



PRESS RELEASE

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Financial results for 4rd Quarter 2019 / Fiscal Year 2019

High profitability backed by strong sales performance and efficient cost optimization activities

4Q 2019	4Q 2018	% difference	(In million MKD)	12M 2019	12M 2018	% difference
7,380	7,417	-1%	Sales revenue	27,674	27,514	0%
138	134	3%	Operating costs*	527	552	-5%
195	83	135%	Adjusted EBITDA**	554	305	82%
115	-104		Profit before tax	302	-104	

* Excluding one off items and redundancy expenses

** Excluding inventory effect and redundancy expenses

OKTA's performance in the last quarter supported a very solid 2019, fully validating the strategy the Company has been implementing with determination and discipline for many years. While successfully delivering growth on full-year volume, top-line growth and higher profitability, the company progress with its transformation programs that is making its organization more agile, reducing its cost base, creating solid grounds for its future performance.

The company's continuous improvement in cash flow generation provides the needed resources to invest in servicing best its customer's needs, continuing to be one of the cornerstones of the economy by providing uninterrupted supply of fuels for all sectors in the region.

Adjusted 2019 EBITDA increased by 82% to 554 million MKD, surpassing the 305 million MKD of 2018, yielding the strong sales volumes coupled with the efficient cost optimization activities. Q4 2019 EBITDA follows a similar pattern for the same as aforesaid reasons. Hence, the Profit before tax for 2019 reached 302 million MKD, accomplishing a complete recovery from the loss generated during 2018 in amount of 104 million MKD. Q4 2019 Profit before tax follows an analogous trend, standing at 115 million MKD compared to the loss of 104 million MKD for the same period last year. The strong sales over-performance, efficient management of the operating expenses via the successful organogram optimization activities and indirect costs, are the main drivers that led to these positive results for 2019. Sales revenues at MKD 27,674 million, higher compared to last year (27,514 million MKD).

Company's liquidity reached 2,295 million MKD, a 918 million MKD increase compared to 2018 primarily reflecting changes in the payment schedule structure, which allows the company to operate without utilizing any credit lines.

During 2019, the customs authorities conducted an audit in OKTA covering periods 2014 to 2018 following which they have issued a decision for the fiscal year 2014 imposing a liability of million of 23 MKD. The company has proceeded with the payment of the liability in January 2020 and filed lawsuits against the customs decisions initiating administrative disputes, seeking its full annulment.

In December, the new OKTA branded petrol station, located in Gazi Baba municipality in Skopje has started its operations. Hence, OKTA branded retail network has expanded to 27 petrol station all across the country. OKTA successfully concluded its socially responsible practices in 2019 by implementing a range of activities. Company's projects to support the young talented people in the country were brought to an end by awarding



ten postgraduate scholarships for the five faculties at the state “Ss. Cyril and Methodius” University in Skopje. In December, as part of its traffic safety campaign “Jas vnimavam”, OKTA donated push buttons for several traffic lights in Skopje to help the pedestrians in crossing the frequent boulevards more safely. This year as well, the company reallocated the funds intended for New Year’s corporate gifts and assisted in equipping the Department of Gynecology and Obstetrics at the General Hospital in Kumanovo.

Furthermore, OKTA’s management monitors closely the challenging environment and through proactive planning, strive 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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