

Press Release

Athens, September 30th 2022

GEK TERNA Group: Financial results for the first half of 2022

Improved financial results with positive contribution from all segments

- Higher revenues across all segments
- Increased operating profitability (adjusted EBITDA¹) and net earnings
- High liquidity
- Fully funded investment program
- Outlook: Improved results for FY 2022 – Further growth opportunities ahead

Key financial figures

€ m	1H 2022	1H 2021
Total revenues	1,461.6	439.4
Adjusted EBITDA ¹	218.1	136.3
Net earnings attributed to shareholder of the parent	21.2	-8.8
Net earnings attributed to shareholder of the parent adjusted for non-operating items	34.3	-2.1
Net debt ¹	1,608.8	1,231.7

The financial results of GEK TERNA Group for the first half of 2022 depict a significant increase in revenues and profitability compared to the respective period of 2021, supported by improved performance in construction, concessions and energy segments. Investments during the current period also increased to € 156.6m compared to € 77.3m in the respective period last year mainly due to the implementation of the Group's business plan in energy. Balance sheet structure remains solid with Cash and Cash Equivalent for the Group standing at € 1,102.5m at the end of the semester, safeguarding the execution of the Group's investment plan but also providing flexibility to pursue new opportunities.

Despite global geopolitical and economic uncertainties, GEK TERNA Group remains committed to its growth course. The Group's key strengths in concession, energy and construction, position GEK

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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TERNA at the forefront of new opportunities and allow to continue investing creating value for the society and its shareholders.

In detail:

Total revenues of the group during 1H 2021 reached € 1,461.6m compared to € 439.4m in the first half of 2021. Specifically:

- Construction segment revenues increased to € 420.4m compared to € 248.1m in the respective period of 2021 due to increased construction activity
- Concession segment had revenues of € 93.8m compared to € 69.9m during the respective period of 2021 following the increased traffic in motorways post the restrictions imposed due to the pandemic.
- Energy segment revenues amounted to € 1,022.5m compared to € 125.0m during the previous period due to increased production from renewable sources but also the full consolidation of HERON ENERGY (since 14.02.2022) and HERON II VOIOTIAS.

Adjusted EBITDA for the Group came at € 218.1m compared to € 136.3m in the first half of 2021, with adjusted EBITDA margin standing at 14.9% vs. 31.0%, reflecting the different revenue mix. Specifically:

- Construction segment adjusted EBITDA reached € 40.7m vs. € 27.9m during the respective period of 2021 following the increase in revenues
- Concessions segment adjusted EBITDA came at € 47.6m vs. € 46.2m in the respective period of 2021
- Energy segment adjusted EBITDA stood at € 139.2m vs. € 66.7m following the increased renewable energy sales but also the full consolidation of HERON ENERGY (since 14.02.2022) and HERON II VOIOTIAS

Operating Results before interest and taxes (EBIT)¹ from continuing operations amounted to € 119.3m compared to € 67.6m in the corresponding period of 2021.

Earnings before taxes from continuing operations stood at € 47.5m compared to € 12.2m in the corresponding period of 2021.

Earnings after taxes from continuing operations attributed to the shareholders of the Parent company stood at € 21.3m for the 1st semester of 2022 compared to a loss of € 8.8m in the respective period of 2021.

Net earnings for the current period have been impacted by non-operating items resulting in a total loss of € 13.1m due to: a) Gain of € 21.5m, which was recognized as a result of the acquisition of control of HERON ENERGY and refers to a non-recurring event, b) Gain of € 4.1m from the valuation of electricity and natural gas futures contracts and c) Loss of € 38.7m compared to € 6.7m in the corresponding period of 2021, mainly from the decrease in the fair value of the embedded derivatives.

Earnings after taxes from continuing operations without the effect of the above non-operating items attributed to the shareholders of the Parent company, stood at € 34.3m compared to a loss of € 2.1m in the respective period of 2021.

Investment expenditures for the 1st semester of 2022 settled at € 156.6m, compared to € 77.3m in the respective period of 2021. It is noted that almost the entire amount has been spent on the energy segment.

Net Debt of the Group (loan liabilities minus cash and cash equivalents) stood on 30.06.2022 at € 1,608.8m, compared to € 1,231.7m in 31.12.2021. **Cash and Cash Equivalents of the Group** remained high and stood at € 1,102.4m.

