

Company Presentation

April 2020



Section 1: Company and Asset Overview

Section 2: Highlights

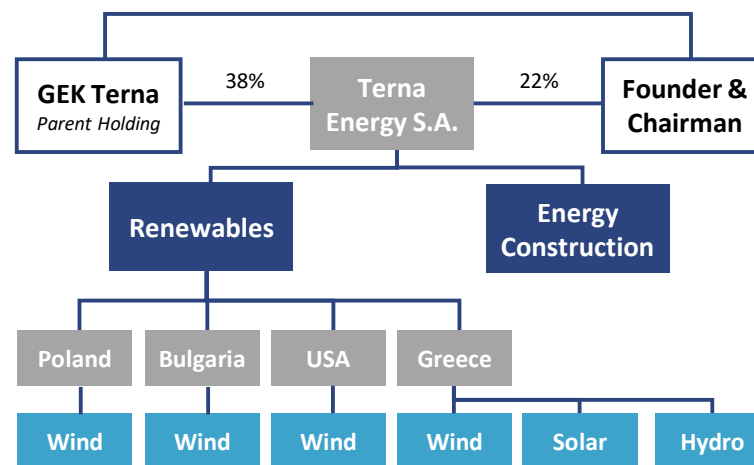
Section 3: Financial Performance

Terna Energy Company Overview

- Largest Greek renewable company
- 1390 MW of currently installed capacity
- c550 MW under construction or ready to build capacity
- Geographic diversification with 27% of sales in Eastern Europe and US
- Strong financial profile with 201 revenues of €299 MM and EBITDA of €182 MM
- Market capitalization: €900 MM as of 3th March 2020

Key Financials

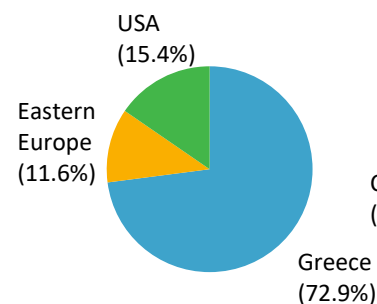
€ MM	FY13	FY14	FY15	FY16	FY17	FY 18	FY 19
Sales	139.6	158.3	198.6	225.6	276.5	292	299.1
Sales Growth	13%	13%	26%	14%	23%	5,6%	2,4%
EBITDA	69.9	74.1	99.3	115.8	147.5	167.9	182
EBITDA Margin	50%	47%	50%	51%	53%	58%	60,8%
EBIT	35.3	43.5	62.7	74.8	105.3	120.1	123
Net Income	4.4	5.8	17.4	21.4	37.1	47.1	53.2
Cash Flow before Working Capital Changes	70.2	74.8	103.8	116.3	150.0	167.5	183
Cash Flow Conversion ⁽⁶⁾	100%	101%	105%	100%	102%	101%	99%
Capital Expenditure	36.0	58.1	85.9	145.5	229.2	109.3	205
Net Financial Debt	242.2	254.5	346.3	554.5	563.9	606	716
Net Financial Debt / EBITDA	3.5x	3.4x	3.5x	4.8x	3.8x	3.6x	3.9x



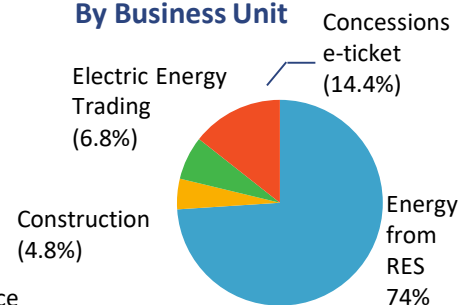
Sales by Geography and by Business Unit

FY 2019

By Geography

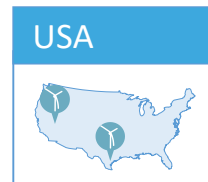


By Business Unit



Asset Portfolio Overview

48 Projects



Legends

Wind Energy
 Solar Energy
 Hydroelectric Projects
 Waste Management

Assets in Operation

	Energy Type	Capacity (MW)	COD	PPA Life Left (Y)
Greece		607		
Tsilikoka		10.2	2000	1.8
Tsouka Tsougari		12.0	2000	1.8
Profitis Elias		11.2	2001	2.6
Pyrgari		5.4	2001	2.8
Didimos Lofos		26.0	2005	13.8
Perdikokorifi		14.5	2006	14.9
Mytoulas		34.2	2006	14.7
Chonos		4.5	2006	14.5
Chylos		11.7	2013	15.1
Rhodos		17.9	2014	15.3
Ksirovouni		6.3	2014	15.2
Lefkes Kerasia		8.4	2018	18.9
Servouni		18.9	2019	19.4
Epirus Waste		1.6	2019	N/A
Gouri		32.2	2014	15.6
Loggarakia		18.0	2014	15.6
Raxoula (2)		8.0	2014	15.9
Derveni		24.0	2014	16.3
Mavrovouni (2)		8.0	2015	16.5
Louzes		24.0	2008	16.5
Eleousa		6.6	2008	17.1
Adendro		1.0	2016	17.6
St. George Project		73.2	2016	17.8
Mavroplagia – Kastro		17.2	2017	18.2
Mougoulios		16.5	2017	18.5
Plagia – Psiloma		14.9	2017	18.7
Scopia		20.0	2010	19.2
Raxoula (3)		6.0	2018	19.4
Eressou Ipsoma - Fourka		36.0	2018	19.2

