

Press Release

Athens, September 25, 2023

GEK TERNA Group: Financial results 1H 2023

Further strengthening of leading position and financial performance – Adjusted net profits of € 54.7 million and EPS of € 0.58/sh

GEK TERNA Group (Bloomberg: GEKTERNA GA / RIC: HRMr.AT) releases condensed financial results for 1H 2023.

The Group's **total revenue** for 1H 2023 climbed to € 1,604.3 million compared to € 1,461.6 million in the respective period last year. **Operating profitability (adjusted EBITDA¹) increased to € 250.2 million** vs. € 218.1 million in 1H 2022. **Net profits attributable to shareholders adjusted for non-operating results² in 1H 2023 climbed to to € 54.7 million** compared to € 34.3 million the respective last year period.

The Group's balance sheet remains strong with **net debt inc. restricted cash and grants to be returned¹** at € €1,469.2 million (o/w € 364 million at parent Co. level) and **Net Debt inc. restricted cash and grants to be returned/Adjusted EBITDA¹** ratio stable at 2.1x from the beginning of the year.

The Group's strategic plan was implemented at an intensive pace during 1H 2023, **while the operating profitability was further strengthened as a result of its' diversified portfolio**. In the concessions segment, the healthy performance of the projects in operation continued, while important steps were taken towards further maturing and implementing projects in the portfolio that are in various stages of development. **A milestone for the Group is the recent nomination as preferred investor for the 25-year concession of Attica Motorway**, one of the most efficient and low risk concession projects at European level. At the same time, participation in tenders for new projects continued vigorously. In the construction segment, **the backlog, including new contracts to be signed, reached a new historical high of €5.7 billion**, further strengthened by the addition of **new private projects in Greece** (own and third parties' investments) which now constitute about 70% of the Group's total backlog. In the energy segment, the RES investment plan continues unabated with **the portfolio of projects in operation, under construction and ready to build now reaching 2,500 MW**. Finally, the segment of

¹ The definition of the alternative performance measurement indicators APMI is available in section F of the Annual Management Report of the Board of Directors for the period 01.01.2023 - 30.06.2023.

² It is noted that net income after tax of the current period include non-operating items: a) € 4.1 million profit vs € 38.7 million loss the respective period last year period from the change in the fair value of the embedded derivative, which has been recognized in the concessions segment, b) € 11.9 million profit from the valuation of the derivatives in the thermal energy generation segment vs € 4.1 million profit in 1H 2022, and c) loss of € 0.4 million from the valuation of other participations. Also, 1H 2023 results include capital profit of €21.5 million from the acquisition of 100% stake in Heron Energy. The aforementioned non-operating items are not included in the adjusted net profits as presented.

energy generation and supply (electricity and natural gas) in Greece and abroad **further strengthened its' market share** despite the market volatility and the domestic demand decline.

A similar performance is expected for the second half of the year, while in the medium term the Group expects a further strengthening of its financial performance as projects in various stages of development are gradually completed. The new projects are expected to contribute significant and recurring revenues for the Group which will further enhance value creation and distributions towards the shareholders.

Key Financial Figures

€ m	1H 2023	1H 2022
Total Revenues	1,604.3	1,461.6
Adjusted EBITDA ¹	250.2	218.1
Net earnings attributed to shareholders	70.2	21.3
Net earnings attributed to shareholders adjusted for non-operating items ²	54.7	34.3
EPS adj. for non-operating items	0.58	0.36

€ m	1H 2023	31.12.2022
Net debt minus restricted cash and grants to be returned ¹	1,469.2	1,365.8
Net debt minus restricted cash and grants to be returned ¹ / adjusted EBITDA ¹ (LTM)	2.1x	2.1x

In more detail:

Total revenues of the Group for 1H 2023 stood at € 1,604.3m compared to € 1,461.6m in the respective period for 2022 mainly due to increased revenues in the construction segment and the concessions segment. In more detail:

- Revenues of the construction segment increased to € 636.3 m compared to € 420.4 m in the respective period of 2022, mainly due to the increased construction activity in public and private projects including those related to the Group's investment plan.
- Concessions segment revenues climbed to € 103.4m compared to € 93.9m in the respective period of 2022 following increased traffic volumes in Nea and Kentriki Odos as well as the gradual initiation of operations of the waste management unit in Peloponnese.
- The segment of Energy generation and supply (electricity and natural gas) in Greece and abroad total revenues amounted to € 902.6m compared to € 1,022.5m in the respective period last year due to lower energy prices and lower RES production due to milder wind conditions compared to the respective period last year.

