

*“To the upcoming Shareholders’ Extraordinary General Assembly of TERNA ENERGY S.A.*

*Report of the Board of Directors in accordance with article 27 par. 1 of law 4548/2018 and paragraph 4.1.3.13.2 (3) of the Athens Exchange Regulation.*

*Dear Shareholders,*

*Our Company constantly examines alternative ways for the improvement of its shares’ marketability and its financial fundamentals as well as its sources of financing to the maximum benefit of its Shareholders.*

*We unanimously recommend the elimination of the pre-emptive rights in the current increase of share capital, as a necessary, appropriate, fair and just measure, given that the elimination of the pre-emptive rights is interlinked with the disposal of up to 4.556.757 new shares, through a private placement of international investors and we kindly request that you take into consideration also the following:*

- The price for the new shares of the Company shall be at least € 11 per share, which is at the current – historically high – levels of the price of the Company Shares.*
- The private placement to international investors will further improve the dispersion and the marketability of the shares. It should be noted that a similar transaction which took place in January 2018 presented an exceptional effect on the marketability of the shares and highlighted the Company’s capitalization. The funds, which were raised through the above-mentioned increase, amounting at € 38,475,000 above par and € 2,850,000 at par value, were used by the Company for funding the Group’s investments in wind parks in Greece and the US, including the Special Evoia Project of 119 MW.*
- The coverage of the increase shall offer additional funds of € 50,124,327, which will be used for the financing of the Company’s investment program to the benefit of all the Shareholders. More specifically, the funds to be raised from the increase shall finance new investments, which will add value to the Company and the shareholders and more specifically for the development of the Kafireas wind parks of a total capacity of 330 MW, the Taratsa wind park of 30 MW and the Evrytania wind park of 67 MW.*

- *The Company does not intend to dispose of the 4.293.268 treasury shares that have been acquired pursuant to the share buyback program, representing 3,769 % of the share capital of the Company, but on the contrary, such shares shall be promptly cancelled. Therefore, after deducting the percentage of the treasury shares in the Company's share capital, the effective dilution of the shareholders of the Company due to the increase shall amount to a max. of 0,997%, which is by far less than the benefits that the Company will enjoy.*

*For all the above reasons, the management of the Company unanimously supports the private placement, the increase of the share capital and the elimination of the pre-emptive rights and you are invited to vote in favor thereof.*

*Athens, 10.08.2020*

*The Board of Directors"*