24 are an integral part of these financial statements.

The financial statements on pages 14 to 24 were approved by the Board of Directors on 1 April 2025 and were signed on its behalf by:

Luke Clements
Director
Registered number: 11867181

Statement of changes in equity

For the year ended 31 December 2024

	<i>Notes</i>	Share Capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 January 2023	6	64	30	94
Profit and comprehensive income for year		-	10	10
Balance at 31 December 2023		64	40	104
Balance at 1 January 2024	6	64	40	104
Profit and comprehensive income for year		-	10	10
Balance at 31 December 2024		64	50	114

The notes on page 18 to 24 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2024

	2024 \$000	2023 \$000
Cash flows from operating activities		
Profit before income tax	10	10
Adjustment for:		
Net interest income	(10)	(10)
Cash generated from operations	-	-
 Net change in cash and cash equivalents	 -	 -
 Cash and cash equivalents at 1 January	 -	 -
Cash and cash equivalents at 31 December	-	-

The notes on page 18 to 24 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below.

a) Basis of preparation

Genel Energy Finance 4 plc is a public limited company incorporated and domiciled in England and Wales. The Company's registered office is 5th Floor, 36 Broadway, London, SW1H 0BH, U.K.

The financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention. The material accounting policies are set out below and have been consistently applied throughout the year.

b) Going Concern

The Company's ability to continue as a going concern is dependent upon the Group's ability to pay the interest on the bonds and comply with the bond covenants. The Group has fulfilled its obligations in relation to 2024 and regularly evaluates its financial position, cash flow forecasts and its compliance with financial covenants by considering multiple combinations of oil price, discount rates, production volumes, pipeline reopening, payments, capital and operational spend scenarios.

The Company has \$66 million receivable from its parent company (note 4) in relation to its existing bond. As explained in note 9, the Genel Energy plc has completed the private placement of \$100 million of new five-year senior unsecured bonds with a coupon rate of 11 percent per annum which will be issued by the Company. In connection with the bond placement, Genel Energy Plc has also agreed to buy-back existing bond.

Based on the Director's review of the Group's ability to service the interest and comply with the Bond covenants and the confirmation obtained from the ultimate parent company Genel Energy plc that intends to support the Company for at least 12 months following the signing of the annual report for the period ended 31 December 2024, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and consequently the financial statements have been prepared on a going concern basis .

c) Foreign currency translation

The Company's financial statements are presented in U.S. dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the U.S dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Notes to the financial statements (*continued*)

1. Summary of material accounting policies (*continued*)

d) Financial assets and liabilities

Classification

The Company assesses the classification of its financial assets on initial recognition at amortised cost, fair value through other comprehensive income or fair value through profit and loss. The Company assesses the classification of its financial liabilities on initial recognition at either fair value through profit and loss or amortised cost.

Recognition and Measurement

Receivables due from other group entities, trade and other payables and borrowings are initially recognised at fair value on recognition and subsequently carried at amortised cost using the effective interest method.

e) Receivables due from other group entities

Receivables due from other group entities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses.

f) Borrowings

Borrowings are initially recognised at fair value and subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. When the Company buys back its bond, the carrying amount of the liability is measured based on the repayment amount by allocating the initial transaction cost and the difference is recognised in the statement of comprehensive income.

Borrowings are presented as long or short-term based on the maturity of the respective borrowings in accordance with the loan or other agreement. Borrowings with maturities of less than twelve months are classified as short-term. Amounts are classified as long-term where maturity is greater than twelve months. Where no objective evidence of maturity exists, related amounts are classified as short-term.

g) Impairment of financial assets

IFRS 9 requires a forward-looking impairment model based on expected credit losses (ECLs) of financial assets and the Company to book an allowance for ECLs for its financial assets.

