Maroussi, 24 February 2023

Fourth Quarter / Full Year 2022 financial results

Record high profitability on positive international refining environment, exports and new investments in RES – Successful completion of the first phase of the strategic transformation, energy crisis management and significant contribution to society

HELLENiQ ENERGY Holdings S.A. ("Company") announced its 4Q/FY 22 consolidated financial results, with 4Q22 Adjusted EBITDA at €465m and Adjusted Net Income at €261m, while FY22 Adjusted EBITDA reached historical-highs, at €1,601m and Adjusted Net Income was shaped at €1,006m.

Highest ever results were driven by strong international environment, improved operation of our refineries, exports, but also as a result of the Group's transformation strategy across its businesses. Retail contribution in Greece and internationally was significant, while investments in RES are exhibiting positive contribution as a new business.

Sales volume amounted to 14.3m MT, with strong exports (49% of total sales) and the aviation and marine fuel market improving due to tourism recovery. Fuels marketing contributed €138m (+8%) to the FY22 profitability on the back of strong sales volume increase.

Reported Net Income in FY22 came in at €890m with the provision for the Solidarity Contribution of more than €300m and inventory gains of approximately €100m being the main reconciliation items to Adjusted Net Income.

The Board of Directors proposed to the General Meeting the distribution of a final dividend of €0.50/share, with the total dividend at €1.15/share, considering the distribution of €0.40/share out of DEPA Infrastructure proceeds and the interim dividend of €0.25/share, which have already been paid.

Strategy Implementation - Vision 2025

In 2022, the first phase of the implementation of the Group's strategy was completed. In addition to redefining our strategic direction towards cleaner forms of energy, the corporate governance framework was upgraded, a more appropriate corporate structure was established and, finally, the new corporate identity was launched.

In particular, 2022 was a year with substantial positive developments, starting from 3 January 2022 with the establishment of a new corporate structure that allows for significant benefits, in terms of risk management, strategic flexibility, financing optionality, but also in increasing visibility of the Group's business units value.

On 20 September 2022, following the approval of the Extraordinary General Meeting, the new corporate identity was officially launched, including a new corporate name and logo, which were presented at special events across all the subsidiaries and the markets where the company operates.

As part of the refocus of the non-core portfolio, the sale of the Company's equity stake in DEPA Infrastructure to Italgas, jointly with HRADF, was completed. Proceeds from the transaction amounted to €266m, with approximately 50% of them distributed to our shareholders and the remainder directed towards the accelerated implementation of our strategic program.

In terms of our RES expansion, in 2022 the construction of the 204 MW photovoltaic park in Kozani, the largest single RES project to date in Greece was completed. At the same time, the acquisition of 55 MW operating wind parks in Mani was concluded, increasing the Group's total installed capacity in RES to 341 MW. In addition, a memorandum of cooperation was signed with RWE for the purpose of developing offshore wind farms. Our objective is to gradually grow the operational RES portfolio to 1 GW by 2025 and over 2 GW by 2030, with the portfolio under development exceeding 2.5 GW.

In E&P, 2D seismic surveys were recently completed in 2 offshore areas (West of Crete, Southwest of Crete) in collaboration with ExxonMobil, while 3D seismic surveys were carried out in another 3 offshore areas (Block 2, Block Ionio, Block 10).

Significant progress has been achieved in the implementation of our digital transformation program, with total scheduled investments of more than €40m and an estimated annualized benefit of €50m from 2025 onwards, while the cumulative benefits since the start of its implementation amount to €27m.

Unpredictable market developments, with high crude oil prices and strong USD, as well as robust international refining margins

International crude oil and product prices rose significantly in 2022, with Brent prices averaging $101/bbl, +43% y-o-y, and at particularly high levels during 1H22 ($108/bbl on average), driven by

Russia's invasion of Ukraine and higher demand as a result of the post-pandemic improvement of economic activity. During 2H22, prices fell slightly to $94/bbl on average, while in 4Q22 averaged $89/bbl.

The combination of the highest oil prices in recent years and the strengthening of the USD, led to particularly high crude oil prices in EUR terms, with Brent prices averaging €96/barrel in 2022, up 61% y-o-y, at the highest levels recorded.

Benchmark refining margins strengthened significantly in 2022 due to tight supply-demand balances, especially in middle distillate products, as a result of Russia's invasion of Ukraine and the sanctions imposed by Western countries. In particular, FCC and Hydrocracking benchmark margins averaged $11.5/bbl and $13.2/bbl respectively vs $2.3/bbl in 2021.

Increased demand in the domestic fuel market

Total domestic market ground fuels demand in FY22 increased by 5.5% y-o-y to 6.1m MT. The auto-fuels consumption grew by 3.9% y-o-y, driven by diesel, as a result of increased economic activity and tourism. Heating gasoil consumption was 13% higher, as both the Greek State and the refining sector's companies in Greece proceeded with substantial measures to support the market and consumers, in an attempt to smooth out the impact of the energy crisis. Aviation fuels demand improved by 68%, on increased air traffic, mainly due to tourism, while bunkering fuels offtake was 6% higher y-o-y.