*Hedging agreement

	Energy Type	Capacity (MW)	COD	PPA Life Left (Y)
Greece				
Lefkes Kerasia		8.0	2018	19.2
Dafnozonara		11.2	2011	19.7
Mavrovouni (1)		19.6	2011	19.9
Krekeza		30.0	2011	20.1
Raxoula (1)		30.0	2011	20.4
Vathichori Station I		6.0	2011	20.0
Louzes (PV)		1.1	2012	20.7
Vathichori Station II		1.5	2013	21.2
USA		651.4		
Mountain Air, Idaho		138.0	2012	14.1
Fluvanna I, Texas		155.4	2017	12*
Fluvanna 2, Texas		158	2019	19.7
Bearkat, Texas		200	2018	19.1
Poland		102		
Chelmza		4.0	2015	N/A
Chojnice		6.0	2015	N/A
Czarnozylly		16.0	2012	N/A
Gorzkowice		12.0	2011	N/A
Krzyzanow		20.0	2011	N/A
Makow		12.0	2014	N/A
Nasielsk		10.0	2012	N/A
Sieradz		8.0	2013	N/A
Szadek		8.0	2012	N/A
Tuchola		6.0	2015	N/A
Bulgaria		30.0		
Karapelit		12.0	2012	5.1
Vranino		18.0	2013	5.2
Total Portfolio:		1390		

Diversified portfolio of RES projects

Expansion outside Greece

Status		Wind (MW)	SHPS & Pump Storage (MW)	P/V (MW)	Biomass & Co-generation (MW)
In operation	<i>Greece 607 Poland 102 Bulgaria 30 USA 651</i>	1361	18	9	2
Under construction (or ready to built)	<i>Greece 550</i>	547			2.4
With production licence		1.605	761	18	
Application for production license filed		3.263	3.444	15	19

Key Investment Highlights

An Established Renewables Energy Platform with Strong In-House Capabilities, Proven Track Record and Attractive Growth Potential

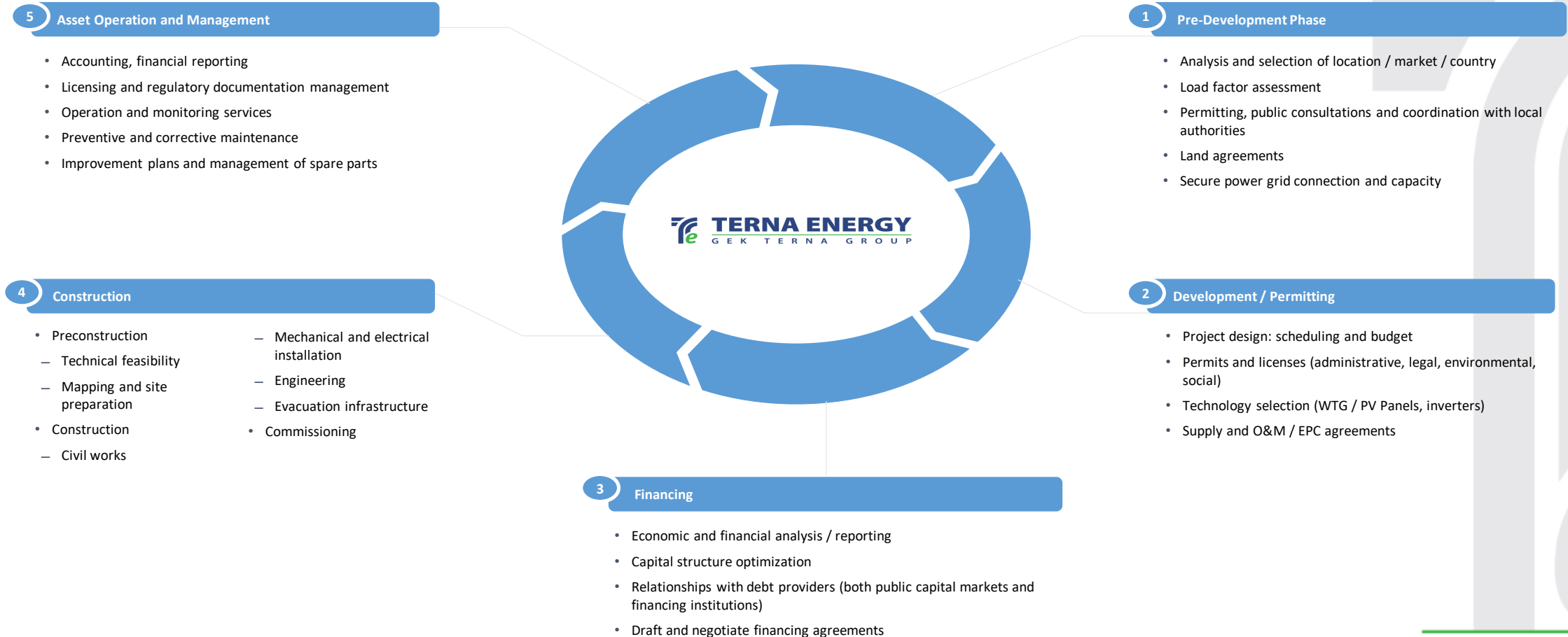


Notes:

