

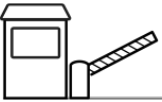

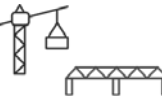


# IR Report Q1 2021

**GEK TERNA**  
GROUP OF COMPANIES



- GEK TERNA and MOTOR OIL Group announced their cooperation for the joint development, construction and operation of the CCGT Station, with an installed capacity of 877 MW in Komotini
- The Group made significant steps towards rebalancing its investment portfolio, with the full consolidation of a number of its concessions and investments in renewable energy activities that boast longer-term and more stable cash flows
- Construction backlog currently stands at €1.7 bn - aim to increase it further
- Cash in hand from 500m bond issuance secures enough equity to finance future expansion in infrastructure

# Developments during the period by activity

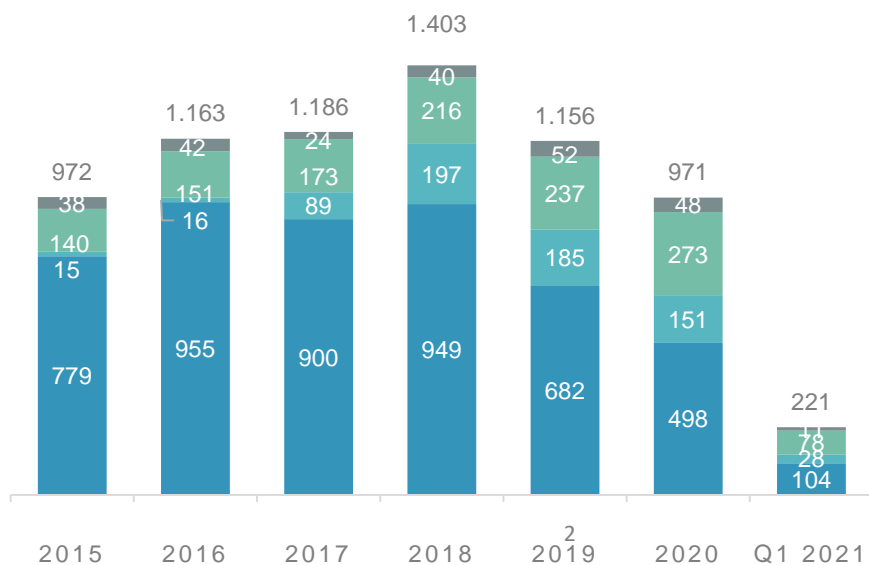
Activity	Revenue €m <sup>(1)</sup>	Comments
 <b>Concessions</b>	Q12020 37 Q12021 28	<ul style="list-style-type: none"> <li>Increased exposure to Motorway projects</li> <li>Decrease in revenue mainly due to the lockdown restrictions that reduced traffic. Easing of restrictions will boost the revenue generation of Motorways</li> <li>Secured projects such as the Kasteli airport and the Hellinikon Casino are expected to significantly increase run-rate Revenue &amp; EBITDA</li> </ul>
 <b>Energy Production</b>	Q12020 76 Q12021 78	<ul style="list-style-type: none"> <li>Continued strong operating profitability and cash flow generation</li> <li>Increased revenue due to increase in fully operational parks</li> <li>Target to increase installed capacity to 3,000MW within the next 5 years</li> </ul>
 <b>Construction</b>	Q12020 138 Q12021 104	<ul style="list-style-type: none"> <li>Small reduction in revenue vs. previous year due to current backlog mix</li> <li>A rapid recovery is expected due to the current backlog of €1.7bn including a number of high quality construction projects, including the new International airport in Heraklion (€470m) and the Hellinikon Casino</li> </ul>
 <b>Real Estate</b>	Q12020 1 Q12021 1	<ul style="list-style-type: none"> <li>The Group is planning to divest in the future from specific real estate assets</li> </ul>
 <b>Mining</b>	Q12020 2 Q12021 1	<ul style="list-style-type: none"> <li>Still on investment phase – no results generated</li> </ul>

