

# Company Presentation

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September 2020



**Section 1: Company and Asset Overview**

**Section 2: Highlights**

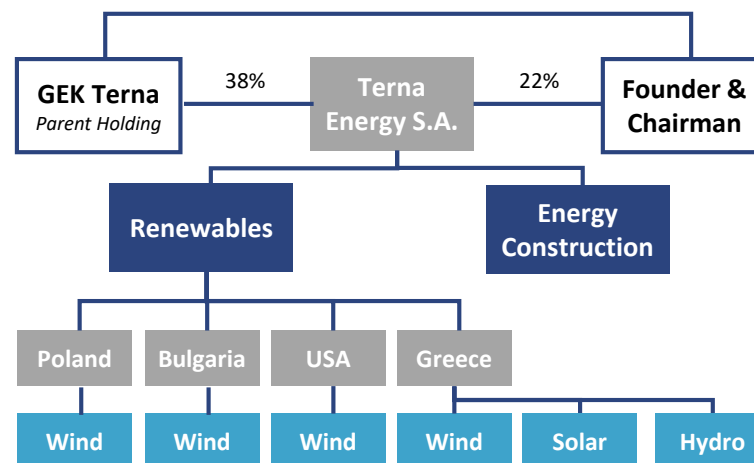
**Section 3: Financial Performance**





# Terna Energy Company Overview

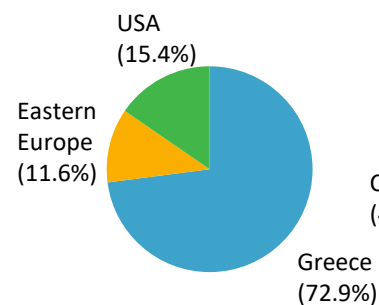
- Largest Greek renewable company
- 1372 MW of currently installed capacity
- c430 MW under construction or ready to build capacity
- Geographic diversification with 27% of sales in Eastern Europe and US
- Strong financial profile with 201 revenues of €299 MM and EBITDA of €182 MM
- Market capitalization: €1,384 MM as of 16th September 2020



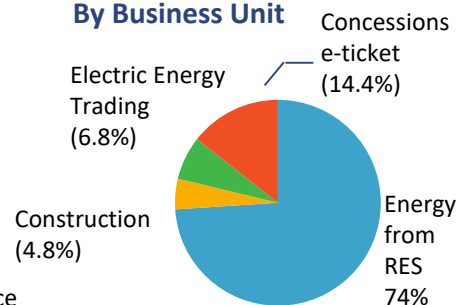
## Sales by Geography and by Business Unit

FY 2019

### By Geography



### By Business Unit

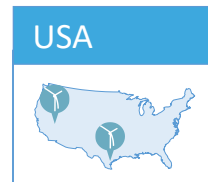


## Key Financials

€ 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 <sup>(6)</sup>	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

# Asset Portfolio Overview


























































53 Projects



**Legends**

-  Wind Energy
-  Solar Energy
-  Hydroelectric Projects
-  Waste Management

## Assets in Operation

	Energy Type	Capacity (MW)	COD	PPA Life Left (Y)		Energy Type	Capacity (MW)	COD	PPA Life Left (Y)
<b>Greece</b> 		<b>727,4</b>							
Evoia SPA		121.0	2020	20					
Tsilikoka		10.2	2000	1.8					
Lefkes Kerasia		8.0	2018	19.2					
Tsouka Tsougari		12.0	2000	1.8					
Dafnozonara		11.2	2011	19.7					
Profitis Elias		11.2	2001	2.6					
Mavrovouni (1)		19.6	2011	19.9					
Pyrgari		5.4	2001	2.8					
Krekeza		30.0	2011	20.1					
Didimos Lofos		26.0	2005	13.8					
Raxoula (1)		30.0	2011	20.4					
Perdikokorifi		14.5	2006	14.9					
Vathichori Station I		6.0	2011	20.0					
Mytoula		34.2	2006	14.7					
Louzes (PV)		1.1	2012	20.7					
Chonos		4.5	2006	14.5					
Vathichori Station II		1.5	2013	21.2					
Chylos		11.7	2013	15.1					
<b>USA</b> 		<b>513</b>							
Rhodos		17.9	2014	15.3					
Ksirovouni		6.3	2014	15.2					
Fluvanna I, Texas		155.4	2017	12*					
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					
Fluvanna 2, Texas		158	2019	19,7					
Loggarakia		18.0	2014	15.6					
Bearkat, Texas		200	2018	19,1					
Raxoula (2)		8.0	2014	15.9					
<b>Poland</b> 		<b>102</b>							
Derveni		24.0	2014	16.3					
Chelmsza		4.0	2015	N/A					
Mavrovouni (2)		8.0	2015	16.5					
Chojnice		6.0	2015	N/A					
Louzes		24.0	2008	16.5					
Czarnozlyly		16.0	2012	N/A					
Eleousa		6.6	2008	17.1					
Gorzkowice		12.0	2011	N/A					
Adendro		1.0	2016	17.6					
Krzyzanow		20.0	2011	N/A					
St. George Project		73.2	2016	17.8					
Makow		12.0	2014	N/A					
Mavroplagia – Kastro		17.2	2017	18.2					
Nasielsk		10.0	2012	N/A					
Mougoulios		16.5	2017	18.5					
Sieradz		8.0	2013	N/A					
Plagia – Psiloma		14.9	2017	18.7					
Szadek		8.0	2012	N/A					
Scopia		20.0	2010	19.2					
Tuchola		6.0	2015	N/A					
<b>Bulgaria</b> 		<b>30.0</b>							
Raxoula (3)		6.0	2018	19.4					
Karapelit		12.0	2012	5.1					
Eressou Ipsoma - Fourka		36.0	2018	19.2					
Vranino		18.0	2013	5.2					
<b>Total Portfolio:</b>		<b>1372</b>							