1. 170.92 MW of Wind and 160.40 MW of Solar have already been auctioned on 2nd July 2018 and announced on 4th July 2018

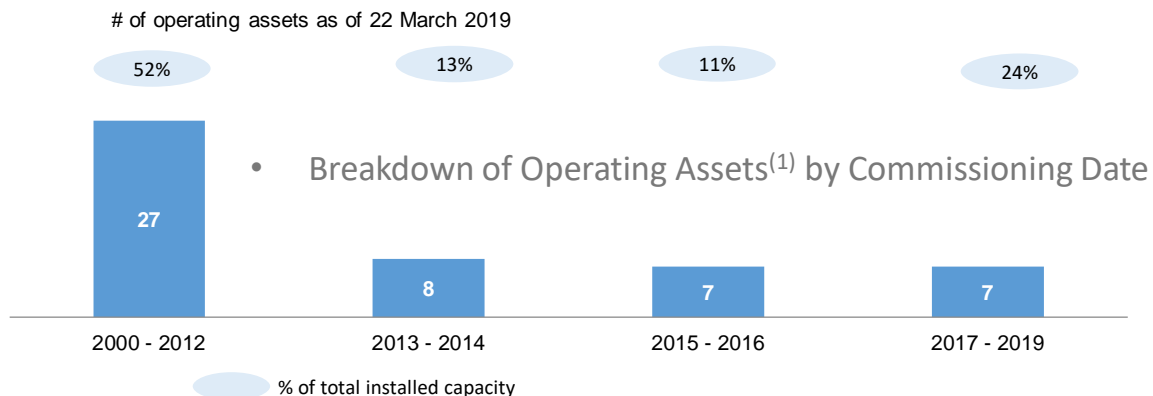
Vertically Integrated and Efficient Platform

Fully Integrated Platform, With Proven Capabilities
Across the Whole Value Chain

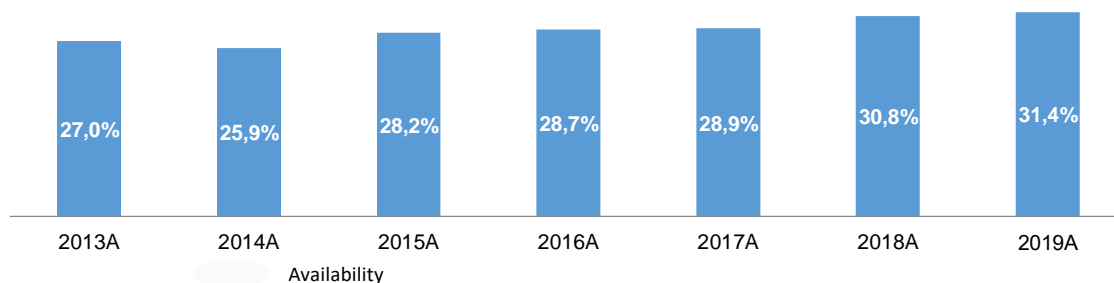


High-Quality Renewable Asset Portfolio

Young Asset Portfolio with a Weighted Average Operating Life of 5 Years



Load Factors Evolution⁽²⁾



Notes:

1. 49 Wind assets, 3 Solar assets, 2 Hydro assets and 1 Biomass asset
2. Load factors refer to Terna Energy Total including Wind, Mini Hydro and Solar.

Key Considerations

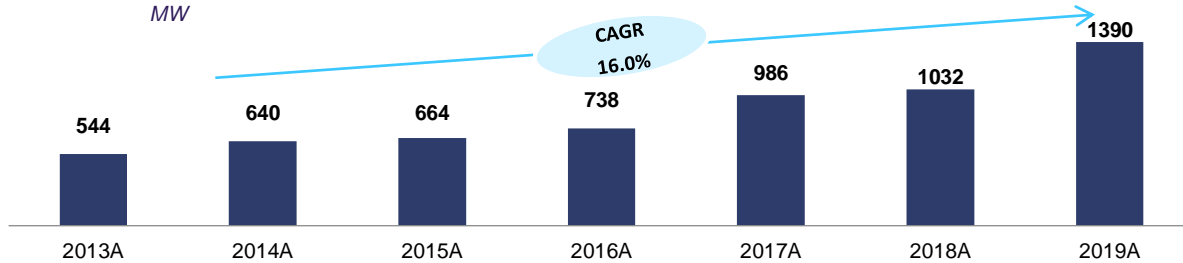
- Young asset portfolio with a weighted average operating life of c. 5 years
 - c. 50% of the assets (in terms of total capacity) been commissioned in the past 5 years
- Stable and industry leading load factors, supported by best in class practices, in-house O&M capabilities and management expertise
 - Load factor of 31.4% in 2019
 - Substantially higher than a number of other European wind markets
- Terna Energy holds a #1 position by market share in Greece with 607 MW of installed capacity
 - As the first mover in wind energy, the Company secured the best locations for its farms
- Strong operational performance is supported by best-in-class technology, supplied mainly by top tier international contractors; Gamesa, Siemens and Vestas

Success Story of Organic Growth and Value Creation...

