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Helleniq Energy Holdings S.A.
31 August 2023

Maroussi, 31 August 2023

Second Quarter / First Half 2023 financial results

**Good operating results, despite weak benchmark refining margins -
Acceleration of RES investments and faster implementation of the Group's transformation and energy transition plan**

HELLENiQ ENERGY Holdings S.A. ("Company") announced its 2Q23 consolidated financial results, with Adjusted EBITDA at €164m and Adjusted Net Income at €26m. Accordingly, 1H23 Adjusted EBITDA came in at €568m and Adjusted Net Income at €277m, reporting yet another strong performance. It should be noted that operating results (EBITDA) do not include results of our associates, ELPEDISON and DEPA, which are consolidated under the equity method.

2Q23 results reflect a weaker benchmark margin environment, especially when compared to the historic-highs of 2Q22, limiting thus the benefits of improved operations and increased availability of all 3 refineries. Oil product sales reached c. 4m MT (+16% y-o-y), with exports up by 28%, corresponding to 54% of total sales volume. At the same time, increased installed capacity following the last 2 years of investments and higher electricity generation, resulted in improved contribution from RES.

Reported Net Income amounted to €7m in 2Q23 (2022: €524m) and €162m in 1H23 (2022: €869m), with the big difference reflecting the losses from inventory valuation on compulsory stocks held and financed by the Company. Specifically, the movement between the two periods exceeds €700m, with 1H23 incorporating a €197m loss, reversing part of the €513m gains reported in 1H22.

Strategy Implementation - Vision 2025

Following the completion of the first phase of the Vision 2025 strategic plan, the Group focuses on four pillars: a) **operational excellence** across all businesses b) acceleration of **targeted portfolio development** in RES and storage in Greece and internationally, along with the development of commercial capabilities, c) **carbon footprint reduction** in our core activities and d) further **improvement in ESG**.

Through HELLENiQ Renewables, the Group is accelerating its development in the RES sector, with the aim of reaching operating capacity of 1 GW by 2025. During 2Q23, agreements were concluded for the acquisition of PV parks portfolios with a total capacity of 211 MW in Romania and up to 180 MW in Kozani, which are expected to be operational in the next two years and within 2024 respectively, as well as 15 MW PV parks in operation in Cyprus. These agreements mark HELLENiQ ENERGY Group's entry into two new, rapidly developing markets, Cyprus and Romania, achieving geographical diversification of the RES portfolio and strengthening the Group's extroversion. At the same time, HELLENiQ Renewables signed a framework agreement for the development of an additional RES portfolio with a total capacity of 600 MW in Romania, while the Group's entry into another international market through another subsidiary is in progress.

HELLENiQ Renewables successfully participated in the Regulatory Authority for Waste, Energy and Water (RAWEW)'s recent tender and 3 energy storage projects in Greece with a total power of 100 MW and a guaranteed capacity of 200 MWh were selected as eligible to receive investment and operating aid. This marks the Group's entry into a new market which is essential for further scaling-up RES while facilitating appropriate management of our investments in the sector.

The Group's RES total operating capacity along with projects under construction has reached ~680 MW, with the portfolio pipeline at 3.8 GW.

In order to accelerate its RES portfolio development, HELLENiQ Renewables signed a financing framework agreement of up to €766m with 2 Greek banks for the implementation of multiple financing arrangements (project finance) in relation to existing and new projects for RES electricity generation in Greece. The agreement covers the RES projects' operational/commercial model, with pricing structures such as feed-in-tariffs, feed-in-premiums or even power purchase agreements (cPPAs). It is a particularly innovative transaction, pioneering for the Greek market, with material benefits, such as: a) sufficient financing capacity to support the Group's growth, b) flexibility and speed of projects implementation, c) improvement of the Group's capital structure, d) competitive financing terms and costs.

Further de-escalation of crude oil prices and weaker refining margins

International crude oil and product prices continued to fall during 2Q23, with Brent averaging $78/bbl due to developments in the broader macroeconomic environment and the expected impact on demand, despite OPEC+ announcements of production curtailments.

In 2Q23, refining margins declined significantly compared both to the 2Q22 historic-highs, following Russia's invasion of Ukraine, and to 1Q23. Refining margins weakened due to ample inventories, milder weather conditions and sufficient global supply of oil products after the redirection of Russian products exports to markets other than Europe, following the implementation of new sanctions by Europe and other Western countries on 5 February 2023. International benchmark FCC and Hydrocracking margins in 2Q23 averaged $4.4/bbl and $5.5/bbl respectively vs $21.4/bbl and $11.1/bbl in 2Q22.

