

Annual Review 2021

ANNUAL GENERAL MEETING

Presentation
Andreas Shiamishis - CEO

09 June 2022



Contents

- Annual Review 2021
- ESG
- Strategy Implementation
- Prospects and Challenges 2022



HELLENIC
PETROLEUM

Annual Review 2021

09 June 2022 / Annual Review 2021 / Annual General Meeting



2021 HIGHLIGHTS



€401 million Adj. EBITDA

+21% operating profitability



9 million MT exports

2nd highest performance ever



52% Financial cost reduction

over the last five years, at multi-year lows



€0.40/share

Dividend distribution



Net-Zero

Target for 50% improvement of the Group's carbon footprint (Scope I & II) by 2030 and zero net emissions by 2050



285 MW RES in operation in 2Q22

Completion of the 204 MW PV project in Kozani, one of the largest in Europe / Upgrade of medium-term target for installed RES capacity to 1 GW



>€400 million in investments

With emphasis on New Energy, environmental improvement and safety projects / ~60% of investments in green transition projects



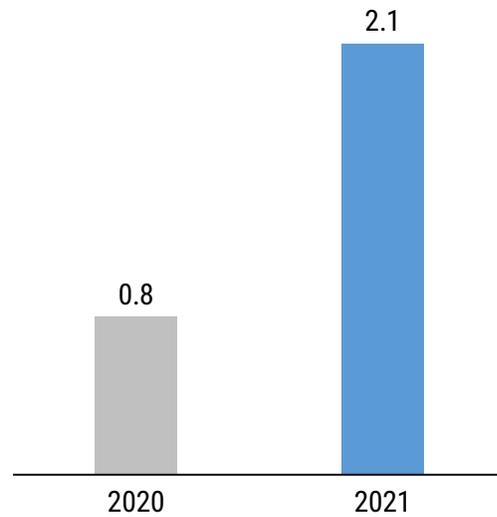
>€5.8 million

Community support and environmental protection projects

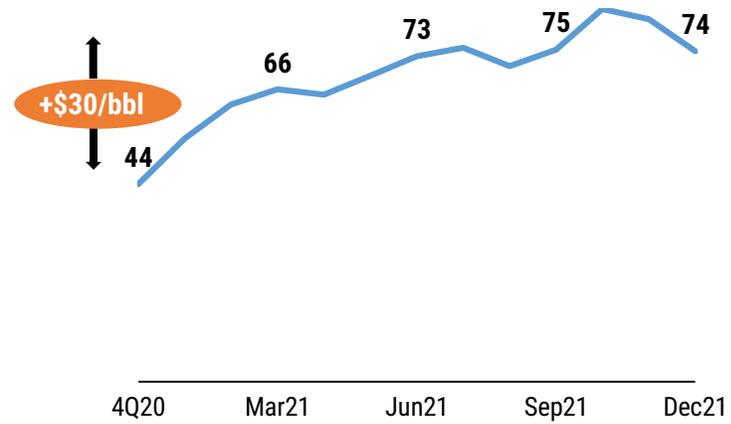
Market review – International developments

Increase in oil price, strengthening of €/€ exchange rate and refining margins recovery from 2H21

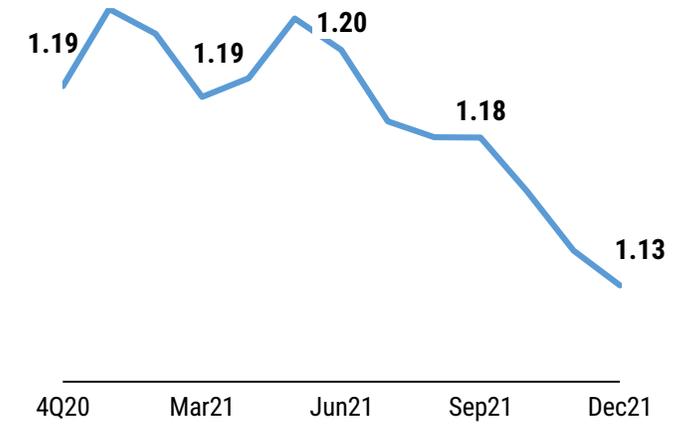
ELPE system benchmark margin (\$/bbl)



Brent (\$/bbl)

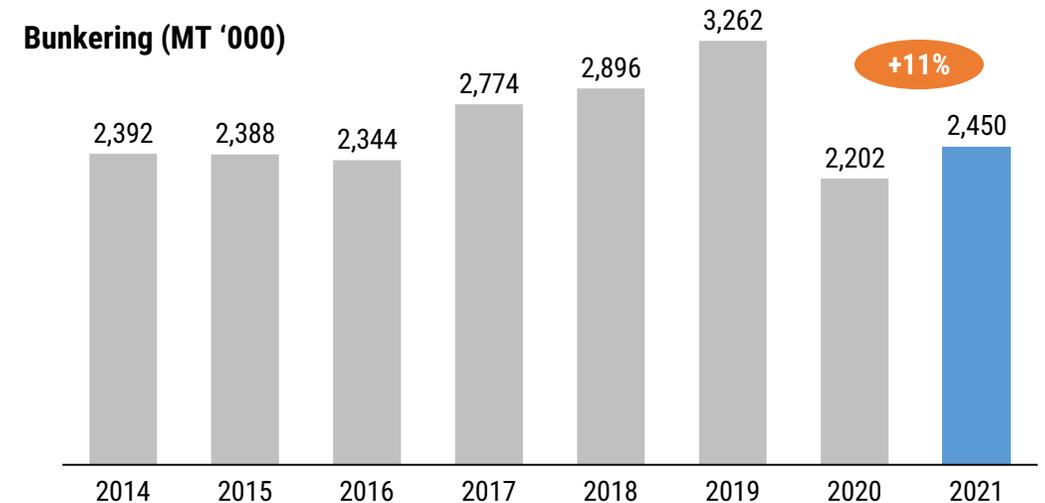
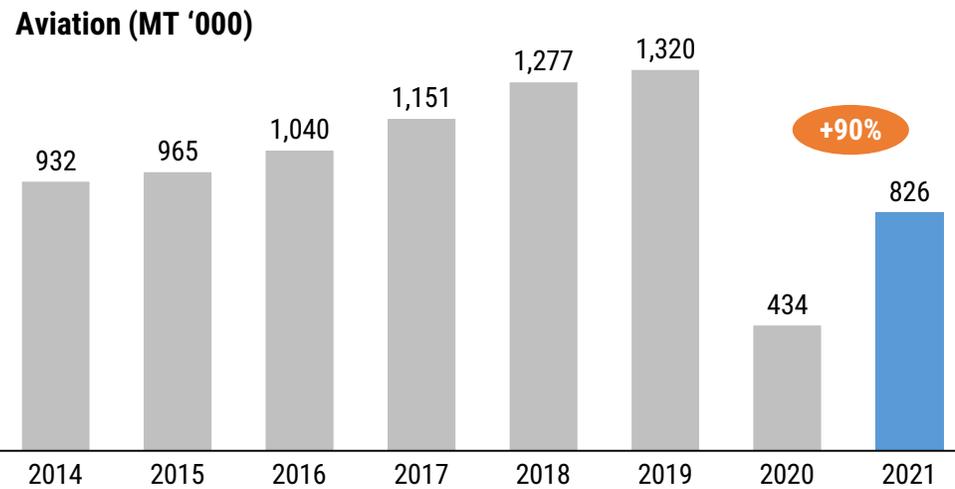
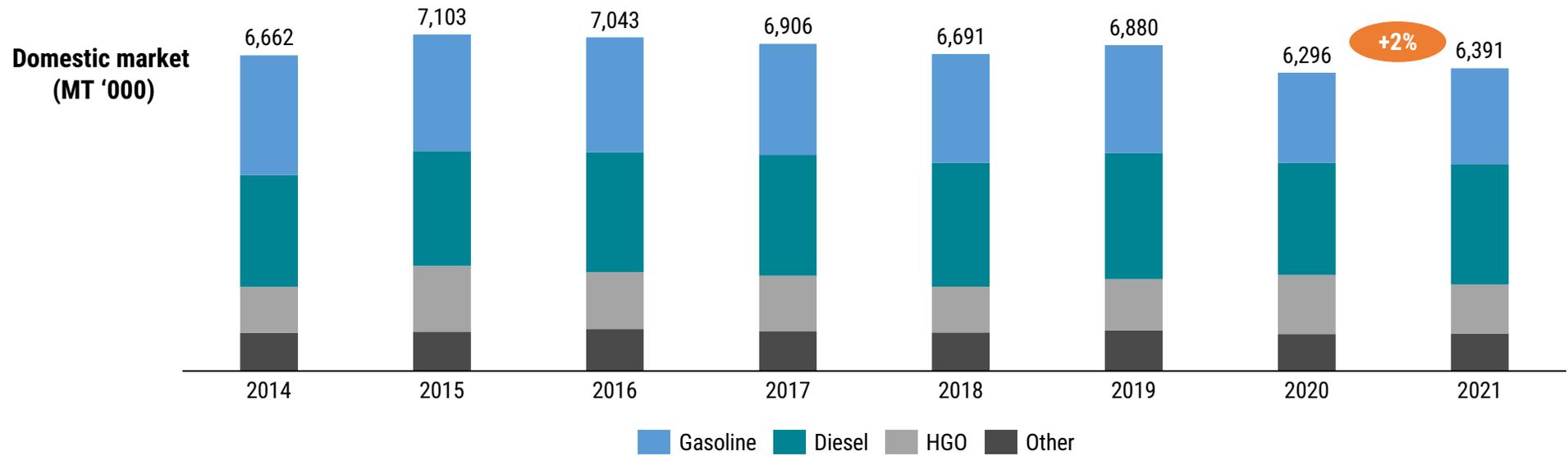


