GEK TERNA
GROUP OF COMPANIES

# Press Release

Athens, April 29, 2024

## GEK TERNA Group: Financial Results 2023

*10% increase in pre-tax profits at € 268.5m and EPS exc. non-operating items[1] at € 1.42*

*Adjusted EBITDA[2] of € 585.5m & 25% increase in shareholders returns with Capital Return of € 0.25 per share*

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

**Group's total revenues for 2023 came at € 3,449.2m** compared to € 3,938.3m in 2022, following the normalization in energy markets that exhibited significant volatility over the previous year. Operating profitability (adj. EBITDA[2]) reached € 585.5m compared to € 661.8m in the previous year. Pre-tax profits for the Group increased to € 268.5m compared to € 243.3m in 2022. **Net profit attributed to shareholders excluding non-operating items[1] stood at € 133.3m** compared to € 174.4m in 2022. It is noted that **excluding the contribution of Conventional Electricity Segment** (whose profitability was affected by the volatility in energy markets during the previous year), **Group adj.EBITDA for 2023 has increased by 39% compared to the previous year.**

Group's financial position remains strong with **parent Co. recourse adj. Net Debt on 31.12.2023 standing at € 409.0m**[3], while total adj.Net Debt (including among other the project finance facilities) stood at € 1,606m.

Considering the robust financial results and healthy financial position, but also the outlook for further growth for the Group, the Board of Directors will propose to the Annual General Assembly the **Return of Capital to shareholders of € 0.25 per share for FY 2023, representing an increase of 25% compared to last year.**

During 2023 and in the beginning of 2024 GEK TERNA Group continued to consolidate its leading position in the market, enhancing our portfolio with new emblematic projects, like the signing of the concession agreement for Egnatia Odos but also the new concession agreements for Attiki Odos and

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[1] *Earnings after tax for FY 2023 include non-operational items, namely a) loss of € 5.6m (vs. loss of 76.3m in 2022) from the change in the valuation of embedded derivative contracts that are recognised under the Concession segment; b) profit of € 20.5m from the valuation of derivative contracts in the Conventional Electricity Segment (vs. loss of €e 1.8m in 2022) ; c) profit of € 4.0m form the valuation of various participations (vs. profit of € 21.7m in 2022); d) tax expenses of the on the above mentioned items of € 4.1m (vs .16.8m in 2022). Non-operating items are not included in the adjusted Net Profit as described above.*

[2] *The definition of the alternative performance measurement indicators APMI is available in section F of the Annual Management Report of the Board of Directors the financial year 2023*

[3] *As per Note 24 F of the Annual Management Report of the Board of Directors the financial year 2023*

North Crete Motorway (Chania-Irakleio segment). In parallel the Group continued to execute projects that were under development and are expected to gradually reach commercial operation, like Komotini CCGT, in the coming periods. Also profitability for 2023 remained at high levels, as a result of increased contribution from infrastructure (concession-construction) on a recurring basis, despite the expected lower contribution of conventional energy segment.

For the coming periods Group's financial results are expected to grow, supported by the gradual commissioning of various projects of the portfolio that are reaching commercial operation (Komotini CCGT, commencement of Attiki Odos and Egnatia Odos concessions) but also the contribution for a full 12-month period of Kafireas wind park cluster. In the same context Group's balance sheet size is expected to increase from the commissioning of new projects. Recall that on a medium terms basis (within 5-years) Group's financials are expected to double just by the commissioning of projects that have already been awarded.

In parallel the Group continues to prepare and participate in a significant number of tenders that are expected in the market over the coming periods. Worth noting that IOBE (a leading Greek think tank) in a recent study for the construction sector in Greece estimated the total investments to reach € 52bn on a medium to long term basis. Considering the knowhow, vertical integration and robust financial position, GEK TERNA Group is anticipated to continue to lead in the infrastructure sector creating value for its shareholders, employees and the local communities.

**Key Financial Figures**

| **€ m** | **FY 2023** | FY 2022 |
|---|---|---|
| Total Revenues | **3,499.2** | 3,938.3 |
| Adjusted EBITDA[2] | **585.5** | 661.8 |
| Net earnings attributed to shareholders of the parent | **147.8** | 136.5 |
| Net earnings attributed to shareholders of the parent adjusted for non-operating items[1] | **133.3** | 174.4 |
| EPS adjusted for non-operating items[1] | **1.42** | 1.82 |

| **€ m** | **FY 2023** | FY 2022 |
|---|---|---|
| Recourse adj. Net Debt[3] | 409.0 | 424.8 |
| Adj. Net Debt[2] | 1,605.6 | 1,359.3 |
| Adj. Net Debt[2] / adj. EBITDA[2] | 2.7x | 2.1x |

In more detail:

**Total Revenues of the Group for 2023 stood at € 3.499,2m compared to € 3,398.3m in 2022 mainly due to lower revenues in the energy segment but also increased revenues in construction and concessions.** In more detail:

- Revenues of the construction segment increased to € 1,141.3m compared to € 1,042.2m in 2022, driven by the execution of the Group's investment plan in private and public projects.
- Concessions segment revenues climbed to € 227.5m compared to € 202.2 during 2023 following increased traffic volumes in Nea Odos and Kentriki Odos as well as the initiation of operations of the waste management units in Peloponnese.
- The segment of Energy generation and supply (electricity and natural gas) in Greece and abroad total revenues amounted to € 1,960.9m compared to € 2,897.3m in the respective period last year following the de-escalation of energy prices.

