

Maroussi, 29 August 2024

Second Quarter / First Half 2024 financial results

Positive results in 1H24 on improved operational performance and increased exports

HELLENiQ ENERGY Holdings S.A. ("Company") announced its **2Q24 financial results, with Adjusted EBITDA amounting to €232m and Adjusted Net Income to €73m, while for 1H24 they amounted to €570m and €236m respectively**. Reported net income was €209m in 1H24.

Improved results were reported by all business units with main drivers being the favorable international refining environment, improved units' availability and increased sales, while exports and international activities performed also very well. RES business adds to existing business as portfolio continues to increase.

Downstream production in 2Q24 was 3% higher y-o-y to 3.7m MT, while sales reached 4m MT (+1% y-o-y); exports accounted for 55% of total, with domestic market auto-fuels volumes at 20% respectively.

It is noted that, on 19 July 2024, Law 5122 was enacted for the imposition of a temporary Solidarity Contribution applicable to the incremental profits of the fiscal year 2023, as defined by the relevant European regulation. The net amount, that will impact the 3Q24 Reported Net Income, is estimated at approximately €173m.

Main developments - Strategy implementation

Maintaining a high standard of operational excellence is a key priority but at the same time, transformation strategy continues to be implemented across all the Group's businesses, with initiatives focused on improving the environmental footprint and increasing the value of the Group.

In Refining and Petrochemicals, energy autonomy and efficiency projects, investment in biofuels (HVO) co-processing unit, as well as the expansion of the polypropylene production plant are progressing and expected to be completed within the next 2 years.

In RES business, HELLENiQ RENEWABLES continues to implement the targeted expansion of its portfolio with the completion of acquisitions in Greece and Romania, as well as developing projects from its own portfolio (5 GW). Operating capacity of 0.4 GW has already been commissioned in the last three years, adding almost €50m in annual operating contribution, while, an additional 0.7 GW of PVs and storage projects are, either under construction, or in an advanced development stage. The objective is to operate RES projects with a capacity of **at least 1 GW in the short-term and more than 2 GW by 2030**.

In E&P business, seismic surveys have been completed in five offshore areas and data processing and interpretation is progressing, with a decision on drilling potential targets anticipated within 2025.

In Power & Gas business, the Group is evaluating its options in relation to its participation in ELPEDISON and DEPA Commercial, with the objective of better managing its portfolio and achieve commercial synergies.

Higher crude oil prices and benchmark refining margins

Crude oil prices in 2Q24 averaged 8% higher than 2Q23, with Brent at 85/bbl. Accordingly, the EUR/USD averaged 1.08, compared to 1.09 in 2Q23.

In 2Q24, natural gas and electricity prices fell further and stood lower y-o-y, by 10% and 26% respectively. At the same time, EUAs price dropped by 21%, on average, compared to the corresponding period last year.

Refining margins improved slightly, but remained lower than 1Q24. Our refineries' system benchmark margin averaged 5.5/ bbl, compared to 4.4/bbl in 2Q23.

Increased autofuels demand in Greece

Domestic market demand reached 1.5m MT in 2Q24, +1% y-o-y, driven by a +3% y-o-y increase in the automotive fuel consumption. Aviation fuel demand increased by 17%, while marine fuel consumption decreased by 3% y-o-y.

Balance sheet and capital expenditure

Operating cash flows in 2Q24 amounted to €288m, while capital expenditure reached €80m, directed mainly to refining maintenance projects and RES capacity expansion.

Net Debt was reduced q-o-q to €1.59bn, with Gearing (Net Debt to Capital Employed) at 35%, lower q-o-q.

In addition, bank loans refinancing of €1.4bn was successfully completed, with particularly favorable terms. In addition, on 24 July 2024, the Company issued a new €450m Eurobond (maturing in 2029), combined with the partial redemption, through a tender offer of €300m of outstanding notes due in October 2024. The aforementioned transactions improve the financing profile (cost, maturity, commercial terms, and interest rate risk) and the Group's balance sheet.

Andreas Shiamishis, Group CEO, commented on the results:

"In 2Q24 the Group maintained a high level of operational performance, which, combined with the positive refining environment, resulted in strong financial results. We have been working and will continue to do so on the expansion of our international business portfolio, either through local presence or exports, as well as the growth of our RES portfolio. As a result, the Group's 1H24 Adjusted EBITDA amounted to €570m, a performance that sets a strong base for the year, despite the challenges in the refining environment during 2H24.

