HELLENIC PETROLEUM

GROUP OF COMPANIES

12 May 2022

First quarter 2022 financial results

Improved operating results on stronger benchmark margins, despite negative impact from energy crisis and the Elefsina T/A

HELLENIC PETROLEUM Holdings S.A. announced its 1Q22 consolidated financial results, with Adjusted EBITDA at €99m (+54%) and Adjusted Net Income at €4m.

The positive results reflect mainly the improved performance of Refining, Supply & Trading, on the back of stronger benchmark refining margins and increased domestic market fuel demand, which offset the negative impact of the energy crisis on operating costs. Refining production amounted to 3.1m MT (-16% vs 1Q21), as Elefsina refinery underwent a full Turnaround, which was safely and successfully completed in the beginning of 2Q22. Sales volumes amounted to 3.3m MT (-4%), on increased trading, which partially offset reduced production. Demand recovery across all our markets, which was affected by mobility restriction measures during 1Q21, led to an increase in volumes and contribution for both Domestic and International Marketing.

Reported EBITDA amounted to €501m, with Reported Net Income at €347m, benefiting from inventory valuation gains on the back of the rise in international oil prices, as well as the IFRS accounting treatment of EUAs, which is expected to reverse in the coming quarters.

Developments in Ukraine and market implications

Russia's invasion of Ukraine has exacerbated the energy crisis in Europe, with a further increase in natural gas and electricity prices, negatively impacting consumers and industry. In addition, it affected the supply of crude oil and oil products, mainly diesel, in the region, as Russia accounted for about 25% of European imports of crude oil and 50% of the area's diesel shortage. Russian crude oil share of Greece's imports was around 10-15%. The gradual imposition of sanctions by the EU and the potential oil embargo, have led most European refineries to reduce or even suspend imports of Russian crude oil and oil products, resulting in a demand-supply imbalance. Those developments contributed to the significant rise in crude oil prices, exceeding $100/barrel since March, with increased volatility, while product cracks, mainly diesel, were positively affected, leading to an increase in benchmark refining margins.

Strategy Implementation - Vision 2025

During 1Q22, the construction of the 204 MW photovoltaic park in Kozani, N. Greece, the largest bi-facial PV park in Europe, was completed, with the commercial operation starting in 2Q22. The Group upgraded the medium-term target for an operating capacity of 1 GW by the end of 2026 and over 2 GW by 2030.

The sale of DEPA Infrastructure (65% HRADF - 35% HELLENIC PETROLEUM Holdings) to Italgas for €733m, corresponding to €256m for the participation of HELLENIC PETROLEUM Holdings, is expected to be completed in the second quarter of 2022, following the relevant regulatory approvals.

Regarding Exploration & Production, the Group completed on March 3, 2022 the execution of 1,600 km of 2D seismic survey in the offshore block "Ionian", where it holds rights (100%) for an area of 6,700 sq. km.

Recovery of crude oil prices to the highest levels since 2014, strengthening of international refining margins

International crude oil prices increased in 1Q22 compared with the respective quarter in 2021, due to the recovery of economic activity, easing of mobility restrictions and reduced crude supply, following Russia's invasion in Ukraine. As a result, Brent prices in 1Q22 averaged $102/bbl, an 8-year high, compared to $61/bbl in 1Q21.

The dollar strengthened against the euro, on the back of the central banks' monetary policy, averaging 1.12 in 1Q22 vs 1.21 in the respective period last year.

In 1Q22 diesel cracks recovered significantly, leading to improved Hydrocracking and FCC benchmark margins, at $6.7/bbl and $3.6/bbl respectively.

Increased demand in the domestic fuel market

Total ground fuels demand in the domestic market was 16% higher, reaching 1.7m MT, while the consumption of auto-fuels increased by 17% y-o-y in 1Q22, as a result of the lifting of mobility restrictions due to the COVID-19 pandemic and increased economic activity. Heating gasoil demand was also higher (+15% y-o-y), due to weather conditions. Aviation fuels consumption increased significantly by 160%, on increased air traffic and bunkering fuels demand was 4% higher.

