

Press Release

Athens, April 20th, 2023

TERNA ENERGY Group: FY 2022 financial results

Solid financial results and investments that pave the way for further growth

Despite the challenging energy markets, TERNA Energy (Bloomberg: TENERGY GA / RIC: TENr.AT) manages to deliver for another year a solid set of financial results driven by its strategic focus and execution.

Group revenues increased to € 298.1 million vs. € 273.1 million in 2021 supported by higher load factors in our RES assets, driving adj. EBITDA from continued ops at € 164.7 million (+3.0% y-o-y) and adj. net profit to 69.7m (+2.5% y-o-y).

The BoD will propose to the upcoming AGM a total cash distribution to € 45.0 million (0.38/sh gross) compared to € 40.0 million in 2021 (0.34/sh).

2022 has also been a milestone year for the growth of the company as the gradual electrification of the new wind park cluster started before the end of the year, while construction works for the large scale and duration hydro pump storage project in Amfilochia (680MW) commenced. It is noted that large scale storage projects are a key prerequisite for the further development of RES and the stability of the system. At this point TERNA Energy has more than 2.0 GW of projects in operation, under construction or ready to start construction. The gradual contribution of our new investments from 2023 onwards will further support the growth of our profitability.

It is also important to note that during the energy crisis, TERNA Energy has provided significant support to the Greek electricity system and the consumers, with the total contribution to the Energy Transition Fund (TEM) exceeding € 500 million.

Our ability to provide cheap, domestically generated and sustainable energy is a testament to all our efforts and investments over the years and gives us confidence and strength to continue to generate value for all our stakeholders.

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Key financial figures – Continued Ops

€ m	FY 2022	FY 2021
Total revenues	298.1	273.1
Revenues from RES	236.2	224.4
adj. EBITDA	164.7	159.9
adj. Net income	69.7	68.0
Net Debt	669.1	528.0

Key operating KPIs

	FY 2022	FY 2021
Installed capacity (MW)	905	895
Load factor	31.8%	30.5%
RES generation (GWh)	2,415	2,292

In more detail:

The improved wind conditions during 2022 but also the new operating and maintenance procedures that the Company implemented during 2022 led to an increase in availability and load factors. As a result, load factor for our Greek portfolio increased to 32.5% compared to 31.5% in 2021.

Installed capacity at the end of December 2022 stood at 905 MW (773 MW in Greece, 102 MW in Poland and 30 MW in Bulgaria) and was increased by 10 MW compared to December 2021 following the start of the gradual commissioning of the new wind park cluster.

The improved load factors of the portfolio combined with the increased effective installed capacity (recall that a number of parks were in trial operation during 2021) led to a 5.4% increase in production, with revenues from RES energy sales amounting to € 235.2 million compared to € 224.4 million in 2021.

After considering the contribution of other segments of continued ops, namely Construction, Waste Management and E-Ticket, total revenues for 2022 stood at € 298.1 million compared to € 273.1 million in 2021.

The adjusted operating earnings before interest, taxes and depreciation (adj. EBITDA) from continued ops of the Group amounted to € 164.7 million compared to € 159.9 during the previous year, with the respective margin coming at 55.2% compared to 58.6% in 2021 as a result of increased expenditure for new project development and maintenance. It is noted that during 2022 the investments in new wind parks did not have any contribution in our profitability, something that is expected to gradually happen from 2023 onwards.

On a reported level, EBITDA from continued ops for FY 2022 came at € 115.9 million, affected by the provision (non-cash) for the share bonus scheme (€ 48.8 million) compared to € 162.0 million in the previous year.

On 31.12.2022 and according to the provisions of IFRS 2, the Company proceeded to the valuation of its share bonus scheme that resulted in the recognition of a total cost of € 48.8m in its Income Statement and the formation of a reserve of an equal amount in its Equity Position. The said accounting treatment of the share bonus scheme does not impact the Share Capital of the Company and has also no impact on its cash position but it is implemented based on the IFRS provisions. Finally, it is noted that the new shares that will be issued as a result of the share bonus scheme represent approximately 1.3% of the shares that are currently in circulation after adjusting for the treasury shares.

Pre-tax profits from continued ops for the Group amounted to € 38.7 million including the impact of the € 48.8 million provision that does not affect the cash or the equity position of the Company, but is implemented on IFRS treatment, compared to € 94.7 million in the previous year. Finally net profits from continued ops for FY 2022 amounted to € 21.6 million compared to € 69.4m for 2021 for the previously mentioned reasons. Total net profit from continued and discontinued ops in FY 2022 amounted to € 56.9 million compared to a loss of € 21.1 million in 2021. It is noted that following the BoD decision on 11/11/2022 regarding the sale of the Group's participation in trading segment subsidiaries, those activities were classified as discontinued operations. Trading segment subsidiaries contributed € 283.1 million of revenues, € 41.0 million of EBITDA and € 32.1 million net profit for the period. As such total adj.EBITDA from continued and disc. ops for 2022 amounted to € 205.6 million and adj. net profit at € 104.9 million. Note that FY 2021 reported financial results included the impact from the US divestment that were classified as discontinued ops.

Capex for the period amounted to € 239.9 million and was mainly directed at our new wind parks, compared to € 181.6 million for the previous year.

The Group's total cash and cash equivalent on 31/12/2022 stood at € 391.9 million (vs. € 397.4 million on 31/12/2021). Total gross debt for the Group on 31/12/2022 amounted to € 1,123.1 million compared to € 983.5m on 31/12/2021. The Group's net debt position on 31/12/2022 amounted to € 669.3 million compared to € 528.0 million on 31/12/2021.

The Group's leverage (net debt/adj.EBITDA) increased to 4.1x on 31/12/2022 compared to 3.3x on 31/12/2021 following the execution of its ongoing investments plan.

The BoD will propose to the upcoming AGM the total cash distribution of € 45.0 million (0.38/sh-gross) vs. € 40.0 million that were distributed for 2021.

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