€/€ exchange rate



Market review – Domestic market

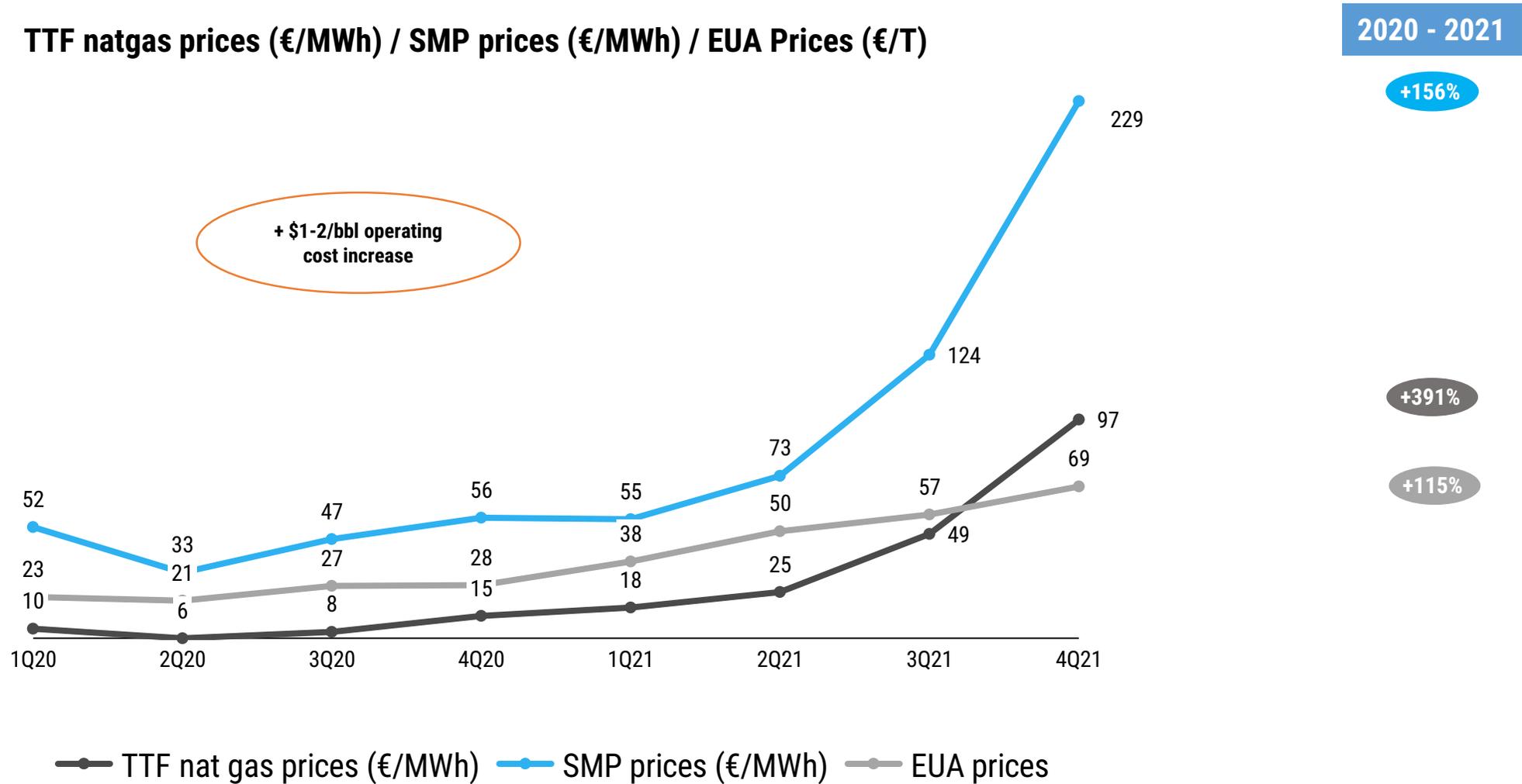
Improved domestic market demand, mainly due to increased aviation fuel consumption, below pre-pandemic levels



Market review

The energy crisis has notably impacted the operating costs of European refineries
Increased costs for Natural Gas, Electricity and EUAs from 2H21

TTF natgas prices (€/MWh) / SMP prices (€/MWh) / EUA Prices (€/T)



2021 Group Key Financials

€ million, IFRS	FY		Δ%
	2020	2021	
Income Statement			
Sales Volume (MT'000) - Refining	14,397	15,199	6%
Sales Volume (MT'000) - Marketing	3,944	4,283	9%
Net Sales	5,782	9,222	60%
Segmental EBITDA			
- Refining, Supply & Trading	187	161	-14%
- Petrochemicals	61	131	-
- Marketing	97	120	23%
- Other	-11	-10	10%
Adjusted EBITDA¹	333	401	21%
Share of operating profit of associates ²	30	97	-
Adjusted EBIT¹ (including Associates)	115	241	-
Financing costs - net ³	-104	-96	8%
Adjusted Net Income¹	5	144	-
IFRS Reported EBITDA	-253	657	-
IFRS Reported Net Income	-397	341	-
Balance Sheet / Cash Flow			
Capital Employed ³	3,521	4,067	16%
Net Debt ³	1,672	1,938	16%
Net Debt / Capital Employed	47%	48%	-
Capital Expenditure	295	400	36%

