

## Annual Briefing to Analysts: MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

The management of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. during the teleconference regarding the financial results and the performance of the Group for the fiscal year 2021, proceeded with the annual briefing to analysts according to the provisions of the Regulation of the Athens Exchange.

Moreover, reference was made regarding the business developments of the Group for the fiscal year 2022.

The Reported key financial figures as well as the product sales breakdown of the Parent Company and the Group of MOTOR OIL (HELLAS) S.A. for the fiscal year 2021 compared to the fiscal year 2020 are presented in the tables hereunder:

Company (Amounts in Thousand Euros)	Fiscal Year	
INCOME STATEMENT	2021	2020
Turnover	7,154,968	3,909,360
Product Sales (Thousand MT) – breakdown by type of activity	<b>14,267</b>	<b>12,649</b>
Refining (Thousand MT)	12,626	11,433
Trading (Thousand MT)	1,641	1,216
Product Sales (Thousand MT) – breakdown by geographical market	<b>14,267</b>	<b>12,649</b>
Exports & Bunkering Aviation (Thousand MT)	12,191	10,406
Domestic (Thousand MT)	2,076	2,243
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	341,940	2,709
Less: Depreciation	69,981	80,774
Earnings (Losses) before Interest & Taxes (EBIT)	271,959	(78,065)
Financial Expenses (Net)	(30,591)	(58,370)
Earnings (Losses) before Tax (EBT)	241,368	(136,435)
Earnings (Losses) after Tax (EAT)	183,166	(112,904)

Group (Amounts in Thousand Euros)	Fiscal Year	
INCOME STATEMENT	2021	2020
Turnover	10,266,591	6,120,439
Product Sales (Thousand MT) - breakdown by geographical market	<b>15,855</b>	<b>13,936</b>
Exports & Bunkering Aviation (Thousand MT)	12,568	10,682
Domestic (Thousand MT)	3,287	3,254
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	489,580	84,845
Less: Depreciation	169,202	143,089
Earnings (Losses) before Interest & Taxes (EBIT)	320,378	(58,244)
Financial Expenses (Net)	(80,174)	(82,621)
Profits from Associates	18,000	3,202
Earnings (Losses) before Tax (EBT)	258,204	(137,663)
Earnings (Losses) after Tax (EAT)	202,363	(113,478)

### Key parameters affecting the Financial Figures of the Company and the Group

#### COMPANY

The significant turnover increase (by 83%) in the fiscal year 2021 compared to the fiscal year 2020 is attributed to the increased sales volumes (by 12.83%) in conjunction with the increased prices of petroleum products denominated in US Dollars (on average by 72.89%).

The increase in the Company sales volume is attributed to the normalization of the conditions in the international economy, as a result of lifting the restrictions imposed on travelling, as well as to the high utilization of the Refinery Units throughout the fiscal year 2021 since the maintenance works, with the emphasis on the Mild Hydrocracker



Complex, had been executed in the fiscal year 2020 and specifically during the period January -February 2020.

The recovery of the demand for petroleum products in the three markets in which the Company traditionally operates (Domestic, Exports, Shipping) combined with the strengthening of the international refining margins and the increase of the industrial sales volume of the Refinery led to the generation of EBITDA Euro 341.9 million in the fiscal year 2021 compared to marginal EBITDA of Euro 2.7 million in the fiscal year 2020.

In the fiscal year 2021 the net financial expenses were significantly reduced to Euro 30.6 million compared to Euro 58.4 million in the fiscal year 2020. The notable improvement is attributed to the reduction of the interest cost following the issuance of two bond loans (the listed on the ATHEX Euro 200 million notes, due 2028 bearing coupon 1.90% p.a. and the listed on the Global Exchange Market of the Irish Stock Exchange Euronext Dublin 400 million Eurobond notes, due 2026 bearing coupon 2.125% p.a.) as well as the dependable results from derivative hedging transactions on the back of the lower volatility in oil prices during the fiscal year 2021 in contrast to the extreme volatility noted during the fiscal year 2020 in the aftermath of the restrictions imposed on travelling on a global scale.

The Earnings before Tax (EBT) reached Euro 241.4 million in the fiscal year 2021 compared to Losses 136.4 million in the fiscal year 2020.

The Earnings after Tax (EAT) reached Euro 183.2 million in the fiscal year 2021 compared to Losses Euro 112.9 million in the fiscal year 2020.