Improved domestic market demand

Domestic market demand in 2Q23 reached 1.5m MT, **higher by 5% y-o-y**, mainly as a result of a growing economy and tourism, with auto fuels consumption increasing by 3%. Aviation fuels sales increased by 7% to 416k MT on higher air traffic, while bunkering fuels offtake rose by 3% to 723k MT.

Balance sheet and capital expenditure

Capex amounted to €101m in 2Q23, directed primarily to maintenance upgrade projects at the refineries as well as to the acquisition of the 2 PV parks in Cyprus.

Net Debt was shaped at €1.55bn, lower by €0.4bn since the beginning of the year, due to positive cash flow generation in 1H23, as the Temporary Solidarity Contribution is set to be paid in the following months. Gearing (Net Debt to Capital Employed) fell to 36%.

At the end of 2Q23, refinancing of a €400m revolving credit facility (RCF) for 5 years was completed. In addition, in 3Q23, the return on the Temporary Solidarity Contribution on excess profits for FY22, amounting to €267m, was filed to the tax authorities, with the repayment gradually taking place, starting from July 2023 and affecting the 2H23 cash flow.

Andreas Shiamishis, Group CEO, commented on the results:

"2Q23 ***results and developments across all Company's businesses were positive,*** *especially considering the significant decline in international refining margins and prices vs last year. Amid a quarter with weaker refining benchmark margins, we improved our refineries' operational performance, further developed our fuels marketing business in Greece and internationally and increased contribution from RES. 1H23 Adjusted EBITDA came in at €568m, with a positive outlook in terms of full year financial results as well as increased contribution from new businesses.*

During the last 3 years, the challenging landscape on account of the pandemic and the energy crisis led us to adjust our business, prioritizing safety, uninterrupted market supply while, at the same time, stepping up to support the society. While these attracted a significant part of our attention and efforts, we remained focused on the Company's future, with emphasis on accelerating the implementation of our holistic energy transition plan VISION 2025.

In addition to the improved operating performance, we continued to develop our RES business through a series of projects, including: a) expansion of RES asset base in operation or under construction capacity with projects over 400 MW, b) entry into new international markets with RES assets and set-up of green energy commercial business, c) participating in the newly-formed energy storage market following the successful bid in the recent tender for the development of energy storage projects (batteries) with a total capacity of 100 MW, and d) signing an innovative financing framework agreement of up to €766m for RES investments in Greece.

Our goal for 2023 is to deliver strong profitability and respective shareholders' cash returns through dividends, along with a further strategic strengthening of the Company through its targeted Green Energy transition."

Key highlights and contribution for each of the main business units in 2Q23 were:

Refining, Supply & Trading

- Refining, Supply & Trading 2Q23 Adjusted EBITDA came in at €114m. Despite the significant decline in international refining margins compared to the 2Q22 historic highs, increased availability of the Group's all 3 refineries leading to higher exports as well as product mix improvement, resulted in substantial overperformance vs benchmark refining margins.
- Production reached 3.6 mt, +13% y-o-y, as maintenance turnarounds had been implemented at the Aspropyrgos and Elefsina refineries in 2Q22.

Petrochemicals

- 2Q23 Adjusted EBITDA came in at €12m, lower y-o-y on weak PP margins.

Marketing

- In 2Q23, Domestic Marketing recorded higher sales volume (+3% y-o-y), driven by 3% y-o-y increase in the automotive sales. Despite improved contribution from Aviation, profitability was impacted by regulatory gross margin caps and lower inventory valuation due to falling prices. Excluding the inventory impact, Comparable EBITDA came in at €14m vs with €9m in 2Q22.
- International Marketing recorded slightly lower profitability compared with 2Q22 despite inflationary pressures on costs.

Renewables

- Higher RES operating capacity (356 MW) compared with 2Q22 (285 MW) led to increased power production (+39%), with Adjusted EBITDA coming in at €11m (+82%).