Strong Track Record Of Organic Growth, Resulting in Increasing EBITDA and Cash Flow Conversion

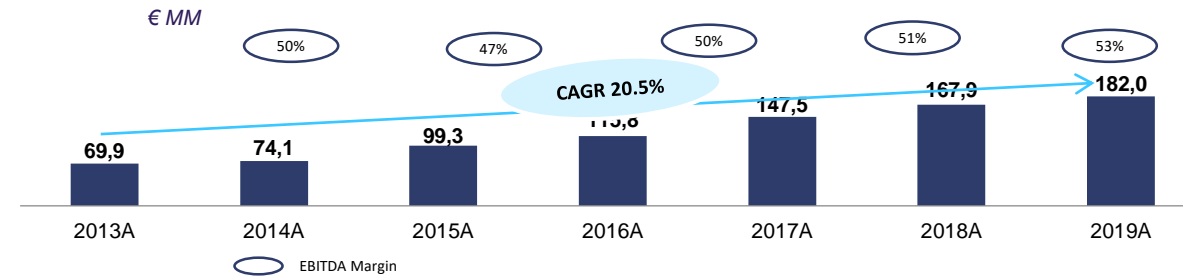
Installed Capacity

MW



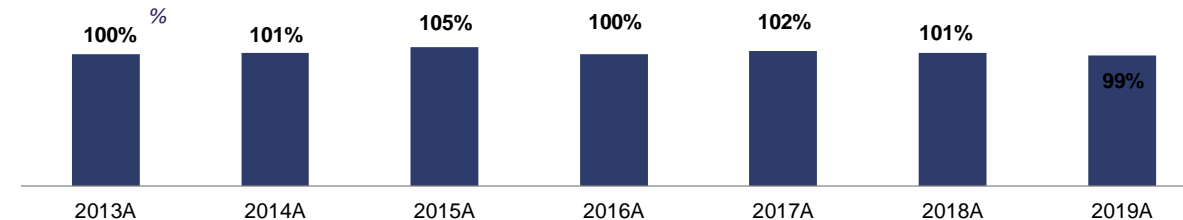
EBITDA

€ MM



Cash flow conversion⁽¹⁾

%



Notes:

1. Defined as cash flow before working capital changes over EBITDA

Key Considerations

Installed capacity

- Terna Energy has delivered strong growth historically – for the period between 2013-2019;
 - increased its installed capacity at a 16% CAGR (from 544 MW to 1390 MW)
 - grown its installed capacity in Greece at a CAGR of more than 17% (from 302 MW to 607 MW)
 - delivered projects on budget and on time

EBITDA

- Strong EBITDA growth reflecting the increase in installed capacity
- EBITDA margins have been increasing from 45% to 60.8%

Cash Flow Conversion

- High cash flow conversion increasing together with the delivery of new capacity

Strong Operational and Technical Excellence

Skilled Engineering Team

- Founder and shareholder, as well as key senior managers have civil and mechanical engineering backgrounds
- Large technical team of over 80 engineers

Construction Synergies

- Very strong operational and technical capabilities
- In-house construction of projects
- Track record of projects completed on time and on budget

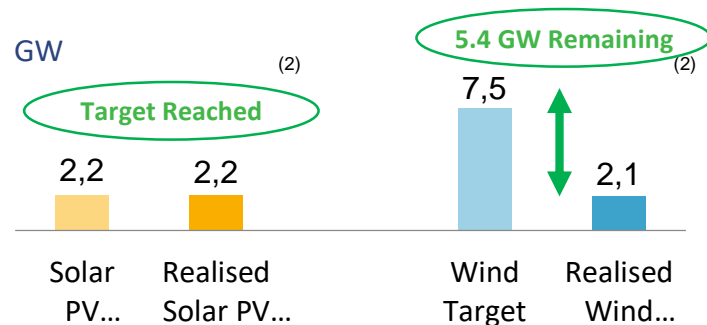
Maintenance & Insurance Coverage

- Maintenance agreements with the turbine manufactures working with Terna Energy's engineering teams ensures transfer of valuable know-how to the company
- Full insurance coverage both for damages and revenue loss
- Turbines come with 5-year guarantees; expected life of c.25 years