## **GROUP**

The increase in the consolidated turnover (by 67.74%) in the fiscal year 2021 compared to the fiscal year 2020 is attributed to the same parameters that formed the turnover of the parent Company.

The consolidated EBITDA in the fiscal year 2021 reached Euro 489.6 million compared to Euro 84.8 million in the fiscal year 2020 with the combined contribution of the two subsidiary Groups operating in the retail market of liquid fuels (CORAL, AVIN) amounting to Euro 121 million and that of the subsidiary MOTOR OIL RENEWABLE ENERGY SINGLE MEMBER S.A. (manages the portfolio of activities of MOTOR OIL (HELLAS) S.A. Group that is not related to refining and trading of petroleum products) to Euro 44.7 million.

The net financial expenses at a consolidated level reached Euro 80.2 million in the fiscal year 2021 slightly lower compared to the Euro 82.6 million in the fiscal year 2020. It is noted that during the fiscal year 2021 debt at Group level increased significantly mostly because of the debt liabilities of six companies acquired by TEFORTO HOLDINGS LIMITED<sup>1</sup> in March 2021. Through the acquisition of these companies the Group of MOTOR OIL (HELLAS) S.A. established its position in the Renewable Energy Sources sector becoming owner of a portfolio of eleven (11) wind parks in full operation of an aggregate capacity of 220 MW and of an additional wind park of 20 MW capacity under construction. In addition to the twelve (12) wind parks, the acquired companies are in possession of a portfolio of licenses to be developed of an aggregate capacity of 650 MW. With regards to the *Profits from Associates* the greater amounts concern

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<sup>1</sup> A subsidiary of MOTOR OIL RENEWABLE ENERGY SINGLE MEMBER S.A. TEFORTO HOLDINGS LIMITED manages the Renewable Energy Sources (RES) portfolio of the Group

KORINTHOS POWER S.A. (Euro 14.9 million) and SHELL & MOH AVIATION FUELS S.A. (Euro 2.3 million).

The consolidated Earnings before Tax (EAT) reached Euro 258.2 million in the fiscal year 2021 compared to Losses Euro 137.7 million in the fiscal year 2020.

The consolidated Earnings after Tax (EAT) reached Euro 202.4 million in the fiscal year 2021 compared to Losses Euro 113.5 million in the fiscal year 2020.

### **Gearing and Capital structure of the Company and the Group**

(Amounts in Thousand Euros)	Company		Group	
STATEMENT OF FINANCIAL POSITION	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Fixed Assets (A)	1,655,345	1,260,413	2,490,086	1,769,901
Current Assets (B)	1,640,664	1,098,246	2,342,648	1,638,826
Cash & Cash Equivalents	522,956	498,832	656,678	587,496
<b>TOTAL ASSETS (A + B)</b>	<b>3,296,009</b>	<b>2,358,659</b>	<b>4,832,734</b>	<b>3,408,727</b>
(Amounts in Thousand Euros)	Company		Group	
STATEMENT OF FINANCIAL POSITION	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Own Capital & Reserves (a)	984,849	827,636	1,190,896	1,011,861
Debt Liabilities (b)	1,264,357	977,348	2,106,739	1,508,297
Short-term Debt	55,578	144,441	167,696	296,872
Short-term Lease Liabilities	4,742	4,606	28,807	23,873
Long-term Debt	1,196,282	817,116	1,734,895	1,039,818
Long-term Lease Liabilities	7,755	11,185	175,341	147,734
Other Liabilities (c)	1,046,803	553,675	1,535,099	888,569
<b>TOTAL LIABILITIES (a + b + c)</b>	<b>3,296,009</b>	<b>2,358,659</b>	<b>4,832,734</b>	<b>3,408,727</b>
	Company		Group	
Capital Structure & Net Debt	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Liabilities <sup>2</sup> / Equity (X)	3.35	2.85	4.06	3.37
Net Debt <sup>3</sup> / Equity (X)	0.77	0.58	1.22	0.91
Net Debt (in thousand Euros)	741,401	478,516	1,450,061	920,801

### **Impact of the increased energy costs & restrictions on URAL crude purchases & COVID-19 spread on the fundamental financial figures**

Despite the adverse market conditions, which prevailed since 2020 due to the pandemic, as well as the continuous spike on energy costs and the recent restrictions on URAL crude purchases, the Group's management maintains that the Company and the Group have adequate resources that ensure the smooth continuance of the business of the Company and the Group as a "Going Concern" in the foreseeable future.

