

Maroussi, 18 May 2023

## First Quarter 2023 financial results

### **Strong profitability on increased refinery utilization and higher exports amid positive international refining environment - Focus on Energy Transition strategy implementation**

HELLENiQ ENERGY Holdings S.A. ("Company") announced its 1Q23 consolidated financial results, with Adjusted EBITDA at €404m and Adjusted Net Income at €252m.

Despite a slight weakening of the international refining environment, the Company continues to report strong results, driven mainly by high refining margins and improved operational performance across its businesses. Compared to a relatively weak 1Q22, current year performance improves on most areas with higher sales volume and increased profitability. Refining sales volume reached 3.7m MT (+12%), with exports increasing by 27%, making up for 60% of total sales volume.

1Q23 Reported Net Income at €155m, reflects the impact of volatile crude oil and product prices on reported results, as the difference vs last year's first quarter due to inventory effect is €426m; 1Q23 reported inventory losses in Refining and Marketing in Greece of €145m vs inventory gains of €281m in 1Q22.

### **Strategy Implementation - Vision 2025**

During 2022, the Company implemented a transformation strategy across most sectors, in response to changing environment and future projections. In particular, developing a second pillar of growth in cleaner forms of energy became an integrated part of the Group's strategic plan while corporate governance framework was upgraded, a more appropriate corporate structure was established and, finally, a new corporate identity was introduced.

Having successfully completed the first phase of these initiatives, the focus is firmly on four priorities, namely: (a) promote operational excellence in our activities throughout the Group, (b) develop a value enhancing RES and power storage portfolio, (c) improve carbon footprint in our core activities and (d) embed and further improve ESG and sustainability criteria in our business.

In this framework, we are currently evaluating and maturing an investment for carbon capture and storage (CCS) facility at the Elefsina refinery, for the production of "blue" hydrogen. For this, an application for funding support has recently been submitted to the EU Innovation Fund. Although CCS technology is relatively well-known, prevailing conditions (institutional framework, funding priorities at European level, availability of storage) are not conducive for an immediate investment decision. However, we believe that such projects need to be pursued and matured if we are to achieve environmental targets within a realistic timeline. On the contrary, the pilot investment in "green" hydrogen at the Elefsina refinery edges closer to the final investment decision, while projects for the production of biofuels (HVO, SAF) at the Group's refineries are in the implementation phase.

An important part of new technologies for carbon footprint improvement depends on the availability of low-cost accessible green energy. In this context, the development of a RES portfolio makes sense for us not only as a stand-alone new business proposition but also a major synergistic benefit for our core businesses.

In terms of operational excellence and competitiveness improvement, the digital transformation program is being accelerated, with investments of more than €40m and significant benefits, which are estimated to reach €50m on an annualized basis at the end of the program.

In the RES business, following the addition of approximately 300 MW of installed capacity during the last year, the total operating RES capacity amounts to 341 MW, with additional projects in production and storage, under evaluation in Greece and internationally. The development of storage and energy management solutions is of particular importance, given, also significant synergy opportunities with the rest of the Group's portfolio.

As far as the E&P is concerned, our objective is to complete as soon as possible the data processing and interpretation of the 2D seismic surveys that were completed in the 2 offshore areas of West of Crete and Southwest of Crete in collaboration with ExxonMobil, as well the 3D seismic surveys that were conducted at 3 other offshore areas (Block 2, Block Ionio and Block 10). Despite satisfactory progress, decisions on any drilling campaign are not expected within 2023.

### **Normalization of crude oil prices and strong international refining margins**

International crude oil and product prices continued to normalize during 1Q23, with Brent prices averaging \$81/bbl. Concerns remain, however, about global demand dynamics and normalization of supply compared to the corresponding period in 2022, during which prices had increased following Russia's invasion of Ukraine.

Benchmark refining margins strengthened significantly in 1Q23 vs last year, mainly due to an inventory build ahead of the implementation of sanctions on product exports from Russia on 5 February 2023 and reduced refining capacity due to strikes in France. In particular, FCC and Hydrocracking benchmark margins averaged \$10.7/bbl and \$14.1/bbl respectively in 1Q23 vs \$3.6/bbl and \$6.7/bbl respectively in 1Q22.

