

Press Release

Athens, December 2nd, 2022

GEK TERNA Group: Financial results for 9M 2022

Increased financial results and improved operating performance across all business segments

- Higher revenues across all segments
- Increased operating profitability (adjusted EBITDA¹) and net earnings
- High liquidity – Leverage subsidies
- Outlook: Improved financial results for FY 2022 and positive trends for the coming periods

Key Financial Figures

€ m	9M 2022	9M 2021
Total Revenues	2.762,0	700,7
Adjusted EBITDA ¹	404,8	212,7
Net earnings attributed to shareholders of the parent	68,5	4,9
Net earnings attributed to shareholders of the parent adjusted for non-operating items	93,2	14,7

€ m	9M 2022	FY 2021
Net Debt ¹	1.567,5	1.231,7
Net Debt ¹ / adjusted EBITDA ¹ (LTM)	3.0x	3.8x

The financial results for GEK TERNA Group for the 9M 2022 period depict a significant increase in revenues and profitability compared to the respective period last year, driven by improved performance across all key segments. Group liquidity remains high (cash and cash equivalent at € 1.126,9m as of 30.09.2022), supporting the implementation of the group's business plans and also allowing to take advantage at new opportunities.

In more detail:

¹ The alternative performance measures (APM) were determined in the Annual Financial Report as of 30.06.2022 and specifically in the note "F" of the Board of Directors' Management Report.

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Total Revenues of the Group for 9M 2022 stood at € 2,762.0m compared to € 700.7m in the respective period for 2021. In more detail:

- Revenues of the construction segment increased to € 649.7 m compared to € 398,8m in the respective period of 2021 following the increase in construction activity
- Concessions segment revenues amounted to € 152.7m compared to € 124.2m in the respective period of 2021 following the recovery in traffic volumes given the removal of mobility restrictions imposed due to the pandemic
- The segment of Energy generation and supply (electricity and natural gas) in Greece and Abroad total revenues amounted to € 2,076.4m compared to € 220.0m in the respective period last year driven by the increases RES production but also due to the full consolidation of Heron II VOIOTIAS and HERON ENERGY (since 14.02.2022)

Operating profitability (adjusted EBITDA)¹ for the Group reached € 404.8n in 9M 2022 compared to € 206.9m in 9M 2021 reflecting the changes in the sales mix. In more detail:

- Construction segment adj. EBITDA reached € 45.4m vs. € 38.4m in the respective period of 2021
- Concession segment adj. EBITDA reached € 82.8m compared to € 81.8m
- The segment of Energy generation and supply (electricity and natural gas) in Greece and Abroad recorded an adj. EBITDA of € 296.2m compared to € 103.9m

Operating profits before taxes and interest expenses (EBIT)¹ from continued activities during 9M 2022 shaped at € 243.8m compared to € 113.3m during 9M 2021.

Pre-tax profits from continued activities in 9M 2022 reached € 133.2m compared to € 37.2m in the respective period of 2021.

Profits after taxes from continued activities attributable to shareholders of the parent came at € 68.5m for the 9M 2022 compared to € 4.9m in 9M 2021.

Profits after taxes from continued activities attributable to shareholders of the parent have been impacted by non-operating items² totaling a loss of € 24.7m in 9M 2022 compared to a loss of € 9.8m in the respective period of 2021

Profits after taxes from continued activities attributable to shareholders of the parent without the impact of said non-operating items² for 9M 2022 reached € 93.2m compared to € 14.7m for 9M 2021.

Total investments of the Group during the period of January-September 2022 came to 280m, vs. € 77m in 9M 2021, driven primarily by the RES sector

² Profits after taxes from continued activities attributable to shareholders of the parent have been impacted by non-operating items² totaling a loss of € 24.7m in 9M 2022 attributed to: a) profit of € 21.5m booked as a result of the acquisition of HERON ENERGY; b) profit of € 7.0m from the valuation of natural gas and electricity derivative contracts; and c) a loss of € 53.2m from the valuation of embedded derivatives in motorways (vs. loss of € 9.8m in 9M 2021).