More specifically:

Since the beginning of the crisis in March 2020, the Group of MOTOR OIL (HELLAS) S.A. set as its major priorities: to cater for the health and safety of all stakeholders (i.e. employees, contractors, suppliers, customers, local communities), to arrange for credit facilities in order to secure the necessary liquidity for the uninterrupted operation of the production cycle and consequently the supply of the market, and, to take advantage of any investment opportunities presented in the field of the energy sector at large. To

<sup>2</sup> Liabilities = TOTAL LIABILITIES – Own Capital & Reserves

<sup>3</sup> Net Debt = Debt Liabilities – Cash & Cash Equivalents



this end, the management of the Company has secured approved Credit Lines for the total amount of Euro 1.94 billion and Letters of Guarantee/Credit up to USD 983 million from the credit institutions.

Regarding the effects of the increased energy costs, it is noted that the Company's Refinery has the necessary flexibility to adjust the mix of raw materials and fuels in periods of extreme price fluctuations. Given the large increase in the price of natural gas during 2021, the Company has chosen to use alternative fuels in the Refinery, such as fuel oil, naphtha and LPG.

With regard to the purchases of URAL it is noted that these amounted to approximately 5.5% of total Company purchases of crude in the fiscal year 2021. Due to the advantageous geographical location of the Company's Refinery, MOTOR OIL (HELLAS) S.A. has many options available when it comes to crude purchases. Moreover, sales to Russia and Ukraine accounted for less than 1% of Group sales in the fiscal years 2020 and 2021.

### **Capital Expenditure**

For the fiscal year 2021 the capital expenditure of the Parent Company equaled Euro 243.5 million slightly above the original estimate of Euro 240 million. The greater part of the capital expenditure was allotted to the project of the new Naphtha treatment Complex (Euro 161 million) the construction phase of which is nearing completion and is expected to be commissioned in the second half of 2022. Moreover, an amount of Euro 39 million was spent on regular maintenance works at the existing Refinery units and on a series of miscellaneous projects, which aim at the improvement of the health and safety conditions of the Refinery, as well as its environmental terms.

For the current year 2022 capital expenditure is expected at Euro 175 million the greater part of which will concern the following: a) the completion of the construction and the commissioning of the new Naphtha treatment complex, b) the commencement of the project for the construction of a new high efficiency Combined Heat & Power (CHP) unit, of a total budget of Euro 60 million, in order to increase the installed capacity of the cogeneration power plant of the Refinery to 142MW (from 85MW currently) thus securing that it remains energy autonomous given its new size, c) the regular maintenance works at the existing Refinery units and a series of miscellaneous small-scale projects.

### **Dividend**

The dividend proposal is always a balancing act for the companies as their management has to consider previous years' performance, current economic conditions, as well as investments under implementation or possible to be undertaken in the foreseeable future.

Since the inception of its shares on the Athens Exchange back in 2001, MOTOR OIL (HELLAS) S.A. has consistently rewarded its shareholders with monetary distributions be it in the form of interim dividends, dividends or return of capital. The only occasions the management of the Company proposed no dividend distribution concerned the fiscal years 2014 and 2020 which they were the only loss-making ones over the 21-year period 2001-2021. On aggregate the monetary distributions over the period 2001-2021 equal Euro 14.93 per share while the historical average dividend yield ratio<sup>4</sup> stands at 6.1%.

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<sup>4</sup> Dividend amount per share / market price of the share



The management of the Company consistent with the dividend maximization policy of its shareholders will propose at the upcoming Annual Ordinary General Assembly of Company shareholders the distribution of an amount of Euro 0.90 per share as a dividend for the fiscal year 2021. It is noted that in November 2021 an amount of Euro 0.20 per share was paid as an interim dividend for the fiscal year 2021 and as a result the dividend remainder amount will be Euro 0.70 per share.

The proposed total amount of dividend per share (Euro 0.90) for the fiscal year 2021 corresponds to a dividend yield of 6.55% based on the closing price of the share of the Company on 31 December 2021.

Maroussi, 14 April 2022  
The Board of Directors