1. Revenues post intra-segment elimination

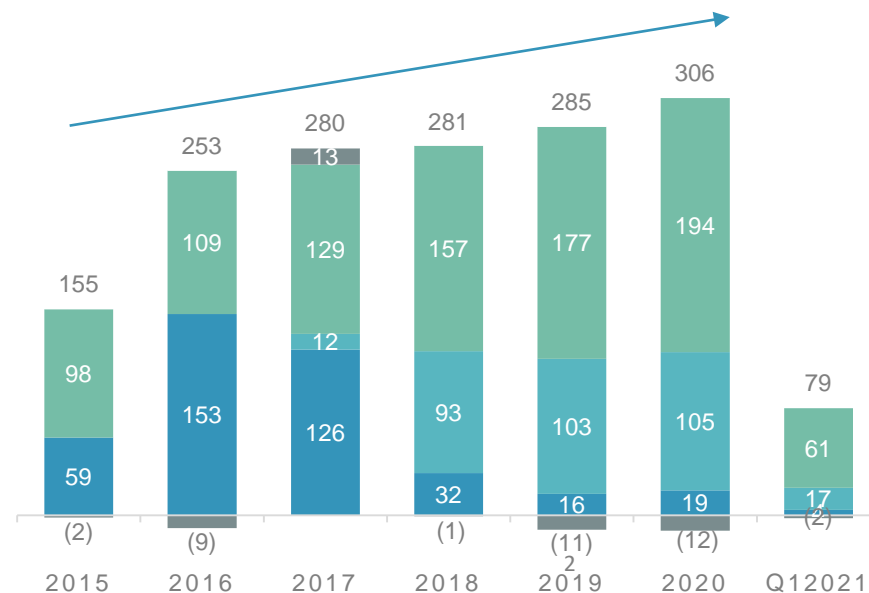
# Revenue & EBITDA Mix by Activity

*Well diversified mix of activities with Concessions and Electricity Production business units adding resilience and stability to operations*

**Revenue Breakdown (€m)<sup>1</sup>**



**Adj. EBITDA<sup>3</sup> Breakdown (€m)**



■ Construction   ■ Concessions   ■ Electricity Production from RES   ■ Other

Most resilient business units have reached a critical size level

1. Graph shows revenue figures after eliminations of intracompany transactions

2. Concessions became fully consolidated from 2018 onwards

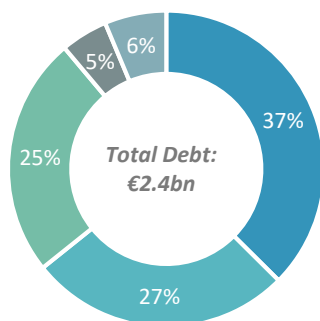
3. EBITDA + any non cash items. Segmental EBITDA for 2019/2020 is shown before any intra-segment eliminations. In those cases, total eliminations are included under "Other"

# Optimal Balance Sheet Structure

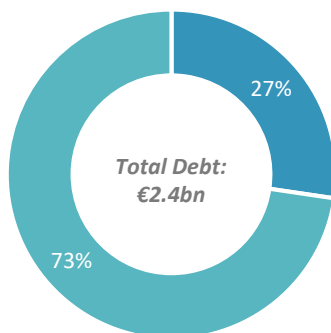
*GEK Terna Group funding strategy is based on autonomous funding by business unit along with corporate bond funding at the Holding Company level*