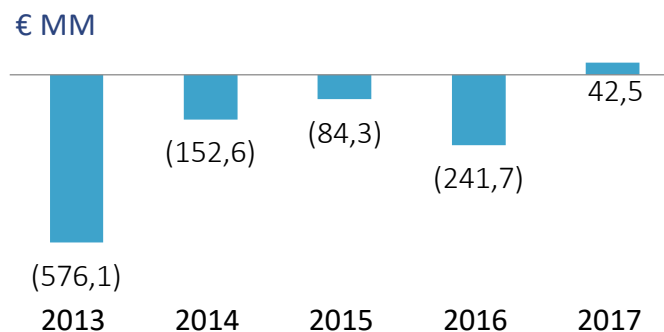


A Stabilized Renewable Regulatory Framework in a Recovering Greek Economy

Government remains committed to its RES target for 2020



By resolving the RES deficit, the new regime offers a stable framework for the long term



Notes:

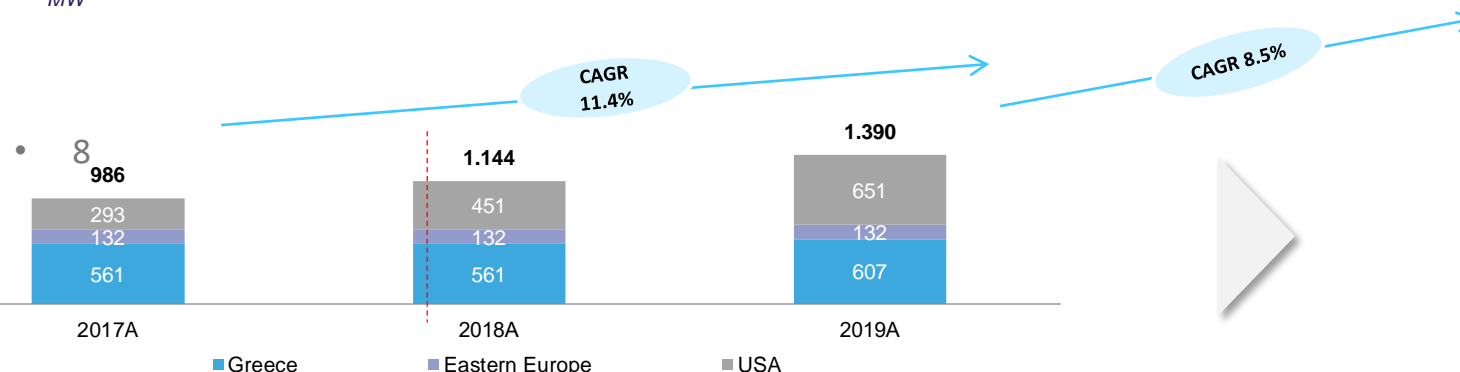
1. IMF Forecasts World Economic Outlook, April 2017
2. As of June 2017

...With a Focused Growth Strategy and Attractive Pipeline

Focused Growth Strategy with Attractive and Visible Pipeline

A Successful Growth Story So Far With a 2 GW Target by 2025...

MW



- The Company has a strong and credible 7-year growth plan to reach c. 2 GW (by 2025)

- This can be comfortably achieved through:

- Competitive tenders in Greece (2.6 GW ⁽¹⁾ between 2018 and 2020)
- Additional capacity in the US
- Additional capacity of 241 MW in pre- / under- construction phase
- Existing production license for c. 2.4 GW of additional capacity

2.000

2025E

...With an Attractive and Visible Pipeline to Achieve it

Project	Type	Capacity (MW)	Total Project Cost* €m	Cash Grant/Tax Equity € m	Project Finance Debt € m	Equity / Cash € m	Expected commercial operation
UNDER CONSTRUCTION/ READY TO BUILD		548.4 MW					
Evoia SPA (A+B phase)	Wind	119 MW	150	-	120	30	2020
Peloponnese Waste Management	Waste	2.4 MW	122	66	43	15	2020
South Evoia	Wind	330 MW	520	-	390	130	2021
Taratsa	Wind	30 MW	31	-	23	8	2021
Evritania	Wind	67 MW	81	-	63	18	2021
TOTAL		548.4 MW	904	66	639	201	

* Total project cost = (1)+(2)+(3) = Cash grant/Tax equity + Project finance Debt + Equity