Associate companies

- The contribution of associate companies was negative. Specifically, a) Elpedison's profitability was negatively affected by lower demand, due to weather conditions, as well as the scheduled maintenance at Thisvi and Thessaloniki power plants, b) DEPA's contribution was mainly affected by the valuation of safety stocks of natural gas, due to falling international prices, as well as increased costs for securing capacity in the gas network, for national security of supply purposes.

HELLENiQ ENERGY Holdings S.A.

Key consolidated financial indicators for 2Q / 1H 2023

(prepared in accordance with IFRS)

€ εκατ.	2Q22	2Q23	% Δ	1H22	1H23	% Δ
P&L figures						
Refining Sales Volume ('000 MT)	3,418	3,951	16%	6,710	7,639	14%
Sales	3,974	2,978	-25%	6,777	6,091	-10%

EBITDA	738	121	-84%	1,239	400	-68%
Adjusted EBITDA [1]	**535**	**164**	**-69%**	**633**	**568**	**-10%**
Adjusted Net Income [1]	**364**	**26**	**-93%**	**369**	**277**	**-25%**
Operating Profit	668	43	-94%	1,088	244	-78%
Net Income	524	7	-99%	869	162	-81%
Balance Sheet Items						
Capital Employed				4,835	4,283	-11%
Net Debt				1,967	1,553	-21%
Gearing (ND/ND+E)				41%	36%	-5 pps[2] π.μ.pps[2] 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

Further information:

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Group Consolidated statement of financial position

	Note	As at 30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	10	3.642.566	3.639.004
Right-of-use assets	11	231.393	233.141
Intangible assets	12	283.866	518.073
Investments in associates and joint ventures	7	408.424	402.101
Deferred income tax assets		101.423	91.204
Investment in equity instruments	3	482	490
Derivative financial instruments		944	958
Loans, advances and long term assets		61.172	64.596
		4.730.270	**4.949.567**
Current assets			
Inventories	14	1.465.151	1.826.242
Trade and other receivables	15	861.342	866.109
Income tax receivable		12.538	14.792
Derivative financial instruments		-	5.114
Cash and cash equivalents	16	737.382	900.176
		3.076.413	**3.612.433**
Total assets		**7.806.683**	**8.562.000**
Equity			
Share capital and share premium	17	1.020.081	1.020.081
Reserves	18	295.348	297.713
Retained Earnings		1.350.377	1.341.908
Equity attributable to the owners of the parent		**2.665.806**	**2.659.702**
Non-controlling interests		64.742	67.699
Total equity		**2.730.548**	**2.727.401**
Liabilities			
Non- current liabilities			
Interest bearing loans and borrowings	19	1.516.711	1.433.029
Lease liabilities		178.516	177.745
Deferred income tax liabilities		189.273	202.523
Retirement benefit obligations		177.572	175.500
Derivative financial instruments		-	-
Provisions		35.544	36.117
Other non-current liabilities		25.737	22.662
		2.123.353	**2.047.576**
Current liabilities			
Trade and other payables	20	1.521.737	1.835.957
Derivative financial instruments		808	1.761
Income tax payable	8	472.738	432.385
Interest bearing loans and borrowings	19	773.820	1.409.324
Lease liabilities		30.573	30.372
Dividends payable		153.106	77.224

	2.952.782	3.787.023
Total liabilities	5.076.135	5.834.599
Total equity and liabilities	7.806.683	8.562.000

