



Hrvatska elektroprivreda

More than electricity

Consolidated Financial Statements
1H 2020



Contents

1H 2020 Key highlights

Operations results

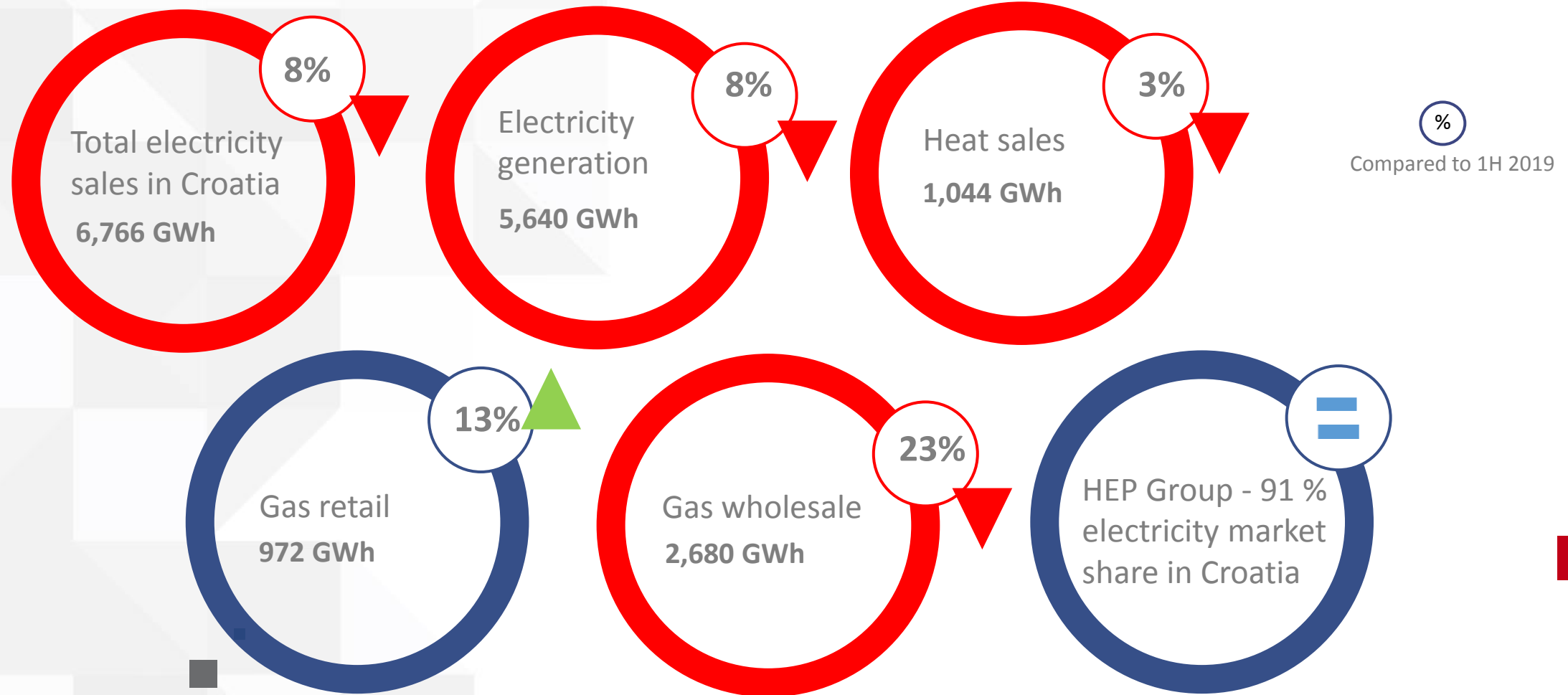
Financial results

Q&A

Safe Harbor Statement

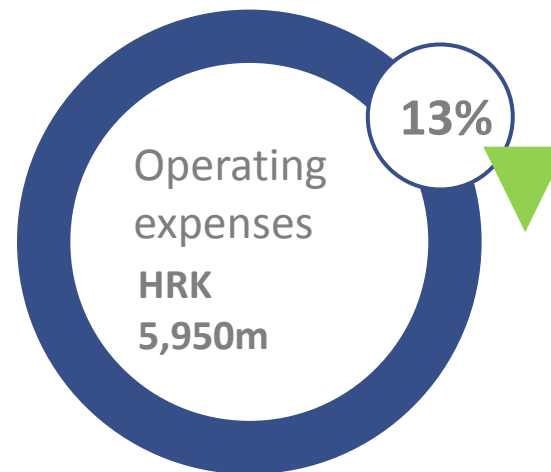
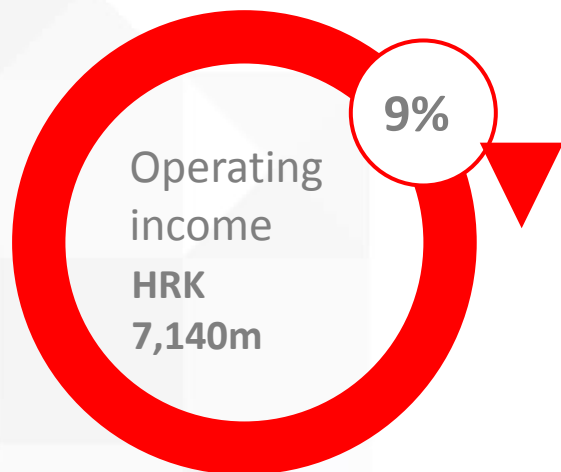
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Key Facts

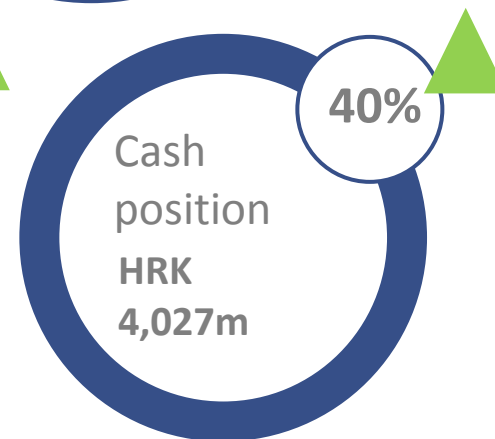
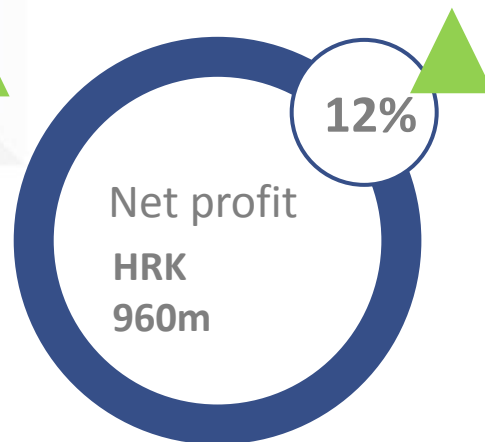
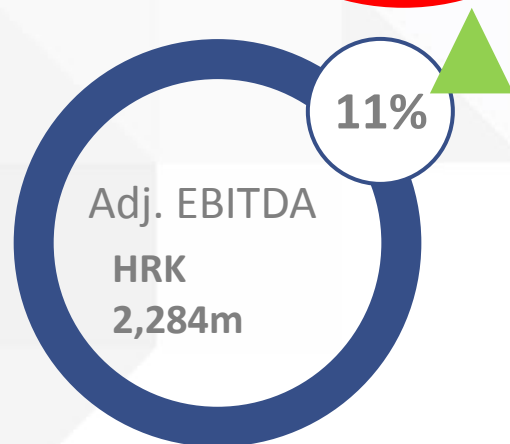




