

Press Release

Athens, April 27, 2023

GEK TERNA Group: Financial results FY 2022

Increased financial results, strong fundamentals and positive prospects

across all business segments

Despite the international geopolitical and macroeconomic uncertainties, GEK TERNA Group (Bloomberg: GEKTERNA GA / RIC: HRMr.AT) remains committed to its growth path, registering a significant strengthening of its financials. The strong operational performance in all areas of activity led to the increase of the financial figures and the further improvement of the financial position of the Group.

The Group's total revenue for 2022 amounted to €3,938.3 million compared to €1,144.2 million the previous year, with operating profitability (adjusted EBITDA)⁽¹⁾ increasing to €661.8 million compared to €323.5 million for 2021. Net profit attributable to shareholders adjusted for non-operating items⁽²⁾ for 2022 amounted to EUR 174.4 million, recording a significant increase against the €33.1 million recorded in the previous year.

Strong operating profitability also led to further strengthening of the Group's balance sheet with total cash increasing to €1,491.7 million and the Net Debt/Adjusted EBITDA¹ ratio further declining to 2.3x versus 3.8x last year, despite increased investments (338.4 million euros for 2022 versus 245.6 for 2021).

As a result of the strong financial position and the significantly enhanced operational performance of the Group, the Board of Directors will propose to the upcoming General Meeting a cash distribution (capital return) of 0.20 euros per share (gross) compared to 0.12 euros per share which was the previous year. It is worth noting that including the share buyback since the beginning of the

¹ The alternative EDMA measurement indicators are specified in section F of the Management Report of the Board of Directors, in the Half-Year Financial Report of the period ending on 31.12.2022.

² It is noted that, in the results of the current period, events that have the characterization of the non-operating result have also been included: a) profit of 21.7 million euros, which was recognized as a result of the acquisition of control of HERON ENERGY, against 60.9 million euros in the corresponding period of 2021 and b) a loss of 76.3 million euros compared to 11.9 million euros in the corresponding period of 2021, from the decrease mainly in the fair value of the embedded derivative, which has been recognized in operating framework of the subsidiary Concession company KENTRIKIS ELLADAS S.A.

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year, the total amount that will be returned to shareholders for FY 2022 will exceed 35m euros compared to 22m euros that were distributed for FY 2021.

During 2022, the Group continued the implementation of its strategic plan in all areas of activity. In the construction sector, the backlog amounts to 5.3 billion euros (against 4.9 billion in 2021) while large-scale energy projects are already underway (Energy Storage Unit with Hydro-Pump Storage technology in Amfilochia, new Natural Gas Power Generation Unit in Komotini). At the same time, the electrification of the new Wind Park complex in Evia has already begun. In the field of concessions and infrastructure, the Group is rapidly progressing the construction of the new International Airport of Crete in Kasteli, while it recently signed as leader of the JV the contract for the PPP project of the Hersonissos - Neapolis section of the Northern Road Axis of Crete (BOAK). Finally, the IRC project in Helliniko is in development phase with main construction works is expected to start soon, while the procedures for signing the concession contract for the Egnatia Road, the largest highway in Greece, are progressing. At the same time, the Group participates in a number of other tenders for flagship concession projects, such as the Attiki Odos Highway, the concession project of the BOAK for the Chania-Heraklion section, the Salamis-Perama Subsea Link, the Kalamata airport, as well as various Public and Private Partnerships (PPP) of infrastructure projects and building projects across Greece. Upon maturity, the above investments are expected to further strengthen the Group's ability to generate stable and recurring cash flows for a long period of time.

Taking into account the above, the prospects of the GEK TERNA Group for the year 2023, but also for the following years, are positive, despite the difficult period that the global economy is going through.

Key Financial Figures

€ m	2022	2021
Total Revenues	3,938.3	1,144.2
Adjusted EBITDA ²	661.8	323.5
Net earnings attributed to shareholders of the parent	136.5	85.1
Net earnings attributed to shareholders of the parent adjusted for non-operating items ³	174.4	33.1
€ m	2022	2021
Net Debt ¹	1,501.6	1,231.7
Net Debt ¹ / adjusted EBITDA ¹ (LTM)	2.3x	3.8x

In more detail:

³ It is noted that, in the results of the current period, events that have the characterization of the non-operating result have also been included: a) profit of 21.7 million euros, which was recognized as a result of the acquisition of control of HERON ENERGY, against 60.9 million euros in the corresponding period of 2021 and b) a loss of 76.3 million euros compared to 11.9 million euros in the corresponding period of 2021, from the decrease mainly in the fair value of the embedded derivative, which has been recognized in operating framework of the subsidiary Concession company KENTRIKIS ELLADAS S.A.

