

**ANNUAL REVIEW 2020**

**Presentation**  
**Andreas Shiamishis - CEO**

30 June 2021 / Annual General Meeting



**HELLENIC**  
PETROLEUM

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# Annual Review 2020

30 June 2021 / Annual Review 2020 / Annual General Meeting

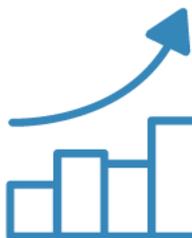


# 2020 HIGHLIGHTS



**€333 million** Adj. EBITDA

Positive Operating profitability despite the COVID-19 crisis



**11%** increase in exports to

**8.8 million MT**



**Safe and successful** completion of the Aspropyrgos full turnaround with **>€35 million investments** in environmental upgrade projects

**>€35 million**



**Immediate and effective**

management of the COVID-19 pandemic crisis



**Net-Zero**

Aiming for 50% improvement of the Group's environmental footprint by 2030 and net-zero emissions by 2050



**204 MW**

Development of a significant portfolio in Renewable Energy Sources – 204 MW new PV project in Kozani, one of the largest in Europe



**€295 million in investments**

to accelerate strategy implementation / **20% of Group's total investments** for sustainability and environmental improvement projects

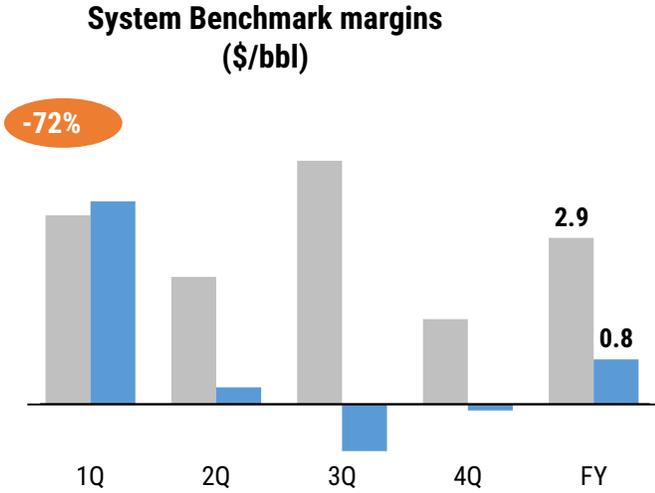
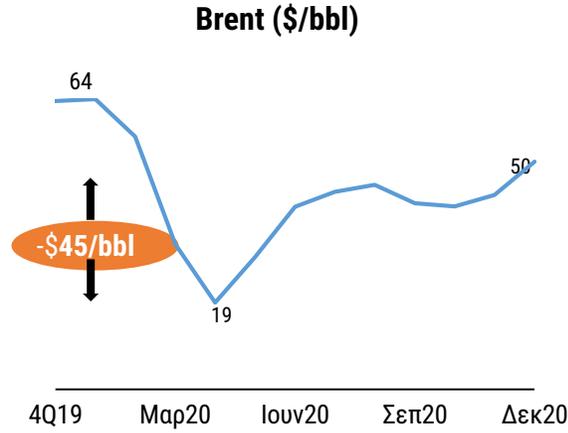
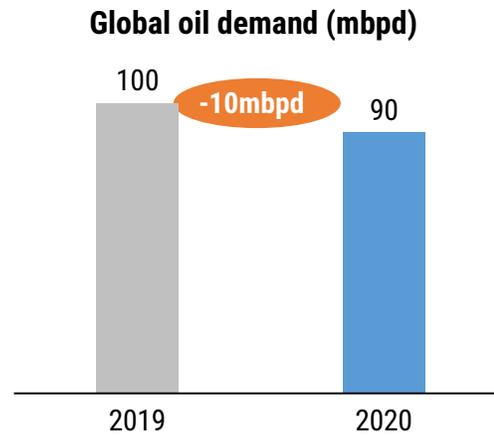


**€8 million**

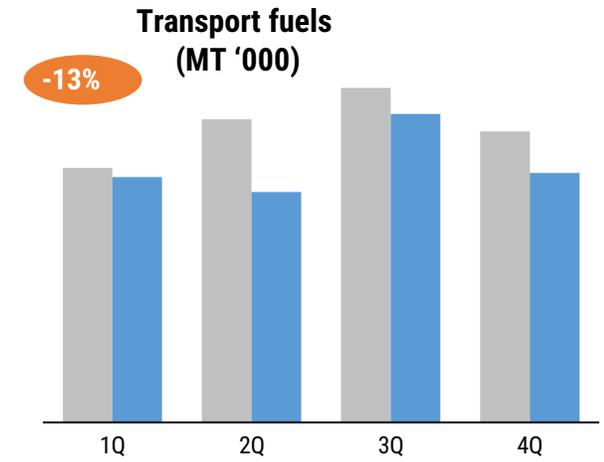
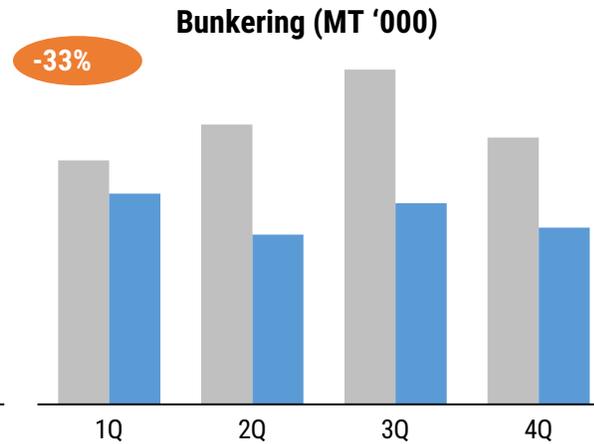
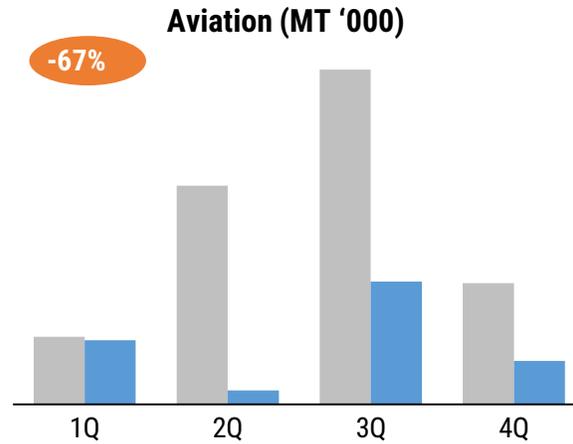
contribution to the National Health System to support COVID-19 pandemic efforts – the largest by a private corporation in Greece