Balance sheet and capital expenditure

Net financial costs recorded a decrease of 1% in the first quarter of 2022, compared to the same period last year, at €24m. Net Debt amounted to €2.3bn, higher compared to the previous quarter, as the escalation of international oil prices due to the Ukrainian crisis led to an increase in working capital requirements. The Group has a strong balance sheet and sufficient credit lines to finance the additional needs.

Capital expenditure amounted to €84m, higher compared to the first quarter of 2021, due to the full turnaround of the Elefsina refinery, as well as the new acquisition of 16 MW PV projects in Viotia.

Andreas Shiamishis, Group CEO, commented on the results:

"In 1Q22, the energy crisis deteriorated, with further price increases of natural gas and electricity for consumers and industry. In the fuels market, Russia's invasion of Ukraine resulted in significant changes, especially in our region, where Russian crude and oil products account for a significant part of the supply. Our Group immediately secured alternative raw material sources, without affecting the operation of our units and the continuous market supply, while taking advantage of the refineries' flexibility to process various types of crude oil and good co-operation with other producing countries.

In terms of financial results, stronger benchmark refining margins, combined with the recovery of the domestic market demand, resulted in satisfactory operating profitability across all our business activities, especially those export-oriented, as well as our international markets.

Regarding RES, the 204MW PV park in Kozani, the largest producing RES project in Greece, was completed on time and started commercial operation. We are in the process of expanding our portfolio, developing an important additional activity for the Group."

Key highlights and contribution for each of the main business units in 1Q22 were:

REFINING, SUPPLY & TRADING

- Refining, Supply & Trading 1Q22 Adjusted EBITDA came in at €44m (vs €9m in 1Q21).
- Realized HELPE System margin amounted to $9.0/bbl, with significant overperformance vs benchmarks, vs $6.8/bbl in 1Q21.

PETROCHEMICALS

- 1Q22 Adjusted EBITDA came in at €28m, as normalization of global PP balances vs market deficit in 1Q21 led to lower international benchmark PP margins.

MARKETING

- Domestic Marketing exhibited improved performance on higher sales volume (+20% y-o-y), as demand recovered. Adjusted EBITDA came in at €18m.
- In International Marketing, demand recovery across our markets and the higher number of petrol stations resulted in increased sales volume (+32% vs 1Q21) and improved profitability, with Adjusted EBITDA at €13m.

RENEWABLES

- Higher RES operational capacity, due to the contribution of the wind farms in South Evia, led to increased electricity generation (43 GWh vs 10 GWh in 1Q21), with Adjusted EBITDA increasing to €3m vs €1m in 1Q21.
- Following the completion of the 204 MW Kozani PV project in the beginning of 2Q22, the total operating capacity reached 285 MW.

ASSOCIATE COMPANIES

- DEPA companies' contribution to 1Q22 consolidated Net Income was €5m.
- Elpedison 1Q22 EBITDA came in at €46mn, with improved electricity demand and higher production of Elpedison plants.

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Key consolidated financial indicators (prepared in accordance with IFRS) for 1Q22 are shown below:

€ million	**1Q21**	**1Q22**	***% Δ***
P&L figures			
Refining Sales Volumes ('000 MT)	3,403	3,292	-3%
Sales	1,722	2,803	63%
EBITDA	258	501	94%
Adjusted EBITDA [1]	***64***	***99***	***54%***
Net Income	153	347	-
Adjusted Net Income [1]	***5***	***4***	***-28%***
Balance Sheet Items			
Capital Employed	4,183	4,791	15%
Net Debt	2,244	2,331	4%
Debt Gearing	54%	49%	-9%

Note 1: Calculated as Reported adjusted for inventory effects and other non-operating items, as well as the IFRS accounting treatment of the EUAs deficit.

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