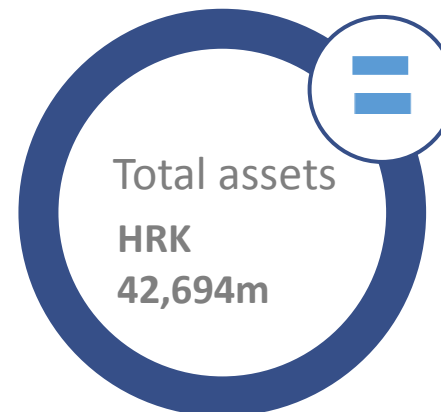
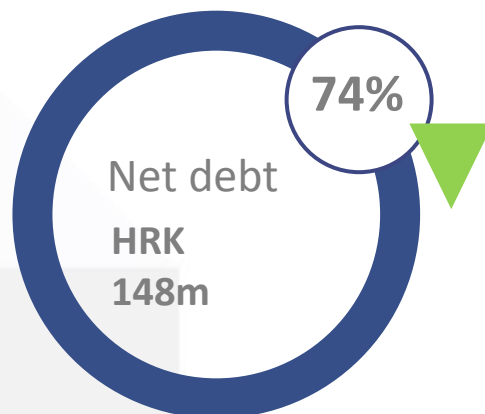
Key Facts



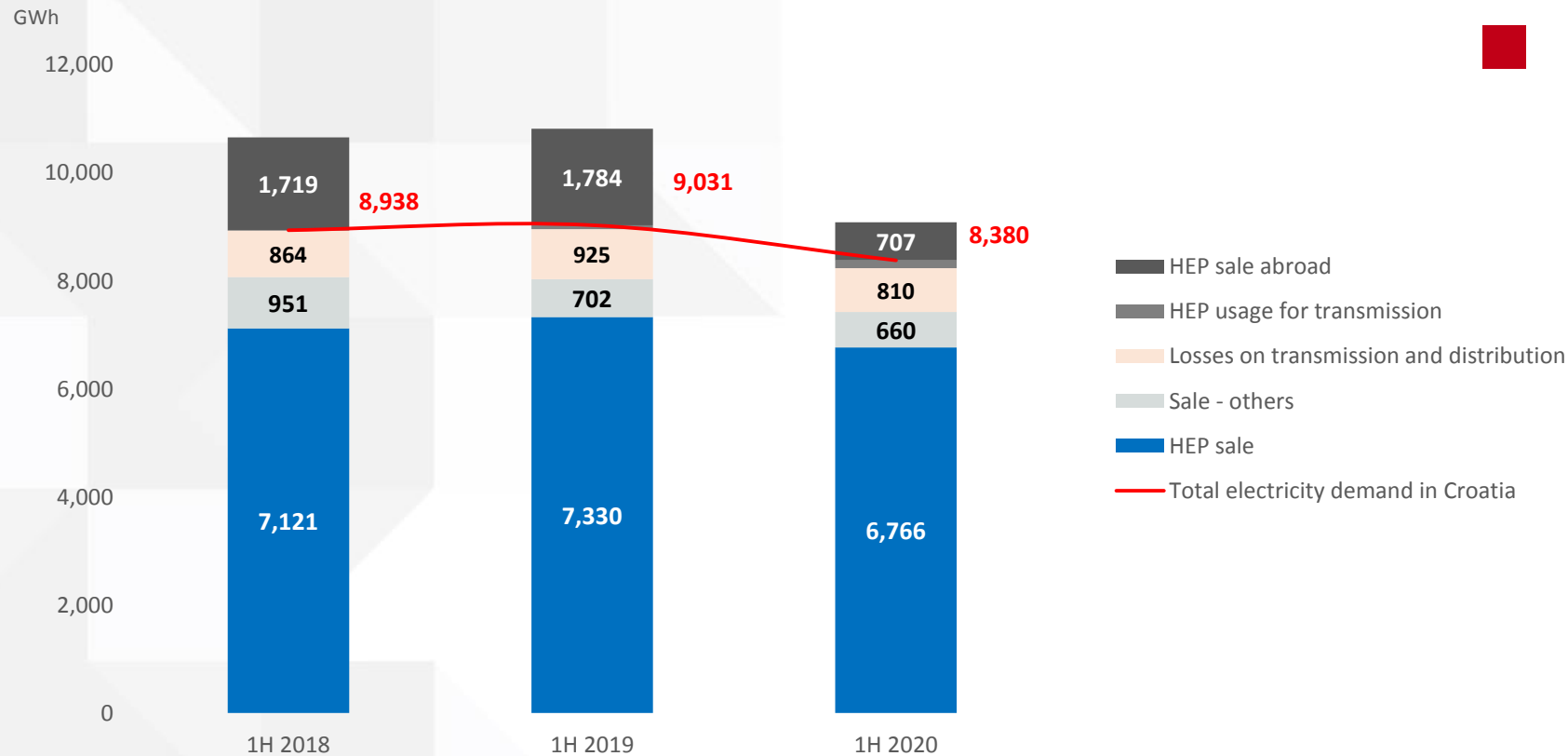
Number of employees
1H 2020: 11,501



Compared to 1H 2019



Electricity Market in Croatia¹



Total sale by HEP Group suppliers decreased by 8% compared to the same period in the 2019.