### **Improved auto fuels demand**

Auto fuels consumption recorded a significant increase of 5% in 1Q23, as a result of a growing economy and the extension of the tourism season. Supporting this is an even stronger growth of aviation fuels demand (+25%) on increased flight activity, while bunkering fuels offtake fell by 2%. Despite the aforementioned performance, mild weather conditions led to reduced heating gasoil needs and an overall lower total oil products demand in Greece compared to 1Q22.

### **Balance sheet and capital expenditure**

The Group's balance sheet strengthened in 1Q23 on the back of profitability and normalized working capital needs. Net debt decreased by €0.5bn vs FY22 and by €0.9bn y-o-y, with gearing (Net Debt over Capital Employed) declining to 34%.

Capital expenditure amounted to €40m, lower vs the corresponding period of last year which included the extensive maintenance program at the Elefsina refinery.

**Andreas Shiamishis, Group CEO, commented on the results:**

*"A year after the invasion in Ukraine, we find the international energy market partly recovered from a sudden shock but with a changed perspective with respect to the industry's strategy and priorities.*

*Targeting a more environmentally-neutral energy market remains a priority and determines our current and future investments in RES, energy storage, as well as in the reduction of the carbon footprint of our energy products. However, at the same time, events of recent past and the increase of RES in the energy mix present additional challenges with respect to accessibility and energy security.*

*Our strategy, as described by Vision 2025, considers all the above and having successfully completed the first phase of the transformation, we are proceeding with developing a value-enhancing New Energy portfolio in Greece and internationally, as well as evaluating and implementing investments which support the energy transition of our refineries and the substantial improvement of our environmental footprint.*

*Having said all that, at the same time we remain focused on improving our operations and deliver the required results across all of our businesses. In this context, 1Q23 financial results are positive, as they continue to report increased production, exports and profitability, especially compared to a weak first quarter last year. With a lower price environment, positive results depend to a great extent on strong refining margins in the Mediterranean region and the operational flexibility of our refineries. Likewise, the areas we can control in our other businesses (retail petrol stations, international subsidiaries, RES) demonstrate improved performance, even if they contribute to a lesser extent to the overall performance.*

*Projecting forward, international refining environment looks weaker in the coming months, but we would expect a strong domestic market, driven by increased demand due to tourism and investment growth."*

Key highlights and contribution for each of the main business units in 1Q23 were:

**REFINING, SUPPLY & TRADING**

- Refining, Supply & Trading 1Q23 Adjusted EBITDA came in at €366m, supported by international refining margins, overperformance at our refineries and higher sales volume, with increased exports contribution.
- Production reached 3.6m MT, significantly higher (+29%) vs the corresponding period of 2022, during which a full turnaround was implemented at the Elefsina refinery.

**PETROCHEMICALS**

- 1Q23 Adjusted EBITDA came in at €15m, lower y-o-y on weak PP margins, partly offset by the 9% sales volume increase.

**MARKETING**

- In 1Q23, Domestic Marketing recorded lower sales volume (-7% y-o-y), while, excluding heating gasoil, it delivered an increase of 2%. Regulatory gross margin caps, lower inventory valuation due to falling prices and higher transportation costs negatively impacted profitability.
- International Marketing recorded higher sales volume (+9% y-o-y) in 1Q23, with Adjusted EBITDA rising by 33% to €17m, on higher margins and improved contribution from Bulgaria and the Republic of North Macedonia.

**RENEWABLES**

- Higher RES operating capacity (341 MW) led to increased electricity output, with Adjusted EBITDA coming in at €10m in 1Q23.

**ASSOCIATE COMPANIES**

- DEPA companies' contribution to 1Q23 consolidated Net Income was €9m.
- Elpedison 1Q23 EBITDA came in at €60m, driven by high availability at the electricity generation plants, operational flexibility and trading opportunities in the natural gas markets.