# 2020 Market review and COVID-19: Significant impact on our industry globally, as well as in our country with a sharp drop in demand, prices and refining margins

## Global oil market



## Greek market demand



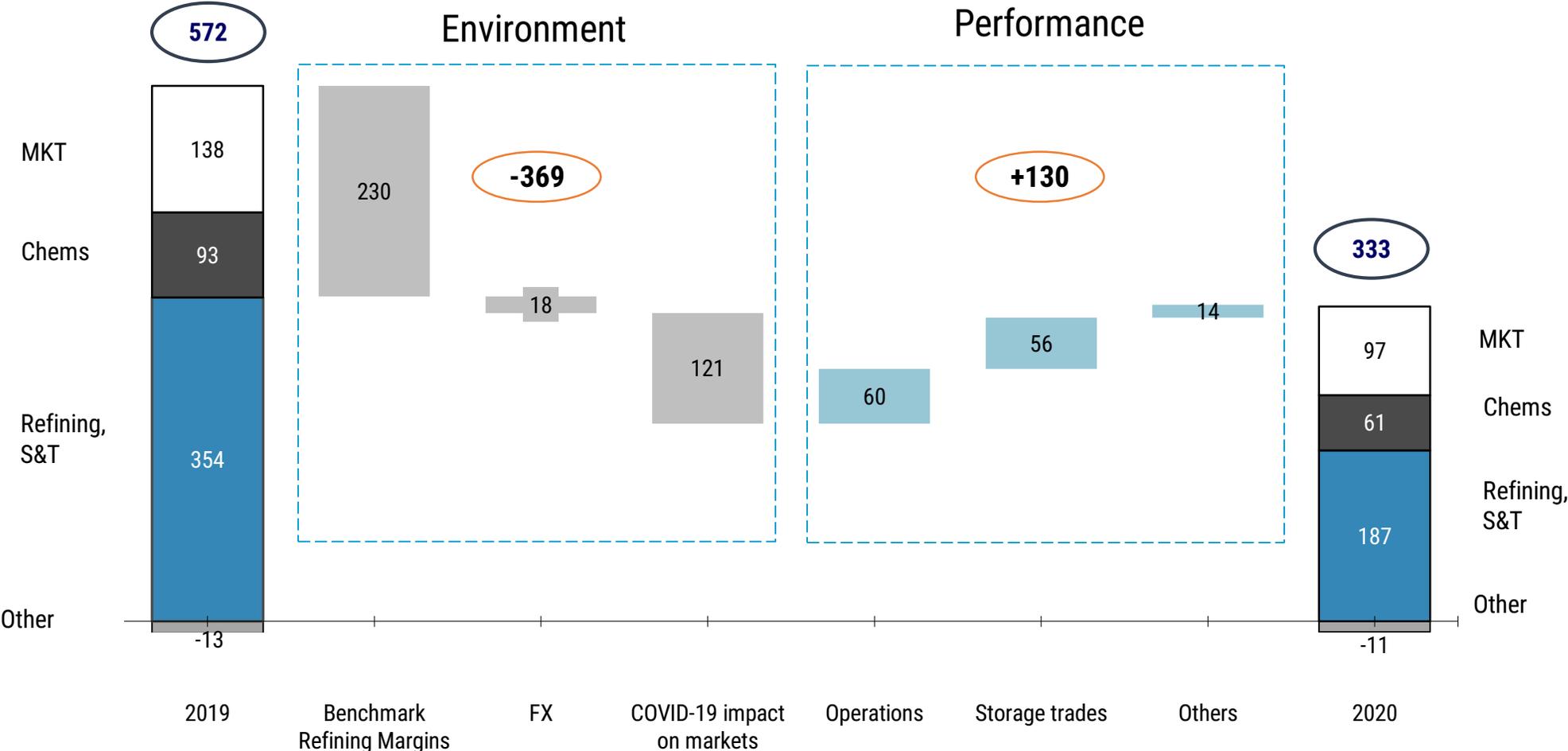
■ 2019 ■ 2020

# 2020 Group Key Financials

€ million, IFRS	FY		
	2019	2020	Δ%
<b>Income Statement</b>			
Sales Volume (MT'000) - Refining	15.223	<b>14.397</b>	-5%
Sales Volume (MT'000) - Marketing	4.928	<b>3.944</b>	-20%
Net Sales	8.857	<b>5.782</b>	-35%
<b>Segmental EBITDA</b>			
- Refining, Supply & Trading	354	<b>187</b>	-47%
- Petrochemicals	93	<b>61</b>	-35%
- Marketing	138	<b>97</b>	-30%
- Other	-13	<b>-11</b>	9%
<b>Adjusted EBITDA *</b>	572	<b>333</b>	-42%
Share of operating profit of associates **	18	<b>30</b>	67%
<b>Adjusted EBIT * (including Associates)</b>	357	<b>115</b>	-68%
Financing costs - net ***	-116	<b>-104</b>	10%
<b>Adjusted Net Income *</b>	185	<b>5</b>	-97%
IFRS Reported EBITDA	574	<b>-253</b>	-
<b>IFRS Reported Net Income</b>	164	<b>-397</b>	-
<b>Balance Sheet / Cash Flow</b>			
Capital Employed ***	3.869	<b>3.521</b>	-9%
Net Debt ***	1.543	<b>1.672</b>	8%
Net Debt / Capital Employed	40%	<b>47%</b>	-
Capital Expenditure	246	<b>295</b>	20%

# Segmental results overview: the most adverse refining environment on record. Improved performance and contango trades supported operational contribution

Adjusted EBITDA causal track 2020 vs 2019 (€m)



# Aspropyrgos 5-year Full Turnaround 2020

## Successful completion of maintenance and start up of refinery, with improved financial and environmental performance

### Technical challenges

- Aspropyrgos full T/A – largest even in the history of the Group
- Inventory management
- IMO batch operation

### COVID-19 pandemic

- 2,500 FTEs on site
- Personal protection measures
- Travelling restrictions



### • **Improve refinery, environmental and financial performance**

- Start-of-run refinery benefits
- Energy consumption and utilities optimisation: €5m pa
- FCC filter reducing PMs refinery emissions by 50% pa

# COVID-19 pandemic response

The Group immediately responded to the outbreak of the COVID-19 pandemic and has taken various initiatives towards dealing with the pandemic:

- Immediate adoption of **teleworking** and modified shift schedules.
- **Utilizing digital technology** and upgrading teleworking infrastructures.
- **Policy drafting** for prevention and management of issues arising from the COVID-19 pandemic.
- **Continuous information of employees** and ongoing health support.
- **Conducted** over 31,000 **PCR** and **rapid tests** on the Group's employees in 2020 and 100,000 until April 2021.
- **Supporting** the Greek society and the **National Health System** by implementing a donation program amounting to **€8 million**.