Considering the need for a realistic approach to the energy transition, investments in reliable technologies and a calculated assumption of financial risk, the implementation of the Vision 2025 strategic plan is progressing with targeted initiatives. The primary pillars remain the improvement of our existing refining and marketing portfolio, as well as the development of a second pillar in RES, with the objective of operating 1 GW of RES projects in the short term and adding €100m to the Group's operating profitability. Being able to capture synergies (technical, commercial and financial) across the whole range of our activities plays an important role in this strategy. Lastly, a significant pillar of our strategy involves investing and developing sustainable energy. We are committed to maximizing shareholder value and ensuring a strong

investing and developing our human capital. we are committed to renewing, developing and, when necessary, adding to our workforce, in a way that aligns with our future plans and a constantly evolving business environment."

Key highlights and contribution for each of the main business units in 2Q24 were:

Refining, Supply & Trading

- Refining, Supply & Trading Adjusted EBITDA came in at €179m, higher y-o-y, due to higher refining margin (13.2/bbl compared to 10.9/bbl in 2Q23), with increased overperformance, as well as slightly improved sales volumes (+1%).
- Production reached 3.7m MT, +3% y-o-y, on high refineries availability, while the contribution of high value-added products to the production mix was maintained above 80%.
- Exports amounted to 55% of total sales, 2% higher y-o-y.

Petrochemicals

- 2Q24 Adjusted EBITDA improved by 36% y-o-y to €16m, primarily due to a recovery in polypropylene (PP) margins.

Marketing

- Domestic Marketing recorded a 2% increase in sales volume, with improved market shares in autofuels and aviation, while the contribution from premium products increased y-o-y for yet another quarter, as well as sales from non-fuel products and services. Profitability was impacted by operating expenses inflation and regulatory constraints on the retail gross margin that continue to remain in place for the last 2.5 years.
- International Marketing recorded improved performance, with increased sales (+4%) and profitability (Adjusted EBITDA up 14%), due to network expansion (324 petrol stations vs 320 in 2Q23), higher unit margins and contribution from NFR sales.

Renewables

- 2Q24 RES EBITDA amounted to €12m. Power generation stood at 176 GWh, +11% y-o-y, primarily due to the addition of 26 MW of new RES capacity in Cyprus, resulting in a total installed capacity of 384 MW.

Associate companies

The contribution of associate companies consolidated using the equity method in the electricity and natural gas sector for 2Q24 was negative, due to deterioration in markets conditions, amounting to -€11m.

HELLENiQ ENERGY Holdings S.A.

Key consolidated financial indicators for 2Q / 1H2024

(prepared in accordance with IFRS)

€m	2Q23	2Q24	% Δ	1H23	1H24	% Δ
P&L figures						
Refining Sales Volumes ('000 MT)	3,951	4,003	1%	7,639	7,990	5%
Sales	2,978	3,274	10%	6,091	6,553	8%
EBITDA	121	182	50%	400	532	33%
Adjusted EBITDA ¹	164	232	42%	568	570	-
Operating Profit	43	98	-	244	366	50%
Net Income	7	30	-	162	209	+29%
Adjusted Net Income ¹	25	73	-	277	236	-15%
Balance Sheet Items						
Capital Employed				4,283	4,568	7%
Net Debt				1,553	1,587	2%
Gearing (ND/ND+E)				36%	35%	-1 pp ²

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

² pp stands for percentage point

Further information:

Investor Relations

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	Note	30 June 2024	As at 31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	9	3,641,580	3,643,045
Right-of-use assets	10	229,198	232,189
Intangible assets	11	409,466	333,692
Investments in associates and joint ventures	6	390,646	404,743
Deferred income tax assets		98,586	95,546
Investment in equity instruments	3	512	514
Derivative financial instruments		273	746
Loans, advances and long-term assets	12	56,477	57,771
		4,826,738	4,768,246
Current assets			
Inventories	13	1,637,961	1,472,536
Trade and other receivables	14	937,266	880,986
Income tax receivable		64,673	66,148
Derivative financial instruments		698	930
Cash and cash equivalents	15	799,407	919,457
		3,440,005	3,340,057
Total assets		8,266,743	8,108,303
Equity			
Share capital and share premium	16	1,020,081	1,020,081
Reserves	17	303,294	291,010
Retained Earnings		1,593,394	1,568,384
Equity attributable to the owners of the parent		2,916,769	2,879,475
Non-controlling interests		64,751	66,916
Total equity		2,981,520	2,946,391
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	18	1,473,810	1,388,010
Lease liabilities		183,648	182,335
Deferred income tax liabilities		171,702	174,063
Retirement benefit obligations	19	223,090	176,305
Derivative financial instruments	3	542	1,541
Provisions		31,790	33,835
Other non-current liabilities		34,862	25,348
		2,119,444	1,981,437
Current liabilities			
Trade and other payables	20	1,785,491	1,598,726
Derivative financial instruments	3	214	13,333
Income tax payable	7	255,081	285,570
Interest bearing loans and borrowings	18	912,720	1,158,495
Lease liabilities		29,466	32,220
Dividends payable	25	182,807	92,131
		3,165,779	3,180,475
Total liabilities		5,285,223	5,161,912
Total equity and liabilities		8,266,743	8,108,303

