

Press Release

Athens, September 26, 2024

GEK TERNA Group: Financial Results 1H 2024

*Adjusted Net Profit attributed to the shareholders of € 65.7m, increased by 20.1% - EPS
adjusted for non-operating items at € 0.67*

GEK TERNA Group (Bloomberg: GEKTERNA GA / RIC: HRMr.AT) releases its financial results for 1H 2024.

Net profit attributed to shareholders of the parent adjusted for non-operating items¹ increased by 20.1% in 1H 2024 reaching €65.7m (of which € 54.9m from continuing operations²). Operating profitability (adj.EBITDA³) increased by 7.5% in the same period, coming at €269.1m (of which € 172.2m from continuing operations), boosted by the construction, concessions and RES segments, with the adj. EBITDA margin at 17.8% against 15.6% in the respective period of 2023. Group revenues in 1H 2024 amounted to € 1,515.2m (of which € 1,362.8m from continuing operations) compared to € 1,604.3m, due to the lower contribution of the conventional energy segment.

A milestone for the acceleration of the Group's growth and the implementation of its strategy to become a leading diversified infrastructure group in Greece and Southeastern Europe is expected to be the agreement announced on 20.06.2024 with ABU DHABI FUTURE ENERGY PJSC - MASDAR, for the sale of the 36.6% stake held by GEK TERNA in TERNAL ENERGY. The Transaction value for the stake held by GEK TERNA amounts to € 880m (incl. the receipt of the allowed dividend), valuing TERNAL ENERGY on a 100% basis at € 2.4bn and the total Enterprise Value of the Transaction at € 3.2bn. In the context of the transaction, GEK TERNA is expected to acquire the non-RES related activities of TERNAL ENERGY (waste management of Peloponnese and Epirus regions, e-ticketing, etc. i.e. "Non-core assets") for a price of c. € 67.5m. The envisaged procedures for the completion of the transaction are proceeding according to the original timetables which foresaw the closing of the transaction within a period of 4-6 months from the date of the announcement of the transaction.

¹ Earnings after taxes of the current period include events characterized as non-operating results, which are as follows: a) a loss of 4.9 mn euros from the decrease in the fair value of the embedded derivative, compared to a gain of 4.1 mn euros for the corresponding period of 2023, which was mainly recognized in the context of the operation of the Concession – Self/Co-financed projects Segment, b) a loss of 3.7 mn euros from the valuation of forward contracts for the purchase and sale of Electricity and Natural Gas, against a gain of 11.9 mn euros for the corresponding period of 2023, in the Electricity Production Segment from Thermal Energy Sources and c) a gain of 4.2 mn euros from the valuation of other investments, against a loss of 0.4 mn euros for the corresponding period of 2023.

² Following the [announcement of the Group from 20.06.2024 for an agreement with the company ABU DHABI FUTURE ENERGY PJSC – MASDAR](#), for the sale of the stake (i.e. 36.59%) held by GEK TERNA in TERNAL ENERGY, after evaluation, it was judged that the criteria for the application of the IFRS 5 are met for the presentation of the Financial Statements, concerning classification of operations and assets as held for sale. For this reason, the operations of the Renewable Energy Sector (RE) are now classified for the Group as operations and assets held for sale. Therefore, they are presented separately in this Report for correct and complete information.

³ The definition of the alternative performance measurement indicators APMI is available in section F of the Management Report of the Board of Directors, of the Financial Statements for 1H 2024.

During the current period, the Group, remaining committed to the execution of its investment plan and proceeded with the signing of the concession contracts for Egnatia Odos and Attiki Odos, representing investments with a total budget of more than € 5.0bn. **For Attiki Odos in particular, the start of the concession period is expected in the near term, contributing significant, recurring and predictable revenues over the long term.** Other portfolio projects continue to mature with the natural gas plant in Komotini (50/50 with Motor Oil) being in trial operation, the new international airport in Kastelli Irakleio Crete construction completion rate surpassing 36% and the preliminary works on the Integrated Residential Complex (IRC) in Ellinikon continuing at an intensive pace. Finally, during the first half of 2024, the Group was declared preferred concessionaire for the segment Chania-Irakleio of North Crete Motorway (the largest motorway under development in Europe), with the procedures for the signing of the concession contract underway.