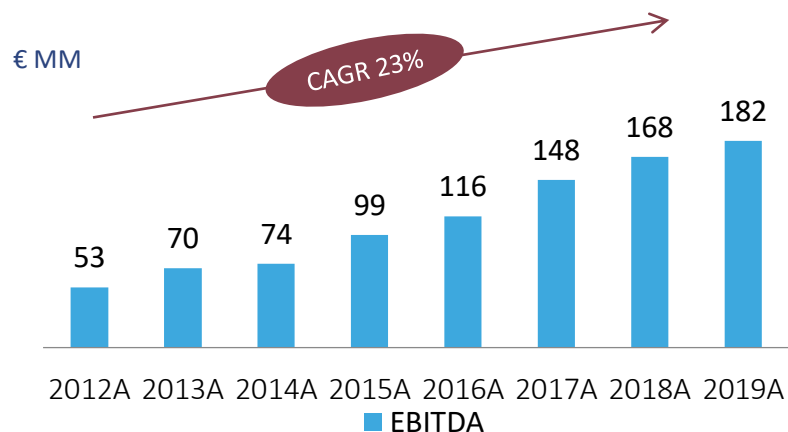
Terna Energy Market Positioning

Rapid Deleveraging from EBITDA Growth and High Cash Flow Conversion

Steady 23% EBITDA CAGR

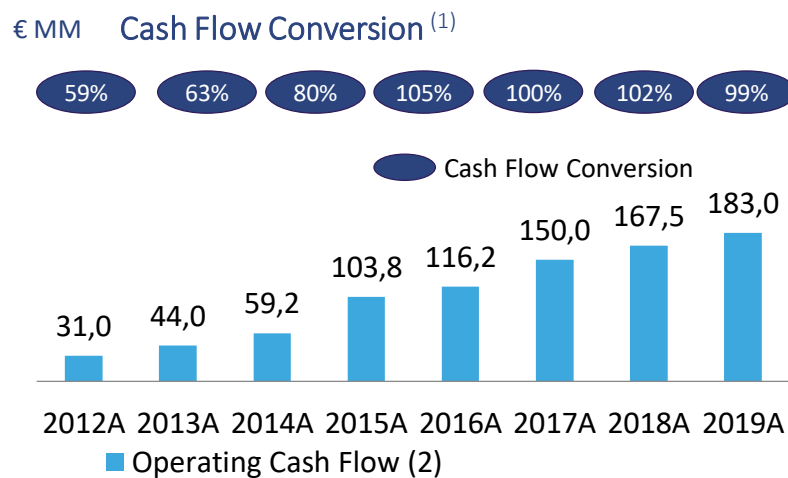
- Long term visibility on volume off takes
- Contracted prices
- Track record of project developments

Strong Growth in Realized EBITDA



Outstanding cash flow conversion

- No maintenance capex
- Rapid deleveraging on a like-for-like basis



Notes:

1. Cash Flow Conversion = Operating Cash Flow / EBITDA
2. Operating Cash Flow after Working Capital Changes

Strong Financial Performance

€m	Revenue			EBITDA			EBIT			Net income		
	FY 2019	FY 2018	Variance (%)	FY 2019	FY 2018	Variance (%)	FY 2019	FY 2018	Variance (%)	FY 2019	FY 2018	Variance (%)
Energy from RES	237,3	216,3	9,7%	177,7	156,3	13,7%	121,3	108,6	11,69 %	48,4	37,1	30,46 %
Construction	3,4	14,4	-76%	0,9	5,2	-82,7 %	0,9	5,1	-82,35 %	0,6	3,7	-83,78 %
Electricity Trading	37,0	19,7	87%	2,3	1,6	43,8 %	2,2	1,6	37,50 %	1,1	1,5	-26,67 %
Concession (e-ticket & Waste Management)	21,5	41,6	48%	1,1	4,9	-77,6 %	1	4,9	-79,59 %	3,1	4,7	-34,04 %
Total	299,1	292,1	2,4%	182,0	167,9	8,4%	125,5	120,1	4,4%	53,2	47,1	13,2%

Net Debt position

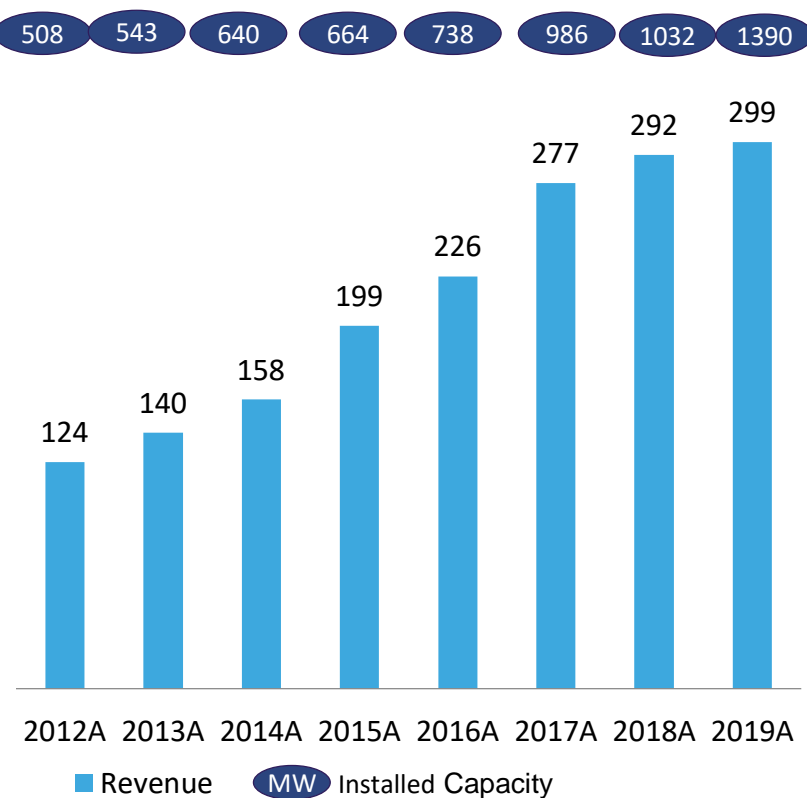
€ million	FY 2019	9M 2019
Net Financial Debt	716	711
Other Financial obligations (US Tax Equity)	375.8	420