Strong operating performance across all segments

The backlog of construction projects is maintained at high levels, rising on 30.06.2022 to € 2.8bn, including signed contracts up to the date of approval of the attached Financial Statements, amounting to 574mn euro approximately. Furthermore, the Group is awaiting the signing of contracts for new projects for which it has been the preferred bidder, amounting to € 2.1bn, **increasing the total backlog to the historical high of € 4.9bn.**

Traffic volumes in the Group's motorway's portfolio (Ionia Odos and Central Greece Motorway) during the first half of the year increased vs. the respective period last year following the removal of restrictions imposed due to the pandemic. It is noted that traffic volumes had already exceeded pre-pandemic levels since the second half of 2021 (+3.6% vs. 2H 2019) and remained above those levels during the first half of 2022 (+4.0% vs. 1H 2019).

At the energy segment, installed capacity of renewable energy sources at the end of the first half of the year stood at 895.3 MW. Wind conditions during the first half of the year improved compared to the same period of 2021 and combined with the favorable sites secured by the Group for the development of its projects led to a substantial increase in load factor. In more detail load factor in Greece stood at 32.0% compared to 28.8% last year, in Bulgaria at 33.1% vs. 29.4% and in Poland at 32.4% compared to 26.1% respectively. In the Segment of Electric Energy Production from Thermal Energy Sources – Electric Energy Sales in 2022, the electricity production from the two (2) Thermoelectric Units with total capacity of 588 MW as well as the trading activity continued smoothly holding the 6.5% of the total consumer market in Greece. Note that the Group completed within the current semester the implementation of the agreement from 12.07.2021 for the acquisition of the additional equity stakes of 75% and 50% in the companies HERON ENERGY SA and HERON II VOIOTIA, which operate two power plants with a total capacity of 588 MW, fueled by natural gas. In particular, since 11.10.2021, the Company is the sole shareholder of 100% of HERON II VOIOTIA and since 14.02.2022 it is also the sole shareholder of 100% of HERON ENERGY SA. From the above dates these companies are being fully consolidated as subsidiaries according to the full consolidation method, while up to and before these dates the above companies were consolidated as jointly controlled entities and the consolidation of their financial accounts was carried out via the equity method.

Outlook

The results of the group during the first half of the current year, pave the way for an improved performance during FY 2022 compared to the previous year.

- **In construction the high backlog is expected to keep activity levels increased over the coming periods.** In addition, the prospects of the construction sector in Greece are particularly positive, as in the coming years the budget of the new projects can under conditions overcome the level of € 30bn, of which a significant part is estimated to be executed by the Group.
- **In renewables the importance of further development of RES had been further highlighted during the period given the ongoing energy crisis considering their contribution in energy affordability and security of supply.** The Group's investment plan aims to € 5.9bn of new investments during 2022-2029. In the Thermal Energy Generation and Supply segment the construction works for the new natural gas fired unit (CCGT) with a total capacity of 877MW that the Group is implementing along with MOTOR OIL are ongoing. The works are progressing inline with the timeline to reach commercial operation by 2024. Note that the construction works started on 31.08.2021 by TERNA S.A., a subsidiary of GEK TERNA S.A.
- **Concession segment is expected to be a major catalyst for the growth of the group over the coming periods.** Indicatively we mention that:
 - On 23.06.2022, GEK TERNA and the HARD ROCK Group announced their cooperation for the construction and operation of an integrated tourist complex of high standards, which includes, among other things, a 5-star hotel, an exhibition and conference center, an entertainment area, catering facilities, retail stores and a casino. The amount of the relevant private investment is expected to exceed 1bn euro, while the construction works of the project, which will be undertaken by GEK TERNA's 100% subsidiary, TERNA SA, are expected to start in the first months of 2023 and last approximately 3 years, therefore bringing the start of operation of the entire complex into the year 2026.
 - The Group expects at the beginning of 2023 the signing of the concession agreement between the Greek State and the Association of GEK TERNA SA (75%) – EGIS PROJECTS SA (25%), which was declared as Preferred Investor on 26.08.2021, for the concession of the right to commercially operate Egnatia Odos highway and its three vertical road axes for a period of 35 years, which signals an extremely positive and important development, with numerous benefits for the Group and its shareholders.
 - GEK TERNA S.A. participates with a percentage of 55% in the JV that was declared as the Temporary Contractor for the project "Northern Road Axis of Crete (NRAC): Study, Construction, Financing, Operation and Maintenance of the Part Hersonissos - Neapoli, with PPP". It is estimated that the above contract will be signed within the first quarter of 2023, for a period of 30 years, against availability payments
 - At the same time, the Group participates in the tender process of emblematic concession projects such as the Attica Road, the underground natural gas storage of

Kavala, the port of Alexandroupolis, the Northern Road Axis of Crete (Chania - Heraklion section), the Submarine Link Salamina - Perama, Kalamata airport, as well as various Public & Private Partnerships (PPPs) for infrastructure projects and building projects throughout Greece.

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