



PRESS RELEASE

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Financial results for 3rd Quarter 2018

High volumes in a competitive market environment while margins remain strained

3Q 2018	3Q 2017	% difference	(In million MKD)	9M 2018	9M 2017	% difference
7,981	5,956	34%	Sales revenue	20,096	16,674	21%
203	195	4%	Operating costs	630	619	2%
122	169	-28%	Adjusted EBITDA*	274	413	-34%
83	144	-42%	Profit before tax*	143	208	-31%

* Excluding one-off items

OKTA is maintaining high volumes and market share in the third quarter of 2018, while profitability is down mainly affected by the higher rebates granted, due to the different payment schedule structure, which was partially neutralized by the positive inventory effect generated by the upward trend of the international oil prices and by the beneficial impact of the cost optimization activities.

Adjusted EBITDA amounted to 122 million MKD for 3Q 2018, lagging behind the 169 million MKD for 3Q 2017, mainly affected by the above mentioned higher rebates granted, due to the different payment schedule structure. On a YTD level, Adjusted EBITDA followed a similar pattern, amounting to 274 million MKD, lower than the 413 million MKD in the same period last year, for the same as the aforementioned reasons. Sales revenues were at 20,096 million MKD, higher compared to the same period last year (16,674 million MKD), due to the higher international oil prices. Adjusted profit before tax in 3Q 2018 (excluding one-off effects), amounting to 83 million MKD, was lower than the 144 million MKD in 3Q 2017. The main reason behind was the aforesaid effect of the higher rebates granted as result of the different payment schedule structure, which was to a certain extent neutralized by the positive inventory effect of 74 million MKD, as a result of the higher international oil prices, and by the cost optimization activities. A similar pattern followed the Adjusted profit before tax for the nine months of 2018, reaching lower levels vs the same period last year, for similar to the abovementioned reasons.

Company's liquidity continues to be at record-high levels, as result of changes in the payment schedule structure, which allows the company to operate without utilizing any credit lines.

During the third quarter of 2018, OKTA continued with its commitment to socially responsible practices, especially focusing on traffic safety and support of education. Thus, in September, as part of the "I watch out" campaign, nearly 7.000 reflective pendants were donated to the first graders in all 76 primary schools in Skopje. Maintaining its last year's initiative, OKTA signed a Memorandum for collaboration with the University "St. Cyril and Methodius" for the award of ten scholarships for postgraduate studies in 2018 as well. During the past period, the company and its employees participated in several humanitarian activities, such as the "Lend a hand" race to support people with the rare Wilson disease, as well as to mark the World Hunger Day.

Furthermore, OKTA's management monitors closely the challenging environment and through proactive planning, constantly aims to ensure regular and uninterrupted supply of fuels with the highest quality in the local and neighboring markets, while at the same time continues to push the company forward by grasping



the various opportunities that arise, with a view to the further enhancement of its business performance and improvement of its efficiency.

For further information

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