**HELLENiQ ENERGY Holdings S.A.****Key consolidated financial indicators for 1Q23**

(prepared in accordance with IFRS)

€m	1Q22	1Q23	% Δ
<b>P&amp;L figures</b>			
Refining Sales Volume ('000 MT)	3,292	3,688	12%
Sales	2,803	3,113	11%
EBITDA	501	279	-44%
<b>Adjusted EBITDA <sup>1</sup></b>	<b>99</b>	<b>404</b>	-
<b>Adjusted Net Income <sup>1</sup></b>	<b>4</b>	<b>252</b>	-
Operating Profit	420	202	-52%

Net Income	346	155	-55%
<b>Balance Sheet Items</b>			
Capital Employed	4,791	4,331	-10%
Net Debt	2,331	1,454	-38%
Gearing (ND/ND+E)	49%	34%	-15 pps <sup>2</sup> π,μ,pps <sup>2</sup> 2

Note 1: Adjusted for inventory effects and other non-operating/one-off items, as well as the IFRS accounting treatment of the EUAs deficit,

Note 2: pps stands for percentage points

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### Group Consolidated statement of financial position

	Note	As at 31 March 2023	31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	3,619,378	3,639,004
Right-of-use assets	11	233,868	233,141
Intangible assets	12	539,667	518,073
Investments in associates and joint ventures	7	432,273	402,101
Deferred income tax assets		95,991	91,204
Investment in equity instruments	3	489	490
Derivative financial instruments		906	958
Loans, advances and long term assets	13	63,180	64,596
		<b>4,985,752</b>	<b>4,949,567</b>
<b>Current assets</b>			
Inventories	14	1,541,125	1,826,242
Trade and other receivables	15	807,845	866,109
Income tax receivable		14,310	14,792
Derivative financial instruments		-	5,114
Cash and cash equivalents	16	966,007	900,176
		<b>3,329,287</b>	<b>3,612,433</b>
<b>Total assets</b>		<b>8,315,039</b>	<b>8,562,000</b>
<b>Equity</b>			
Share capital and share premium	17	1,020,081	1,020,081
Reserves	18	295,009	297,713
Retained Earnings		1,493,619	1,341,908
<b>Equity attributable to the owners of the parent</b>		<b>2,808,709</b>	<b>2,659,702</b>
<b>Non-controlling interests</b>		<b>68,073</b>	<b>67,699</b>
<b>Total equity</b>		<b>2,876,782</b>	<b>2,727,401</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	19	1,486,788	1,433,029
Lease liabilities		178,989	177,745
Deferred income tax liabilities		197,723	202,523
Retirement benefit obligations		176,318	175,500
Derivative financial instruments		-	-
Provisions		36,285	36,117
Other non-current liabilities		22,560	22,662
		<b>2,098,663</b>	<b>2,047,576</b>
<b>Current liabilities</b>			
Trade and other payables	20	1,888,112	1,835,957
Derivative financial instruments		2,741	1,761
Income tax payable	8	483,358	432,385
Interest bearing loans and borrowings	19	934,173	1,409,324
Lease liabilities		29,765	30,372
Dividends payable		1,445	77,224
		<b>3,339,594</b>	<b>3,787,023</b>
<b>Total liabilities</b>		<b>5,438,257</b>	<b>5,834,599</b>
<b>Total equity and liabilities</b>		<b>8,315,039</b>	<b>8,562,000</b>