Operating profitability (adjusted EBITDA)¹ for the Group reached € 250.2m compared to € 218.1 m in 1H 2022 following the increase in revenues. In more detail:

- Construction segment adj. EBITDA reached € 52.6m vs. € 40.7m in the respective period of 2022, due to increased construction revenues and the achievement of satisfactory profit margins for the ongoing projects.
- Concession segment adj. EBITDA climbed to € 73.5m compared to € 47.7m during the respective period of 2022 mainly due to the segment's increased revenues.
- The segment of Energy generation and supply (electricity and natural gas) in Greece and abroad recorded an adj. EBITDA of € 134.4m compared to € 139.3m the respective last year period, mainly due to lower revenues from energy sales.

Operating profits before taxes and interest expenses (EBIT)¹ came at € 155.5m compared to € 119.3m in the respective last year period.

Pre-tax profits reached € 114.5m compared to € 47.5m in the respective period of 2022.

Profits after taxes attributable to shareholders of the parent came at € 70.2m in 1H 2023 compared to € 21.3m in 1H 2022.

Profits after taxes and minorities for 1H 2023 include non-operating items² totaling a profit of € 15.5m compared to a loss of € 13m in the respective period of 2022.

Profits after taxes from continued activities attributable to shareholders of the parent without the impact of said non-operating items² for 1H 2023 reached € 54.7m compared to € 34.3m for 1H 2022.

Net operating cash flow came at net inflows of € 112.5m vs net outflows of € 51.3m in 1H 2022. Capex amounted to € 65.0m in 1H 2023 and directed mainly to the RES segment. This amount doesn't include an intragroup payment of € 65.7m for the execution of energy storage works.

Group's Cash and Cash Equivalent the end of 1H 2023 remained at high levels reaching € 1,449.5m (excluding restricted cash deposit of € 129.2m) versus € 1,491.7m on 31.12.2022. Total gross debt for the group on 30.06.2023 stood at € 3,044.9m (o/w € 1.0 bn pertains to debt with recourse) compared to € 2,993.3m on 31.12.2022.

Groups' Net Debt minus restricted cash and grants to be returned/adj. EBITDA¹ shaped at 2.1x at the end of 1H 2023 and remained stable compared to the end of 2022.

Strong operating performance across all segments

In construction segment at the end of 1H 2023 the backlog, including contracts to be signed and projects that the Group participates in as investor, reached a new record high coming at € 5.7bn (compared to € 5.3bn at the end of 2022). In more detail, the backlog of the signed projects amounts to € 2.7bn at the end of the first semester excluding intragroup backlog of € 0.6bn (versus € 2.9bn at the end of 2022). Furthermore, the Group has contracted or expects to sign new contracts of € 2.3bn

that it has secured since then. About 70% of the total backlog pertains to private projects (own investments and for third parties).

In concessions segment, traffic in motorways (Nea Odos and Kentriki Odos) has increased in 1H 2023 compared to the same period of 2022, depicting the increased economic activity in the country and the improved weather conditions. Additionally, all 3 waste management facilities in Peloponnese are now in full commercial operation. The Group continued the development of new projects, such as the New International Airport in Kasteli, where the progress of the work now exceeds 20%, while works for the Hellinikon IRC are expected to start soon. In relation to the Egnatia Motorway project, all the necessary documents for the financing and implementation of the project have been submitted and the completion of the required procedures on the part of the State is expected, while during 1H 2023 it was signed the contract for the construction and the 30-year concession of the Hersonissos-Neapoli road axis where GEK TERNA participates with 55%.