**Operating profitability (adjusted EBITDA)[2] for the Group reached € 585.5m in 2023 compared to € 661.8 m in 2022, with the respective margin remaining stable at 16.7%.** In more detail:

- Construction segment adj. EBITDA reached € 136.6m vs. € 80.6m in 2022, due to increased revenues and the profitability margins that remained at healthy levels for the projects under execution.
- Concession segment adj. EBITDA climbed to € 164.8m compared to € 111.7m during 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 € 303.2m compared to € 496.6m the respective last year period, mainly due to lower revenues.

**Operating profits before taxes and interest expenses (EBIT)[2]** came at € 393.2m compared to € 415.8m last year.

**Pre-tax profits in 2023 reached** € 268.5m compared to € 243.3m in 2022.

**Profits after taxes attributable to shareholders** came at € 147.8m in 2023 compared to € 136.5m in 2022.

Profits after taxes attributable to shareholders have been affected by non-operating items[1] totaling a profit of € 14.5m for 2023 compared to a loss of € 37.9m for 2022.

**Profits after taxes attributable to shareholders without the impact of said non-operating items[1] for 2023 reached € 133.3m compared to € 174.4m for 2022**.

**For 2023 Group generated net operating cash flow of € 235.0m** compared to € 244.0m for 2022. Total investment outflow stood at € 184.2m vs. € 291.5m in 2022 and is almost entirely attributed to investments in Renewable Energy.

**Group's Cash and Cash Equivalent at the end of 2023 remained high and reached € 1,310.6m** (not including restricted deposits of (€ 146.1m) vs. € 1,491.7m on 31.12.2022. **Net Debt with recourse to the Parent Co[3] stood at € 409m,** while non-recourse debt (including amongst other the project finance facilities) stood at € 1,196.6m. **Group leverage as accounted by adj. Net Debt/adj.EBITDA stood at 2.7x vs. 2.1x in 2022.**

**Strong operating performance across all segments**

**In construction segment at the end of 2023 the backlog remained high and including projects to be signed as well as own investments reached € 5.3bn** (stable vs. end-2022). In more detail, the backlog of the signed projects amounts to € 3.4bn, while the Group has since signed or expects to sign additional projects of € 1.9bn. **Over the total backlog, more than 70% concerns private projects (own investments and third parties), while over 55% concerns projects that the Group participates as investor.** It is noted that following the increase in backlog over the last periods, the Group during 2023 recorded a new high in construction, having managed to increase its revenues by more than 2.0x in less than 2 years, showcasing its capacity to undertake and execute the largest infrastructure projects in Greece.

**In Concessions segment,** traffic in our operating motorways (Nea Odos and Kentriki Odos) increased during 2023 depicting the increased economic activity in the country. Also all three waste management facilities in Peloponnese are now in operation. Moreover the development of projects continues, with the new international airport in Kasteli Crete construction progress exceeding 30% with a target to reach 50% by the end of the current year. Regarding the IRC in Ellinikon, preparatory construction works commenced towards the end of 2023. In respect to Egnatia Odos, during 1Q 2024 the concession agreement with the Greek State was signed and we are expecting the completion of contractual provisions by the State to take over the project within 2024. Also during 2023 we signed the agreement for the construction and operation for 30 years under a PPP scheme of North Crete Motorway (Chersonisos-Neapoli segment) in which GEK TERNA participates with 55%, while the sub-concession agreement for Kavala port for 40 years was also signed with GEK TERNA participating in the relevant JV with 35% stake. Regarding Attiki Odos (the Group has been declared in September 2023 preferred investor for the financing, operation, maintenance and exploitation of Attiki Odos for 25 years) the process for the signing of the concession agreement within 2024 is ongoing inline with the tender timeline. Finally in early 2024, the Group has been declared preferred concessionaire for the segment Chania-Irakleio of North Crete Motorway for 35 years, with the preparation for the signing of the concession agreement having started.

**In the Conventional Energy Segment** electricity demand in Greece in 2023 declined by 2.3% because of milder weather during the winter period but also measures to reduce energy consumption. Despite lower market demand, Heron Energy booked higher sales volumes by 36% compared to 2022 following the increase of its market share to 10.8% in December 2023 (vs. 6.7% in December 2022). Reduced demand, increased RES production due to higher capacity and increased imports, led production from gas-fired units in the Greek system to decline by 18.5% compared to last year. In the context Group's generation volumes form natural gas units declined by 19% vs. 2022. For the more effective management of the subsidiaries in the conventional energy segment, on 21.12.2023 the Group proceeded to the merger of Heron II Voiotias and Heron Energy, with GEK TERNA Group remaining 100% owner of the entity. **Finally the new CCGT unit in Komotini that the Group is developing under a 50/50 JV with Motor Oil, construction progress is over 90%, with trial operation expected in the coming months.**

**In the RES segment, total installed capacity increased to 1,224 MW at the end of 2023** (vs. 906 MW in 2022) following the commissioning of Kafireas wind cluster. Load factor for the Group during 2023 stood at 28.6% compared to 31.7% for 2022, mainly due to the wind conditions that prevailed in the country during the first part of the year, while a normalization has been recorded towards year end. As a results total electricity production during 2023 increased by 7.5% y-o-y. In respect of new projects, the Group anticipated the commissioning of more than 600MW of new capacity during 2024-25 (mostly PV), while the construction of Amfilochia hydro pump storage unit continues on a steady pace. Recall that according to the Group's investment plan, total installed capacity is anticipated to exceed 6.0GW by the end of the current decade.

## 4Q 2023 financial results

During 4Q 2023 total revenues of the Group reached € 969.9m compared to € 1,176.3 in the respective period of 2022, with the decline attributed to lower revenues in the conventional electricity segment following the de-escalation of power prices. Operating profitability (adj. EBITDA) for the fourth quarter stood at € 189.1m versus € 256.9m in the respective quarter of 2022, with the decline being entirely attributed to the lower contribution or the conventional energy segment.

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