## Debt Breakdown by Segment 2020

- Energy from RES
- Concessions
- Holdings
- Construction
- Other



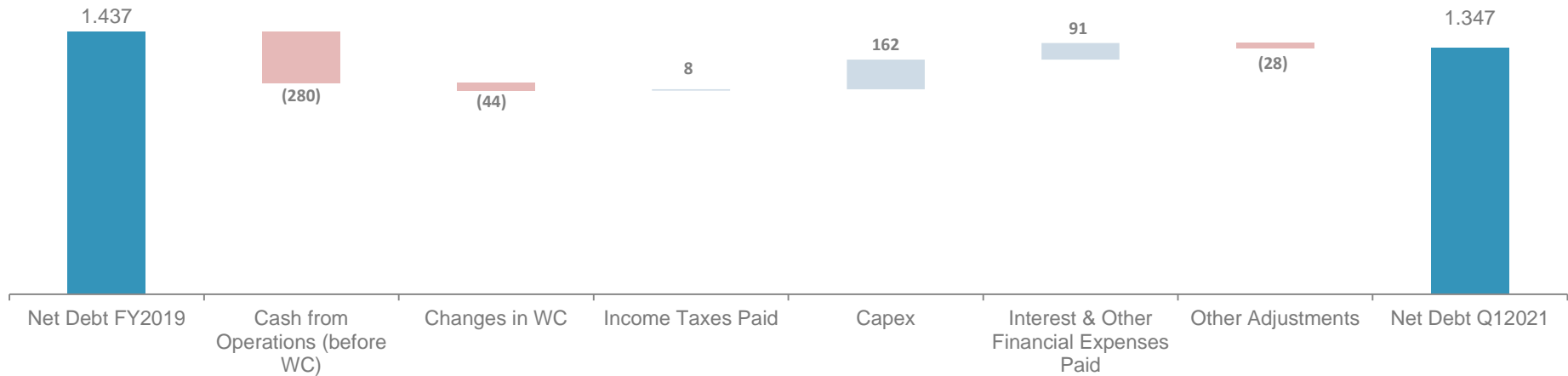
- Recourse Debt
- Non-Recourse Debt



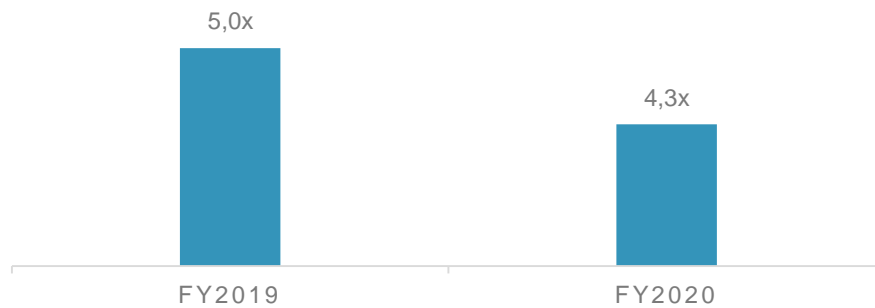
- Most of the debt sits at Energy from Renewables and Concessions, the business units with the highest debt capacity
- Terna Energy debt is primarily project finance
- Holdco debt consists of bonds, serviced by upstream dividends
- The Group has issued two corporate bonds of €500m and 120m, maturing in 2027 and 2025 respectively
- Recent bond covenants allow significant headroom for further growth investments
- The group allocates debt according to debt capacity per business unit and market conditions

# Optimal Balance Sheet Structure

## Net Debt Bridge (€m)



## Net Leverage Evolution



## Average Cost of Debt Evolution







# Construction Segment

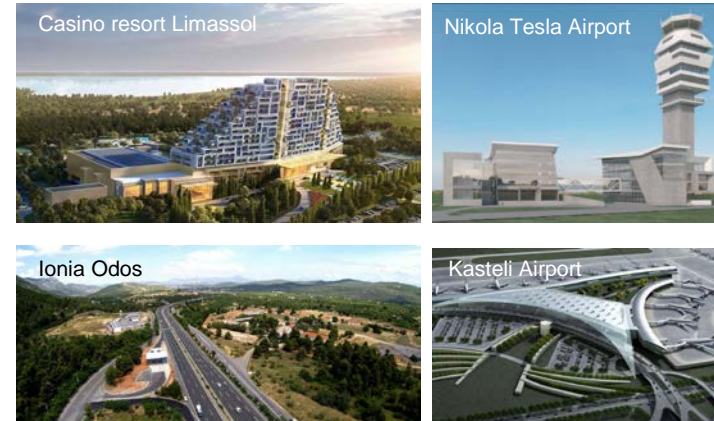
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*Significant increase in construction backlog to €1.7bn through new contract wins*