1. Calculated as Reported less the Inventory effect and other non-operating items

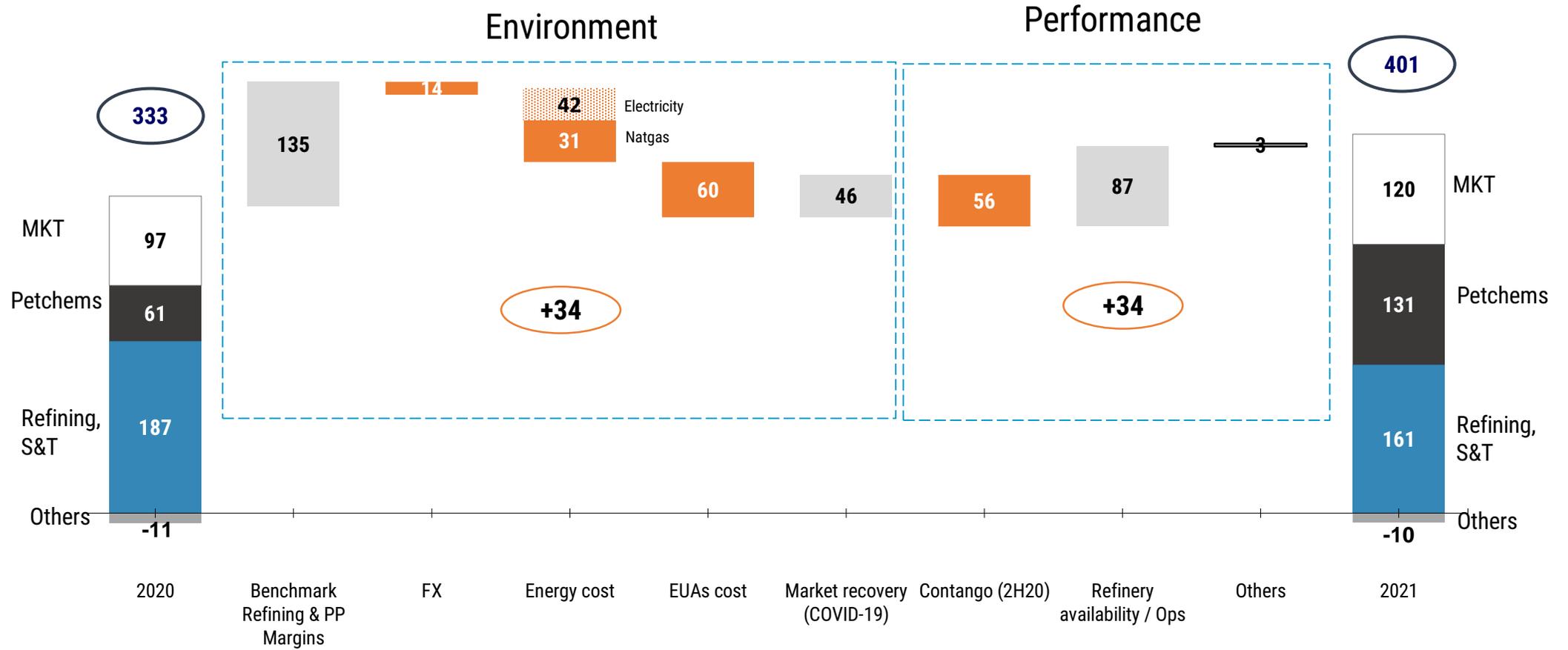
2. Includes 35% share of operating profit of DEPA Companies and other associates adjusted for one-off /special items

3. Does not include IFRS 16 lease impact

Results

Improved performance with a record profitability for Petrochemicals despite increased energy costs

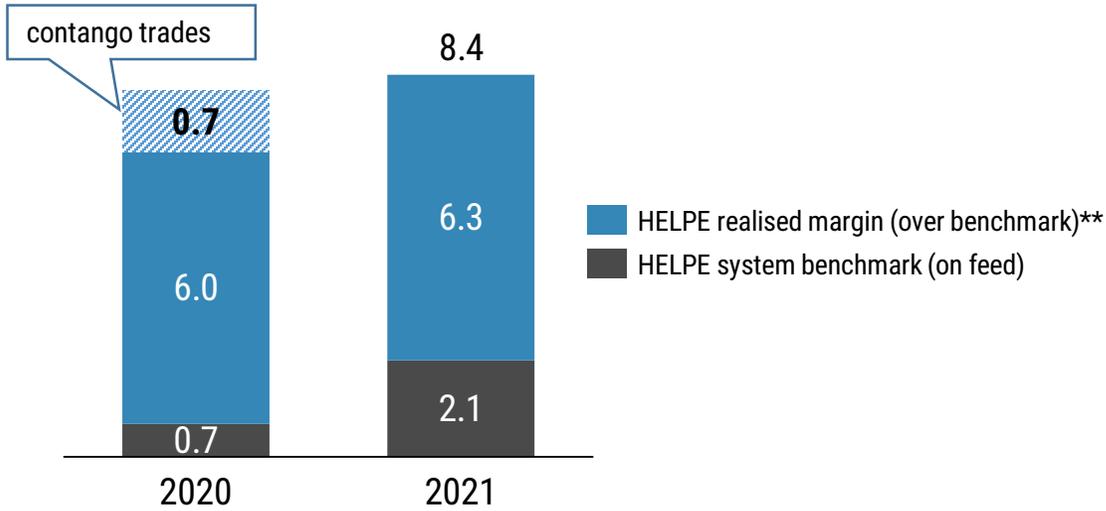
Adjusted EBITDA causal track 2021 vs 2020 (€m)



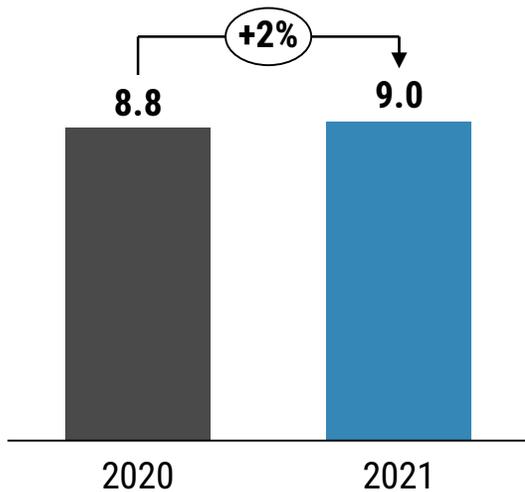
Refining, Supply & Trading

Increased production, sales and exports and higher system refining margin

HELPE realized vs benchmark margin * (\$/bbl)



2020-2021 HELPE exports (million MT)



- **Improved refining margins** from 2H21 and **increased HELPE system margin over-performance**
- **+2% exports increase**, at 9 million MT, second highest performance in history, accounting for **59% of total sales**
- **Increased operating levels** led to increased production and sales by **+ 4%** and **+ 5%** respectively
- **Satisfactory profitability** despite **particularly high energy and EUA costs**

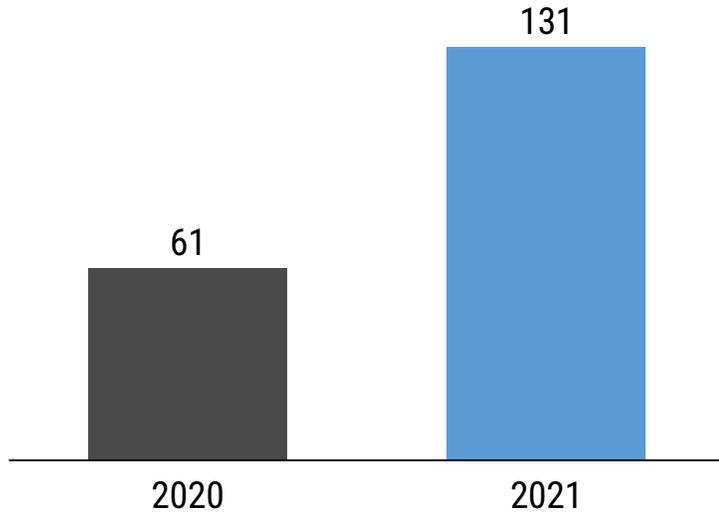
(*) System benchmark margin is calculated using actual crude feed weights (**) Includes propylene contribution which is reported under Petchems

Petrochemicals

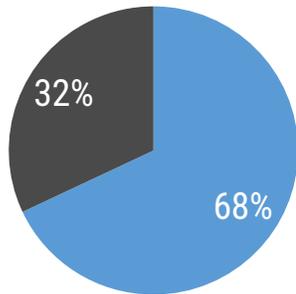
Historically high profitability due to improved international environment

Petrochemicals Adjusted EBITDA* 2020-2021

(million euros)