## Group Consolidated statement of comprehensive income

		For the period ended	
	Note	31 March 2023	31 March 2022
<b>Revenue from contracts with customers</b>	<b>4</b>	<b>3,113,343</b>	<b>2,802,927</b>
Cost of sales		(2,778,127)	(2,258,207)
<b>Gross profit / (loss)</b>		<b>335,216</b>	<b>544,720</b>
Selling and distribution expenses		(93,808)	(82,740)
Administrative expenses		(40,483)	(36,650)
Exploration and development expenses		(4,244)	(6,375)
Other operating income and other gains	<b>5</b>	7,403	5,191
Other operating expense and other losses	<b>5</b>	(2,551)	(4,678)
<b>Operating profit / (loss)</b>		<b>201,533</b>	<b>419,468</b>
Finance income		1,326	538
Finance expense		(32,124)	(24,192)
Lease finance cost		(2,325)	(2,362)
Currency exchange gains / (losses)	<b>6</b>	558	(4,270)
Share of profit / (loss) of investments in associates and joint ventures	<b>7</b>	31,289	46,352
<b>Profit / (loss) before income tax</b>		<b>200,257</b>	<b>435,534</b>
Income tax	<b>8</b>	(44,491)	(88,902)
<b>Profit / (loss) for the period</b>		<b>155,766</b>	<b>346,632</b>
<b>Profit / (loss) attributable to:</b>			
Owners of the parent		155,276	345,206
Non-controlling interests		490	1,426
		<b>155,766</b>	<b>346,632</b>
<b>Other comprehensive income / (loss):</b>			
<b>Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):</b>			
Changes in the fair value of equity instruments		-	(16)
		-	<b>(16)</b>
<b>Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):</b>			
Share of other comprehensive income / (loss) of associates		(1,117)	(17,727)
Fair value gains / (losses) on cash flow hedges		(921)	5,266
Currency translation differences and other movements		(782)	(167)
		(2,820)	(12,628)
<b>Other comprehensive income / (loss) for the period, net of tax</b>		<b>(2,820)</b>	<b>(12,644)</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>152,946</b>	<b>333,988</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the parent		152,572	332,574
Non-controlling interests		374	1,414
		<b>152,946</b>	<b>333,988</b>
<b>Earnings / (losses) per share (expressed in Euro per share)</b>	<b>9</b>	<b>0.51</b>	<b>1.13</b>

## Group Consolidated statement of cash flows

		For the period ended	
	Note	31 March 2023	31 March 2022
<b>Cash flows from operating activities</b>			
Cash generated from operations	<b>21</b>	615,161	(278,332)
Income tax received / (paid)	<b>8</b>	(2,365)	(2,148)
<b>Net cash generated from/ (used in) operating activities</b>		<b>612,796</b>	<b>(280,479)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment & intangible assets	<b>10, 11</b>	(45,617)	(84,009)
Proceeds from disposal of property, plant and equipment & intangible assets		97	22
Acquisition of share of associates and joint ventures		(1)	-
Purchase of subsidiary, net of cash acquired		-	404
Grants received		1	-
Interest received		1,326	539
Prepayments for right-of-use assets		(27)	(387)
Dividends received	<b>7</b>	31,715	-
<b>Net cash generated from/ (used in) investing activities</b>		<b>(12,507)</b>	<b>(83,431)</b>
<b>Cash flows from financing activities</b>			
Interest paid on borrowings		(26,484)	(10,042)
Dividends paid to shareholders of the Company	<b>26</b>	(75,779)	-
Proceeds from borrowings	<b>19</b>	435,211	211,400
Repayments of borrowings	<b>19</b>	(855,611)	(4,300)
Payment of lease liabilities - principal		(9,192)	(9,829)
Payment of lease liabilities - interest		(2,325)	(2,362)

Net cash generated from/ (used in) financing activities		(534,180)	184,867
Net increase/ (decrease) in cash and cash equivalents		66,109	(179,043)
Cash and cash equivalents at the beginning of the year	16	900,176	1,052,618
Exchange (losses)/ gains on cash and cash equivalents		(278)	(4,409)
Net increase/ (decrease) in cash and cash equivalents		66,109	(179,043)
Cash and cash equivalents at end of the period	16	966,007	869,166

