

Press Release

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GEK TERNA Group: Financial results 9M 2023

Strong profitability supported by concessions, construction and RES – Adjusted net profits of € 88.8 million (EPS € 0.94/share)

GEK TERNA Group (Bloomberg: GEKTERNA GA / RIC: HRMr.AT) releases condensed financial results for 9M 2023.

The Group's **total revenue** for 9M 2023 stood at € 2,529.4 million compared to € 2,762.0 million in the respective period last year, in line with the normalization of the conditions in the energy market, where the previous year there was significant volatility. **Operating profitability (adjusted EBITDA¹) stood at € 396.3 million** vs. € 404.8 million in 9M 2023. **Net profits attributable to shareholders adjusted for non-operating results² in 9M 2023 stood at € 88.8 million** compared to € 93.2 million the respective last year period. It is noted that excluding the contribution of the Conventional Energy generation and supply segment (whose profitability was affected by the high volatility of energy markets in 2022), adjusted EBITDA for 9M 2023 increased by 26.4% compared to the corresponding period of 2022.

At 3Q 2023 level, total revenues stood at € 925.0 million and adjusted EBITDA¹ at € 146.1 million against € 1,300.4 million and € 186.7 million respectively in the previous year period. Excluding the contribution of the Conventional Energy generation and supply segment, adjusted EBITDA¹ for 3Q 2023 increased by 62%.

The Group's balance sheet remains strong with **net debt incl. restricted cash and grants to be returned¹** at € 1,630.1 million (o/w € 353 million at parent level) and **Net Debt inc. restricted cash and grants to be returned/Adjusted EBITDA¹** ratio at 2.5x.

The implementation of the Group's strategic plan continued at an intensive pace during 9M 2023, **while the operating profitability remained at high levels due to the continuous increased contribution of the infrastructure segment (concessions – constructions) as well as the expected increase of the RES segment during the 3rd quarter of the year.**

¹ The definition of the alternative performance measurement indicators APMI is available in section F of the Semi 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) € 4.3 million loss vs € 53.2 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) € 11.6 million profit from the valuation of the derivatives in the thermal energy generation segment vs € 7 million profit in 9M 2023, and c) profit of € 3.6 million from the valuation of other participations (vs profit of € 21.2 million from the acquisition of Heron Energy during the respective last year period). The aforementioned non-operating items are not included in the adjusted net profits as presented.

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 was the recent nomination as preferred investor for the 25-year concession of Attica Motorway, while at the same time, participation in tenders for new projects continues vigorously. In the construction segment, **the backlog, including new contracts to be signed, exceeded €5.5 billion, including private projects in Greece** (own investments and for third parties) **which now constitute about 60% of the Group's total backlog**. Another important point is the continued increase in the activity of the segment (12M trailing revenues exceeding €1.3 billion) as a result of the ability and adequacy of the Group to respond to the increased backlog. In the energy segment, the Group has since the end of the 3rd quarter the largest wind park in the country (330MW) in full operation, while the **pioneering course continues with the construction of the large hydro pumped energy storage project in Amfilochia and the first Exploitation and Survey license for offshore wind parks in the country**. Finally, in the area of conventional energy production and trading (electricity and natural gas) in Greece and abroad, despite the volatility in the market and the decrease in demand in Greece, **the Group managed to strengthen its market share, while maintaining healthy profitability**.

For the year as a whole, a similar performance is expected with profitability stabilizing at healthy levels supported by the infrastructure (concessions and construction) and energy segments after the normalization of the conditions in the energy markets. For the coming periods, an increase in the profitability of the Group is expected considering the gradual integration of various projects in the portfolio that are being completed (Komotini natural gas plant, the initiation of the concession of Egnatia Odos and Attica Ring-Road, but also the contribution of the wind park in Kafireas for a full 12-month period). Accordingly, the Group's balance sheet is expected to increase following the integration of the new projects.

Key Financial Figures

€ m	9M 2023	9M 2022
Total Revenues	2.529,4	2.762,0
Adjusted EBITDA ¹	396,3	404,8
Net earnings attributed to shareholders	99,5	68,5
Net earnings attributed to shareholders adjusted for non-operating items ²	88,8	93,2
EPS adj. for non-operating items ²	0,94	0,97

€ m	9M 2023	YE - 2022
Net debt minus restricted cash and grants to be returned ¹	1.630,1	1.365,8
Net debt minus restricted cash and grants to be returned ¹ / adjusted EBITDA ¹ (LTM)	2,5x	2,1x

In more detail:

Total revenues of the Group for 9M 2023 stood at € 2,529.4m compared to € 2,762.0m in the respective period for 2022 mainly due to decreased revenues in the energy segment and increased revenues in construction and concessions. In more detail:

- Revenues of the construction segment increased to € 991.6 m compared to € 649.7 m in the respective period of 2022, mainly due to the increased construction activity in public and private projects and the implementation of the Group's investment plan.
- Concessions segment revenues climbed to € 166.0m compared to € 152.7m in the respective period of 2022 following increased traffic volumes in Nea and Kentriki Odos as well as the 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 € 1,444.6m compared to € 2,076.4m in the respective period last year due to lower energy prices and soft wind conditions compared to the respective period last year.

