Maroussi, 2 November 2023

Third Quarter / Nine Month 2023 financial results

Strong results due to favorable refining environment, operating performance and exports – Acceleration of the energy transition plan with maturing investments in RES

HELLENiQ ENERGY Holdings S.A. ("Company") announced its 3Q23 consolidated financial results, with Adjusted EBITDA at €400m and Adjusted Net Income at €218m. Accordingly, 9M23 Adjusted EBITDA came in at €968m and Adjusted Net Income at €496m.

3Q23 results were positively affected by strong benchmark refining margins, exports, increased refining units availability and satisfactory operating performance across the Group's businesses; oil products output increased by 5% y-o-y to 3.65m MT, while sales volumes reached 3.84m MT, with exports corresponding to 46% of total. Contribution increased in Domestic Marketing and in RES, on installed capacity growth.

Reported Net Income came in at €300m in 3Q23 (2022: €252m) and €462m in 9M23 (2022: €1,121m). The decrease in 9M23 reported results reflects the impact of prices on the inventory valuation of crude and oil products.

Considering the 9M23 results and the outlook for the FY23 period, HELLENiQ ENERGY Holdings' Board of Directors decided to **distribute an interim dividend of €0.30 per share**.

Strategy Implementation - Vision 2025

The implementation of our strategic plan Vision 2025 leverages on major market trends and focuses on the improvement of our existing businesses as well as the development of new activities. Specifically, our energy transition strategy capitalizes on a) the expected **increase in energy demand** in the coming years, with oil products demand remaining strong over the next decade, b) the **transition to a low-carbon economy** driven by electricity demand and RES, c) the **positive macro-economic environment in Greece** on the back of increasing investments, above European-average GDP growth and improvement in the sovereign credit rating.

Following the completion of the first phase of the Vision 2025 strategic plan, the Group focuses on four pillars: **a) promote operational excellence** across all businesses, **b) develop new activities to evolve its position in the energy market**, such as biofuels, electromobility and alternative energy, **c) accelerate targeted portfolio development in RES and storage** in Greece and internationally, along with the development of commercial capabilities, **d) improve operating model** by incorporating risk management best practices and expanding the digital transformation's implementation scope and **reduce carbon footprint** in our core activities.

Our strategy aims to utilize our cash flows to further improve our core activities' performance and accelerate investments in the energy transition to grow our profitability and increase the contribution from more sustainable businesses.

In the RES sector, HELLENiQ Renewables' **installed capacity at the end of 3Q23 amounted to 356 MW, with RES projects in advanced development stages reaching 0.7 GW of capacity** in Greece and Romania, following the completion of several agreements during last quarter. Moreover, the acquisition of RES projects with a total capacity of 26 MW in Cyprus was recently announced, the second during 2023 in the Cypriot market, further strengthening our presence as well as diversifying our portfolio's geographical footprint. Those agreements support the acceleration of our Group's development in the RES business, targeting an **installed capacity of at least 1 GW by 2025**, while the total projects portfolio under development amounts to 4.2 GW.

Increase of crude oil prices and strengthening of refining margins

The decline in international crude oil and product prices since the beginning of the year reversed in 3Q23, mainly due to OPEC+ announcements for production cuts extension until the end of 2023. As a result, Brent averaged $87/bbl, higher than 2Q23 ($78/barrel), albeit 14% lower than 3Q22 ($101/barrel).

The EUR/USD strengthened by 8% y-o-y, averaging 1.09 in 3Q23 vs 1.01 in 3Q22, contributing to a 20% decline in the Brent price in EUR terms.

In 3Q23, refining margins were higher compared to 3Q22, as well as vs 1H23. Refining margins strengthened due to seasonal demand increase and the reduced supply due to unscheduled shutdowns at refineries. Our refineries' system benchmark margin averaged $12.6/bbl in 3Q23 vs $9.0/bbl in 3Q22.

Decent domestic market demand

Domestic market demand in 3Q23 reached 1.65m MT, mainly as a result of a growing economy and tourism, with gasoline and diesel consumption at last year's levels. Aviation fuels sales were also flat y-o-y at 650k MT, while bunkering fuels offtake fell by 1% to 751k MT.

Balance sheet and capital expenditure

Capex amounted to €53m in 3Q23 and €200m in 9M23, directed primarily to refinery maintenance and infrastructure improvement projects as well as the expansion of the installed RES capacity.