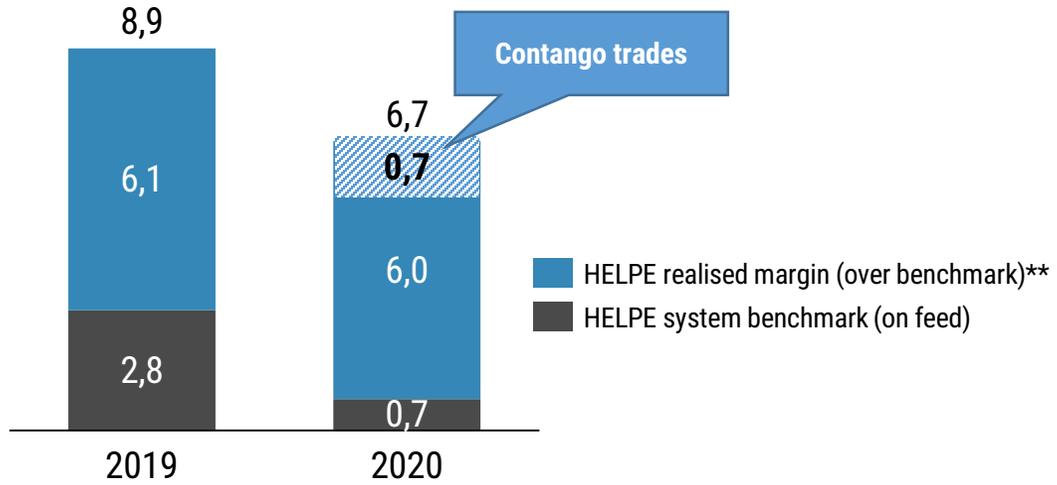
## 4 main priorities on the pandemic crisis management

- Health and Safety in all workplaces
- Ensuring the smooth and uninterrupted operation of our facilities and supply of the market
- Ensuring liquidity
- Taking advantage of market opportunities



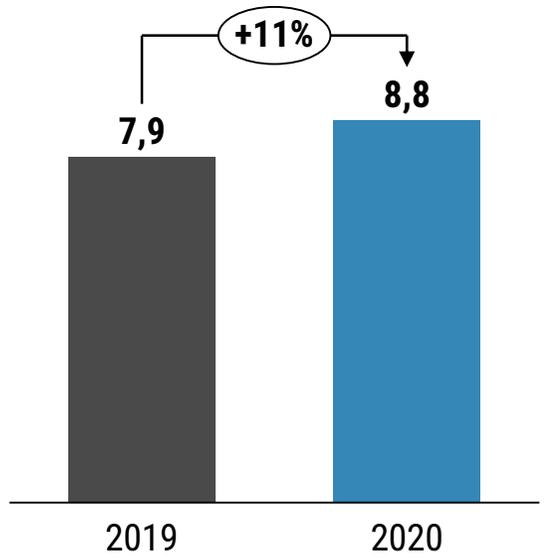
# Refining, Supply & Trading: Overperformance and exports' increase

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



- Significantly weaker system benchmark margin; **Capturing opportunities** in market **pricing** structure and **contango** trades realisation **increased overperformance**
- **Materialisation of contango/storage trades** during the 2Q20, with a **\$70 m benefit**
- **Exports +11% higher** at 8.8 m MT, corresponding to **61% of total sales**
- **High utilization levels** despite COVID-19 crisis and Aspropyrgos' upgrade and maintenance shut-down
- **Successful refining reorganisation**

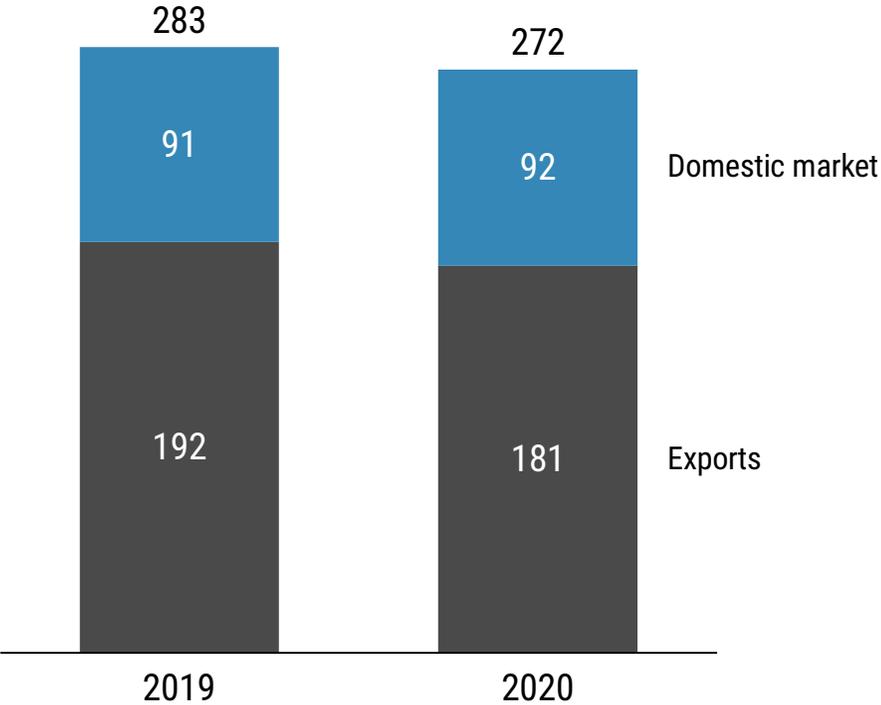
2019-2020 HELPE exports (million MT)