Contents

1H 2020 Key highlights

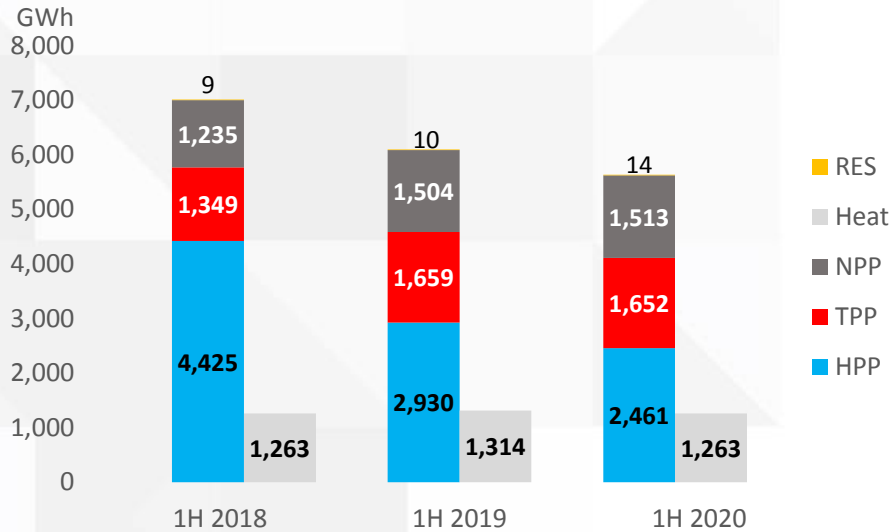
Operations results

Financial results

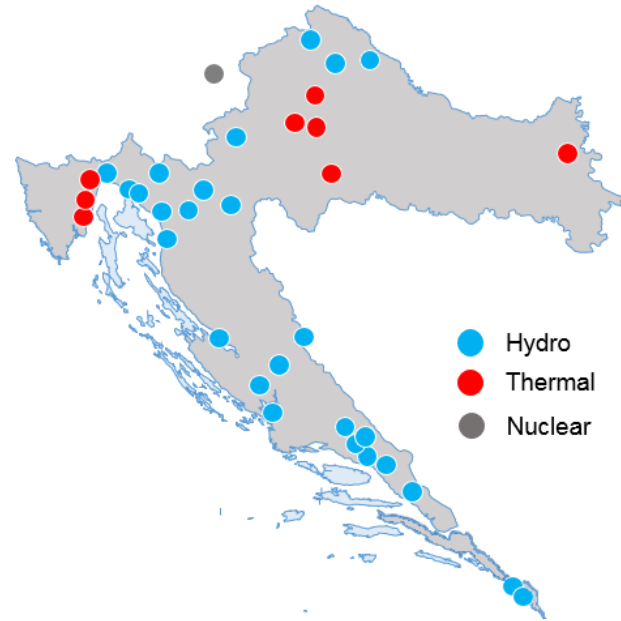
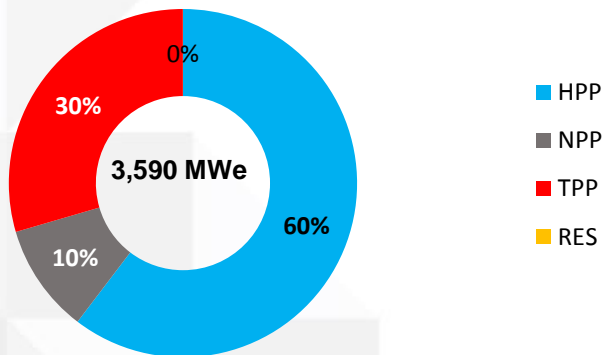
Q&A



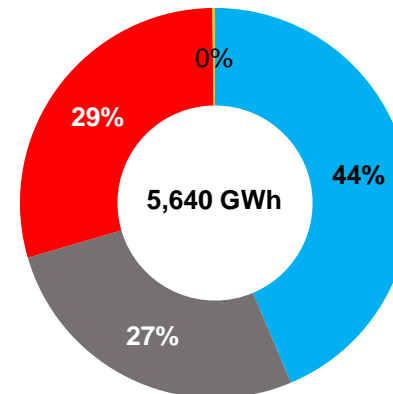
Power Generation in 1H 2020



Electricity - available capacity 1H 2020¹

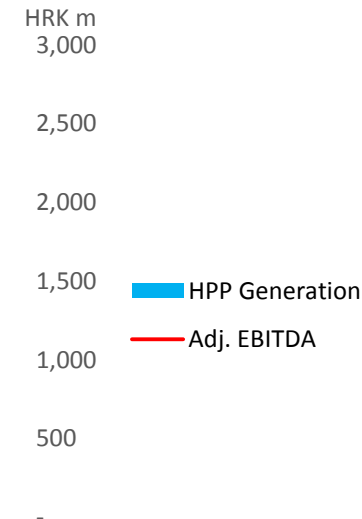
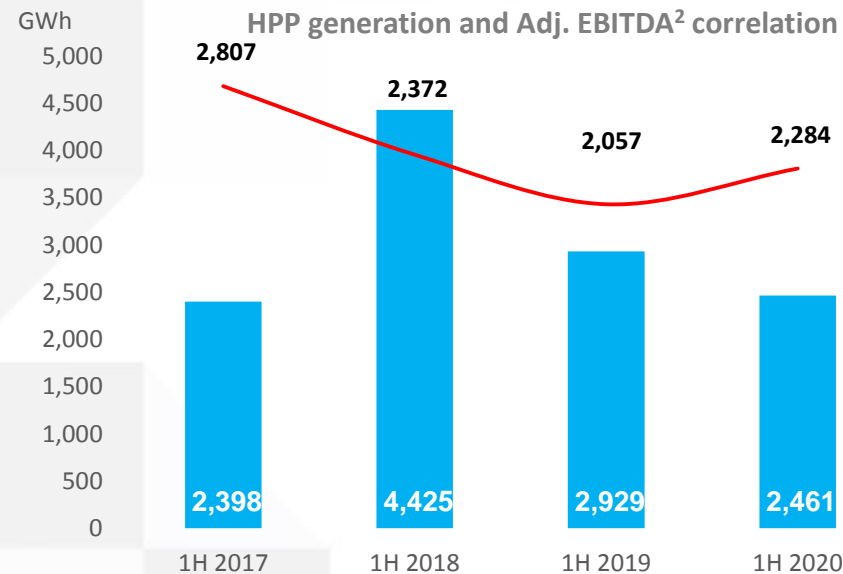
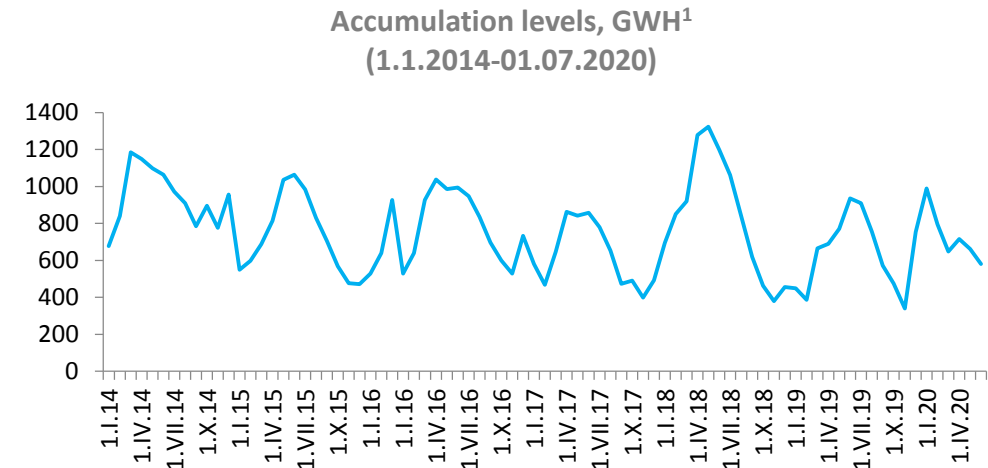
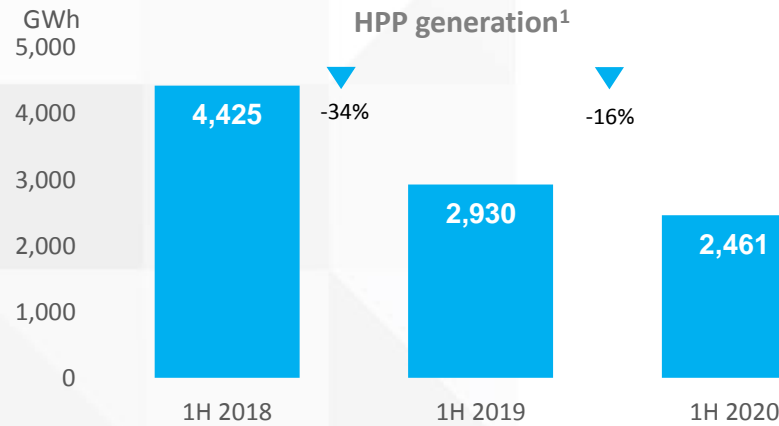