Net Financial Debt increased in Q4 by c. € 5 due to Capital Expenditure

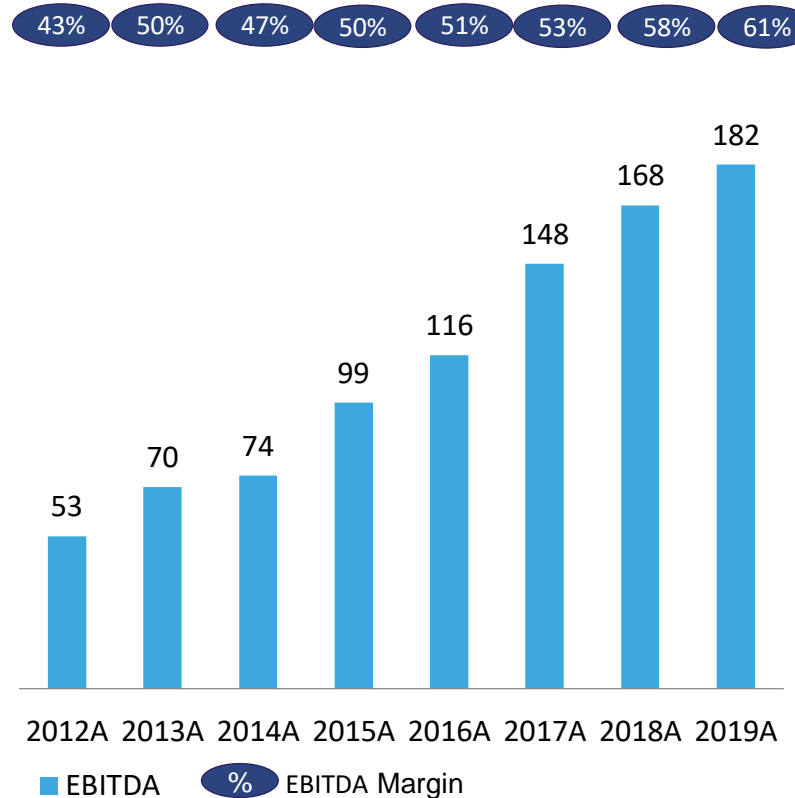
Strong Financial Performance

Run-rate EBITDA increases with capacity

Installed Capacity and Revenue
€MM



EBITDA and EBITDA Margin
€MM



YR 2019 Key Performance Indicators

Revenue
(vs FY 2018)

€299.1m

+2.4%

EBITDA
(vs FY 2018)

€182 m

+ 8.4%

EBITDA Margin
(vs FY 2018)

60.8%

+ 330 bps

Net Profit
(vs FY 2018)

€53.2m

+ 13.1%

Net Debt
(vs 9M 2019)

€716m

+3.9%

RES Revenue Outside
Greece

c47%

Installed Capacity¹

1,390 MW

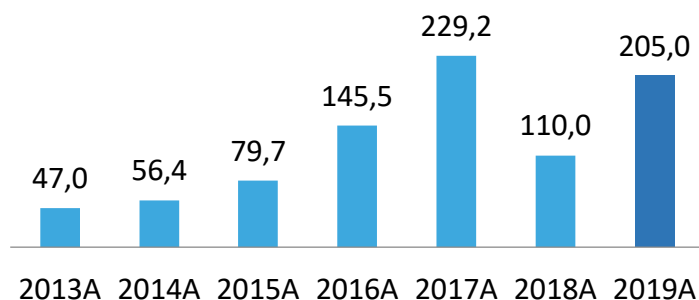
Under Construction
(or ready to be
built/acquired)

548 MW

1. As of Apr-19. Includes wind, hydro, solar and biomass capacity

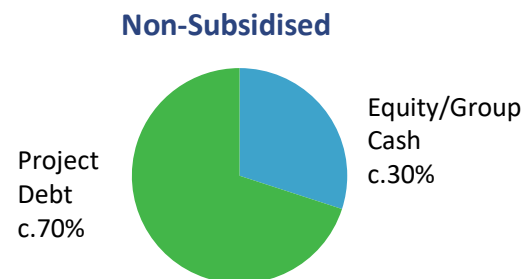
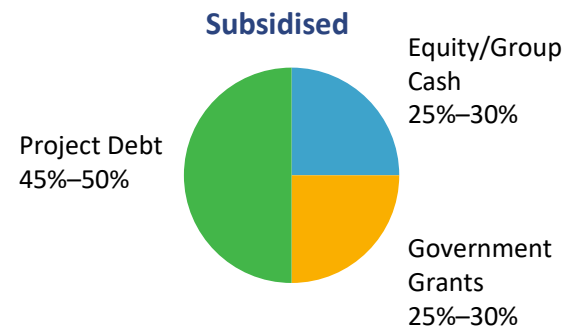
Capital Expenditure