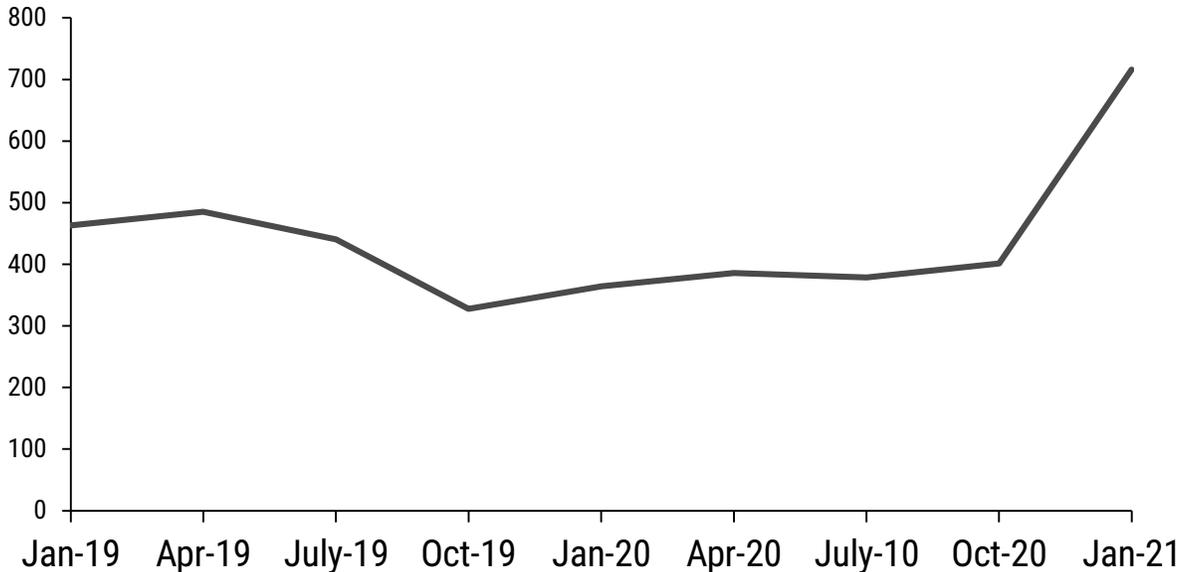
(\* System benchmark calculated using actual crude feed weights (\*\* Includes propylene contribution which is reported under Petchems)

# Petrochemicals: sales Maintained at high levels, with exports at 72%

Sales volumes (MT' 000)



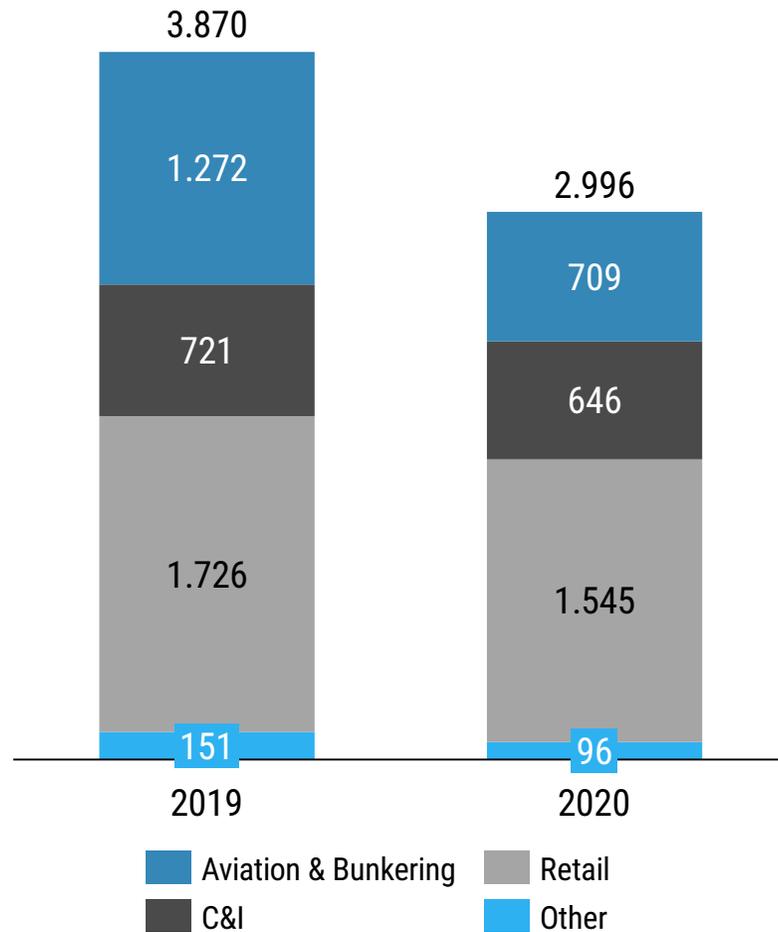
PP benchmark margins\* (€/MT)