Electricity generation 1H 2020¹



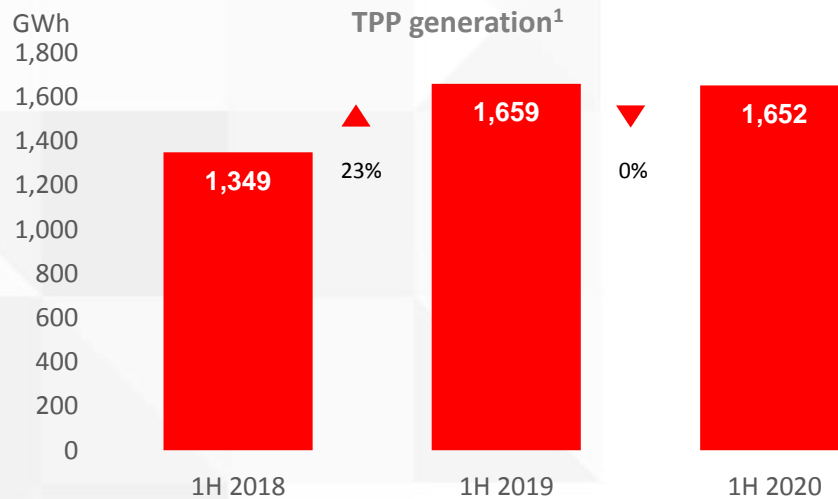
- Compared to the year before HPP generation was 16% lower
- TPP generated same amount of electricity while NPP generation was 1% higher compared to the same period last year
- Generation of heat energy was 4% lower

Electricity Generation from HPP

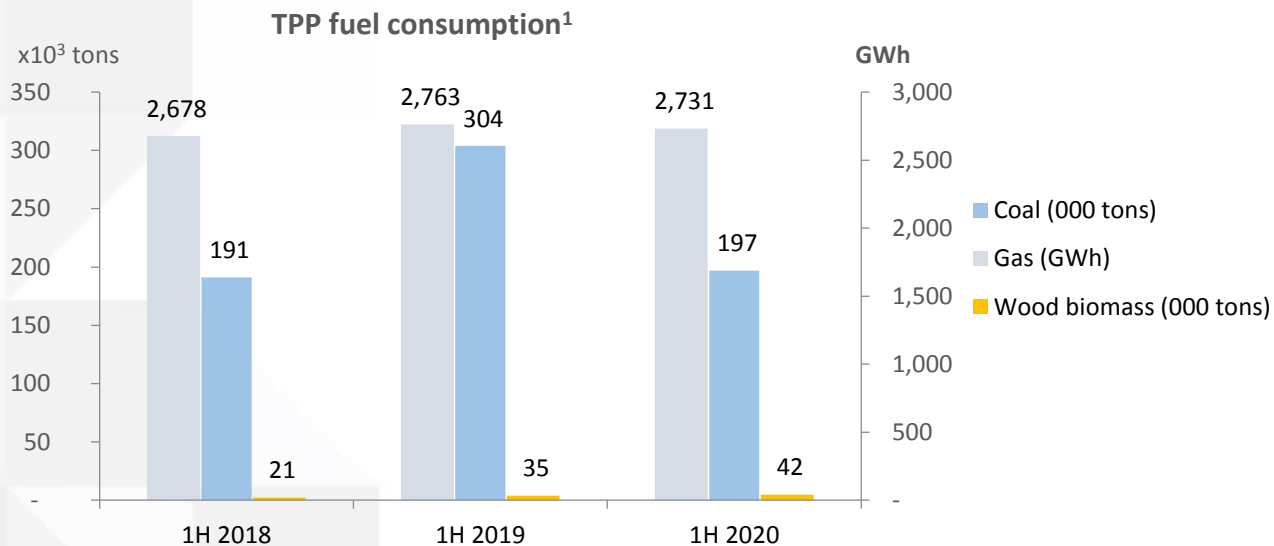
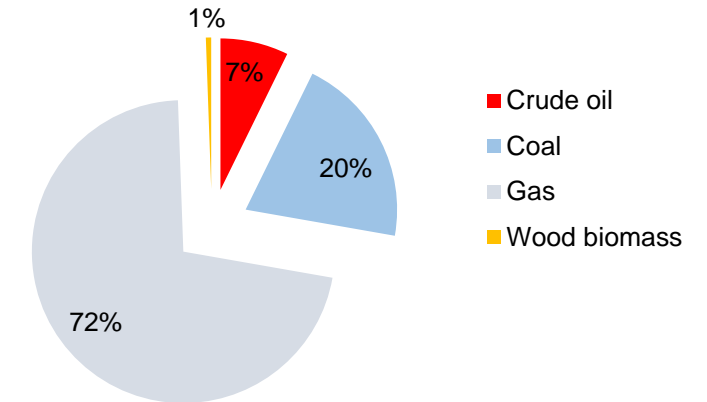


- 26 HPP operated 2,116 MWe total available capacity
- Not significant influence on EBITDA