## Parent Company Statement of Financial Position

	Note	As at 31 March 2023	31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		683	671
Right-of-use assets	11	10,442	10,817
Intangible assets		110	138
Investments in subsidiaries, associates and joint ventures	7	1,674,167	1,654,517
Deferred income tax assets		10,918	11,020
Investment in equity instruments		38	38
Loans, advances and long term assets	13	356,843	230,243
		<b>2,053,201</b>	<b>1,907,444</b>
<b>Current assets</b>			
Inventories		-	-
Trade and other receivables		173,896	86,159
Income tax receivables		-	-
Derivative financial instruments		-	-
Cash and cash equivalents		15,919	209,054
		<b>189,815</b>	<b>295,213</b>
<b>Total assets</b>		<b>2,243,016</b>	<b>2,202,657</b>
<b>Equity</b>			
Share capital and share premium	17	1,020,081	1,020,081
Reserves	18	281,104	281,104
Retained Earnings		892,758	765,156
<b>Total equity</b>		<b>2,193,943</b>	<b>2,066,341</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans & borrowings		-	-
Lease liabilities		8,773	9,611
Deferred income tax liabilities		-	-
Retirement benefit obligations		8,120	7,977
Provisions		-	-
Other non-current liabilities		174	174
		<b>17,067</b>	<b>17,762</b>
<b>Current liabilities</b>			
Trade and other payables		24,081	36,491
Derivative financial instruments		-	-
Income tax payable	8	4,716	3,582
Interest bearing loans & borrowings		-	-
Lease liabilities		1,764	1,257
Dividends payable	25	1,445	77,224
		<b>32,006</b>	<b>118,554</b>
<b>Total liabilities</b>		<b>49,073</b>	<b>136,316</b>
<b>Total equity and liabilities</b>		<b>2,243,016</b>	<b>2,202,657</b>

## Parent Company Statement of Comprehensive Income

		For the period ended 31 March 2023	31 March 2022
	Note		
Revenue from contracts with customers		7,457	6,040
Cost of sales		(6,779)	(5,491)
<b>Gross profit / (loss)</b>		<b>678</b>	<b>549</b>
Administrative expenses		(3,275)	(1,414)
Other operating income and other gains	5	3,686	3,686
Other operating expense and other losses	5	(2,820)	(3,351)
<b>Operating profit / (loss)</b>		<b>(1,731)</b>	<b>(530)</b>
Finance income		4,584	1,416
Finance expense		(3)	(504)
Lease finance cost		(93)	(135)
Dividend income	25	126,081	-
<b>Profit / (loss) before income tax</b>		<b>128,838</b>	<b>246</b>

Income tax credit / (expense)	(1,236)	(31)
<b>Profit / (loss) for the period</b>	<b>127,602</b>	<b>215</b>

## Parent Company Statement of Cash flows

		For the period ended	
	Note	31 March 2023	31 March 2022
<b>Cash flows from operating activities</b>			
Cash generated from/ (used in) continuing operations	21	(10,880)	6,361
Income tax received / (paid)		-	-
<b>Net cash generated from/ (used in) operating activities</b>		<b>(10,880)</b>	<b>6,361</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment & intangible assets		(18)	-
Participation in share capital increase of subsidiaries, associates and joint ventures		(18,650)	(6,450)
Loans and advances to Group Companies		(126,600)	(100,800)
Interest received		6,852	650
Dividends received		32,979	-
Proceeds from disposal of assets held for sale		-	-
Net cash generated from/ (used in) investing activities from discontinued operations		-	-
<b>Net cash generated from/ (used in) investing activities</b>		<b>(105,437)</b>	<b>(106,600)</b>
<b>Cash flows from financing activities</b>			
Interest paid		-	-
Dividends paid to shareholders of the Company		(75,779)	-
Payment of lease liabilities - principal, net		(578)	(750)
Payment of lease liabilities - interest		(461)	(135)
Net cash generated from/ (used in) financing activities from discontinued operations		-	-
<b>Net cash generated from/ (used in) financing activities</b>		<b>(76,818)</b>	<b>(885)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(193,135)</b>	<b>(101,124)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>209,054</b>	<b>843,493</b>
Exchange gain / (loss) on cash and cash equivalents		-	-
Net cash outflow due to demerger		-	(713,493)
Net increase / (decrease) in cash and cash equivalents		(193,135)	(101,124)
<b>Cash and cash equivalents at end of the period</b>		<b>15,919</b>	<b>28,876</b>

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