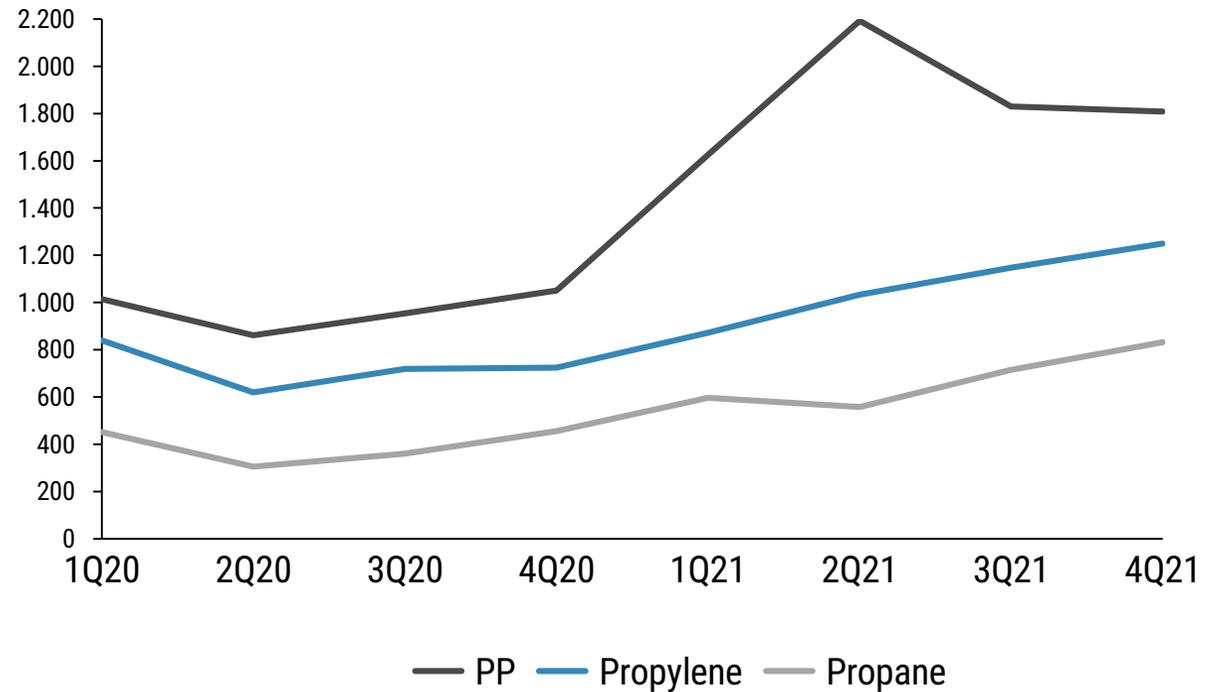


Petrochemicals sales 2021



Exports Domestic market

PP¹ – Propylene – Propane Prices² (€/MT)

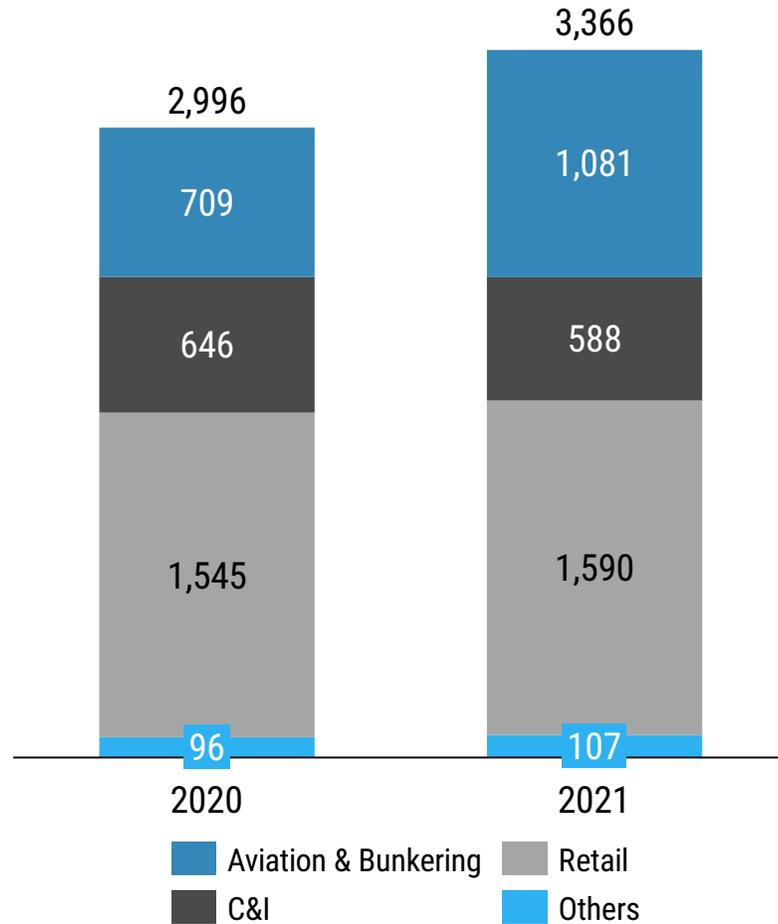


1. PP = Polypropylene
2. Quarterly average

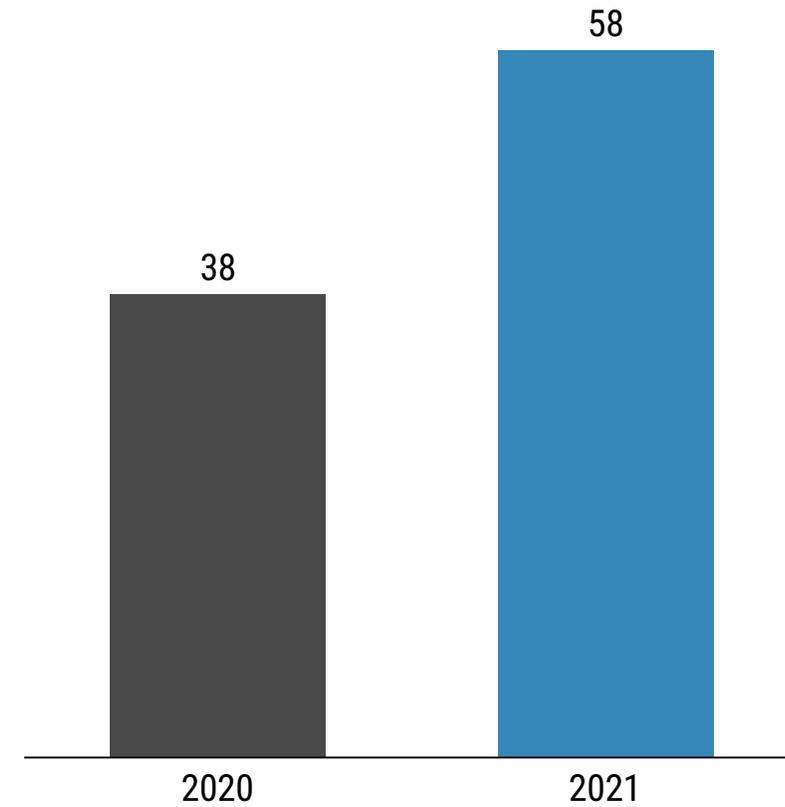
Domestic Marketing

Significant operational performance improvement with increased sales, due to domestic market recovery and higher market shares

Domestic marketing sales volumes per market (MT'000)



Domestic marketing Adjusted EBITDA* 2020-2021
(million euros)



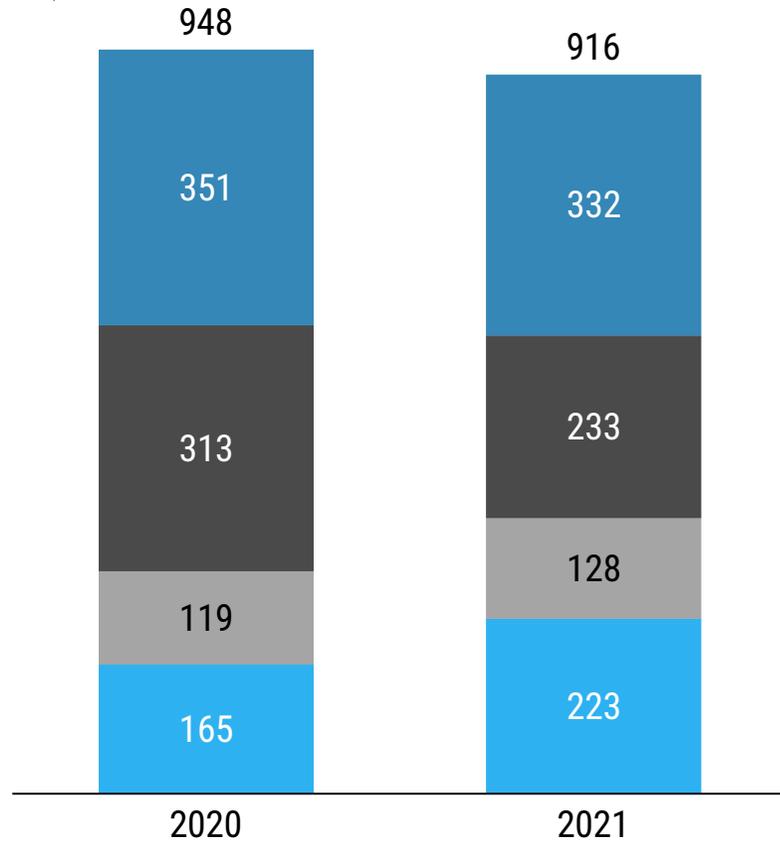
(*) Calculated as Reported less inventory valuation and other non-operating items