Electricity Generation from TPP

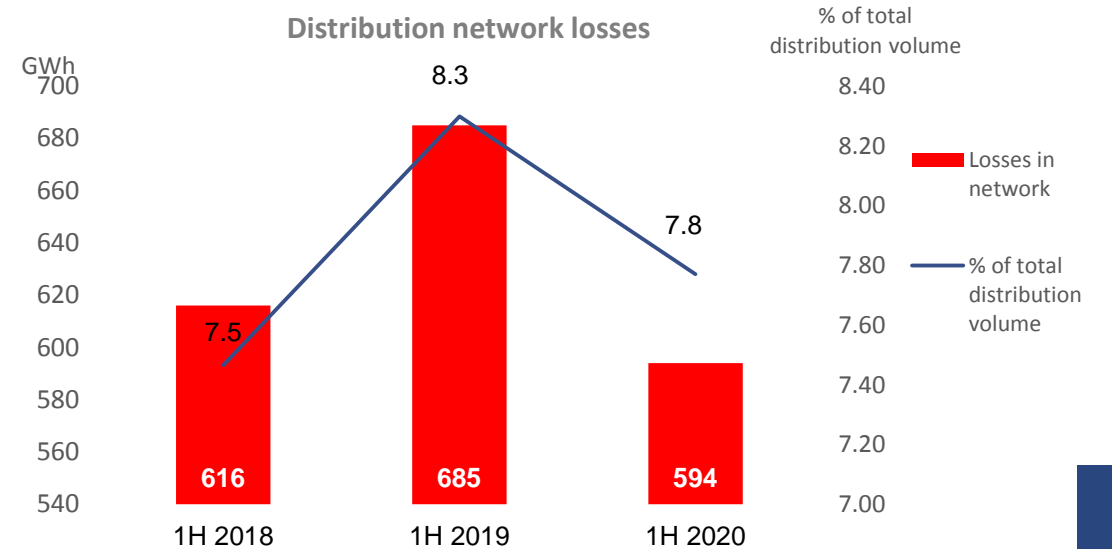
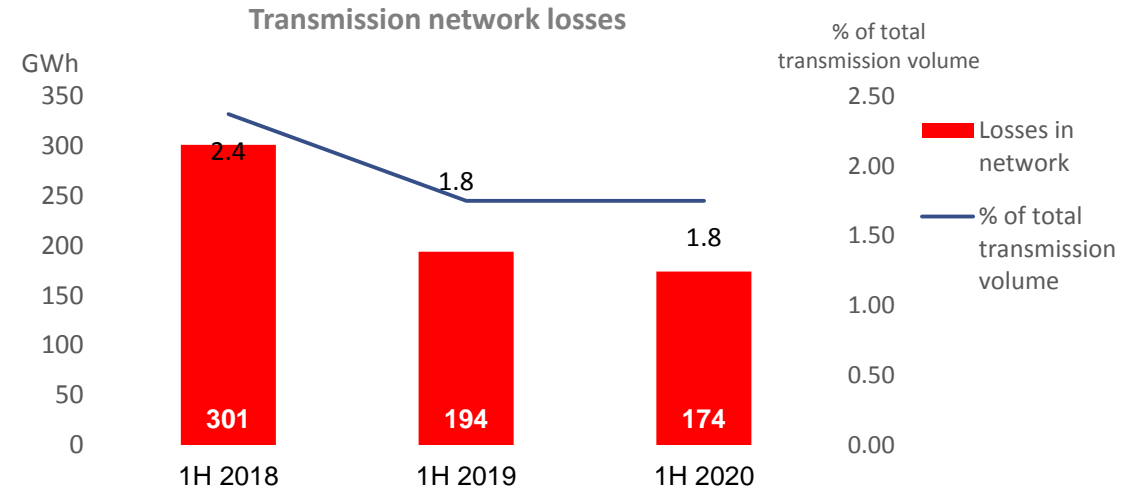
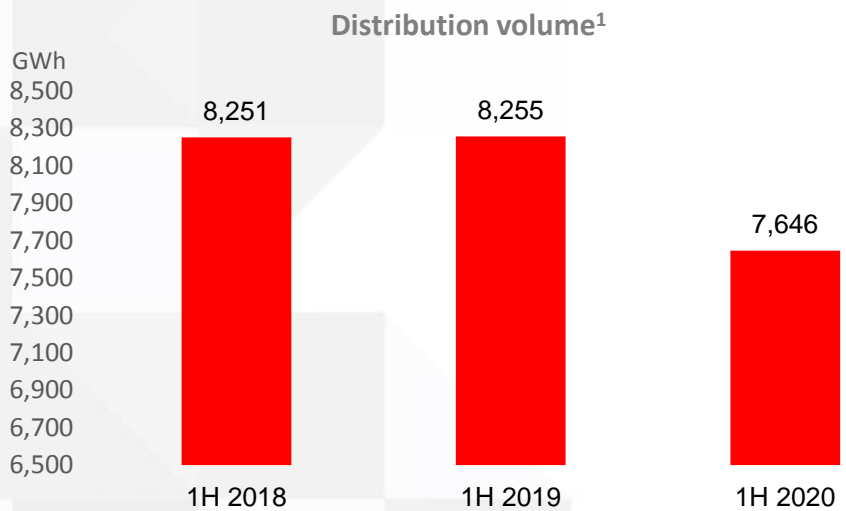
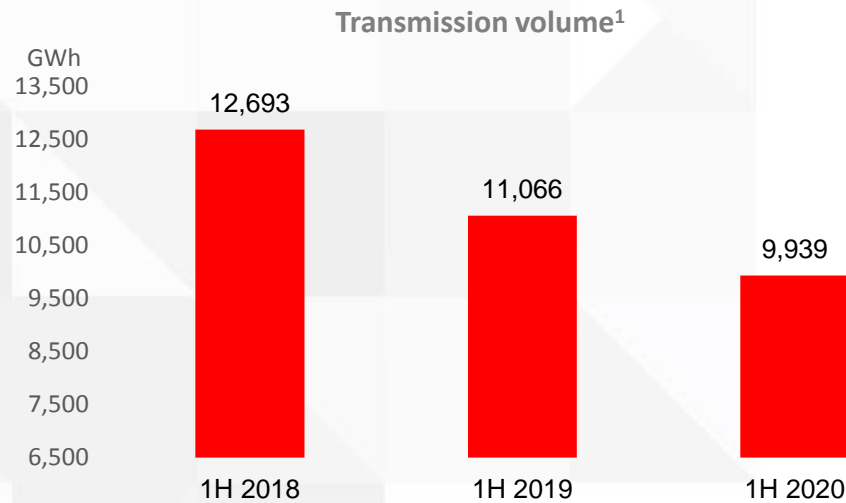


TPP by fuel type, available capacity²



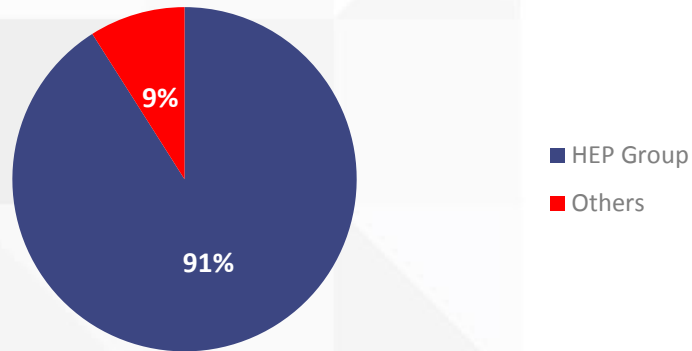
- 7 TPP with total available capacity of 1,060 MWe²
- All cogeneration plants have obtained environmental permits