Total gross debt for the group at 30.09.2022 stood at € 2,694.4m compared to € 2,596.0m at 31.12.2021. **Total Net Debt**¹ of the Group at the end of September 2022 stood at, € 1,567.6m vs. € 1,231,7 at the end of Dec'2021, with the increase related to reduced cash following the implementation of investments plans mainly in Energy. It is noted that net debt at the end of 3Q 2022 was at the same level compared to the end of 1H 2022 that stood at € 1,608.8m. Group's Cash and Cash Equivalent at the end of 3Q 2022 reached € 1,126.9m.

Net Debt/adj. EBITDA (LTM) shaped at 3.0x at the end of 3Q 2022 compared to 3.8x in FY 2021, as a results of increased profitability

Total Assets for the Group and Shareholders' Equity at 30.09.2022 stood at € 5,865.0m and € 1,082.6m respectively compared to € 4,812.4m and € 871.3m on 31.12.2021.

Strong operating performance across all segments

In Construction total backlog remains high at € 4.8bn. Specifically signed contracts amount to 2.7bn compared to € 2.5bn in end 2021. Moreover € 2.1bn of contracts are pending to be signed. Based on the projects under consideration in the country that are expected to be tendered in the coming periods it is estimated that construction segment will be further supported.

In Concessions, traffic in motorways (Nea Odos and Central Greece) during 9M 2022 increased compared to the same period of 2021 by 21% y-o-y, following the gradual lift of mobility restrictions imposed during the pandemic. It is noted that traffic volumes have already surpassed respective 2019 levels (+3.8% vs. 9M 2019).

Regarding the segment of Energy generation and supply (electricity and natural gas) in Greece and Abroad, RES installed capacity currently stands at 895.3MW, while 1.2GW of new projects in Greece are currently under construction or ready to start construction. RES production in 9M 2022 increased by 14.3% y-o-y driven by improved wind dynamics and by the fact that a number of parks were in trial operation during 2021 and thus had reduced production capacity. In parallel the operation of two thermal electricity generation units with a total capacity of 588MW continued their operation, while in the segment of electricity supply in Greece market share stood at 7.3%. Note that during 9M 2022 the Group completed the implementation of the decision taken at 12.07.2021 for the acquisition of the remaining 75% and 50% in HERONS ENERGY and HERON II VOIOTIAS that are now fully consolidated vs. equity consolidation previously.

Increase in profitability in 3Q 2022

During 3Q 2022 Group revenues totaled € 1,300.4m compared to € 261.3m in the respective period of 2021. The increase is primarily attributed to the full consolidation of HERON ENERGY and HERON II VOIOTIAS, while revenues in construction and concession segment posted and increase.

Operating profitability (adjusted EBITDA)¹ in 3Q 2022 came at € 186.6 compared to € 76.4m during the respective period of 2021 following the increased revenues across all segments.

Operating profit before interest and taxes (EBIT)¹ from continued activities in 3Q 2022 reached € 124.5m compared to € 45.8m in the respective period of 2021.

Pre-tax profits for 3Q 2022 came at € 85.7m vs. € 25.0m in 3Q 2021.

Outlook

Following the improved financial results for the 9-month period, a similar improvement is expected for the full year 2022 compared to the previous year. Specifically:

- **In construction**, activity is expected to remain high given the number of projects that have been already started construction but also from the launch of new projects in the coming periods. The diversified portfolio of projects, the solid underwriting and continued monitoring is expected to maintain profitability at healthy levels.
- **In concessions**, the segment is expected to be significantly boosted over the coming periods as the implementation of the investment plan amounting to € 4.5bn is in progress but also from the exploitation of new opportunities in the market.
- **The segment of Energy generation and supply (electricity and natural gas) in Greece and Abroad** the investment program in RES continues with the project of Kafireas approaching completion and the project of Amfilochia being now under construction. In thermal energy and supply the market conditions remain volatile with the Group constantly monitoring developments.

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