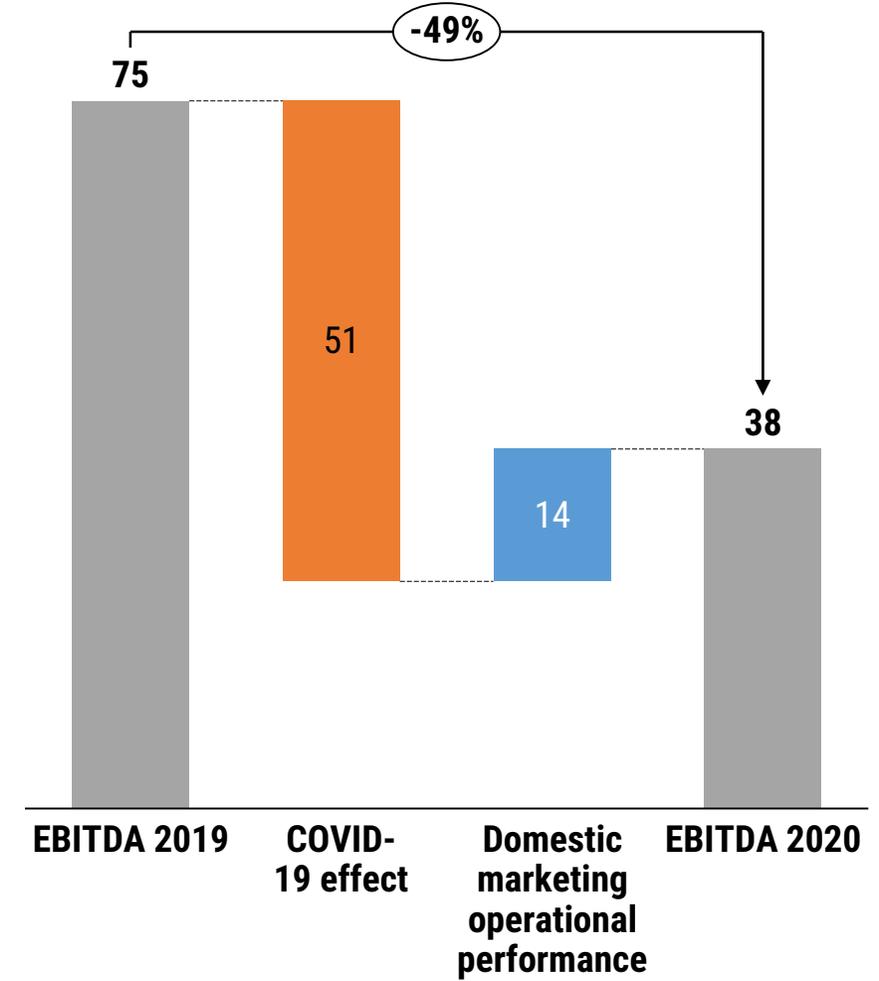
(\*) Polypropylene – propane differential

# Domestic Marketing: travelling restrictions led to a large drop in fuels' consumption, affecting profitability. Improved operational performance and cost control

Domestic marketing sales volumes per market (MT'000)



Domestic marketing Adjusted EBITDA\* 2019-2020 (million euros)

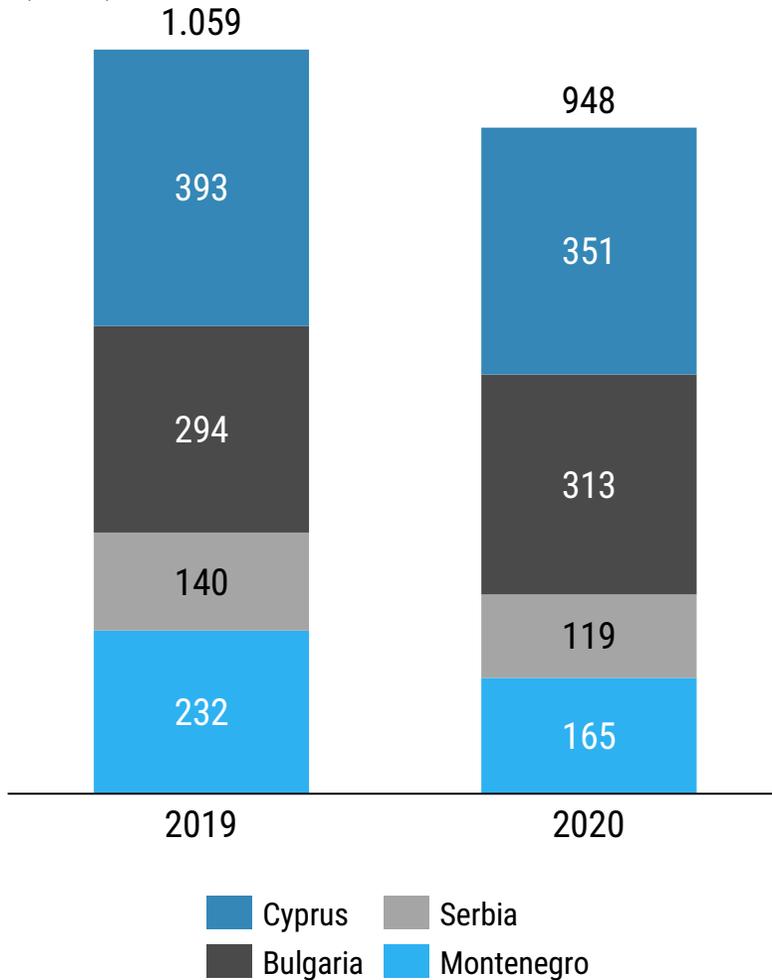


(\*) Calculated as Reported less non-operating items and valuation / impairment; 2019 includes new IFRS 16 impact €26 million

# International Marketing: improved operations and cost reduction largely offset lower volumes

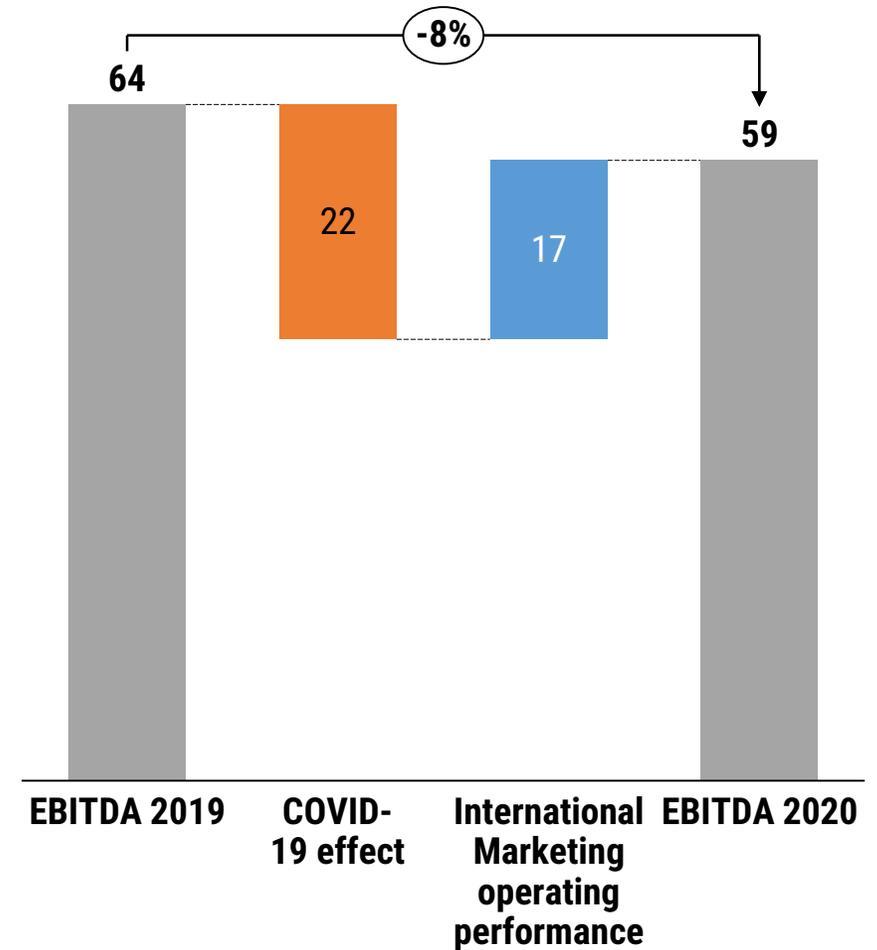
## International Marketing sales volumes per country