## Construction Outlook

- Backlog increased to €1.7bn<sup>1</sup> following successful new contract wins: International airport in Heraklion (€480m) and Casino Resort in Limassol (€108m)
- Impeccable track record in delivering complex projects on time and on budget, such as the Stavros Niarchos Cultural Centre and Ionia Odos
- Significant infrastructure projects are expected to be tendered over the next quarters
- There are 69 infrastructure projects in Greece<sup>2</sup> in the pipeline for completion by 2022 totaling €21.4bn, 34 are motorways, ports and airports, 15 Energy, 10 railways and 10 water and waste projects

## Projects completed & under construction

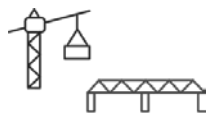


## P&L<sup>3</sup>

	Q1 2020	Q1 2021
<b>Revenue</b>	138	103.6
<i>Growth %</i>	-	(24.9%)
<b>Adj. EBITDA</b>	<b>5.3</b>	<b>4.1</b>
<i>Margin %</i>	3.8%	3.9%
EBIT	2.5	1.5

## Select upcoming projects

Project	Value (€bn)
Hellinikon	5.0
North Crete Motorway*	1.5
Undersea Salamina connection*	0.4
*concession	
<b>Sum</b>	<b>6.9</b>

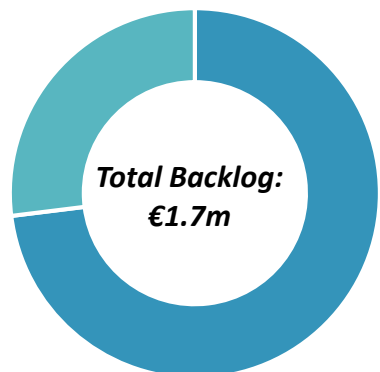


1. As of the date of publishing the FY2020 financial statements
2. PWC research
3. All figures are shown before any inter-segmental eliminations



# Backlog overview

## Q1 2021 Backlog Breakdown by Geography



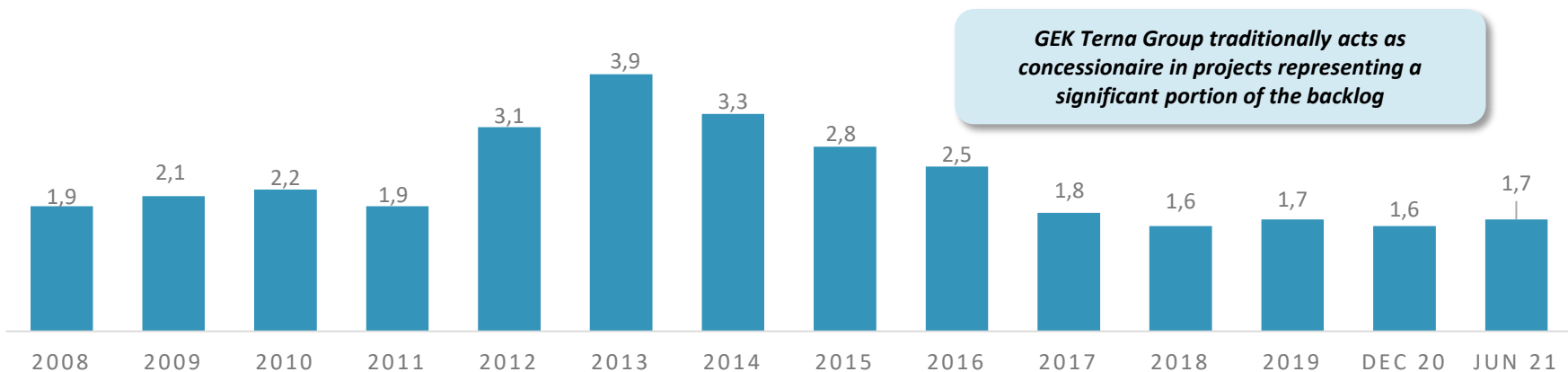
### Greece

- Largest project: Design and Construction of new international airport in Heraklion, Crete (€475m)
- Other projects include the construction of motorways, office buildings and power projects for clients such as the Ministry of Public Works
- Accounts for c73% of backlog

