

PRESS RELEASE

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GEK TERNA Group - Annual Results 2019

- **Increase in operating profitability (adjusted EBITDA)¹ to 285.1 million Euros**
- **Increase in earnings after taxes to 77.8 million Euros**
- **Net earnings attributed to the shareholders rose to 23.5 million Euros**
- **Construction backlog was maintained at the high level of 1.7 billion Euros**

The significant increase in net profitability, the stronger contribution of Clean Energy and Concessions divisions, as well as the maintenance of a high construction backlog were the main characteristics of the financial results of GEK TERNA Group during the year 2019.

GEK TERNA Group continued in 2019 to invest in Greece with a focus on areas of high domestic added value (clean energy and infrastructure), as it has been doing continuously and uninterruptedly in the last years, even during the long economic crisis which the country faced in the past. At the same time, it strengthened its presence in the international markets both in the RES sector and through the undertaking of important construction projects in the European market, thus offsetting as much as possible the decline in the domestic construction activity, where there was a significant shortage of new construction projects.

The dramatic change of the economic conditions due to the pandemic covid-19 finds the Group financially robust. We have managed to continue our business activities as smoothly as possible, while fully ensuring the health and safety of our people.

It is worth noting that GEK TERNA Group is active in sectors which are more defensive during the different phases of the economic cycle and which investors recognize as "safe havens". Therefore these activities provide the Group with stable and continuous cash flows even in periods of turmoil and uncertainty such as the current one. Furthermore, during the Greek financial crisis, the Group demonstrated (i.e. the most difficult and longest financial crisis in Europe) the ability to grow and strengthen its position in the market.

Commenting on the financial results for the fiscal year 2019, the President and CEO of the GEK TERNA Group, Mr. George Peristeris, stated the following: "In 2019 we managed to significantly increase our net profitability, despite the decline in construction revenues due to the lack of new projects in the Greek market. The strong performance of RES and Concessions divisions has contributed significantly in the above. At the same time, this achievement confirms our strategic decision, taken a couple of decades ago, to dynamically develop our presence in these particular areas. It is worth noting, however, that despite the difficulties of the Greek construction market, we continue to maintain the Group's construction backlog at a high level with new projects in Greece and abroad, and with the aim to ensure a reasonable profit margin.

The conditions and circumstances have now changed dramatically, as economies around the world are affected by the covid pandemic - 19. However, the characteristics of the business sectors in which we are leaders make us optimistic that we will be able to overcome this crisis with the minimum possible consequences. After all, we did prove it during the great financial crisis we experienced in the last decade. Recent developments in the European Union have also contributed to this effort, reaffirming the priority given to clean energy investment initiatives and the need to effectively tackle climate change. As we have underlined many times, we are determined once again to support the Greek economy with significant investments of high domestic added value. In particular, we have already launched a broad investment program of about 3 billion Euros in the areas of clean energy, energy storage through pumping, gas production, infrastructure, environmental projects and waste management, while we expect developments regarding new investment initiatives in which we participate with a value of more than 1 billion Euros. We hope that we will be able to successfully deal with the current crisis for the benefit of our employees, our shareholders and the Greek economy."

Summary Presentation of Results

In 2019, the consolidated sales of GEK TERNA Group amounted to 1.156 billion Euros compared to 1.402 billion Euros in 2018. The operating profitability (adjusted EBITDA)¹ of GEK TERNA Group accounted for 285.1 million Euros compared to 280.8 million Euros last year. The results before taxes amounted to earnings of 77.8 million Euros, compared to earnings of 60.8 million Euros in 2018 (an increase of about 28%), whereas profits after taxes amounted to 55.7 million Euros compared to 35.8 million Euros (an increase of about 55%). The net results after deducting taxes and minority rights accounted for 23.5 million Euros compared to 4.5 million Euros in the previous year, positively affected by the valuation of financial derivatives in the secondary market.

Analytical Information of the Main Activities of the Group

Concessions

In the division of concessions, revenues amounted to 187 million Euros compared to 197 million Euros in 2018, while operating profitability (adjusted EBITDA)¹ posted an increase and settled at 103.6 million Euros compared to 92.9 million Euros in the previous year. The Group holds 100% of the concession companies Nea Odos (PATHE and Ionia Odos motorways) and the Central Greece Motorway, while it also maintains an equity stake of 17% in Olympia Odos. The company "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION SOCIETE ANONYME" signed with the Greek State a concession contract on 21.02.2019. This agreement has already been passed and has become state law. It is noted that after the starting date of the concession, the participation rates will be as follows: TERNA 32.46%, GMR Airports Limited 21.64%, and Greek State 45.9%. On March 27, 2019, the Group, through TERNA ENERGY, launched the Epirus Waste Treatment Plant with an average annual capacity of 105,000 tons.

¹ The Alternative Performance Measures (APM) were defined in note E of the Annual Financial Report within the Management Report of the Board of Directors.

Construction

In the construction division, the Group's current backlog amounts to 1.7 billion Euros, maintaining the prospects of a healthy construction activity in the coming years. The most important projects undertaken by the Group concern the construction of the new Heraklion International Airport in Kastelli, Crete, the commencement of works in the southern branch of Central Greece Motorway (E65), the Group's participation in the reconstruction of Tesla Airport in Belgrade (Serbia) and the development of Cyprus Casino in Limassol, along with a number of other projects in Greece and abroad. The construction turnover for third parties amounted to 679.8 million Euros in 2019 compared to 949 million Euros in 2018. Operating profitability (adjusted EBITDA) ¹ settled at 10.9 million Euros compared to 32.1 million Euros in the previous year.

Electricity from RES (Renewable Energy Sources)

In the division of renewable energy sources, revenues amounted to 237.3 million Euros compared to 216.3 million Euros in 2018, while operating profitability (adjusted EBITDA) ¹ for the Group increased to 178.9 million Euros, compared to 156.6 million Euros in 2018. The stronger results were mainly due to the new wind farms entering into commercial operation. The Group, through its strategic participation in TERNA ENERGY, continues to invest in clean energy, having 1,390 MW of installed capacity (31.12.2019) in Greece, USA, Poland and Bulgaria. This strong investment activity creates the conditions for higher flows of revenue and profitability on a stable long-term basis, in line with the maturity of the respective investments. The total power of the Group's RES facilities in operation or under construction now reaches 2,000 MW.

Electricity from thermal energy and trading activity

The Group has participations in HERON THERMOELECTRIC (50%) and in HERON II (25%) for which the consolidation of financial accounts is performed via the equity method. At the same time, it maintains an independent electricity trading activity whose revenues amounted to 36.9 million Euros in 2019 compared to 19.7 million Euros in the comparative period of 2018. Operating profitability (adjusted EBITDA) ¹ amounted to 2.3 million Euros compared to 1.6 million Euros in the corresponding period of 2018.

Investments and Financing

Total net bank debt¹ stood at 1.437 billion Euros compared to 1.327 billion Euros at the end of 2018. Specifically cash and cash equivalents at year-end amounted to 595 million Euros while total bank debt settled at 2.03 billion Euros. It is noted that the increase of net bank debt resulted mainly from strong investments implemented by the Group. Investments in the clean energy sector alone reached 260 million Euros in the period under consideration. The total equity amounted to 767 million Euros.

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