



PRESS RELEASE

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Financial results for 4rd Quarter 2020/ Fiscal Year 2020

Adjusted EBITDA surpass Last Year's performance driven by operational optimizations and cost efficiencies created

4Q 2020	4Q 2019	% difference	(In million MKD)	12M 2020	12M 2019	% difference
3,721	7,380	-49%	Sales revenue	15,193	27,674	-45%
254	310	-18%	Gross Margin	788	1,162	-32%
128	138	-8%	Operating costs*	514	527	-2%
125	195	-36%	Adjusted EBITDA**	630	554	16%

* Excluding one off items and redundancy expenses

** Excluding inventory effect and redundancy expenses

The year that passed was marked by long-lasting pandemic of COVID – 19, which resulted to a significant slowdown in the economic activities on a global scale especially during the first half of the year, posing many challenges to all areas of the business world, with oil sector being among those most severely impacted. Mobility cross border restriction measures imposed as a response to COVID -19 spread had as a result the reduction of fuel demand. In particular, the transit tourists traffic that use to summer seasonally peak was totally depleted while also the aviation sector was severely affected, with air traffic significantly declining.

OKTA has managed to successfully overcome the challenges faced in the uncertain market environment as it evolved, yielding the positive outcomes of the strategy in place, while continues to uphold stringent health and safety standards, ensuring that customer service remains unimpeded. Prudent financial management and effective cost control measures across all business areas enabled OKTA to gradually offset the effects of margin pressures.

Key highlights in 4Q & 2020

- Adjusted EBITDA reached 125 million MKD lagging behind the 195 million MKD generated in the same period last year that was positively affected by 103 million MKD coming from the once off sales won in tenders. Having it excluded Q4 '20 performance would be higher vs last year by 33 million MKD.
- On YTD level, Adjusted EBITDA amounted to 630 million MKD, notably overpassing the 554 million MKD generated during 2019, driven by the prudent management of its stocks allowing uninterrupted sales to its customers, in a period with many uncertainties; and the State Reserves supply tenders won during Q3, coupled with the positive effect from the continuous optimization of the indirect expenses.
- Sales revenue amounting to 15,193 million MKD for 2020, still lagging behind the 27,674 million MKD of the same period last year being the result of decreased demand in volumes and the decline of international fuel prices.
- Gross margin on YTD, follows an analogous trend, standing at 788 million MKD, still trailing behind the 1.162 million MKD of the same period LY, adversely affected by the residual effect from the collapse of the international fuel prices during the first four months of 2020.
- 4Q of 2020, marked a loss of 602 million MKD, adversely affected by the one-off provisions booked for the below elaborated ongoing custom case in amount of 781.4 million MKD.



- Profit before tax, exempt of the aforesaid one-off provision, amounted 179 million MKD, overlapping the 115 million MKD generated during the same period last year. Driven by the storage fee of state reserves volumes accommodated at the company's facilities, and the enhanced operational efficiencies achieved, coupled by the positive effect from the upward movement of the international fuel prices in amount of 58,411 million MKD.
- On YTD level, negatively affected by the aforesaid 781.4 million MKD provisions booked on the ongoing custom case, the company reported a loss of 553 million MKD. On the other hand, Profit before tax, excluding the one-off negative effect from the provisions booked, achieved 228 million MKD as compared to the 302 million MKD of the same period last year, as result of the afore elaborated reasons.

OKTA's has managed to maintain sufficient liquidity for risk management purposes to face the COVID – 19 crises, while at the same time allowed the company to undertake commercial opportunities and support the company's strategy without utilizing any credit lines.

In 2019, the customs authorities in North Macedonia, conducted an audit in OKTA, with regards to excise duties of eurodiesel imports, for the fiscal years 2014 - 2018. They are of the opinion that, excise duties related to these imports, were not correctly calculated and they issued relevant decisions for the fiscal year 2014, imposing additional amounts of 23.4 million MKD, which were paid in 2020.

The Company filed lawsuits within 2019, initiating administrative disputes, seeking full annulment, on grounds of substantial violations of procedural rules from the customs authorities' side, their failure to completely and correctly establish the facts of the case and to correctly apply substantive laws. As of July until December 2020, the authorities issued new decisions for the fiscal years 2015, 2016 and 2017, imposing additional amounts of 289 million MKD.

As at 31 December 2020 the company recognized a provision of 781.4 million MKD representing the company's best estimate of potential future cash outflows. The Company retains its position that it has acted in full compliance with all relevant laws, also as per expert's opinions received and intends to contest such decision to the ultimate judicial authority including if possible to international jurisdictional forums.

OKTA, as one of the largest companies in the country, has been at the forefront of national efforts to combat the Covid-19 epidemic with significant contribution towards the Health System. In December, the company donated 3.000 serologic tests for detection of antibodies for COVID-19 to the Clinic for Infectious Diseases in Skopje. At the same time, OKTA become the first company in the country accredited with the innovative CoVid-Shield Certificate by TÜV Austria Hellas, for its premises and installation based in Miladinovci, as a confirmation of the measures undertaken to protect its employees, associates and customers. Even in the time of crises, the company has awarded five postgraduate scholarships to the most successful students at "Ss. Cyril and Methodius University", thus continuing its tradition of supporting the education in the country. In the segment of renewable energy sources the company has enriched its portfolio by putting into operation two new photovoltaic plants, one of which installed at the Moda Sveti Nikole textile factory while the other one within OKTA's installation.

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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