The Company has assessed its receivables due from the parent company at 31 December 2024 for ECLs. The Company uses both past track record of receivables, information available until the reporting date and future expected performance. The result of the Company's assessment is that the effect of the ECL on the financial statements is assessed as not material and no amount is recorded in the accounts as the parent company has sufficient cash to repay the loan immediately and has significant headroom on both the equity ratio and minimum liquidity financial covenants.

Notes to the financial statements (*continued*)

1. Summary of material accounting policies (*continued*)

h) New accounting standards

The following new accounting standards, amendments to existing standards and interpretations are effective on 1 January 2024: Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023), Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent (issued on 23 January 2020); Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022), Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022). These standards did not have a material impact on the Company's results or financial statements disclosures in the current reporting period.

The following new accounting standards, amendments to existing standards and interpretations are effective on 1 January 2025 and have been endorsed in 2024: Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023). The following new accounting standards, amendments to existing standards and interpretations have been issued but are not yet effective and/or have not yet been endorsed by the EU: IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024), IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024), Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024), Annual Improvements Volume 11 (issued on 18 July 2024), Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024). Nothing has been early adopted, and these standards are not expected to have a material impact on the Company's results or financial statement disclosures in the periods they become effective except for IFRS 18 which will impact the presentation and disclosure in the financial statements.

2. Financial risk management

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Foreign exchange risk

Foreign exchange risk arises when transactions and recognised assets and liabilities of the Company are denominated in a currency that is not the company's functional currency. The Company does not have significant exposure to foreign exchange risk. There are no forward exchange rate contracts in place at, or subsequent to, 31 December 2024.

b) Interest rate risk

The Company is not exposed to interest rate risk because it incurs interest on its borrowings at a fixed rate and charges the interest to the parent company at the same rate.

c) Credit risk

Credit risk arises from the parent company's cash and cash equivalents and trade and other receivables to which the bond proceeds are lent to.

Notes to the financial statements (*continued*)

2. Financial risk management (*continued*)

d) Liquidity risk

The Company is committed to ensuring it has sufficient liquidity to meet its bond payable as it falls due on October 2025. At 31 December 2024, the Company has \$66 million (2023: \$249 million) receivables from Genel Energy Holding Company Limited which is repayable on demand and the Group has sufficient cash to fulfil this obligation.

e) Capital management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders. Capital includes share capital of \$63,500 (31 December 2023: \$63,500).

f) Financial instruments

All financial assets and liabilities are measured at amortised cost. Their carrying values are as follows:

	2024	2023
	\$000	\$000
Financial assets		
Receivables due from parent company	66,279	248,742
Financial liabilities		
Borrowings	64,866	243,690
Payables due to fellow subsidiaries	16	16
Accrued interest	1,283	4,932
	66,165	248,638

3. Administrative expenses

The Company had no employees during the year (2023: nil).

The Directors have received no remuneration during the year for their services to this entity (2023: nil).

The auditor's remuneration for the year was \$16,510 (2023: \$7,056). This was borne by the ultimate parent company.

4. Receivables due from parent company

	2024	2023
	\$000	\$000
Loan to Genel Energy Holding Company Limited	53,244	235,464
Net finance income	13,035	13,278
	66,279	248,742

As disclosed in Note 5, the Company issued a bond in October 2020 and its cash proceeds were loaned to its parent, Genel Energy Holding Company Limited. The loan is repayable on demand and the Company earns interest income on the loan at a fixed rate equivalent to the Company's external borrowing rate of 9.25% per annum plus management fees of \$10,000.

Notes to the financial statements (continued)

4. Receivables due from parent company (continued)

The semi-annual interest expense on the bond is paid directly by Genel Energy Holding Company Limited to the bondholders on behalf of the Company. The Company and Genel Energy Holding Company Limited has an arrangement to settle the interest paid on its behalf through intercompany offsetting and is therefore treated as a non-cash transaction by the Company.

No loss allowance is made under the expected credit loss model as explained at Note 1.