(MT'000)



## International Marketing Adjusted EBITDA per country\* 2019-2020

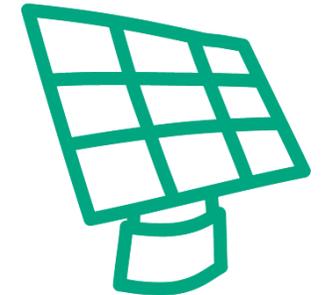
(million euros)



(\* Calculated as Reported less non-operating items and valuation / impairment; 2019 includes new IFRS 16 impact €8 million)

## RES: Kozani PV project

- **Transaction for the acquisition and development of a 204 MW PV portfolio projects in Kozani successfully completed on 1 October 2020:**
  - **Financing** through retap on '24 Eurobond notes, with the participation of selected institutional investors, including **EBRD**
  - **Construction started in November 2020**. Significant progress despite pandemic restrictions; **40% of project completed**
  - **Expected to start operation in 1Q22**
- **Project's characteristics:**
  - One of the **largest PV plants in Europe and the largest RES project in Greece**
  - **320,000 tn CO<sub>2</sub> emissions avoidance**
  - 350 GWh annual electricity generation
  - **€130 million investment** with important Greek participation; >35% of equipment, materials and labor
  - **Over 300 jobs creation** during construction phase



# Power Generation: ELPEDISON

## Main developments:

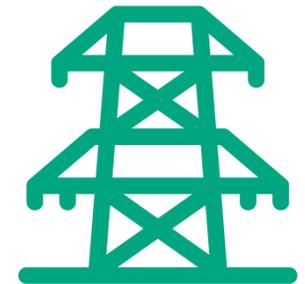
- Completion of the **upgrade program for the CCGT plant** of ELPEDISON in Thessaloniki amounting to €20 million, **increasing its capacity to 420 MW**, with an additional significant improvement in its efficiency and flexibility
- During the 4Q20, the **Target Model was launched**, supporting the rectification of chronic distortions in the market, as well as the **further strengthening of competition**

## 2020 Results:

- **Results improvement**, EBITDA at **€44 million** (2019: €20 million)
- **Market share increase to 4.65% (+7%)**
- **300.000 customers** with sales of around 2,500 GWh



**€64\* million**  
carrying cost of  
investment



# Natural Gas: Privatization process of DEPA Infrastructure & DEPA Commercial

Investment

Corporate transformation of the DEPA Group:

- **DEPA Commercial:**
  - 7 investment schemes participate in the next phase of the tender (including HELPE). The process has been suspended until the end of autumn 2021.
- **DEPA Infrastructure:**
  - Joint sale with the HRADF of 100% of DEPA INFRASTRUCTURE SA with the participation of 5 investment schemes. Binding offers are expected on 15 July 2021.
- **DEPA International Projects:**
  - New company's shares delivery directly to HRADF (65%) and HELPE (35%).

€142\* million

€198\* million

€25\* million

## Results:

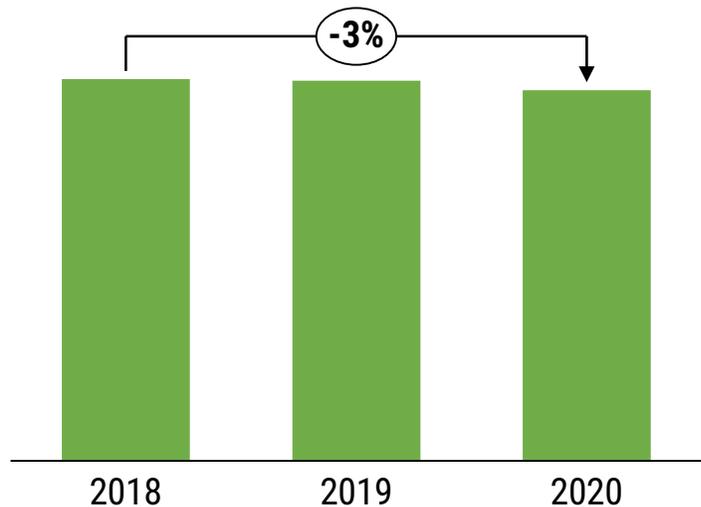
- The EBITDA of ex-DEPA Group companies was flat vs 2019, at €93 million.