Balance sheet and capital expenditure

Despite the energy crisis and increased oil prices in 2022, which translate into incremental working capital needs, higher investments and increased distributions to shareholders, the improved operating cash flows and the income from the sale of DEPA Infrastructure contributed to a stronger balance sheet. As a result, Net Debt amounted to €1.9bn, with gearing (Net Debt over Capital Employed) improving to 42% from 48% in 2021.

In addition, the refinancing of €1.2bn of bank loans was concluded on favorable terms, improving maturity profile.

Capital expenditure amounted to €512m, higher y-o-y, mainly due to the maintenance works at the 3 refineries and the acquisition of the wind parks in Mani (55 MW).

Andreas Shiamishis, Group CEO, commented on the results:

"During 2022 we faced multiple challenges on all fronts. The energy crisis was particularly severe, especially following Russia's invasion of Ukraine, with multiple effects across a number of sectors of the economy – in addition to the energy sector - and increased uncertainty. We started the year with an ambitious strategic transformation program which imposed its own priorities on the day-to-day business, especially given the ongoing operational requirements and complexity of our group.

2022 ended on a firm footing for the Group in all areas that we could influence. Firstly, the energy crisis was managed successfully, benefiting from our close relations with traditional crude oil suppliers, but also the refining flexibility due to advanced configuration. In a very short time we succeeded in replacing all controversial crude oil grades and oil products, without any impact on the Greek market. At the same time, all Group transformation initiatives proceeded swiftly and successfully, allowing us to improve our position in the new energy market. In terms of operations, the Company delivered the best results in its history, both due to the operating environment, but also of our initiatives and actions and, above all, the adaptability and efforts of all our employees. The achieved profitability allowed us to proceed with important actions to support the society, either with targeted initiatives such as fuels for hospitals and multi-member families, or through differentiation in our commercial policy for wider consumer groups.

Taking into consideration all of the above, the Board of Directors decided to propose €0.50/share as a final dividend to the Annual General Meeting, with the FY22 distribution at €1.15/share.

As a conclusion, I would like to express the Management's satisfaction in terms of the Company's progress and thank all our employees and partners again for their essential contribution to achieving these results."

Key highlights and contribution for each of the main business units in 4Q/FY 22 were:

REFINING, SUPPLY & TRADING

- Refining, Supply & Trading 4Q22 Adjusted EBITDA came in at €441m, supported by international refining margins, strong US dollar and our refineries' over-performance, despite the impact from the scheduled turnaround at the Thessaloniki refinery.

- Production in 2022 reached 13m MT (-10% y-o-y), as the maintenance programs at the 3 refineries were successfully concluded.
- The discounts applied on heating gasoil sales to support the consumers amid the energy crisis reached €24m for the year.

PETROCHEMICALS

- 4Q22 Adjusted EBITDA came in at €16m, lower y-o-y on weak PP margins. FY22 profitability was respectively impacted by weak global petrochemical margins.

MARKETING

- In 4Q22, Domestic Marketing recorded increased sales volume (+13% y-o-y) on the back of higher demand, while profitability was affected by lower inventory valuation and higher transport costs, as well as by regulatory gross margin caps. In FY22, sales volume increased by 18% y-o-y, driven by tourism and improved economic activity, with Adjusted EBITDA at €61m, +5%.
- International Marketing recorded higher sales volume (+7% y-o-y) in 4Q22, with Adjusted EBITDA at €18m and significant contribution from Cyprus, Montenegro and Republic of North Macedonia. In FY22, sales volume improved by 18% and profitability by 11%, at €78m.

RENEWABLES

- Higher RES operating capacity (341 MW) led to increased electricity output, with Adjusted EBITDA increasing to €9m in 4Q22 and €29m in FY22.

ASSOCIATE COMPANIES

- DEPA companies' contribution to FY22 consolidated Net Income was €58m.
- Elpedison 4Q and FY22 EBITDA came in at €45m and €185m respectively, higher y-o-y, driven by operational flexibility and trading opportunities in the natural gas markets.

HELLENiQ ENERGY

HELLENiQ ENERGY Holdings S.A.
Key consolidated financial indicators for 4Q/FY 22
(prepared in accordance with IFRS)

€ million	4Q21	4Q22	% Δ	FY21	FY22	% Δ
P&L figures						
Refining Sales Volume ('000 MT)	3,884	3,685	-5%	15,184	14,284	-6%
Sales	2,823	3,542	25%	9,222	14,508	57%
EBITDA	126	149	18%	657	1,717	-
Adjusted EBITDA [1]	**138**	**465**	**-**	**401**	**1,601**	**-**
Operating Profit	59	75	27%	400	1,413	-
Net Income	82	-232	-	337	890	-
Adjusted Net Income [1]	**92**	**261**	**-**	**140**	**1,006**	**-**
Balance Sheet Items						
Capital Employed				4,067	4,669	15%
Net Debt				1,938	1,942	1%
Gearing (ND/ND+E)				48%	42%	-6 pps[2]

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

Note 2: pps stands for percentage points

Further information:

N. Katsenos, Head of IR

Tel.: +30 210-6302305
Email: nkatsenos@helleniq.gr