International Marketing

Improved profitability and high sales volume

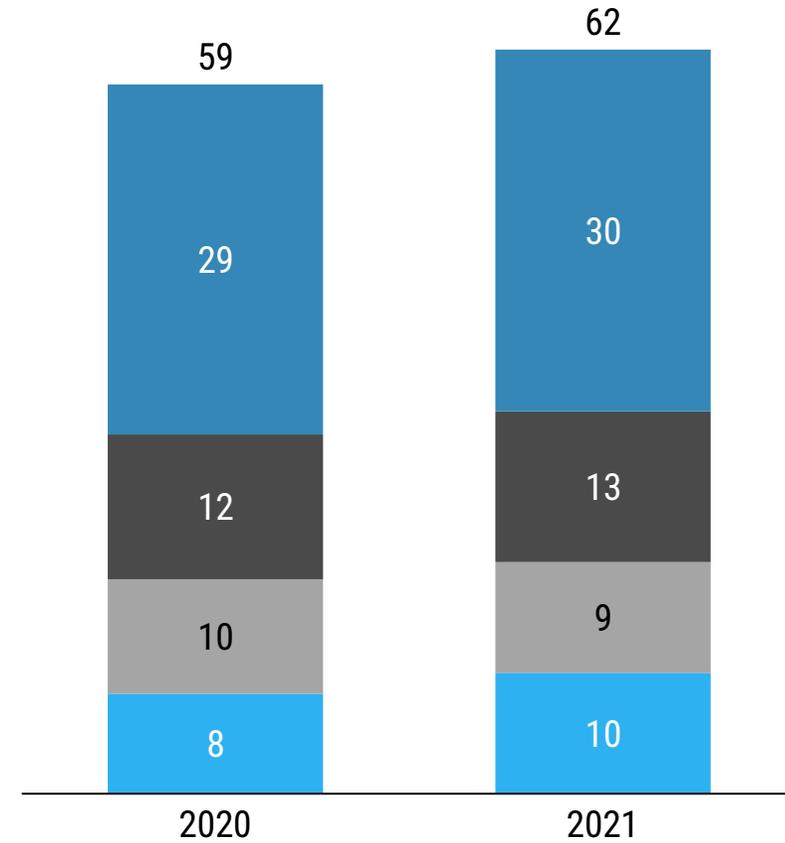
International Marketing sales volumes per country

(MT'000)



International Marketing Adjusted EBITDA per country* 2020-2021

(million euros)



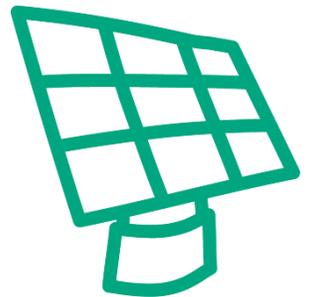
Cyprus Bulgaria Serbia Montenegro

(*) Calculated as Reported less inventory valuation and other non-operating items

Renewable Energy Sources

Installed capacity increase and completion of the 204 MW PV park in Kozani

- **Installed capacity increase to 285 MW (2Q22) and upgrade of the medium-term target for RES projects from 0.6 GW to 1 GW**
- **Completion of the 204 MW PV park in Kozani in 1Q22**
 - One of the **largest in Europe** and the **largest RES project in Greece**
 - **320,000 tn CO₂ emissions avoidance**
 - **350 GWh** annual electricity **production**
 - **€130 million investment** with important domestic participation; >35% of equipment, materials and labor
 - **Creation of over 300 jobs** during construction phase
- **Acquisition of 38 MW wind farms in operation** in 4Q21, with particularly high wind dynamics
- **Acquisition of 16 MW PV park in operation**, in 1Q22



Power Generation: ELPEDISON

Main developments:

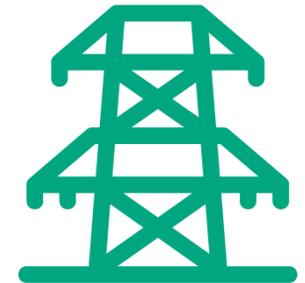
- Energy **demand recovery** in 2H21 in Greece
- **Increased natural gas participation** in the system production mix

2021 Results:

- **Results improvement**, EBITDA at **€94 million**
- 3,726 GWh **production** (+14%)
- **Retail market share increase** of 6.1% (+31%)
- **300,000 customers** with sales of around 3,000 GWh



€97 million *
carrying cost of
investment



Natural Gas

Agreement for the DEPA Infrastructure sale

Corporate transformation of the DEPA Group:

- **DEPA Infrastructure:**

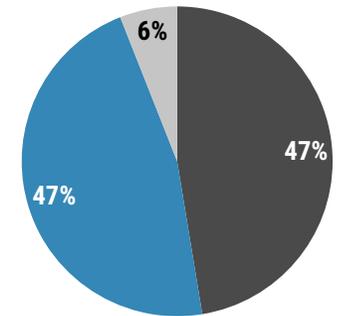
- Agreement for the sale of DEPA Infrastructure's 100% share capital to Italgas SpA, amounting to €733 million, with the corresponding consideration for the Group (35%) amounting to €256 million
- Commitment to distribute 50% of proceeds corresponding to the Group through an extraordinary dividend

- **Results:**

- Increased contribution from DEPA companies to the Group's results, due to higher demand for natural gas from power producers and end consumers



