

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 ATHEX Regulation.

Dear Shareholders,

Our Company constantly examines alternative ways for the improvement of its shares' marketability and its financial fundamentals as well as its financing sources in order to maximize the benefits of its shareholders.

In this context, 4 international asset managers with direct or indirect management of funds by, Blackrock Inc, Anavio Capital Partners LLP , Kayne Anderson Capital Advisors LP and Impax Asset Management, expressed their binding interest to cover a total of 6,229,422 new shares of the Company at a price of €11 per share. AXIA Ventures Group Ltd acted as Placement Agent. All 4 investors of international prestige are oriented to medium and long term strategic positions, with some being focused on investments that promote a more sustainable global economy. A minimum investment threshold is required by most of them, in order to proceed to an investment. It is worth noting that the majority of the funds will invest in Greece for the first time.

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 6,229,422 new shares, through a private placement to the aforementioned international investors and we kindly request you to also take into consideration the following:

- The price for the new shares of the Company shall be €11 per share, which is at the current - historically high - levels of the price of the Company shares.

- The private placement to the aforementioned 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 had exceptional effects 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 €68,523,642 which will be used for the financing of the Company's investment program to the benefit of all the shareholders. Particularly, the funds to be raised from the increase shall finance new investments, which will add value to the Company and its shareholders and more specifically 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 1,7%, 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 of 6,229,422 new shares in total to the aforementioned international investors, the increase of the share capital and the elimination of the pre-emptive rights and you are invited to vote in favor thereof.

Athens, 24.08.2020

The Board of Directors