Group Consolidated statement of comprehensive income

	Note	For the six-month period ended		For the three month period ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Revenue from contracts with customers	4	**6.091.369**	**6.777.314**	**2.978.026**	**3.974.379**
Cost of sales		-5.571.296	-5.426.818	-2.793.169	-3.167.066
Gross profit / (loss)		**520.073**	**1.350.496**	**184.857**	**807.313**
Selling and distribution expenses		-195.019	-169.684	-101.211	-87.296
Administrative expenses		-88.798	-85.592	-48.316	-48.942
Exploration and development expenses		-4.659	-7.332	-415	-957
Other operating income and other gains	5	17.576	14.332	10.174	9.141
Other operating expense and other losses	5	-4.918	-14.085	-2.367	-10.953
Operating profit / (loss)		**244.255**	**1.088.135**	**42.722**	**668.306**
Finance income		3.105	1.105	1.779	567
Finance expense		-64.377	-51.052	-32.253	-26.498
Lease finance cost		-4.643	-4.704	-2.318	-2.342
Currency exchange gains / (losses)	6	687	1.239	129	5.509
Share of profit / (loss) of investments in associates and joint ventures	7	7.168	68.161	-24.122	21.809
Profit / (loss) before income tax		**186.195**	**1.102.884**	**-14.063**	**667.351**
Income tax	8	-23.512	-230.571	20.979	-141.668
Profit / (loss) for the period		**162.683**	**872.313**	**6.916**	**525.683**
Profit / (loss) attributable to:					
Owners of the parent		162.008	869.117	6.732	523.912
Non-controlling interests		675	3.196	184	1.771
		162.683	**872.313**	**6.916**	**525.683**
Other comprehensive income / (loss):					
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):					
Actuarial gains / (losses) on defined benefit pension plans		-1.711	0	-1.711	0
Changes in the fair value of equity instruments		-8	-13	-8	3
		-1.719	**-13**	**-1.719**	**3**
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):					
Share of other comprehensive income / (loss) of associates		-1.019	-9.636	98	8.091
Fair value gains / (losses) on cash flow hedges		-1.422	5.844	-501	578
Recycling of (gains) / losses on hedges through comprehensive income		1.991	-4.941	1.991	-4.941
Currency translation differences and other movements		-299	66	483	233
		-749	-8.667	2.071	3.961
Other comprehensive income / (loss) for the period, net of tax		**-2.468**	**-8.680**	**352**	**3.964**
Total comprehensive income / (loss) for the period		**160.215**	**863.633**	**7.268**	**529.647**
Total comprehensive income / (loss) attributable to:					
Owners of the parent		159.643	860.447	7.070	527.875
Non-controlling interests		572	3.186	198	1.772
		160.215	**863.633**	**7.268**	**529.647**
Earnings / (losses) per share (expressed in Euro per share)	9	**0,53**	**2,8**	**0,02**	**1,7**

Group Consolidated statement of cash flows

	Note	For the six-month period ended	
		30 June 2023	30 June 2022
Cash flows from operating activities			
Cash generated from operations	21	664.325	362.945
Income tax received / (paid)		(4.474)	(3.202)
Net cash generated from/ (used in) operating activities		**659.851**	**359.743**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	10, 12	(146.688)	(219.598)
Proceeds from disposal of property, plant and equipment & intangible assets		1.973	172
Acquisition of share of associates and joint ventures		(175)	-
Purchase of subsidiary, net of cash acquired		101	404
Grants received		2.996	-
Interest received		3.105	1.105

	Note		
Prepayments for right-of-use assets		(117)	(468)
Dividends received	7	31.715	-
Net cash generated from/ (used in) investing activities		**(107.090)**	**(218.385)**
Cash flows from financing activities			
Interest paid on borrowings		(61.571)	(45.278)
Dividends paid to shareholders of the Company	25	(76.348)	(91.951)
Dividends paid to non-controlling interests		-	(2.061)
Proceeds from borrowings	19	546.867	376.400
Repayments of borrowings	19	(1.102.296)	(13.991)
Payment of lease liabilities - principal		(17.906)	(19.055)
Payment of lease liabilities - interest		(4.643)	(4.704)
Net cash generated from/ (used in) financing activities		**(715.897)**	**199.360**
Net increase/ (decrease) in cash and cash equivalents		**(163.137)**	**340.719**
Cash and cash equivalents at the beginning of the year	16	**900.176**	**1.052.618**
Exchange (losses) / gains on cash and cash equivalents		343	1.494
Net increase / (decrease) in cash and cash equivalents		(163.137)	340.719
Cash and cash equivalents at end of the period	16	**737.382**	**1.394.831**