€427 million *
carrying cost of
investment

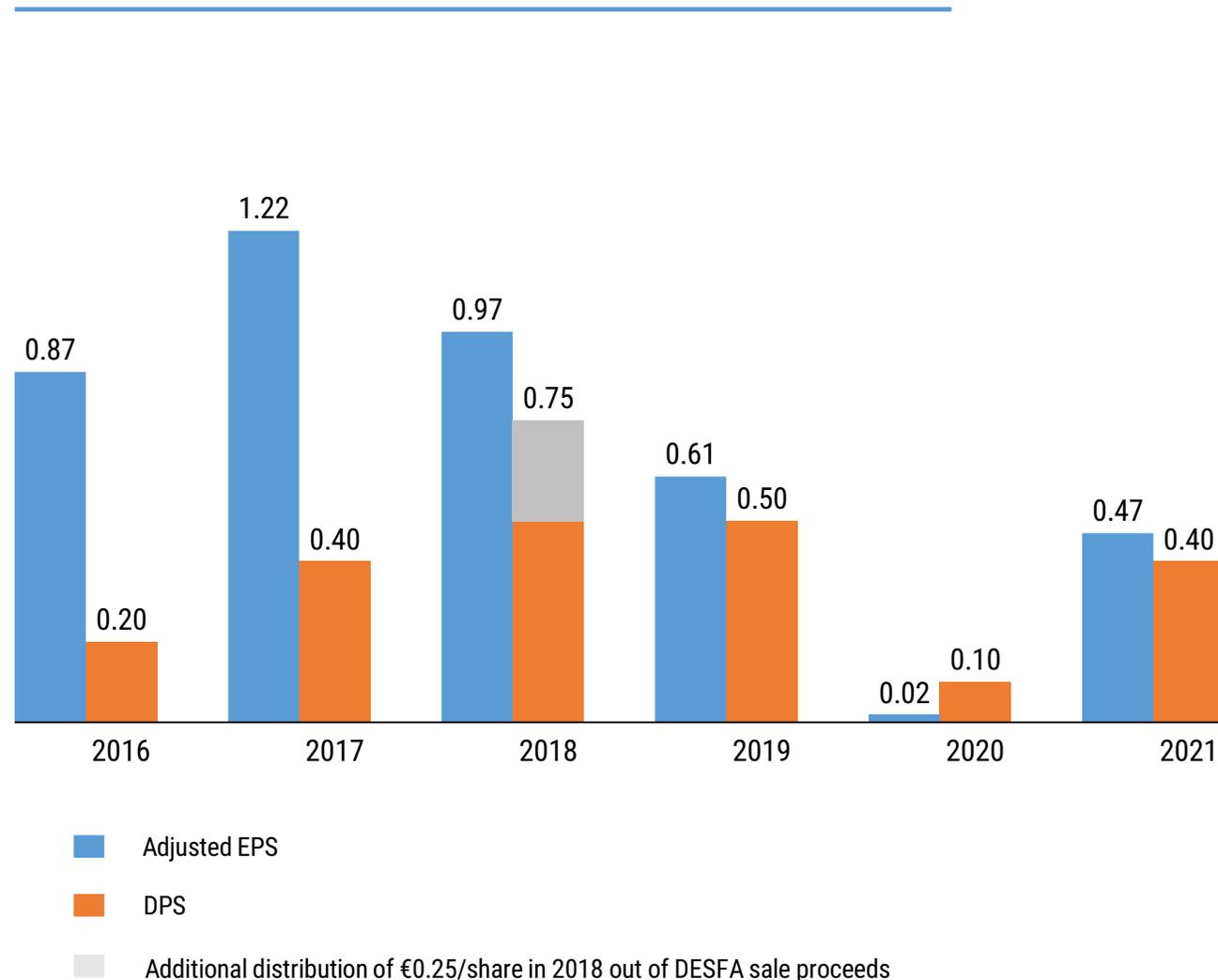


■ DEPA Commercial
■ DEPA Infrastructure
■ DEPA International Projects

Generous Dividend Policy

€0.40 dividend per share for 2021 – Additional dividend from DEPA Infrastructure sale proceeds

Adjusted EPS and DPS 2016-2021, €/share



Dividend Policy

- €0.40 dividend per share for 2021*
- €0.30 already distributed as interim dividend, €0.10 to be distributed after the AGM
- Additional distribution of €130 million, corresponding to 50% of proceeds from the sale of a 35% stake in DEPA Infrastructure

* 6% yield based on the share's closing price on 24 Feb 2022, when FY 21 results were announced

ESG

09 June 2022 / Annual Review 2021 / Annual General Meeting

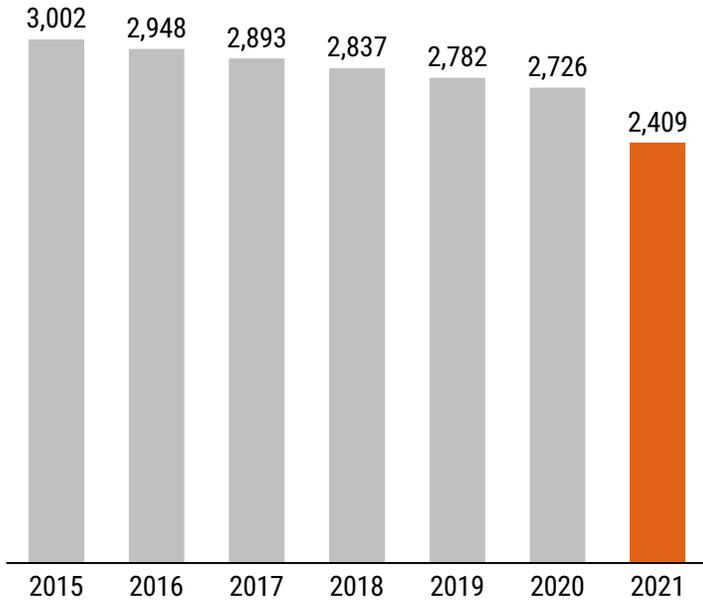


Environment

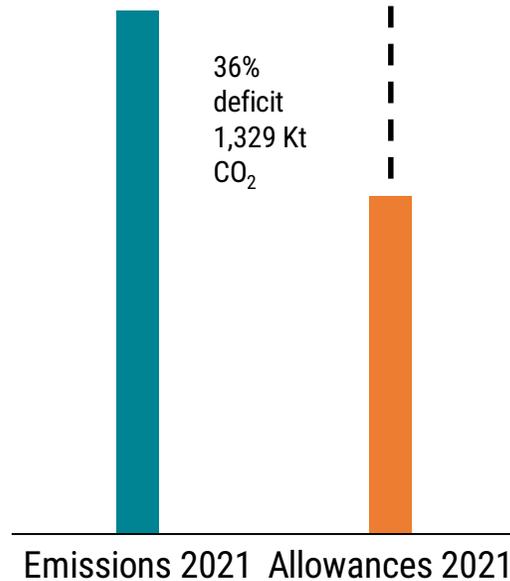
Air emissions reduction over the last three years

- **Investments of more than €260 million in 2021 in projects of reduction of the Group's environmental footprint**, such as RES, energy efficiency and air emission reduction projects at the refineries
- **Significant increase in EUA costs** due to reduction of free allowances and an increase in the EUA prices