Total Revenues of the Group for FY 2022 stood at € 3,983.3m compared to € 1,144.2m in the respective period for 2021 reflecting amongst others the full consolidation of Heron II VOIOTIAS and HERON ENERGY (since 14.02.2022). In more detail:

- Revenues of the construction segment increased to € 1,024.2 m compared to € 600,6m in the respective period of 2021 following the increase in construction activity
- Concessions segment revenues amounted to € 202.0m compared to € 173.0m 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 € 2,897.3m compared to € 477.0m 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 € 661.8m in FY 2022 compared to € 212.7m in FY 2021 following the increase in revenues. In more detail:

- Construction segment adj. EBITDA reached € 80.6m vs. € 52.8m in the respective period of 2021
- Concession segment adj. EBITDA reached € 111.7m compared to € 101.8m
- The segment of Energy generation and supply (electricity and natural gas) in Greece and Abroad recorded an adj. EBITDA of € 496.6m compared to € 194.7m

Operating profits before taxes and interest expenses (EBIT)¹ from continued activities during FY 2022 shaped at € 415.8m compared to € 192.5m during FY 2021.

Pre-tax profits from continued activities in FY 2022 reached € 243.3m compared to € 145.6m in the respective period of 2021.

Profits after taxes from continued activities attributable to shareholders of the parent came at € 136.5m for the FY 2022 compared to € 85.1m in FY 2021.

Profits after taxes from continued activities attributable to shareholders of the parent have been impacted by non-operating items³ totaling a loss of € 37.9m in FY 2022 compared to a profit of € 51.5m 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 items³ for FY 2022 reached € 174.4m compared to € 33.1m for FY 2021.

Total investments of the Group during the period of January-December 2022 came to 338.4m, vs. € 245.6m in FY 2021, driven primarily by the RES sector, as well as a small part of them for real estate.

³ Profits after taxes from continued activities attributable to shareholders of the parent have been impacted by non-operating items³ 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 31.12.2022 stood at € 2,993.3m compared to € 2,596.0m at 31.12.2021 with the increase related to the implementation of the Group investments plans. **Total Net Debt¹** of the Group at 31st of December 2022 stood at, € 1,501.6m vs. € 1,231.7 at the end of Dec'2021. It is noted that net debt at the end of FY 2022 was decreased compared to the end of 1H 2022 that stood at € 1,608.8m. **Group's Cash and Cash Equivalent** at the end of 4Q 2022 remained high and reached € 1,491.7m. Also, **the Cash and Cash Equivalents of the parent company amounted to € 559.1 million, remaining at the same levels as the previous year**, ensuring the smooth execution of the investment program.

Net Debt/adj. EBITDA shaped at 2.3x at the end of 2022 compared to 3.8x in FY 2021 (5.4x in FY 2020), as a result of increased profitability.

Strong operating performance across all segments

In Construction backlog further strengthened and stood at the historic high of € 5.3bn, reflecting increased construction activity. Specifically signed contracts, including projects that the Group participates as investor, amounted to 2.9bn compared to € 2.5bn in end 2021. Moreover € 2.4bn of contracts are pending to be signed. Also, profit margins remained at satisfactory levels given the diversified portfolio of projects and the commitment of Management to the disciplined execution of project budgets.

In Concessions, traffic in our operating motorways (Nea Odos and Central Greece) during FY 2022 increased compared to the same period of 2021 by 16.2% 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 (+4.2% vs. 2019).

Regarding the segment of Energy generation and supply (electricity and natural gas) in Greece and abroad, the Group successfully responded to the extremely adverse and volatile conditions created by the energy crisis. Especially with regard to the stability of the Greek electrical system, the Group's conventional power generation units, wind farms and photovoltaic plants contributed to the smooth operation and stability of the electrical system.

RES installed capacity at the end of 2022 stood at 905MW, while 2GW of projects in Greece are currently in operation, under construction or ready to start construction. RES production in FY 2022 increased by 5.4% y-o-y, following the improved wind conditions and increased availability following the new operation and maintenance procedures being currently implemented.

At the same time, the Group managed to ensure the uninterrupted, competitive and flexible supply of its conventional thermal stations, successfully facing the challenges arising from the unprecedented volatility of international natural gas prices, the extremely increased liquidity needs to ensure supply - especially during the import of liquefied natural gas loads - but also the constantly changing competitiveness of the plants' production costs, mainly in relation to the electricity clearing prices of neighboring countries. Also in the supply sector, the company HERON ENERGY, managed to fully cope with the difficult market conditions, even increasing its market share to 7.6%, making it one of the leading independent suppliers in the domestic market. Note that during 2022 the Group completed

the implementation of the decision taken at 12.07.2021 for the acquisition of the remaining 75% and 50% in HERON ENERGY and HERON II VOIOTIAS that are now fully consolidated vs. equity consolidation previously.

Prospects / Outlook

Following the robust financial results for the FY 2022, GEK TERNA Group looks forward to further positive performance for the coming periods since a significant number of projects and investments currently under implementation are expected to mature and significantly enhance revenues and profitability. Specifically:

- **In construction**, activity is expected to remain high given the number of projects that are currently under execution or are pending to be signed, 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. The Group also participates in the tender process for flagship concession projects and is well positioned to take advantage of the opportunities presented by the market in terms of securing new lucrative projects.
- **The segment of Energy generation and supply (electricity and natural gas) in Greece and abroad**, the implementation of the RES investment plan continues with 2.0 GW of projects now in operation, under construction or ready for construction. In the field of thermal production and electricity trading, market conditions remain volatile with the Group closely monitoring any developments.

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