Interim Condensed Statement of Financial Position of the Company

	Note	30 June 2024	As at 31 December 2023
Assets			
Non-current assets			
Property, plant and equipment		662	673
Right-of-use assets	10	8,217	9,155
Intangible assets		32	63
Investments in subsidiaries, associates and joint ventures	6	1,839,115	1,785,115
Deferred income tax assets		8,503	8,416
Loans, advances and long-term assets	12	62,878	242,249
		1,919,407	2,045,671
Current assets			
Trade and other receivables	14	423,828	26,101
Income tax receivables		2,625	2,625
Cash and cash equivalents		3,530	150,528
		429,983	179,254
Total assets		2,349,390	2,224,925
Equity			
Share capital and share premium	16	1,020,081	1,020,081
Reserves	17	292,638	292,638
Retained Earnings		823,700	784,155

Total equity	2,136,419	2,096,874
Liabilities		
Non-current liabilities		
Lease liabilities	5,944	6,973
	5,944	6,973
Current liabilities		
Trade and other payables	19,899	24,597
Income tax payable	1,759	1,928
Lease liabilities	2,562	2,422
Dividends payable	25 182,807	92,131
	207,027	121,078
Total liabilities	212,971	128,051
Total equity and liabilities	2,349,390	2,224,925

Interim Condensed Consolidated Statement of Comprehensive Income

		For the six-month period ended		For the three-month period ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenue from contracts with customers	4	6,552,554	6,091,369	3,274,074	2,978,026
Cost of sales		(5,819,439)	(5,571,296)	(2,949,621)	(2,793,169)
Gross profit / (loss)		733,115	520,073	324,453	184,857
Selling and distribution expenses		(216,742)	(195,019)	(115,986)	(101,211)
Administrative expenses		(95,983)	(88,798)	(52,199)	(48,316)
Exploration and development expenses		(6,900)	(4,659)	(5,513)	(415)
Other operating income and other gains	5	15,448	17,576	6,944	10,174
Other operating expense and other losses	5	(63,034)	(4,918)	(59,598)	(2,367)
Operating profit / (loss)		365,904	244,255	98,101	42,722
Finance income		6,765	3,105	3,326	1,779
Finance expense		(67,291)	(64,377)	(33,847)	(32,253)
Lease finance cost		(4,856)	(4,643)	(2,419)	(2,318)
Currency exchange gains / (losses)		6,044	687	221	129
Share of profit / (loss) of investments in associates and joint ventures	6	(14,559)	7,168	(10,909)	(24,122)
Profit / (loss) before income tax		292,007	186,195	54,473	(14,063)
Income tax (expense) / credit	7	(82,192)	(23,512)	(23,923)	20,979
Profit / (loss) for the period		209,815	162,683	30,550	6,916
Profit / (loss) attributable to:					
Owners of the parent		209,216	162,008	30,047	6,732
Non-controlling interests		599	675	503	184
		209,815	162,683	30,550	6,916
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)	-	(1,711)
Changes in the fair value of equity instruments		6	(8)	40	(8)
		6	(1,719)	40	(1,719)
Other comprehensive income / (loss) that may be reclassified subsequently to profit or loss (net of tax):					
Share of other comprehensive income / (loss) of associates	17	462	(1,019)	(108)	98
Fair value gains / (losses) on cash flow hedges	17	16,128	(1,422)	3,252	(501)
Recycling of (gains) / losses on hedges through comprehensive income	17	(4,322)	1,991	(4,155)	1,991
Currency translation differences and other movements		(14)	(299)	(31)	483
		12,254	(749)	(1,042)	2,071
Other comprehensive income / (loss) for the period, net of tax		12,260	(2,468)	(1,002)	352
Total comprehensive income / (loss) for the period		222,075	160,215	29,548	7,268
Total comprehensive income / (loss) attributable to:					
Owners of the parent		221,500	159,643	29,347	7,070
Non-controlling interests		575	572	201	198
		222,075	160,215	29,548	7,268
Earnings / (losses) per share (expressed in Euro per share)	8	0.68	0.53	0.10	0.02