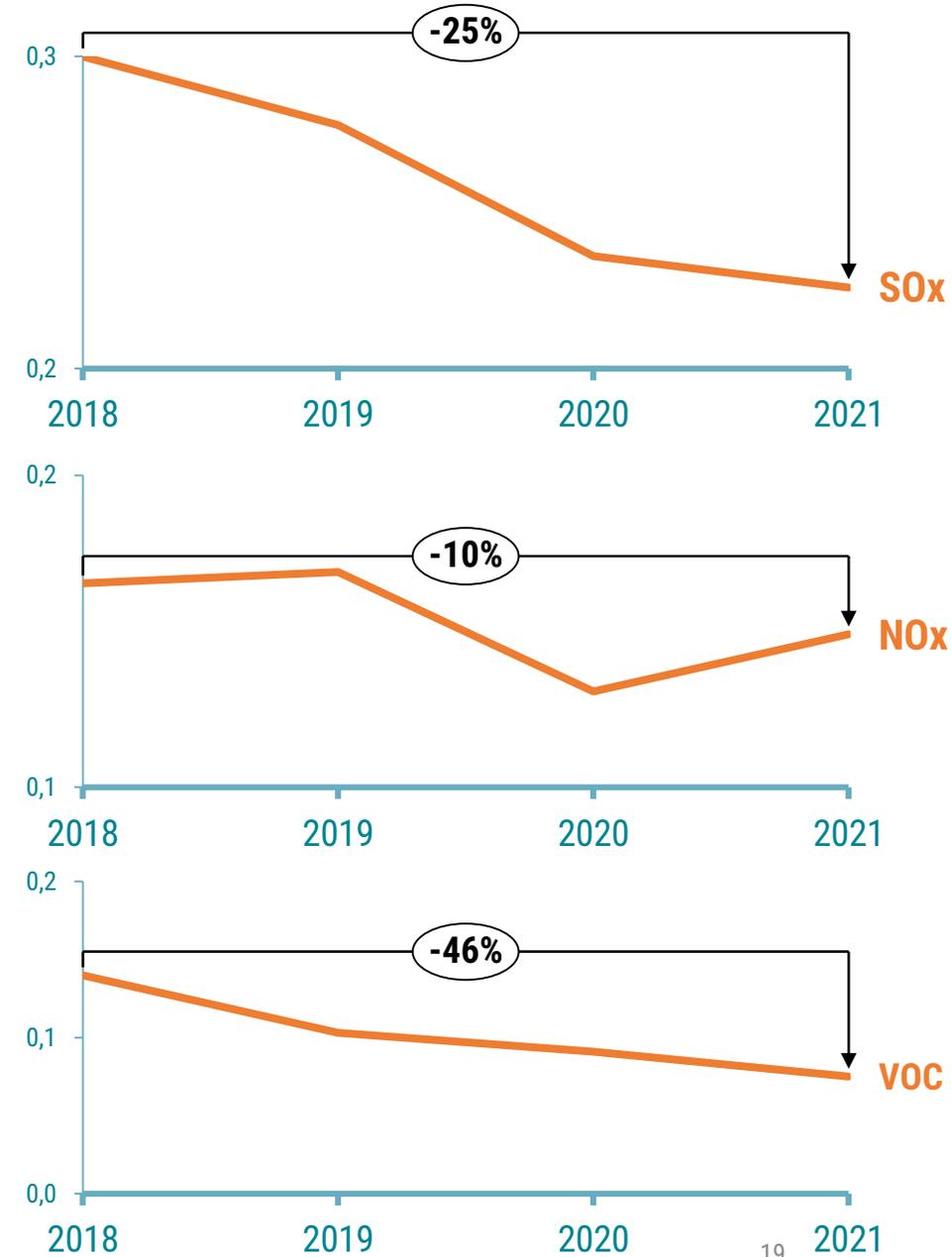
Free EUAs (in kt) 2015-2021



Refineries' CO₂ Emissions

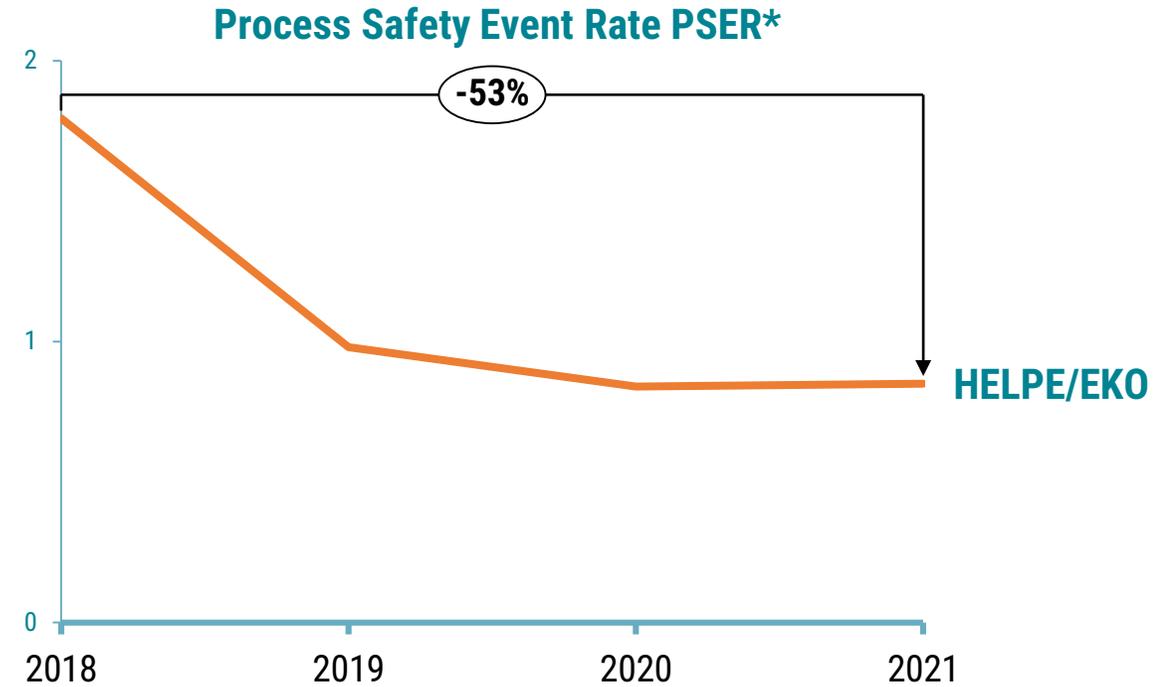


Air emissions*



Maintaining good performance and significant investments for Safety

- **€13 million investments for safety improvements** across all Group facilities
- **Reduction of process safety event rate** (operational safety) over the last three years
- **>50,000 training hours** in safety
- **Management of incidents** from power grid issues due to weather conditions



Contribution to local communities and broader society

€5.85 million total investments in 2021



Education

- **80 scholarships for postgraduate studies** at internationally renowned Universities (**9th consecutive year**)
- **150 scholarships** since 2017, for studies at Greek Universities
- **3,786 students** from 25 General and 13 Technical Lyceums of neighboring Municipalities were awarded since 2009
- **Participation of 1,136 students from 14 schools**, in the educational environmental program “Earth 2030 Suitcase»



Society

- **Donation of 250,000 liters of heating oil to 136** schools of neighboring Municipalities
- **Monthly support to 1,750 families** through 5 Social Groceries at neighboring Municipalities
- **Wishes fulfillment of 6 children** with serious illnesses through the organization “**Make-a-Wish Greece**” by distributing 15,000 “Wish Stars” to children of the neighboring Municipalities
- **Donation of an electric vehicle and charging station** at the Social Welfare Center of the Central Greece region



Environment

- **Implementation of erosion control projects** at Schino, Corinth and Varybobi, Attica, **totaling €3 million**
- **Maintenance and monitoring of 12 photovoltaic systems** on the roofs of schools and foundations
- Creation of an **interactive exhibition** dedicated to **climate change** at the Goulandris Museum of Natural History-GAIA Center



Culture & Sports

- Support of the activities for the 1821 anniversary, with the construction of **3 playgrounds for people with disabilities** in the Municipalities of Elefsina, Aspropyrgos, Ampelokipi (Menemeni) and sponsorship of a TV series titled “Greek Citizens of the World”
- **Major Sponsor of the Hellenic Paralympic Committee**

Strategy Implementation

09 June 2022 / Annual Review 2021 / Annual General Meeting



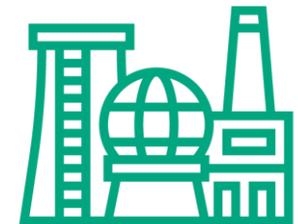
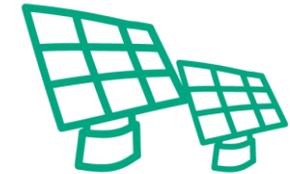
Vision 2025

Transformation involves re-setting the agenda in 5 key areas



- I **Redefine ESG strategy and GHG targets as core pillars of the Group**
- II **Update business strategy and capital allocation**

- III **Upgrade corporate governance**
- IV **Establish a fit-for-purpose corporate structure**
- IV **Relaunch corporate identity**



...to new Group

Vision 2025

Notable improvement until today

Increase of RES installed capacity to **0.3 GW** and upgrade of medium term target to **1 GW**, with total projects under development **surpassing 2 GW**



Ahead of target

Corporate governance upgrade with the majority of the BoD members elected by the General Meeting, with an increase of independent members, introduction of best practices, and suitability and gender quota policy



Completed

Completion of corporate restructuring on Jan, 3, 2022, by the demerger by way of hive-down of the Refining, Supply and Sales of Oil Products and Petrochemicals sector to a new company, a 100% subsidiary of the Group



Completed

Progress in digital transformation projects, decarbonization projects study in Elefsina, focus on projects of **carbon footprint improvement**



In progress

Adoption of new corporate identity, logo and name, with focus on the transition to the New Energy era