Regarding the coming periods and in respect of continuing operations, the Group expects to continue to strengthen its figures due to the gradual integration of various projects in the portfolio that are being completed (start of the concession of Attiki Odos, CCGT unit in Komotini and Egnatia Odos). At the same time, healthy profitability levels are expected to be maintained in the construction and conventional energy segments. **It is noted that following the completion of the transaction for the sale of the Group's stake in TERNA ENERGY, cash and cash equivalents (€ 1.1bn as of 30.06.2024) will increase by € 864m, significantly strengthening the Group's investment fire power, while at the same time debt obligations related to TERNA ENERGY amounting to € 1.1bn will be deducted from the consolidated balance sheet of the group.**

In parallel the Group continues to prepare and participate in a significant number of new tenders in Greece and Southeastern Europe. Indicatively, it is estimated that within the next 18-24 months new concession/ PPP projects with a total estimated budget of 8-10 billion euros are expected to be tendered in Greece. In this context, GEK TERNA Group is already strategically positioned with significant competitive advantages, given its vertical integration and its ability to control every stage of the risk of a project.

Financial performance 1H 2024

During the first half of the year, the Group strengthened further its profitability, following the maturity of investments in the concessions and RES sectors and the healthy profitability of the construction sector. More specifically, the concessions sector posted an increase in revenue and operating profitability mainly due to increased traffic on Nea Odos and Kentriki Odos. The construction segment maintained its healthy profitability levels - despite lower revenues due to timing of project execution - while the backlog stood at € 5.0bn. In the conventional energy segment, the decline in energy prices led to lower revenues, despite the increase of market share. Finally, in the RES segment, the increase in installed capacity to 1,227 MW from the end of 2023, together with more favorable wind conditions, led to a 45.4% increase in production.

Key Financial Figures

€ m	Group		Continuing Operations		Operations classified as held for sale	
	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023
Revenues	1,515.2	1,604.3	1,362.8	1,497.6	152.4	106.7
Adj.EBITDA	269.1	250.3	172.2	177.7	96.8	72.6
Net earnings attributed to shareholders of the parent	70.0	84.7	39.5	64.1	30.6	20.6
Net earnings attributed to shareholders of the parent adjusted for non-operating items	65.7	54.7	54.9	47.0	10.7	7.6
Adj. net debt ³	1,616.3	1,605.6	840.1	818.4	776.1	787.2

In more detail:

Total Revenues of the Group for 1H 2024 stood at € 1,515.2m compared to € 1,604.3m in 1H 2023, despite the increased revenues in concessions and RES segments, mainly due to lower revenues in the conventional energy segment resulting from the decline in energy prices. In more detail:

- Revenues of the construction segment amounted to € 577.8m compared to € 636.3m in the respective period last year, driven by the execution of projects related to the Group's investment plan but also third party private and public projects.
- Concessions segment revenues climbed to € 129.4m compared to € 103.4m during 1H 2023, following increased traffic volumes in Nea Odos and Kentriki Odos.
- The segment of conventional energy generation and supply (electricity and natural gas) in Greece and abroad total revenues amounted to € 688.2m compared to € 797.2m in the respective period last year, despite increased market share in energy supply, mainly due to de-escalation of energy prices.
- In the RES segment (operations classified as held for sale due to the announced agreement with MASDAR) revenues reached € 150.4m, compared to € 103.4m in the respective period last year following the increase in installed capacity and the more favorable wind conditions.

Operating profitability (adj.EBITDA) for the Group in 1H 2024 remained strong at € 269.1m compared to € 250.2m in 1H 2023, with the respective margin reaching 17.8% versus 15.6% as a result of the revenues mix. In more detail:

- Construction segment adj. EBITDA stood at € 60.3m vs. € 52.6m, mainly due to the mix of the projects under execution.
- Concession segment adj. EBITDA increased to € 77.8m compared to € 73.6m in 1H 2023, following the increase in revenues.
- The segment of conventional energy generation and supply (electricity and natural gas) in Greece and abroad posted an adj. EBITDA of € 46.9m compared to € 62.9m.
- The RES segment (operations classified as held for sale due to the announced agreement with MASDAR) recorded an adj. EBITDA of € 96.9m compared to € 71.5m the respective last year period, following the increase in revenues.

Operating profits before taxes and interest expenses (EBIT³) came at € 168.7m compared to € 155.5m in 1H 2023.

Pre-tax profits reached € 98.2m compared to € 114.5m in the respective last year period, mainly affected by the valuation of financial derivatives (total loss of € 10.7m in 1H 2024 compared to profits of € 20.5m in 1H 2023).

Total profits after taxes stood at € 70.0m in 1H 2024, of which profits after tax attributable to the shareholders of the parent amounted to € 60.8m, versus € 84.7m in 1H 2023.

Profits after tax and minorities include a loss of € 4.9m from non-operating items¹, compared to profits of € 15.6m in 1H 2023.

Total profits after taxes without the impact of said non-operating items reached € 74.5m in 1H 2024, of which € 65.7m pertains to profits after tax attributable to the shareholders of the parent, compared to € 69.2m in the respective last year period, of which € 54.6m pertained to profits after tax attributable to the shareholders of the parent.