# ESG

# Environment: Continuous emissions reduction for GHG, as well as for local community

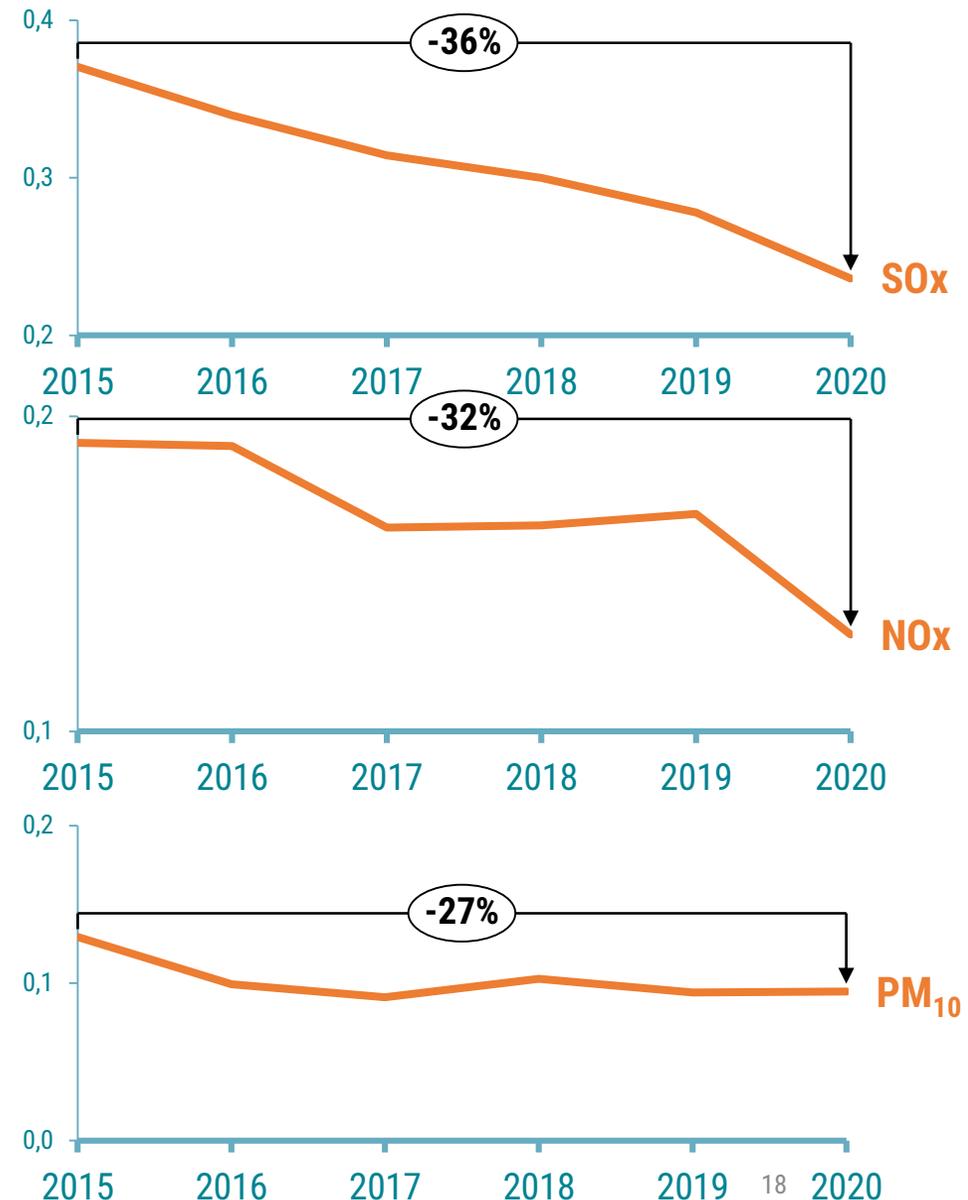
- **CO<sub>2</sub>/tn crude throughput index**, referred to **Scope 1** emissions of refineries, **3% reduction the last two years**
- Investment of **more than €85 million in projects to reduce the Group's environmental footprint**, such as RES, energy efficiency and air emission reduction projects at the refineries

Crude feed CO<sub>2</sub> Emission\* Index



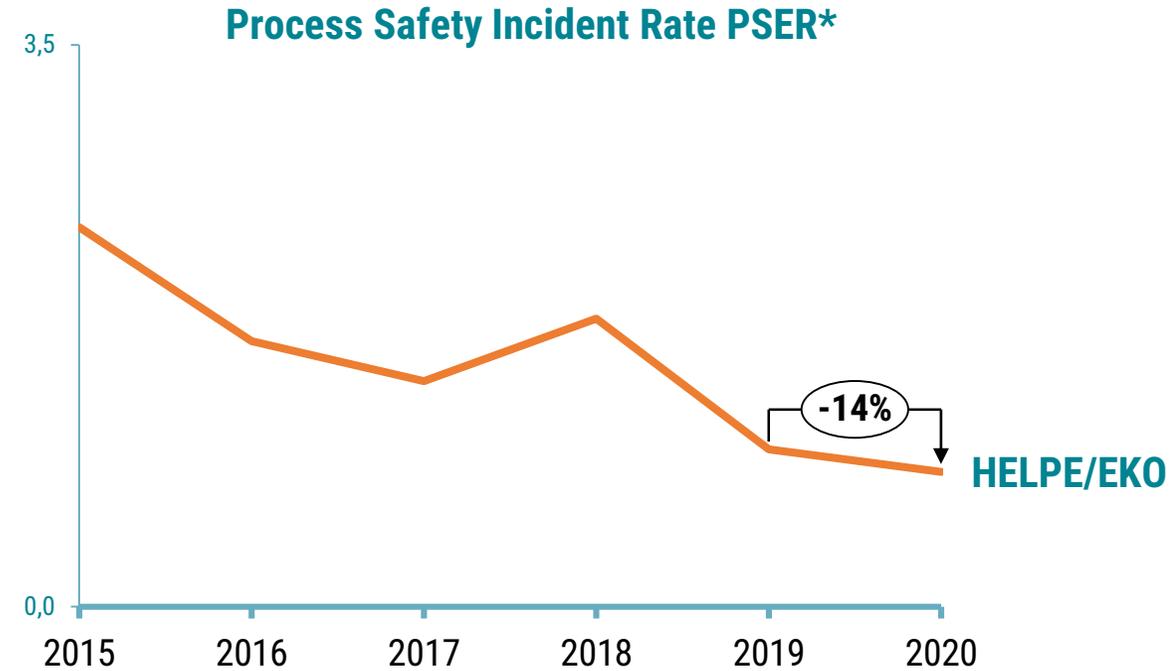
\*in tons/throughput

Air emissions\*



# Maintaining good performance and significant investments for Safety

- **€13 million investments for safety improvements** in all Group facilities
- **Reduction of process safety incidents' indicator** (operational safety) for second consecutive year. Significant **improvement by 14%** compared to 2019
- **+17% training labor-hours** in Health & Safety compared to 2019, to **58,300**
- **COVID SHIELD certification at "Excellence" level** for COVID-19 measures and management