Historical Capital Expenditure
€MM



- No maintenance capex
 - Maintenance costs accounted for as operating expenses on the Income Statement
- All capex is for expansion

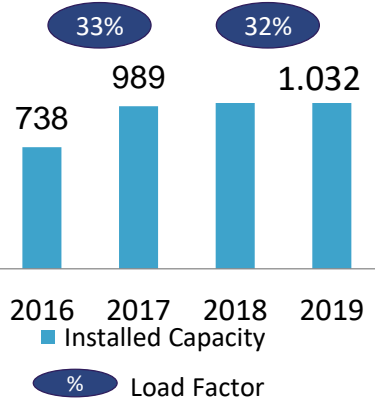
Typical Funding Structure



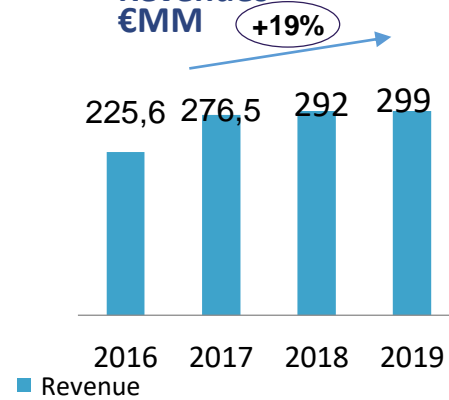
Projects without grants benefit from higher contracted tariffs, allowing to raise more project debt and to de-lever faster

2019 Performance Update

Key drivers MW

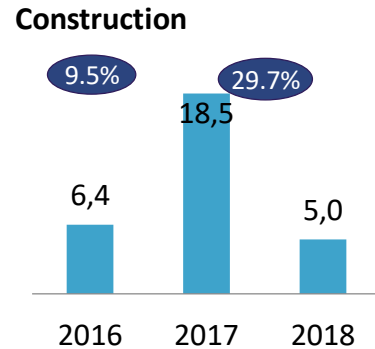
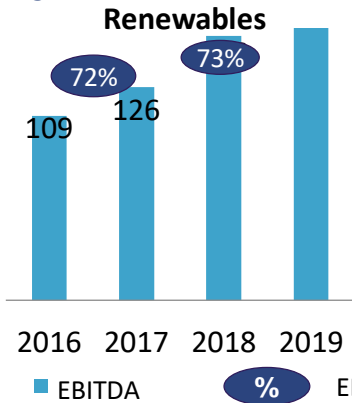


Revenues €MM



- Continued increase in capacity (+18% y-o-y)
- High load factor
 - Energy results negatively impacted by weather conditions, in H1 in particular
- Outstanding performance in both renewables and construction segments
 - Extraordinary levels of EBITDA margins in the renewables segment with 73% for the 2019

EBITDA and EBITDA Margin €MM



APPENDIX

Financial Data

Profit & Loss

in €m	FY 2019 Actual	as % of Revenue	FY 2018 Actual	as % of Revenue	vs. 2018 %
Revenue	299,1	100,0%	292,1	100,0%	2,4%
Cost of sales	-170,3	-56,9%	-168,4	-57,7%	1,1%
Gross profit	128,8		123,6		4,2%
<i>GP Margin</i>	<i>43,1%</i>		<i>42,3%</i>		
Administrative expenses	-22,5	-7,5%	-16,4	-5,6%	37,4%
Research and development	-1,9	-0,6%	-1,1	-0,4%	82,6%
Other income, net	18,5	6,2%	11,9	4,1%	55,5%
Operating profit	122,9	41,1%	118,1	40,4%	4,1%
Financial expenses, net	-53,3	-17,8%	-55,7	-19,1%	-4,2%
EBT	69,6	23,3%	62,4	21,4%	11,5%
Income tax expense	-16,4	-5,5%	-15,4	-5,3%	6,7%
Net Profit	53,2		47,1		13,1%
<i>Net Profit as % of Revenue</i>	<i>17,8%</i>		<i>16,1%</i>		
EBITDA	182,0	60,8%	167,9	57,5%	8,4%
Net Profit attributed to shareholders	51,5	17,2%	44,9	15,4%	14,9%
Net Profit attributed to NCI	1,7	0,6%	2,2	0,8%	-22,9%

Balance Sheet

GROUP FY 2019	31.12.2019	31.12.2018
Total non-current assets	1.682.410	1.300.703
Total current assets	435.988	345.567
TOTAL ASSETS	2.118.398	1.646.270
EQUITY AND LIABILITIES	426.546	379.891
Non-controlling interests	11.916	11.242
Total equity	438.462	391.133
Total long-term liabilities	1.430.595	997.955
Total short-term liabilities	249.341	257.182
Total liabilities	1.679.936	1.255.137
TOTAL LIABILITIES AND EQUITY	2.118.398	1.646.270

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