Transmission & Distribution



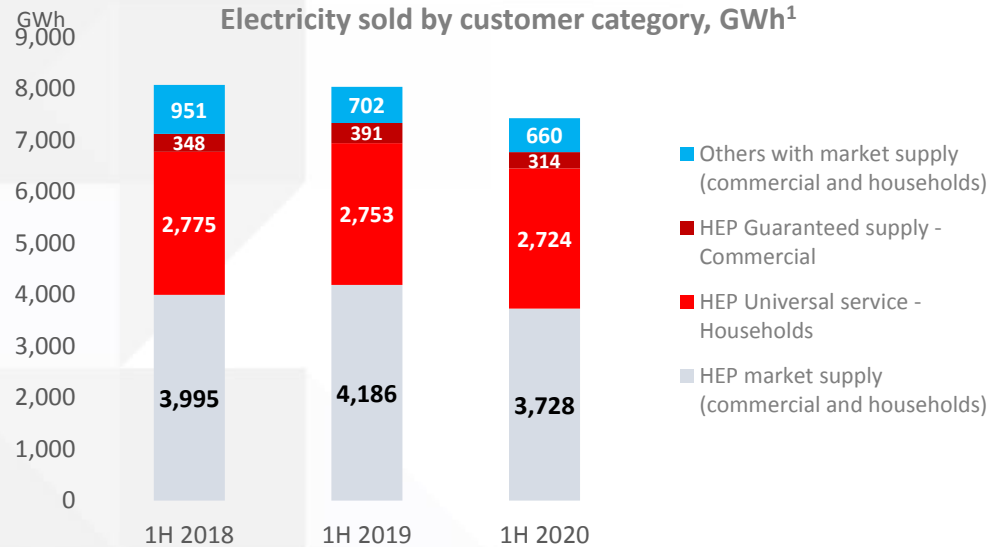
Power Supply

Electricity consumption 1H 2020 per supplier¹

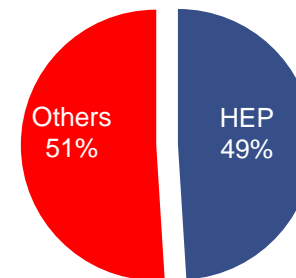


- HEP Group supplies **91%** of all electricity sold in Croatia
- HEP Elektra supplies customers under public service obligation (universal service and guaranteed supply) while HEP-Supply supplies all other customers that have opted for a market supplier
- HEP Supply is the largest non-tariff supplier among 12 others² in Croatia
- HEP Supply supplies c. 85% of commercial customers in the Croatian market²

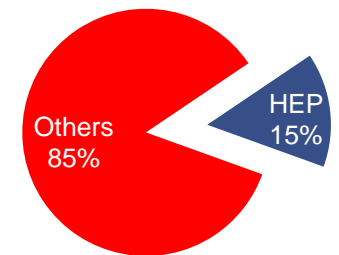
Electricity sold by customer category, GWh¹