Interim Condensed Statement of Comprehensive Income of the Company

	Note	For the six-month period ended	For the three-month period ended
		30 June 2024	30 June 2023
Revenue from contracts with customers		17,778	15,172
Cost of sales		(16,162)	(13,792)

Gross profit / (loss)		1,616	1,380	829	701
Administrative expenses		(4,803)	(4,572)	(3,358)	(1,297)
Other operating income and other gains	5	10,252	9,764	5,588	6,078
Other operating expense and other losses	5	(12,687)	(9,494)	(8,141)	(6,674)
Operating profit / (loss)		(5,622)	(2,922)	(5,082)	(1,192)
Finance income		7,627	9,865	3,567	5,281
Finance expense		(12)	(6)	(8)	(3)
Lease finance cost		(163)	(174)	(80)	(81)
Currency exchange gain / (loss)		(3)	-	-	-
Dividend income	25	222,117	126,081	222,117	-
Profit / (loss) before income tax		223,944	132,844	220,514	4,005
Income tax (expense) / credit	7	(1,018)	(2,017)	(258)	(781)
Profit / (loss) for the period		222,926	130,827	220,256	3,224
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		222,926	129,793	220,256	2,190

Interim Condensed Consolidated Statement of Cash Flows

	Note	For the six-month period ended	
		30 June 2024	30 June 2023
Cash flows from operating activities			
Cash generated from operations	21	496,931	664,325
Income tax (paid) / received		(121,186)	(4,474)
Net cash generated from/ (used in) operating activities		375,745	659,851
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	9, 11	(172,641)	(146,688)
Proceeds from disposal of property, plant and equipment & intangible assets		574	1,973
Acquisition of share of associates and joint ventures		-	(175)
Cash and cash equivalents of acquired subsidiaries	9	1,639	101
Grants received		10,008	2,996
Interest received		6,765	3,105
Prepayments for right-of-use assets		(3)	(117)
Dividends received		-	31,715
Net cash generated from/ (used in) investing activities		(153,659)	(107,090)
Cash flows from financing activities			
Interest paid on borrowings		(65,040)	(61,571)
Dividends paid to shareholders of the Company	25	(91,586)	(76,348)
Dividends paid to non-controlling interests		(2,741)	-
Proceeds from borrowings	18	1,446,221	546,867
Repayments of borrowings	18	(1,610,699)	(1,102,296)
Payment of lease liabilities - principal		(19,597)	(17,906)
Payment of lease liabilities - interest		(4,856)	(4,643)
Net cash generated from/ (used in) financing activities		(348,298)	(715,897)
Net increase/ (decrease) in cash and cash equivalents		(126,212)	(163,137)
Cash and cash equivalents at the beginning of the year	15	919,457	900,176
Exchange (losses) / gains on cash and cash equivalents		6,162	343
Net increase / (decrease) in cash and cash equivalents		(126,212)	(163,137)
Cash and cash equivalents at end of the period	15	799,407	737,382

Interim Condensed Statement of Cash Flows of the Company

	Note	For the six-month period ended	
		30 June 2024	30 June 2023
Cash flows from operating activities			
Cash generated from/ (used in) operations	21	1,674	(6,179)
Income tax (paid) / received		(1,599)	-
Net cash generated from/ (used in) operating activities		75	(6,179)
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		(54,000)	(54,665)
Loans and advances to Group Companies	12	(6,500)	(48,800)
Interest received		6,413	8,003
Dividends received		-	158,532
Net cash generated from/ (used in) investing activities		(54,087)	63,052
Cash flows from financing activities			
Dividends paid to shareholders of the Company	25	(91,586)	(76,348)
Payment of lease liabilities - principal		(1,237)	(1,007)
Payment of lease liabilities - interest		(163)	(174)

Financial Statement Information	2022	2021
Net cash generated from / (used in) financing activities	(92,986)	(77,529)
Net increase / (decrease) in cash and cash equivalents	(146,998)	(20,656)
Cash and cash equivalents at the beginning of the period	150,528	209,054
Net increase / (decrease) in cash and cash equivalents	(146,998)	(20,656)
Cash and cash equivalents at end of the period	3,530	188,398

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