### Overseas

- Largest Project: Execution of buildings in Agia Napa in Cyprus (€141m)
- Other projects include construction of airports, roads and marinas in a number of countries including Cyprus, Serbia, Bahrain & UAE
- Accounts for c27% of backlog

## Construction Backlog Evolution (€bn)



*GEK Terna Group traditionally acts as concessionaire in projects representing a significant portion of the backlog*



# Concessions Segment

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# Concessions overview

## Kentriki Odos

- Total length: 231km
  - Equity invested €67m (100%)
  - Senior bank debt (non recourse): €451m
- Expiration: 2036



## Nea Odos

- Ionian Road & Central Greece Motorway (100% ownership)
- Total length: 378.7km (159km newly built)
  - Equity invested €192m (100%)
  - Senior bank debt (non recourse): €175m
- Expiration: 2037



## Olympia Odos

- Total length: 365km
  - Equity invested €209m (100%)
  - Senior bank debt (non recourse): €675m
- Expiration: 2041
- Participation: 17%



Concessions <sup>(2)</sup>	Q1 2020	Q1 2021
Revenue	36.9	27.8
Growth %	-	(24.6%)
Adj. EBITDA	23.7	16.8
Margin %	64.2%	60.4%
Net Results	(2.5)	(2.5)

## Parking

- Parking stations all over Greece
  - 2,235 total spaces
  - c.€10m investment
- Ownership varies per project, ranging between 20% and 100%

## Waste Management/E-Ticket<sup>1</sup>

- > 2 waste management projects
  - c.€26m investment
- > 1 E-ticket project
  - c.€8m investment

## Kasteli Airport

- New airport in Crete
  - 3,200m runway
  - 71,620m<sup>2</sup> terminal
  - 15m passengers per year
- Equity: €158.4m (100%); €36m subordinated loan
- Term: 35 years
- 32.5% stake

## Hellinikon Casino

- €1bn estimated project budget
- Equity: €120m
- Term: 35 years / 35% stake

1. Through participation in Terna Energy  
2. All P&L figures are shown before any inter-segmental eliminations

# Energy Production Segment

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# Energy Production – Renewable Energy (TERNA Energy)

*Largest renewable energy platform in Greece with substantial operations abroad*

## Overview

- TERNA Energy is the largest renewables energy group in Greece (758 MW) with significant activities in the USA (513 MW), Poland (102 MW) and Bulgaria (30 MW)
- Total installed capacity amounts to 1,103 MW
- Strong and visible cash flow generation through a mix of Feed-in-Tariffs
- The company is also engaged in waste management and has been awarded two waste management concessions in Greece
  - Plant in Epirus commenced operations in Mar 2019 while the plant in Peloponnese is expected to commence operations in 2022
- 330 MW in Greece (South Evia –Project Kafireas) started construction

## P&L<sup>(1)</sup>

	Q1 2020	Q1 2021
<b>Revenue</b>	76.3	78.3
<i>Growth %</i>	-	3%
<b>EBITDA</b>	<b>60.2</b>	<b>60.7</b>
<i>Margin %</i>	78.8%	77.5%
EBIT	42.9	44.3