Gas Wholesale in Croatia¹



Gas Retail in Croatia¹



¹HEP Group internal data

²electricity sold, as of 1H 2020, www.hera.hr



Contents

1H 2020 Key highlights

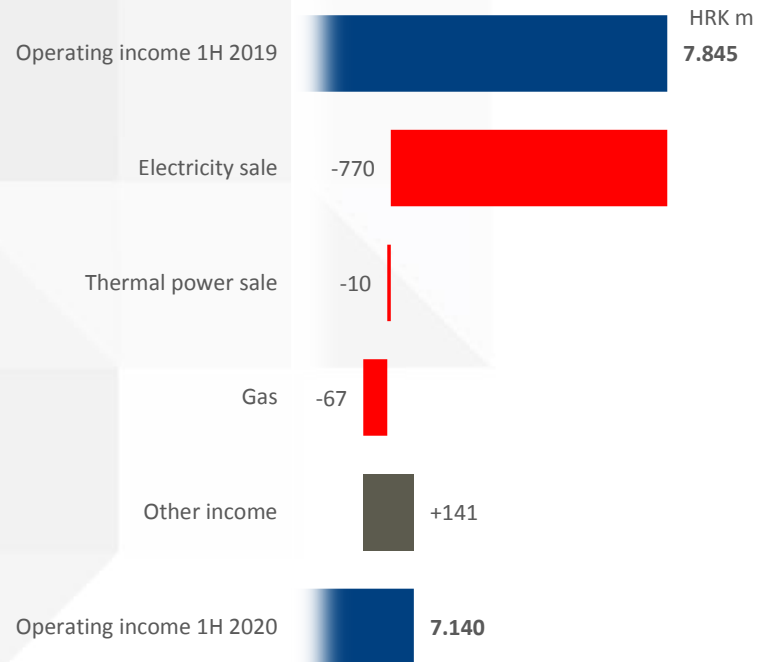
Operations results

Financial results

Q&A

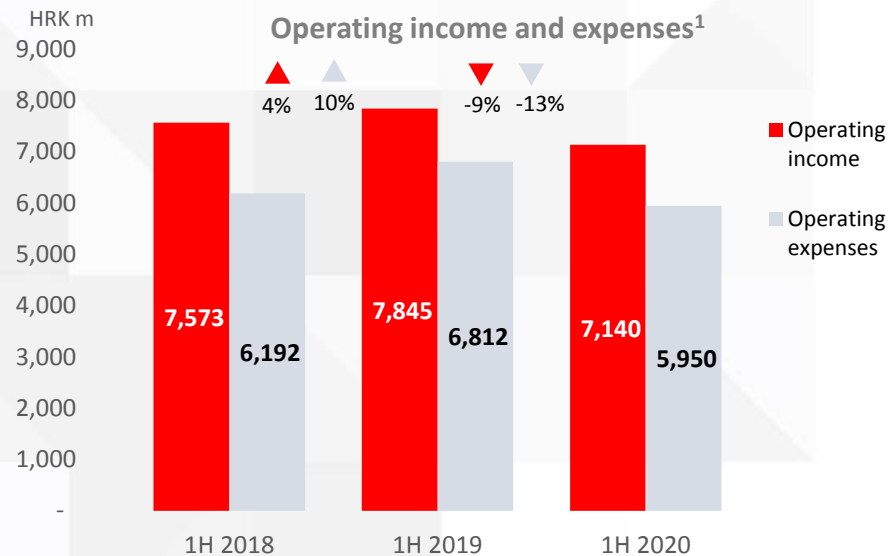


Development of Operating Income¹

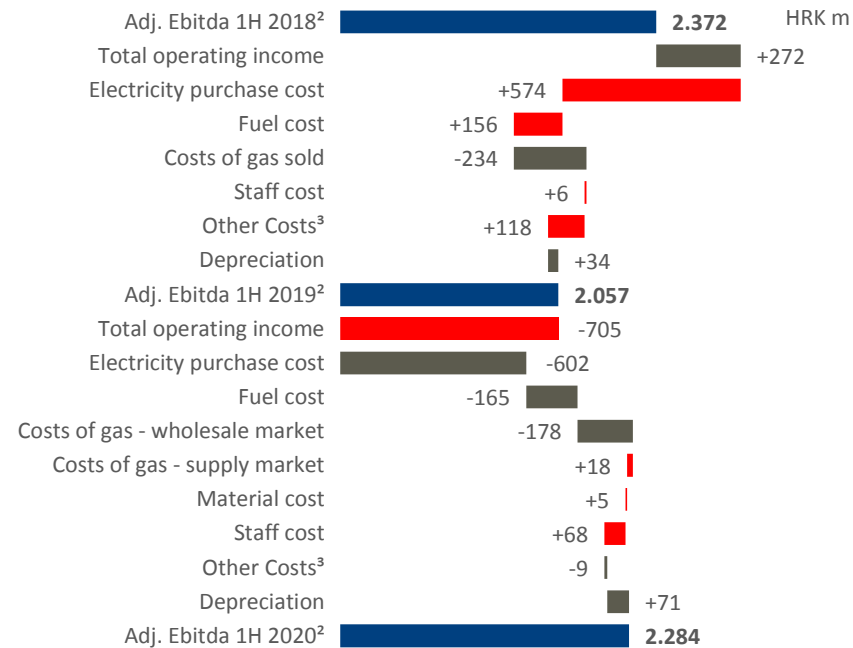
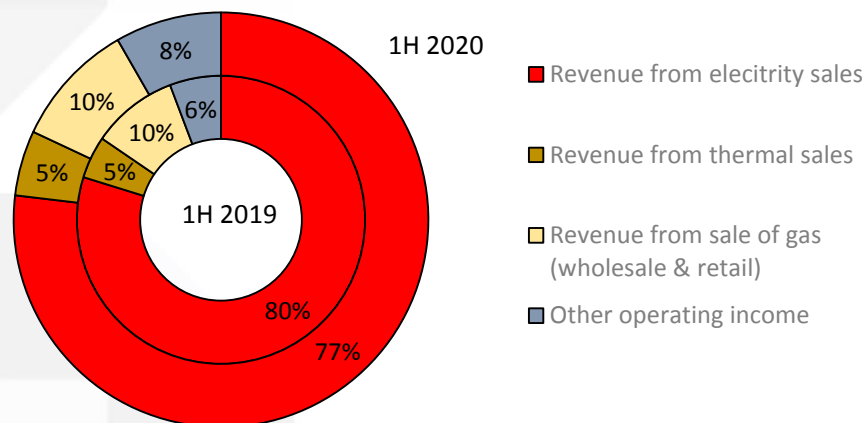


- Revenue from electricity sale decreased by HRK **769,6m (12.3%)**, due to pandemic of Covid-19, and:
 - 7.7% decreased sale of electrical energy in Croatia
 - 48.5% decreased export of electrical energy
 - 24.1% decreased supply outside of Croatia
- 2.7% lower** thermal power sales revenue due to **3% lower** sale
- Sale of gas is **8.8% lower** than year before due to **23% lower** sale to retail customers
- Other operating income increased by **31%**