Operating profitability (adjusted EBITDA)¹ for the Group reached € 396.3m compared to € 404.8 m in 9M 2023. In more detail:

- Construction segment adj. EBITDA reached € 80.0m vs. € 45.4m in the respective period of 2022, due to increased construction revenues and the retainment of satisfactory profit margins.
- Concession segment adj. EBITDA climbed to € 114.7m compared to € 82.8m during the respective period of 2022 following the increase in revenues.
- The segment of Energy generation and supply (electricity and natural gas) in Greece and abroad recorded an adj. EBITDA of € 220.4m compared to € 296.2m the respective last year period, mainly due to lower revenues from energy sales.

It is noted that the operating profitability of the Group during 9M 2023 amounted to € 293.4 million, posting an increase of 26.4% compared to the corresponding period of 2022 following the increased profitability from the infrastructure sectors (construction-concessions) but also RES (during the 3rd quarter) and excluding the contribution of the Energy generation and supply segment (whose profitability was affected by the high volatility of energy markets in 2022).

Operating profits before taxes and interest expenses (EBIT)¹ came at € 251.3m compared to € 243.8m in the respective last year period.

Pre-tax profits reached € 166.7m compared to € 133.52m in the respective period of 2022.

Profits after taxes attributable to shareholders of the parent came at € 99.5m in 9M 2023 compared to € 68.5m in 9M 2022.

Profits after taxes and minorities for 9M 2023 include non-operating items² totaling a profit of € 10.7m compared to a loss of € 24.7m 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 9M 2023 reached € 88.8m compared to € 93.2m for 9M 2022.

Group's cash the end of 9M 2023 remained at high levels reaching € 1,430.3m (excluding restricted cash deposit of € 101.3m) versus € 1,491.7m on 31.12.2022. **Total Recourse Net Debt (inc. restricted deposits) on 30.09.2023 amounted to € 448.8m**, while non-recourse net debt (including among others the project finance facilities) came at 1,181.3m.

The ratio of Groups' Net Debt inc. restricted cash and grants to be returned/adj. EBITDA¹ shaped at 2.5x at the end of 9M 2023 vs 2.8x at the end of 9M 2022 and 2.1x at the end of 2022.

Strong operating performance across all segments

In construction segment at the end of 9M 2023 the backlog, including contracts to be signed and projects that the Group participates in as investor, stood at € 5.5bn. In more detail, the backlog of the signed projects amounts to € 3.3bn at the end of September (versus € 2.9bn at the end of 2022). Furthermore, the Group has contracted or expects to sign new contracts of €2.2bn that it has secured since then. **About 60% of the total backlog refers to private projects (own investments and for third parties), while more than 50% refers to projects that the Group participates as investor.**

In the concessions segment, traffic in motorways (Nea Odos and Kentriki Odos) has increased in 9M 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 approached 30%, 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 from the State is expected. Furthermore during the current year 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%, while earlier today it was signed the contract for the sub-concession of the port "PHILLIPOS B" of Kavala Port Authority S.A. for 40 years, where GEK TERNA's participation in the consortium stands at 35%. Finally, regarding the concession of Attica Motorway (the Group's has been nominated as preferred investor for the concession of the right to operate, maintain and commercially exploit Attica Motorway for a period of 25 years), the procedures for the signing of the concession agreement within 2024 are in ongoing inline with the provisions of the tender.

Regarding the segment of Energy generation and supply (electricity and natural gas) in Greece and abroad, electricity demand in Greece decreased by 3.7% during 9M 2023 as a result of the milder temperatures for the winter season and energy saving measures. It is worth mentioning that during 3Q 2023 demand increased by 5.5% due to higher temperatures. Despite reduced demand, **HERON ENERGY recorded higher sales volumes by 27% compared to 9M 2022 following an increase in its market share to 11.6% at the end of the September 2023 (vs. 6.7% in December 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 23.0% in 9M 2023. In this context, production from the Group's natural gas units recorded a 23% decrease compared to the respective last year period. Finally, **the progress of the works for the construction of the new 877MW natural gas unit in Komotini (jointly developed with Motor Oil) approaches 90%, and the project is expected to kickstart operations within 1H 2024.**

In RES segment, as already announced, the installed capacity increased to 1,225 MW at the end of September (vs 905 MW at the end of 2022) following the completion of Kafireas project at the end of the 3rd quarter of the year. In terms of wind conditions, after a weak performance in the first 7 months of the year, they normalized in August and September. More specifically, the load factor of stood at 29.6% in 3Q 2023 compared to 29.2% in the respective last year period. Regarding the development of new projects, the construction of the hydro pumped energy storage project in Amfilochia started at the end of 2022. A milestone is also the acquisition of the first exploration and survey license for offshore wind parks in the country with a total capacity of 400MW.

Financial results 3Q 2023

Regarding 3Q 2023, The Group's total revenues amounted to € 925.0 million compared to € 1,300.4 million in the corresponding quarter of 2022, with the decrease being attributed to the lower revenues of the energy segment due to the normalization of prices in the energy market. Operating profitability (adjusted EBITDA)¹ for the quarter was €146.1 million compared to €186.7 million in 3Q 2022. Excluding the contribution of the Energy generation and supply segment, the Group's operating profitability amounted to € 106.1 million in 3Q 2023 compared to € 65.4 million in the corresponding period of 2022. Finally, the after-tax profits amounted to € 40.7 million in 3Q 2023 compared to € 59.3 million during 3Q 2022.

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 €5.5bn 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 respect of Conventional Energy in Greece and abroad, the Group has now established itself as one of the major private energy suppliers, while its strong presence in generation offers significant benefits through vertical integration.

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