Profits after taxes attributable to the shareholders of the parent from continuing operations without the impact of said non-operating items reached € 54.9m in 1H 2024, compared to € 47.0m in the respective last year period.

Group generated net operating cash flow of € 174.1m (of which € 93.3m from continuing operations) compared to € 112.6m for 1H 2023.

Investment expenses during 1H 2024 came at € 51.3m, including outflows for companies acquisition or SCI in subsidiaries and associates, compared to € 65.0m in 1H 2023.

Group adj. Net Debt (debt minus cash and cash equivalent and restricted deposits) from continuing operations and operations classified as held for sale stood at € 1,616.3m on 30.06.2024 vs. € 1,605.6m on 31.12.2023. **Adjusted Net Debt with recourse to the Parent stood at € 433m on 30.06.2024.**

Group adj. Net Debt (debt minus cash and cash equivalent and restricted deposits) excluding the operations classified as held for sale stood at € 840.1m on 30.06.2024. vs. € 1,605.6m on 31.12.2023. **Note that after receiving the consideration from the sale of 36.59% of TERNA ENERGY's shares, the Group's Adjusted Net Debt as at 30.06.2024 would essentially be zero.**

Solid operating performance across all segments

In the construction segment, the backlog at the end of the first half of 2024, including projects to be signed as well as projects related to own investments, amounted to € 5.0bn. Specifically, the construction backlog of signed contracts at the end of the first half of 2024 was € 3.9bn, while since then the Group has signed or expects to sign new projects amounting to € 1.1bn already secured. Of the total backlog, more than 75% concerns private projects (own investments and third parties), while

more than 55% concerns projects that the Group participates as investor. It is noted that the backlog is expected to increase, due to the progress of contracting already secured projects by the Group (i.e. North Crete Motorway concession).

In Concessions segment, traffic in the operating motorways (Nea Odos and Kentriki Odos) increased by 7.4% in 1H 2024 compared the respective last year period depicting the increased economic activity in the country as well as the delivery to traffic of additional sections on the E-65 Motorway since April 2024. Also, since the beginning of the year, and in accordance with the relevant concession contracts, the toll prices across the country's motorways were adjusted upwards, including the projects in which the GEK TERNA Group participates. Finally, all three (3) waste management facilities in Peloponnese are now in full operation.

In the segment of conventional energy generation and supply (electricity and natural gas) in Greece and abroad, electricity demand in Greece increased by 4.5% during 1H 2024 while the average price in the wholesale market decreased by 40.0% compared to the first half of 2023. **Heron Energy** booked higher sales volumes by 45.6% compared to the first half of 2023, following the increase in market share achieved during 2023 and early 2024 and now stands at 10.9% for June 2024. In terms of production, electricity generation from natural gas increased by 16.6% in the first half of 2024.

In the RES segment (operations classified as held for sale), installed capacity at the end of the first half of 2024 amounted to 1,227 MW compared to 1,096 MW at the end of the first half of 2023. Recall that Kafireas project, with a capacity of 327 MW, was fully commissioned in the last quarter of 2023. Since the beginning of the year, TERNA ENERGY Group has continued the further development of its portfolio, as 63 MW of PV are under construction in Greece, while the construction of another 550 MW of new projects of various technologies (mainly PV but also wind and storage projects) in Greece and abroad is gradually starting, which are expected to enter into operation by the end of 2025, representing a total investment of €370m. At the same time, the construction of the Amfilochia hydro pump storage unit is progressing according to the plan, as well as the ongoing maturing of new projects.

Update on the transaction with Masdar

Following the [Group's announcement dated 20.06.2024 for the sale of TERNA ENERGY \(36.59%\) to Masdar](#), the procedures for the completion of the transaction and the payment of the consideration of € 864m to GEK TERNA are proceeding according to the timelines projecting the conclusion of the transaction within a period of 4-6 months from the date of announcement of the agreement. More specifically, in respect of conditions precedent, according to the official records of the European Commission, the relevant decision is expected around the 21st of October. Also, the procedures for obtaining the necessary consents from third parties have been initiated, as well as for the completion of the sale of the non-core assets from TERNA ENERGY to GEK TERNA and are expected to be completed during the same period. Finally, within the next few days, GEK TERNA's General Assembly is expected to be called to convene in order for the shareholders to approve the transaction. Recall that following the successful Closing of the Transaction, the Purchaser intends to proceed to launching

a mandatory tender offer addressed to all shareholders of TERNA ENERGY for the acquisition of their shares as provided by the relevant legislation.

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