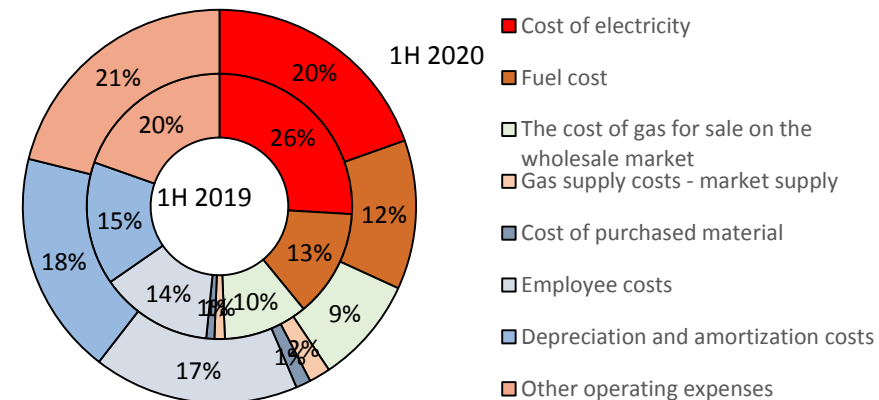
Financial Performance



Total operating income split H1 2020 vs H1 2019¹



Total operating expenses split 1H 2020 vs 1H 2019¹

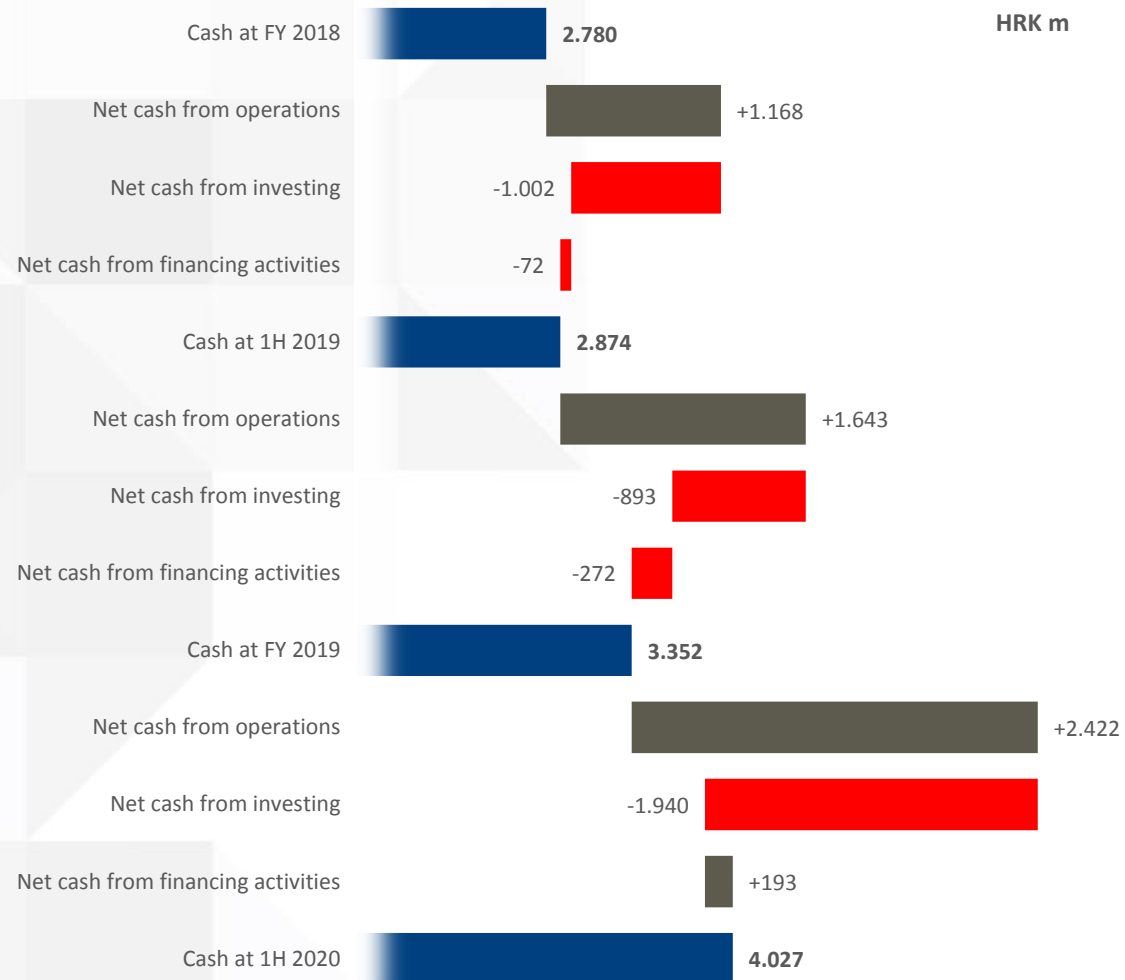


¹ Unaudited Financial Statements for 1H 2020, available at www.hep.hr

² Adjusted EBITDA consists of operating profit/(loss) and depreciation and amortization for the period excluding financial expense, financial income, corporate income tax expense

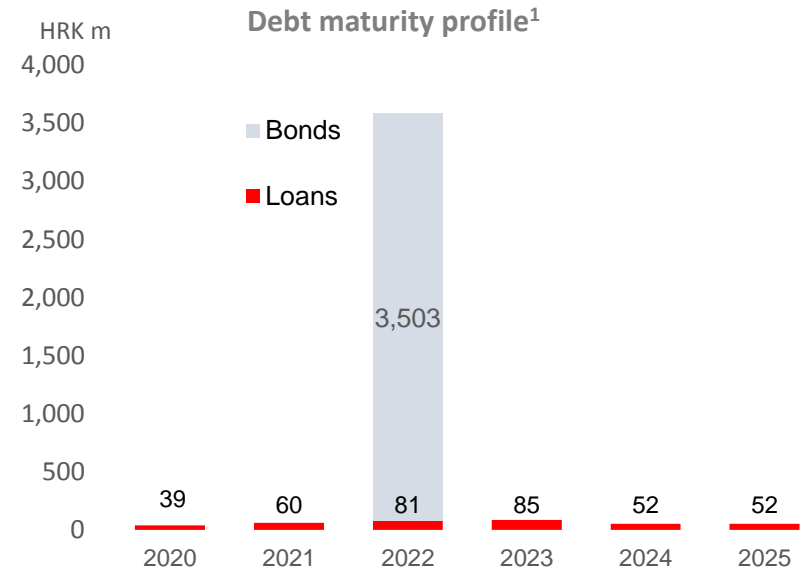
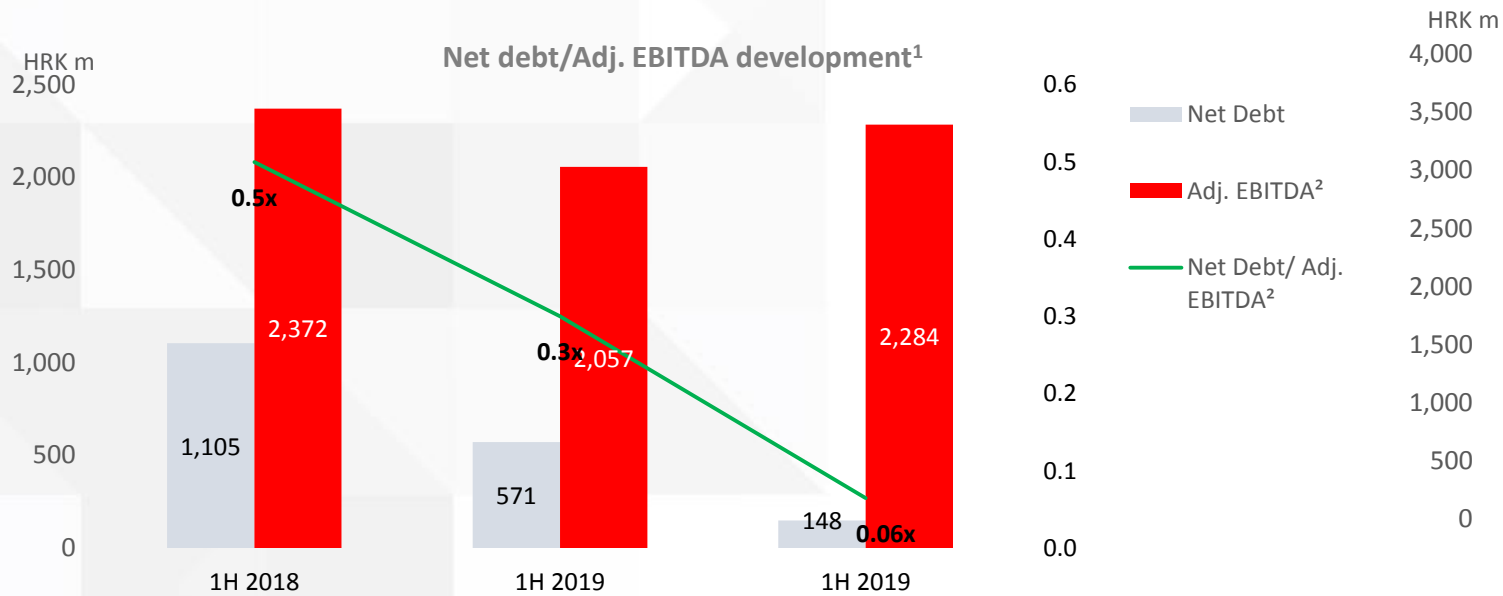
³ Includes depreciation and amortization

Cash flow¹



- Strong liquidity position
- Additional liquidity HRK 600 million under short term financing sources with local banks
- Continuous capital expenditures
 - Wind farm Korlat
 - Solar power plant Cres, Vis
 - Modernization and revitalization of distribution and district heating network
 - Smart meters

HEP Group Debt



Credit Rating Agency	Issue date	Rating
Standard & Poor's	26 November 2019	BB+/Stable – SACP bb+
Moody's	30 April 2019	Ba2/Positive outlook

Contents

1H 2020 Key highlights

Operations results

Financial results

Q&A



Q&A



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