\*Process Safety Event Rate: Number of process safety incidents/1 million labor-hours

# CONTRIBUTION TO THE FIGHT AGAINST THE COVID-19 PANDEMIC



To the National Health System and the Society



**10** coronavirus diagnostic systems  
To 5 hospitals increasing the country's capacity of molecular tests to **20,000** tests per day

**50** state of the art respirators  
For supporting the ICUs

**Donations to NGOs and Institutions**  
Due to the increased needs caused by the COVID-19 pandemic

**1,500,000** million litres of motor fuel

For the transportation of medical equipment and consumables, in collaboration with Aegean Airlines, as well as for the implementation of daily disinfections in the local communities and Athens Municipality

**100,000** test kits  
For molecular tests (PCR)

**50** high flow oxygen systems  
For the conversion of simple beds into Intensive Care Units, contributing significantly to the decongestion of the ICUs

**Critical equipment donations to 5 hospitals**  
Biosafety chamber & Respiratory equipment, Ultrasound scanner, Disinfection air machines, Housing for short-term care

# Contribution to local communities and broader society



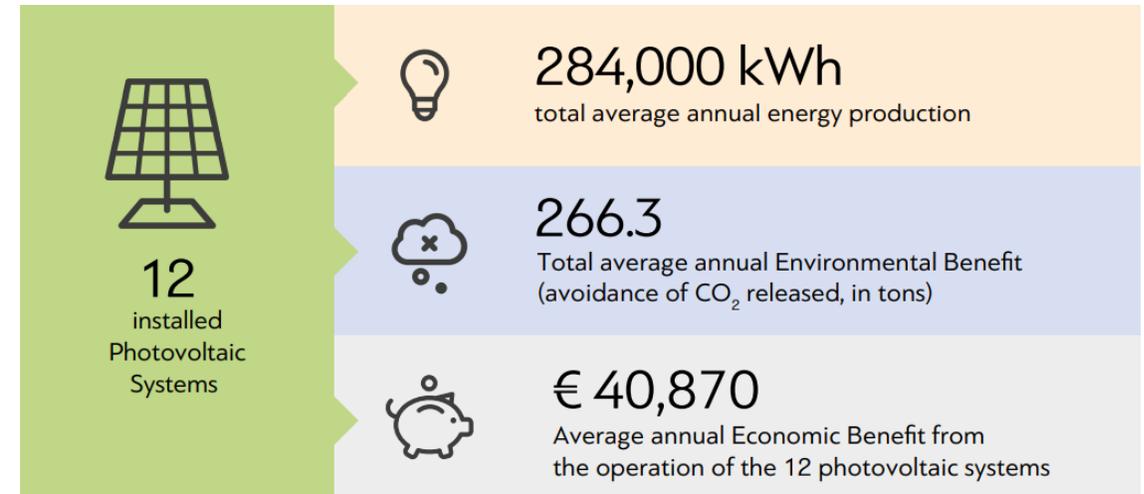
- **Awards for students** from the neighboring Municipalities for their successful entry to higher education (**13<sup>th</sup> consecutive year - 3,727 students up to now**)
- **Scholarships for postgraduate studies** at internationally renowned Universities abroad (**8<sup>th</sup> consecutive year – 72 scholarships up to now**)
- **6 scholarships' programs** in collaborations with Greek Universities
- **Educational equipment to schools**



- **Donation of 300,000 liters of heating oil** to schools, NGO's and institutions.
- **Monthly support to 5 Social Groceries, 1 Soup kitchen, 25 social institutions** from the neighboring Municipalities and also to the **"Food Bank" social projects**



- **Photovoltaic systems on the roofs of schools and foundations.** In 2020, two photovoltaic systems were installed on the roofs of the "Elefsina Love Center" and the "Hospice" in Kypseli, Attica.
- Until today:



# Corporate Governance: Implementation of significant changes, aligning with legal framework and adoption of best practices at the EGM of 28 May 2021

## Articles of Association

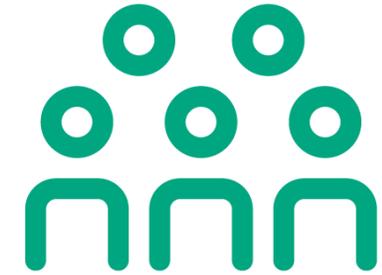
- New 11-member Board. Election of 7 members by the AGM
- Increase of independent Board members
- Gender diversity quota

## Suitability of Board members

- Adoption of individual and collective Suitability Policy
- Formation of Nominations Committee

## Other corporate governance improvements

- Update of the Internal Operating Regulation
- Adoption of operating regulations for material subsidiaries
- Adoption of new corporate governance policies/procedures
- Substantial upgrade and implementation of Conflicts of Interest Policy
- Update of internal audit control, risk management and regulatory compliance at Group level



# Strategy update

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# Transformation involves re-setting the agenda in 5 key areas

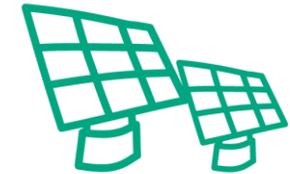
From old HELPE



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

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



...to new Group

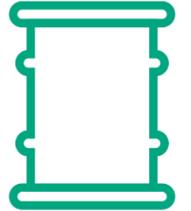
# Prospects and Challenges 2021

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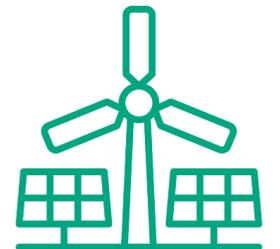
# 1H21 Business Environment

- **Brent price recovery** to pre-crisis due to COVID-19 levels, due to crude oil production and supply control by OPEC ++. 1H21 average at \$64/bbl
- **Small recovery of international benchmark margins** from historical lows in the first half of the year, remaining **very weak**
- Significant **increase in emission allowance cost** at multiple levels over **the last three years**, due to the declining allocation of allowances from year to year, as well as the introduction of the 4<sup>th</sup> phase of the European Emissions Trading Scheme



## 2021 strategy and goals

- Align corporate governance with regulatory framework and best practices
- Finalise structure and implement Vision 2025
- Accelerate RES strategy and decarbonization of liquid fuels value chain





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