A milestone for the Group's concessions portfolio is its nomination as preferred investor for the concession of the right to operate, maintain and commercially exploit Attica Motorway for a period of 25 years, as it further strengthens its leading position, adding in its portfolio one of the most important road axes in Greece, but also one of the most efficient and low-risk concessions at European level. With the addition of Attica Motorway concession contract, the total motorway network managed by GEK TERNA Group will exceed 1,600 km. **The Group's motorway portfolio is one of the largest and "youngest" portfolios in Europe (with an average remaining contractual term of 25 years), ensuring long-term, significant, and predictable recurring revenues.**

Regarding the segment of Energy generation and supply (electricity and natural gas) in Greece and abroad, electricity demand in Greece decreased by 8.4% in the first semester of the year as a result of very high temperatures for the season and energy saving measures. Despite reduced demand, **HERON ENERGY recorded higher sales volumes by 13.5% compared to the first semester of 2022 following an increase in its market share to 11.3% at the end of the 1H 2023 (vs. 6.73% in June 2022).** In terms of production, the decrease in demand and the increased production from RES in the system due to the increase in the installed capacity in the country and increased imports, led to a decrease in production from natural gas units in the country by 30.1% in the first half of 2023. In this context, production from the Group's natural gas units recorded a 27% decrease compared to the first half of 2022. Finally, the progress of the works for the construction of the new 877MW natural gas unit in Komotini (jointly developed with Motor Oil) exceeds 80%, and the project is expected to kickstart operations within 1H 2024.

The Group's RES installed capacity increased to 1,225 MW at the end of September (vs 905 MW at the end of 2022) as it was expected following the completion of Kafireas project at the end of the current quarter. This project is now the largest complex of wind parks in TERNA Energy's portfolio and in Greece, while the total investment amounts to € 550 million. During the first half of 2023 prevailed weak wind conditions compared to a very strong performance in the respective last year period. The load factor of the total portfolio stood at 27.6% compared to 32.0% in 1H 2022, resulting to a reduction of the production by 9.7% as the new installed capacity had marginal contribution in 1H 2023. The weak wind conditions observed are in line with the stochastic nature of wind parks' production, and

it is accounted for in every forecast model, without affecting the long-term performance of the projects. Following initiation of operation of the new projects the revenues are expected to increase significantly on a long-term basis.

Outlook

The Group anticipates significant further strengthening in the coming periods, given its size and its momentum, while the characteristics of its portfolio ensure high visibility of both cash flows and returns for the shareholders. More detail:

- **In the construction segment**, given the high backlog of €5.7bn, including the new contracts to be signed, and the Group's ability to proceed with the uninterrupted execution of the projects, construction activity is expected to remain high in the coming periods and continue to enhance the Group's profitability. In addition, the prospects of the construction sector in Greece are positive, as in the coming years the budget of the new projects that will go out for tender will exceed € 30bn.
- **The concessions segment** is expected to be a key driver of strengthening and value creation for the Group and the shareholders given the size and characteristics of the projects that are currently being implemented and are expected to mature gradually. The concession contract of Attica Motorway, a project with a very attractive risk/return profile, will make a major contribution to securing significant, stable and long-term cash flows. In addition, the Group participates in the tender process for new concession projects (VOAK, Kalamata airport) and various Public-Private Partnerships (PPP) for infrastructure and construction projects throughout Greece, taking advantage of its deep expertise and sound financial structure.
- **In the field of energy production and trading (electricity and natural gas) in Greece and abroad**, the Group continues its investment plan without interruption, having now under construction the large hydro pumped energy storage project of 680 MW. Still gradually from the end of this year and within 2024, it is scheduled to start the construction of new parks (mainly photovoltaic) in Greece and SE Europe of more than 550 MW. At the same time, the Group is working towards maturing further projects of various technologies (e.g. hydroelectric, storage, hybrid, etc.) in Greece. In this context the total installed, under construction and ready to build capacity stands at 2,500 MW. In electricity and natural gas trading segment in Greece and abroad, the Group has now established itself as one of the major private energy providers, while its strong presence in the production contributes significant benefits from the verticalization.

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