5. Borrowings and Interest expense

	2024 \$000	2023 \$000
\$300 million 9.25% bonds due October 2025	64,866	243,690
	64,866	243,690

	1 Jan 24 \$000	Interest paid \$000	Repurchase \$000	Loss on buyback \$000	Interest and discount unwind \$000	31 Dec 24 \$000
2025 Bond9.25%	(243,690)	-	185,044	(4,645)	(1,575)	(64,866)
Accrued interest	(4,932)	17,971	3,861	-	(18,183)	(1,283)

At 31 December 2024, the fair value of the \$66 million (2023: \$248 million) of bonds held by third parties is \$66 million (2023: \$236.5 million).

In August 2024, the Company repurchased \$107 million of its senior unsecured bond at a price equal to 101.54% of the nominal amount.

In October 2024, the Company partially exercised its call option and repaid \$75 million of its senior unsecured bond at a price equal to 101.85% of the nominal amount.

	1 Jan 23 \$000	Interest paid \$000	Repurchase \$000	Gain on buyback \$000	Interest and discount unwind \$000	31 Dec 23 \$000
2025 Bond9.25%	(266,594)	-	24,505	1,131	(2,732)	(243,690)
Accrued interest	(5,426)	24,835	407	-	(24,748)	(4,932)

In 2023 the Parent Company repurchased \$26 million of its existing \$274 million senior unsecured bond at a price equal to 93.5% of nominal amount on behalf of the Company.

In 2022 the Parent Company repurchased \$6 million of its existing \$280 million senior unsecured bond at a price equal to 95% of nominal amount on behalf of the Company.

In October 2020, the Company issued a \$300 million senior unsecured bond with maturity in October 2025. The bond has a fixed coupon of 9.25% per annum.

	2024 \$000	2023 \$000
Bond interest	18,183	24,748
Discount unwind	1,575	2,732
	19,758	27,480

Notes to the financial statements (*continued*)

6. Share capital

	2024 \$000	2023 \$000
Allotted and fully paid (ordinary shares)	64	64

At 31 December

On 7 March 2019, 2 shares were issued for cash. The nominal value of each share was £1 and the consideration received per share was £1.

On 22 September 2020, 49,998 shares were issued for cash. The nominal value of these shares was £49,998 and the consideration received was £49,998.

7. Parent company

The Company is a wholly owned subsidiary of Genel Energy Holding Company Limited, a company registered in Jersey. Copies of Genel Energy Holding Company Limited's financial statements can be obtained from the Company Secretary at 26 New Street, St Helier, Jersey JE2 3RA.

The Company's ultimate parent undertaking and controlling party is Genel Energy plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Genel Energy plc's consolidated financial statements can be obtained from the Company Secretary at 26 New Street, St Helier, Jersey JE2 3RA and at genelenergy.com.

8. Related parties

The Directors have identified the parent company, key management personnel and the board members, together with the families and companies controlled by or affiliated with each of them; and associates, investments and joint ventures as related parties of the Company under IAS 24.

Amounts due from group companies:

	2024 \$000	2023 \$000
Genel Energy Holding Company Limited	66,279	248,742

Amounts due to group companies:

	2024 \$000	2023 \$000
Genel Energy plc	(14)	(14)
Genel Energy UK Services Limited	(2)	(2)
	(16)	(16)

Transactions with group companies:

	2024 \$000	2023 \$000
Interest charged	24,413	26,358
Interest paid	(17,971)	(24,835)
Bond repurchase (incl. interest)	(188,905)	(24,912)
Other	-	1

Notes to the financial statements (*continued*)

9. Events occurring after the reporting period

On 26 March 2025, Genel Energy Plc has completed the private placement of \$100 million of new five-year senior unsecured bonds with a coupon rate of 11 percent per annum. Settlement of the bond issue is expected to occur on or about 9 April 2025, subject to customary conditions precedent. In connection with the bond placement, Genel Energy Plc has agreed to buy-back existing unsecured bonds and intends to issue a call notice for the remaining bonds at 100 percent of par in connection with settlement of the new bond.