Implementation in 3Q22

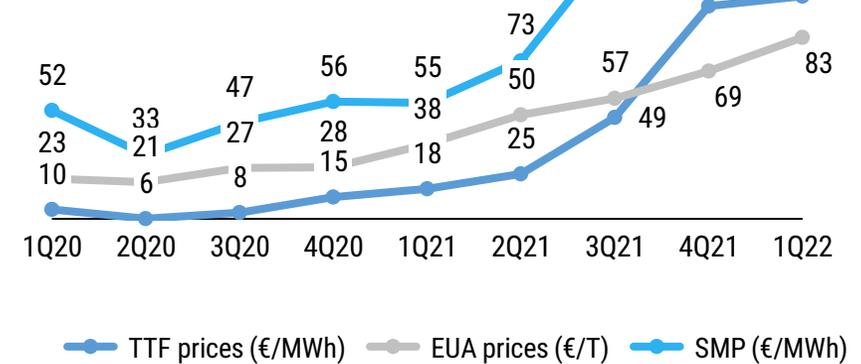
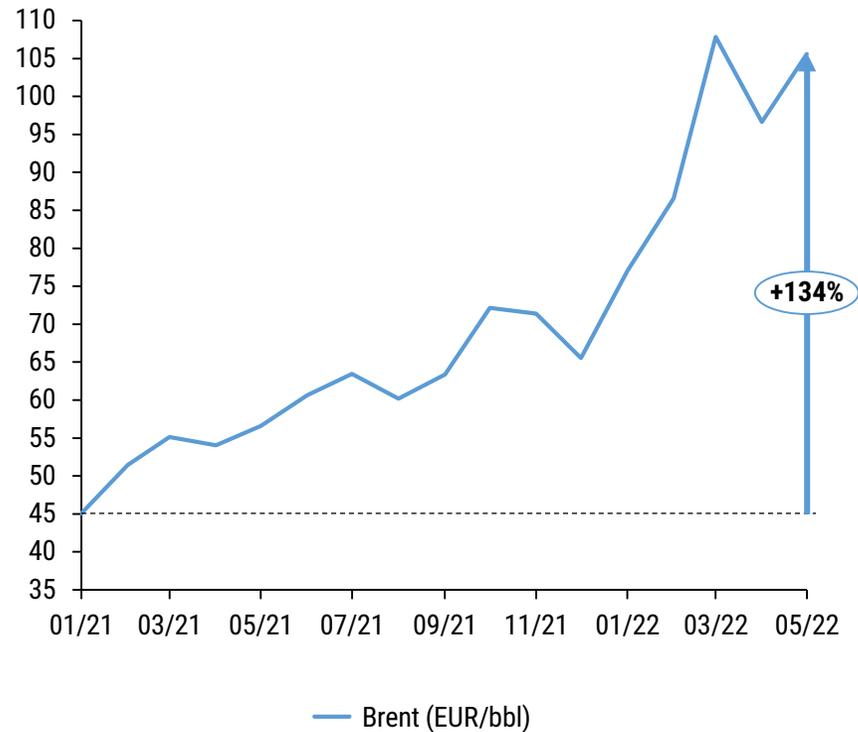
Prospects and Challenges 2022

09 June 2022 / Annual Review 2021 / Annual General Meeting



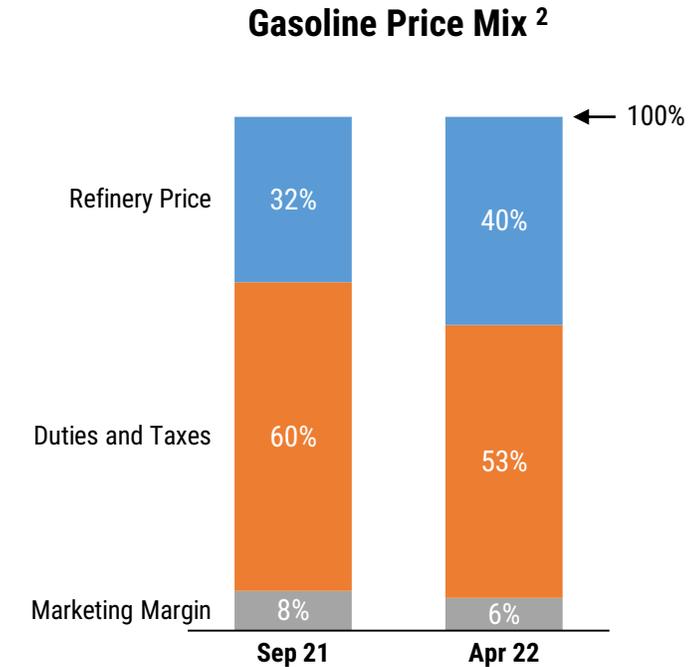
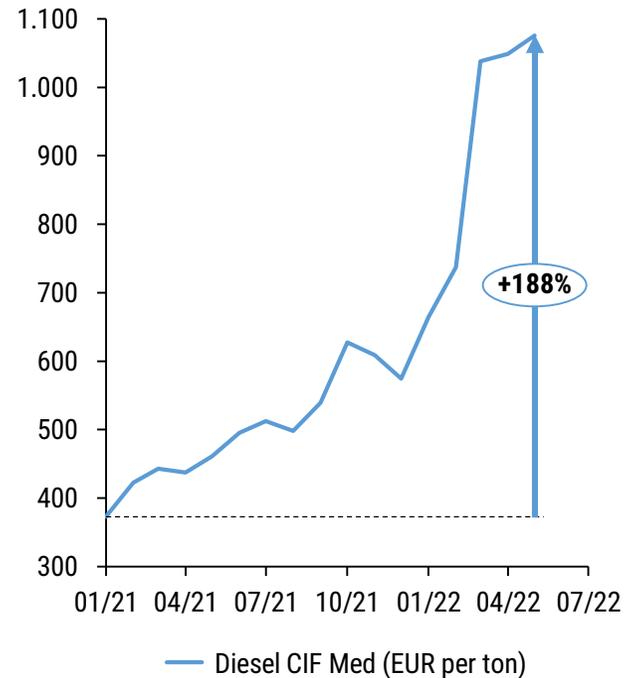
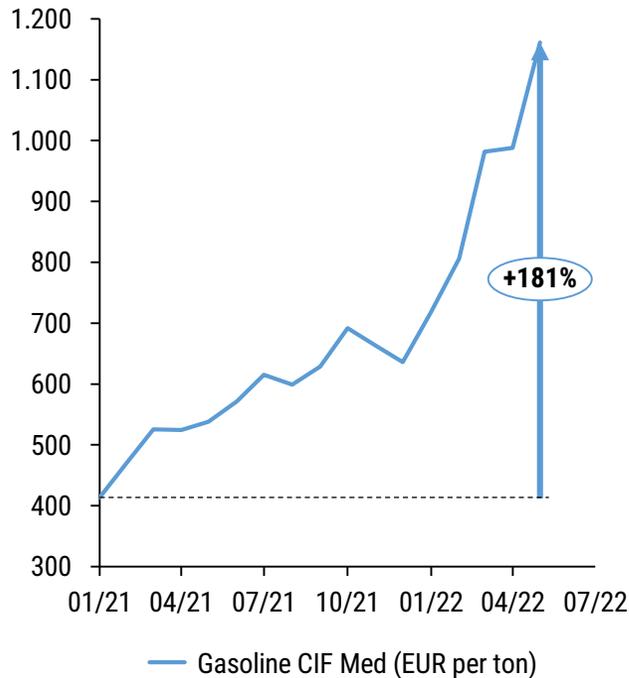
Energy crisis...

- The energy crisis intensified after Russia's invasion of Ukraine, with the prices of crude oil, natural gas, electricity and CO₂ emissions increasing further...



Energy crisis...

- ...and the gasoline and diesel prices (Med CIF Platts) increasing by 181% and 188% respectively since the beginning of 2021 and until today ¹
- Marketing margin as % of the total gasoline price for our COMO network was reduced compared to April 2021

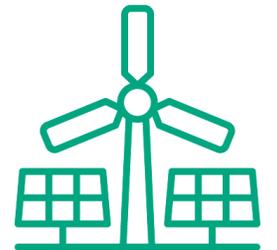


¹ Source: Platts

² Source : COMO network

Strategy and Objectives for 2022

- **Energy crisis management**, security of sourcing crude oil and supplying the market and seamless refineries operation
- Successful **completion of the Elefsina refinery turnaround** in 1H22 and programming of the Thessaloniki refinery turnaround in 3Q22
- **Acceleration of the RES strategy** and decarbonization of the oil value chain activities
- **Adoption of new corporate identity**, logo and name, indicating our transition to the new era of diversified energy sources and low carbon footprint



Review 2021

- **Management** of ongoing COVID-19 crisis
- Safe and **efficient operation** of refineries
- Design, approval and implementation of the **new strategy 'Vision 2025'**
- Establishment of a new business activity and **organic development in RES**
- Emphasis on **ESG issues**
- Positive fiscal year with **profitability increase** to €401 million
- **Increased dividend** distribution to shareholders





HELLENIC
PETROLEUM