

## Press Release

Athens, November 1<sup>st</sup>, 2023

### **TERNA ENERGY Group: Financial Results 9M 2023**

*Adjusted net income increases by 87.5% y-o-y in 3Q 2023*

*Adjusted EBITDA of € 124.5 million and adjusted net income of € 42.0 million in 9M 2023*

TERNA Energy (Bloomberg: TENERGY GA / RIC: TENr.AT) announces 9M 2023 financial results.

Significant increase in revenues (+28.3%), adjusted EBITDA (+26.7%) and adjusted net income (+87.5%) is reported for 3Q 2023, on the back of increased effective capacity following the gradual operation of Kafireas project – the largest wind park in Greece with 330 MW total capacity – as well as the normalization of wind conditions which counterbalanced the soft wind conditions that prevailed during the first half of 2023.

As already announced, **Group's 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 third quarter. For the coming periods, TERNA Energy Group expects a significant increase in revenues and operating profitability following the start of full operation of Kafireas wind park, which marks an increase in installed capacity by approximately 35% and is expected to have a corresponding positive contribution in operating profitability (on an annualized basis). Also, the waste management project in Peloponnese is now in full commercial operation and together with the other projects in the concessions/PPP sector (waste management project in Epirus, Electronic Ticketing) will further strengthen the Group's long-term performance.

In terms of wind conditions, after a weak performance during the first 7 months of the year, they recovered to normalized levels in August and September. More specifically, the load factor stood at 29.6% in 3Q 2023 compared to 29.2% the respective last year period.

In more detail, **total revenues from continued operations totaled € 90.2 million** in the 3<sup>rd</sup> quarter of 2023 vs € 63.1 million in 2022, as a result of the increase in RES production by +28,4%, and further positive contribution from the waste management following the launch of the project in Peloponnese and the construction as well.

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**Adjusted operating earnings before interest, taxes, and depreciation (adj. EBITDA)<sup>1</sup> from continued operations came at € 49.8 million** in 3Q 2023 compared to € 33.0 million during the respective last year period. Furthermore, **adjusted net profits in 3Q 2023 amounted to € 18.0 million** compared to € 9.6 million in 3Q 2022.

#### Key financial figures – Continued Ops

€ m	3Q 2023	3Q 2022
Total revenues	90.3	63.1
Revenues from RES	67.8	52.8
adj. EBITDA <sup>1</sup>	49.8	33.0
adj. Net income <sup>1</sup>	18.0	9.6

On a nine-month basis, **the strong performance in the third quarter fully mitigated the soft performance in the first semester** (production was down by 9.7% y-o-y in 1H2022) **with total energy production in the first 9 months of 2023 increasing by 2.3%** compared to 9M 2022.

#### Key operating KPIs

	9M 2023	9M 2022
Load factor	<b>27.9%</b>	31.1%
RES generation (GWh)	<b>1,799</b>	1,759

For the nine-month period, **total revenues from continued operations climbed to € 235.9 million** vs € 218.9 million in the respective last year period. RES sales stood at € 173.1 million vs € 175.2 million in 2022. At the same time, the increasing trend in revenues from other activities (i.e. waste management, electronic ticketing and construction) was maintained.

**The adjusted operating earnings before interest, taxes, and depreciation (adj. EBITDA)<sup>1</sup> from continued ops of the Group amounted to € 124.5 million** in 9M 2023 compared to € 126.5 million during the respective last year period. It is noted that operating profitability (EBITDA) in 9M 2022 totaled € 105.6 million, affected by a provision (non-cash) of € 20.9 million related to the share bonus scheme, versus € 123.6 million in 2023.

Net financial expenses amounted to € 31.6 million vs € 24.3 million in the corresponding last year period, posting an increase mainly due to the addition of the debt related to the Kafireas project. It is noted that the average interest rate for TERNA Energy Group stood at 4.2% (vs 3.9% in 2022), while

<sup>1</sup> EBITDA adjustments: cost of € 0.4m for share bonus scheme in 3Q 2023 (vs € 7.8m in 3Q 2022). Same for net profits.

78% of the total debt was either bearing fixed interest rate or it was hedged with derivatives, supporting the profitability in the current interest rate environment. Also, 74% of the total debt pertains to non-recourse debt.

**Pre-tax profits in 9M 2023 totaled € 54.6 million** vs € 50.8 million in 9M 2022. **Net profits from continued operations for 9M 2023 amounted to € 40.7 million** compared to € 32.4 million for 9M 2022.

### Key financial figures – Continued Ops

€ m	9M 2023	9M 2022
Total revenues	235.9	218.9
Revenues from RES	173.1	175.2
adj. EBITDA <sup>2</sup>	124.5	126.5
adj. Net income <sup>2</sup>	41.9	53.1
Net income	40.7	32.4
Net Debt	844.4	669.3 <sup>(*)</sup>

(\*) as of 31.12.2022

**On an adjusted basis<sup>2</sup>, net profits from continued operations totaled € 41.9 million** compared to € 53.1 million in 9M 2022. It is noted that net profits for the nine months of 2023 have been affected by the increased costs for financial expenses and depreciation related to Kafireas project, which has been operational for only a small part of the period. With the full operation of the project and the increase in operating profitability, as mentioned above, a similar trend is expected at net profit level.

**Groups' net operating cash flow from continued operations amounted to € 113.9 million at the end of 9M 2023** (€ 58.9 million for 3Q 2023), while Capex for the period totaled € 178.0 million and was almost exclusively directed to the new projects of the company. It is noted that during the third quarter of the year the dividend for the year 2022 totaling the amount of € 46 million was paid to the shareholders.

**The Group's net debt position (debt minus cash, cash equivalent and restricted cash for debt obligations) on 30/09/2023 amounted to € 844.4 million** compared to € 669.3 million on 31/12/2022, following investments and the dividend payment. Cash reserves that are not subject to any restriction other than the restrictions for borrowing obligations amounted to € 402.2 million, supporting the seamless execution of the investment program.

**The Group's leverage (net debt/adj.EBITDA) stood at 5.2x at the end of the third quarter and remained stable compared to the end of the previous quarter** despite CAPEX and return of cash to

<sup>2</sup> EBITDA adjustments: cost of € 0.9m for share bonus scheme in 9M 2023 (vs € 20.9m in 9M 2022). Net profit adjustments: cost of € 0.9m for share bonus scheme in 9M 2023 (vs € 20.9m in 9M 2022) and loss of € 0.3m from financial instruments measured at fair value in 9M 2023 (vs € 0.2m profit in 9M 2022).

the shareholders. It is worth noting that almost 100% of the funds had been invested in the Kafireas project by the end of 3Q 2023 with the project contributing though only marginally to the Group's revenue for the period. With the initiation of full operation of the project, the leverage ratio is expected to normalize.

In the medium term, the Group continues uninterrupted its investment plan, having now under construction the large pumping and energy storage project in Amfilochia. Still gradually from the end of this year and within 2024, it is planned to start the construction of new assets (mainly photovoltaics) in Greece and SE Europe of more than 550 MW, while projects both in Greece and abroad continue to be examined on a case-by-case basis. At the same time, the Group is working to further mature projects of various technologies (e.g. hydroelectric, storage, hybrid, etc.) in Greece, which are expected to be able to gradually start construction from next year. **In this context the total installed, under construction and ready to build capacity stands at 2,500 MW.**

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