Parent Company Statement of Financial Position

	Note	As at 30 June 2023	31 December 2022
Assets			
Non-current assets			
Property, plant and equipment		683	671
Right-of-use assets	11	9.674	10.817
Intangible assets		95	138
Investments in subsidiaries, associates and joint ventures	7	1.710.182	1.654.517
Deferred income tax assets		11.213	11.020
Investment in equity instruments		38	38
Loans, advances and long term assets	13	279.043	230.243
		2.010.928	**1.907.444**
Current assets			
Inventories		-	-
Trade and other receivables	15	38.046	86.159
Income tax receivables		-	-
Derivative financial instruments		-	-
Cash and cash equivalents		188.398	209.054
		226.444	**295.213**
Total assets		**2.237.372**	**2.202.657**
Equity			
Share capital and share premium	17	1.020.081	1.020.081
Reserves	18	280.069	281.104
Retained Earnings		743.164	765.156
Total equity		**2.043.314**	**2.066.341**
Liabilities			
Non-current liabilities			
Interest bearing loans & borrowings		-	-
Lease liabilities		7.425	9.611
Deferred income tax liabilities		-	-
Retirement benefit obligations		7.852	7.977
Provisions		-	-
Other non-current liabilities		174	174
		15.451	**17.762**
Current liabilities			
Trade and other payables		17.758	36.491
Derivative financial instruments		-	-
Income tax payable	8	5.500	3.582
Interest bearing loans & borrowings		-	-
Lease liabilities		2.243	1.257
Dividends payable	25	153.106	77.224
		178.607	**118.554**
Total liabilities		**194.058**	**136.316**
Total equity and liabilities		**2.237.372**	**2.202.657**

Parent Company Statement of Comprehensive Income

	Note	For the six-month period ended 30 June 2023	30 June 2022	For the three month period ended 30 June 2023	30 June 2022
Sale proceeds		0	1.919.699	0	
Sales taxes, excise duties and similar levies		15.172	(735)	7.715	

	Note				
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Revenue from contracts with customers		**15.172**	**15.162**	**7.715**	**9.122**
Cost of sales		(13.792)	(13.785)	(7.014)	(8.294)
Gross profit / (loss)		**1.380**	**1.377**	**701**	**828**
Administrative expenses		(4.572)	(3.407)	(1.297)	(1.992)
Other operating income and other gains	5	9.764	11.044	6.078	7.359
Other operating expense and other losses	5	(9.494)	(9.245)	(6.674)	(5.894)
Operating profit /(loss)		**(2.922)**	**(231)**	**(1.192)**	**301**
Finance income		9.865	2.738	5.281	1.323
Finance expense		(6)	(509)	(3)	(4)
Lease finance cost		(174)	(264)	(81)	(129)
Dividend income	25	126.081	-	-	-
Profit / (loss) before income tax		**132.844**	**1.734**	**4.005**	**1.491**
Income tax credit / (expense)	8	(2.017)	(432)	(781)	(401)
Profit / (loss) for the period		**130.827**	**1.302**	**3.224**	**1.090**
Other comprehensive income / (loss):					
Other comprehensive income / (loss) that will not be reclassified to profit or loss (net of tax):					
Actuarial gains / (losses) on defined benefit pension plans		(1.034)	-	(1.034)	-
Other comprehensive income / (loss) for the year, net of tax		**(1.034)**	-	(1.034)	-
Total comprehensive income / (loss) for the period		**129.793**	**1.302**	**2.190**	**1.090**

Parent Company Statement of Cash flows

	Note	For the six-month period ended 30 June 2023	30 June 2022
Cash flows from operating activities			
Cash generated from / (used in) operations	21	(6.179)	44.890
Income tax received / (paid)		-	-
Net cash generated from / (used in) operating activities		**(6.179)**	**44.890**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(18)	-
Participation in share capital increase of subsidiaries, associates and joint ventures		(54.665)	(16.609)
Loans and advances to Group Companies	13	(48.800)	(18.302)
Interest received		8.003	1.118
Dividends received	7, 25	158.532	-
Proceeds from disposal of assets held for sale		-	-
Net cash generated from / (used in) investing activities from discontinued operations		-	-
Net cash generated from / (used in) investing activities		**63.052**	**(33.793)**
Cash flows from financing activities			
Interest paid		-	-
Dividends paid to shareholders of the Company	25	(76.348)	(91.951)
Payment of lease liabilities - principal, net		(1.007)	(1.494)
Payment of lease liabilities - interest		(174)	(264)
Net cash generated from / (used in) financing activities from discontinued operations		-	-
Net cash generated from / (used in) financing activities		**(77.529)**	**(93.709)**
Net increase / (decrease) in cash and cash equivalents		**(20.656)**	**(82.612)**
Cash and cash equivalents at the beginning of the period		**209.054**	**843.493**
Exchange gain / (loss) on cash and cash equivalents		-	-
Net cash outflow due to demerger		-	(713.493)
Net increase / (decrease) in cash and cash equivalents		(20.656)	(82.612)
Cash and cash equivalents at end of the period		**188.398**	**47.388**

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