Net Debt shaped at €1.48bn, lower by €0.5bn since the beginning of the year, due to positive cash flow generation in 9M23, despite the gradual payment of the temporary solidarity contribution and dividends distribution of approximately €230m in 9M23. Gearing (Net Debt to Capital Employed) fell to 33%, the lowest level since 2009.

During 4Q23, refinancing of a €400m RCF for 5 years was concluded, maintaining the level of the Group's available credit lines at €1.3bn and, at the same time, improving our debt's maturity profile.

Andreas Shiamishis, Group CEO, commented on the results:

"In 3Q23, we achieved another positive result, supported by high refining margins and exports, improved operational performance in both Refining and Marketing as well as increased contribution from RES. 9M23 Adjusted EBITDA came in at €968m, resulting in increased cash flow generation and further improving our balance sheet. 9M23 profitability and the outlook for a positive result for FY23 supports the distribution of an interim dividend of €0.30 per share to our shareholders.

Although the energy crisis has receded to a certain extent, the volatility of the macro-economic and geopolitical environment continues, with the security of supply remaining our key priority. We continue to follow closely the broader geopolitical developments and are taking all the necessary steps to ensure uninterrupted supply across our key markets.

At the same time, we are accelerating our transformation plan, introducing options for the development of alternative, greener fuels, but also growing our RES business; having already an installed RES capacity of approximately 0.4 GW, we are developing RES projects with a total capacity of 0.7 GW until 2025, with the total projects' pipeline under various development stages at 4.2 GW, excluding potential offshore wind energy projects. We are implementing our transition into an energy group with significant presence in our core business and accelerated growth in the RES sector and alternative energy, with the objective of improving our profitability and increasing the earnings contribution from more sustainable sources.

HELLENiQ ENERGY has always provided substantial support to the society. Following the recent disastrous floods in Thessaly, we are proceeding with initiatives to support the local community by implementing an action plan amounting to €10 million for infrastructure restoration and support of vulnerable social groups. In addition, in the context of supporting consumers in meeting their needs during the winter season, EKO is offering price discounts and is providing additional options in relation to the supply of heating gasoil.».

Key highlights and contribution for each of the main business units in 3Q23 were:

Refining, Supply & Trading

- Refining, Supply & Trading 3Q23 Adjusted EBITDA came in at €327m, supported by high international refining margins as well as the System's overperformance, outweighing a stronger EUR and increased production costs due to inflationary pressures. The Group's refining availability remained at high levels, with exports accounting for 46% of sales and the high value-added products reaching 80% of output.
- Production came in at 3.65m MT in 3Q23, +5% y-o-y.

Petrochemicals

- 3Q23 Adjusted EBITDA came in at €8m, flat y-o-y, on weak PP margins.

Marketing

- In 3Q23, Domestic Marketing recorded flat sales volume y-o-y, with automotive sales increasing by 3%. Profitability improved by 44% on the back of inventory valuation gains, while regulatory constraints on retail gross margin remain in place.
- International Marketing recorded slightly lower profitability in 3Q23, driven by lower margins at some markets. In 9M23, profitability remained broadly flat y-o-y.

Renewables

- Higher RES operating capacity (356 MW) compared with 3Q22 (341 MW) led to increased power production (+6%), with Adjusted EBITDA coming in at €13m (+15%).

Associate companies

- In 3Q23 the contribution of associate companies, which are consolidated using the equity method, was negative. Specifically, a) Elpedison's profitability was negatively affected by Thisvi power plant's lower availability, while b) DEPA's contribution was mainly affected by lower domestic market demand as well as increased costs for securing capacity in the gas network.

HELLENiQ ENERGY Holdings S.A.

Key consolidated financial indicators for 3Q/9M 2023
(prepared in accordance with IFRS)

€ million	3Q22	3Q23	% Δ	9M22	9M23	% Δ
P&L figures						
Refining Sales Volumes ('000 MT)	3,889	3,844	-1%	10,599	11,490	8%
Sales	4,189	3,408	-19%	10,967	9,499	-13%
EBITDA	329	505	54%	1,568	905	-42%
Adjusted EBITDA [1]	**504**	**400**	**-21%**	**1,137**	**968**	**-15%**
Operating Profit	249	425	70%	1,337	669	-50%
Net Income	252	300	19%	1,121	462	-59%
Adjusted Net Income [1]	**381**	**218**	**-43%**	**755**	**496**	**-34%**
Balance Sheet Items						
Capital Employed				4,591	4,539	-1%
Net Debt				1,581	1,478	-7%
Gearing (ND/ND+E)				34%	33%	-1pps[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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