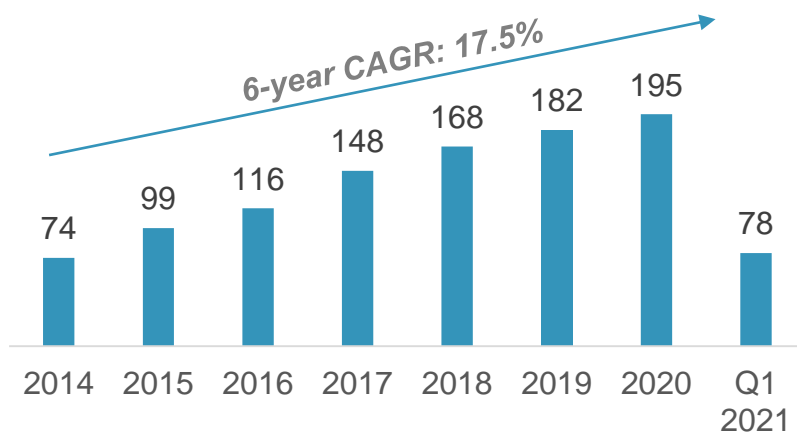


1. All P&L figures are shown before any inter-segmental eliminations

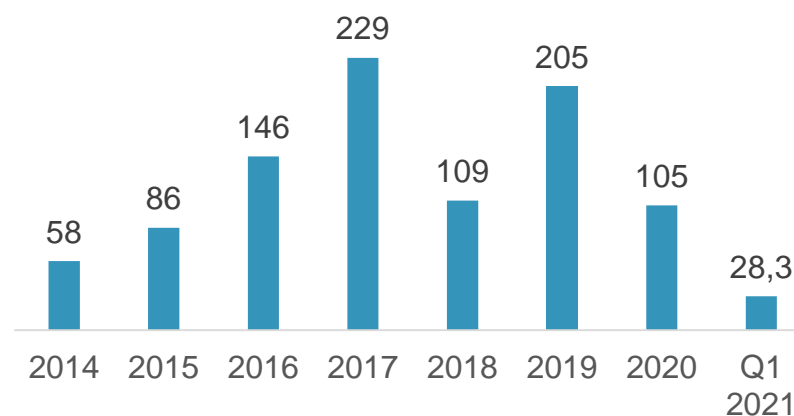
# Overview of current portfolio and future pipeline

Organic growth and value creation with a focused strategy and attractive pipeline

## Terna Energy EBITDA (€m)



## Terna Energy Capital Expenditure (€m)



## Pipeline

Project	Type	Capacity	Total Project Cost <sup>1</sup>	Cash Grant/Tax Equity	Project Finance Debt	Equity / Cash	Expected commercial operation
			€m	€m	€m	€m	
<b>UNDER CONSTRUCTION/READY TO BUILD</b>							
Peloponnese Waste Management	Waste	2.4 MW	123	66	40	17	2022
South Evoia (Kafireas)	Wind	330.0 MW	569	-	455	114	2022
Evritania	Wind	67.0 MW	81	-	63	18	2023
<b>TOTAL</b>		<b>400 MW</b>	<b>773</b>	<b>66</b>	<b>558</b>	<b>149</b>	

1. Total project cost = Cash grant/Tax equity + Project finance Debt + Equity





# Heron I & Heron II

*GEK Terna Group is engaged in thermal energy production as well as electricity distribution through its participation in Heron I and Heron II*



Overview of Thermal Plants			
Project	Status	MW	Type
HERON I	In operation	147	OCGT
HERON II	In operation	432	CCGT



## HERON I

- Independent energy producer and distributor of electricity with c. 5% market share in retail market
  - Operates the first private thermal plant in Greece
- OCGT - 147 MW capacity and 40% efficiency
- Total investment: €80m
- Operational since September 2004
- 50% stake
- Other shareholders: ENGIE (50%)

## HERON II

- The group constructed and started operation of a CCGT power plant (432 MW capacity)
- Total investment: €282m
- 70% non-recourse project finance
- In operation since August 2010
- 25% stake
- Other shareholders: ENGIE (50%); Qatar Petroleum (25%)

GEK TERNA is planning the the construction and operation of new 877 MW combined cycle power plant (€375m investment). The investment was approved by the Regulatory Authority for Energy in Jul-2019



# GEK TERNA

GROUP OF COMPANIES

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