



PRESS RELEASE

28th February 2023

Financial results for 4th Quarter / 12 Months 2022

High profitability enhanced by sales over performance and increasing international fuel prices

4Q 2022	4Q 2021	% difference	(In million MKD)	12M 2022	12M 2021	% difference
14,454	8,538	69%	Sales revenue	59,964	26,136	129%
-22	315		Gross Margin	1,517	1,377	10%
154	136	13%	Operating costs	759	694	9%
-125	228		EBITDA	910	839	9%
-230	-17	1244%	Profit before tax	618	453	36%
195	171	14%	Clean EBITDA	718	481	49%

2022 was marked by a geopolitical tension that has intensified the energy crisis in Europe, with a further increase in natural gas and electricity prices, leading to an increased inflationary pressure which negatively impacted consumers and industry. The gradual imposition of sanctions by the EU and the oil embargo, have led most European countries to reduce or even suspend imports of Russian oil and gas products, resulting in a demand-supply imbalance. Those developments contributed to the significant rise in crude oil and gas prices. Against this backdrop, the State brought back from cold reserve electricity producing units operating on fuel oil.

Despite the challenging and competitive environment in which OKTA operates in Republic of North Macedonia and Kosovo, OKTA managed to increase its leadership position in the local market with an approximated 71 percent market share and similarly Kosovo with 36 percent market share at year end 2022, leading to a 28 percent increase in the sales at yearend in comparison to 2021.

The full Year results show OKTA continuing to execute its disciplined financial frame, with EBITDA accumulating at 910 million MKD, exceeding the 839 million MKD achieved during 2021, with corresponding Profit before Tax at 618 million MKD. Q4 EBITDA reaching negative levels in amount of MKD 125 million, being notably lower than the MKD 228 million for the same period last year, mainly due to the collapse of the international fuel prices which led to an impairment of OKTA's inventory in amount of MKD 94 million and a negative inventory effect of MKD 319 million.

OKTAs robust performance for the year ended fully validates 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 automation initiatives that will make its organization more efficient, reducing its cost base, creating solid grounds for its future performance.

Key highlights in 4Q & 2022

- EBITDA reached 910 million MKD higher compared to the 839 million MKD generated in the same period last year, driven by the excellent sales performance, mostly in domestic market, the efficient inventory



management allowing uninterrupted sales to its customers, in a period with many uncertainties, and the continuous fluctuations of the international fuel prices.

- Sales revenue standing at 59,964 million MKD for the 12 months of 2022, notably exceeding the 26,136 million MKD of the same period last year mostly driven by increased sales on both markets, with full recovery of Diesel and Jet sales, the supply of power plants with FO and sales to State Reserves.
- Gross margin being on the same pace, reached 1,517 million MKD during 2022, exceeding the 1,377 million MKD of the same period LY, positive affected by the volumes increase, rise of the international fuel prices, increased income from sale of Electricity and increased State Reserves Storage Fee.
- In Q4 2022, EBITDA reaching negative levels in amount of 125 million MKD, adversely affected from the drop in international fuel prices.
- Profit before tax, on a YTD level reached 618 million MKD, overlapping the 453 million MKD generated during the same period last year, driven by increased sales volumes, increased income from state reserves volumes accommodated at the company's facilities, coupled by the positive effect from the upward movement of the international fuel prices during H1 of 2022.
- The Company, following on its strategic priorities, invested 48.348 million MKD during 2022 in maintenance of its storage capacities and health and safety initiatives.

Despite the regional shortages, OKTA continues to be a cornerstone of the fuel supply in the county and the region during this challenging time, perpetually monitoring the situation in order to ensure regular and unimpeded supply with the highest quality of fuels in local and neighboring markets, while it continues to grow and to contribute to the society.

Update on the Custom Case

As of December 2022, the total amount for which the customs authorities have issued decisions in relation to this period is MKD 1,106 m. OKTA has paid this amount in full in 2022 accompanied by a letter, submitted to the competent customs authority pointing out that any payments made by OKTA do not constitute and should not be interpreted as an acknowledgment of any debt or responsibility by OKTA.

On 21 September 2022 OKTA received a customs notification with regards to the period January - May 2019, mentioning that similar tax assessment will be imposed to the company, following which decisions charging the company with additional liabilities were received that as of December 2022 amounted to MKD 25 m. OKTA has paid in full all amounts charged within 2022.

The estimated maximum additional exposure is not expected to exceed MKD 59 m (incl. interest until 31 December 2022). As at 31 December 2022, the company recognized a provision of MKD 59 m 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 opinion received and intends to contest such decisions to the ultimate judicial authority.



Corporate Responsibility

OKTA rounded off the year by implementing numerous CSR activities, highlighting the extent of the company's commitment to the society. Thus, donation of 6,000 liters of EL heating oil was made for one of the houses of SOS Children's Village, where young people without parental care are fostered. Supporting the local community, OKTA provided 365 New Year's packages for all pupils in three elementary schools, located at the company's surrounding. As part of the "New Generation" program, scholarships for postgraduate studies at UKIM were granted to two students, enabling their further professional and academic development. OKTA's commitment for preserving the national cultural heritage, was confirmed by supporting important and remarkable music and cultural events, during the last quarter of 2022.

The industry is exposed significantly to macroeconomic factors such as commodity prices, currency fluctuations, interest rate risk, pandemics and lately to political developments. Commodity price fluctuations may affect the price of the commodity procured, maintained as inventory (raw material or finished goods) or sold to. 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, please contact:

Ognena Nichota Stamenkova, Investor Relations Manager, OStamenkova@helpe.gr

Marija Stavreva, Communications & CSR Manager, M.T.Stavreva@helpe.gr