\*Hedging agreement

## 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 728</i>	1344	18	9	2
	<i>Poland 102</i>				
	<i>Bulgaria 30</i>				
	<i>USA 513</i>				
Under construction (or ready to built)		427			2.4
	<i>Greece 430</i>				
With production licence		2.104	866		109
Application for production license filed		3.160	2.444	567	1.6

# Key Investment Highlights

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



# Vertically Integrated and Efficient Platform

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

## 5 Asset Operation and Management

- Accounting, financial reporting
- Licensing and regulatory documentation management
- Operation and monitoring services
- Preventive and corrective maintenance
- Improvement plans and management of spare parts

## 4 Construction

- Preconstruction
  - Technical feasibility
  - Mapping and site preparation
- Construction
  - Civil works
  - Mechanical and electrical installation
  - Engineering
  - Evacuation infrastructure
- Commissioning

## 3 Financing

- Economic and financial analysis / reporting
- Capital structure optimization
- Relationships with debt providers (both public capital markets and financing institutions)
- Draft and negotiate financing agreements

## 1 Pre-Development Phase

- Analysis and selection of location / market / country
- Load factor assessment
- Permitting, public consultations and coordination with local authorities
- Land agreements
- Secure power grid connection and capacity

## 2 Development / Permitting

- Project design: scheduling and budget
- Permits and licenses (administrative, legal, environmental, social)
- Technology selection (WTG / PV Panels, inverters)
- Supply and O&M / EPC agreements



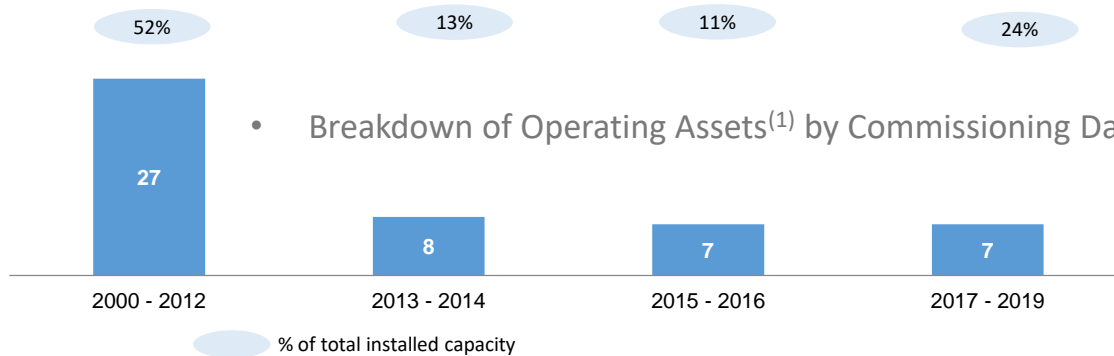




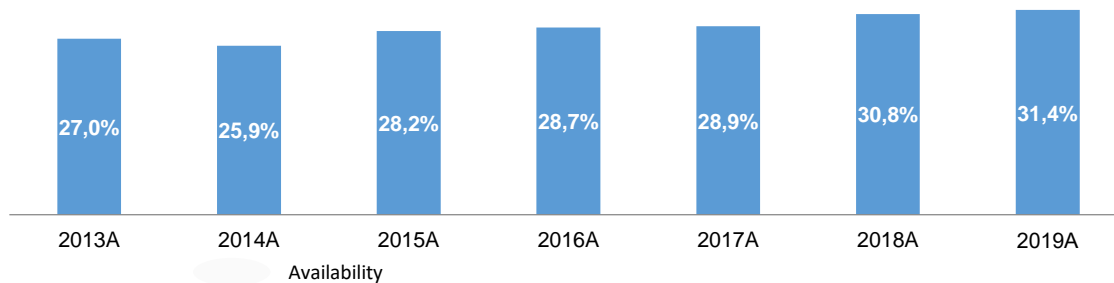
## Young Asset Portfolio with a Weighted Average Operating Life of 5 Years

# of operating assets as of 22 March 2019

- Breakdown of Operating Assets<sup>(1)</sup> by Commissioning Date



## Load Factors Evolution<sup>(2)</sup>



**Notes:**

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

## Key Considerations

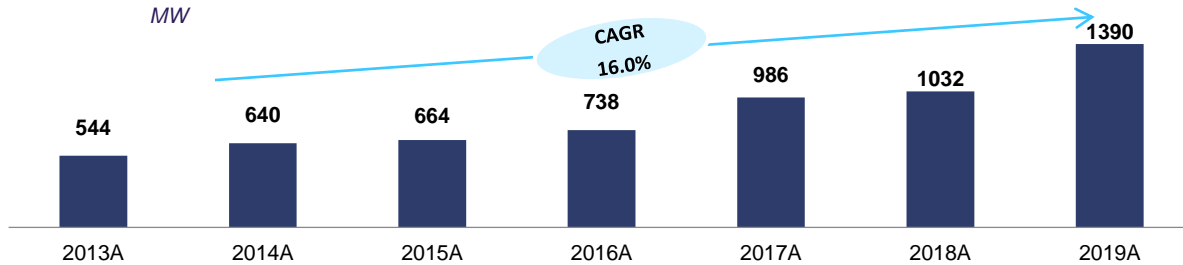
- Young asset portfolio with a weighted average operating life of c. 5 years
  - c. 50% of the assets (in terms of total capacity) been commissioned in the past 5 years
- Stable and industry leading load factors, supported by best in class practices, in-house O&M capabilities and management expertise
  - 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

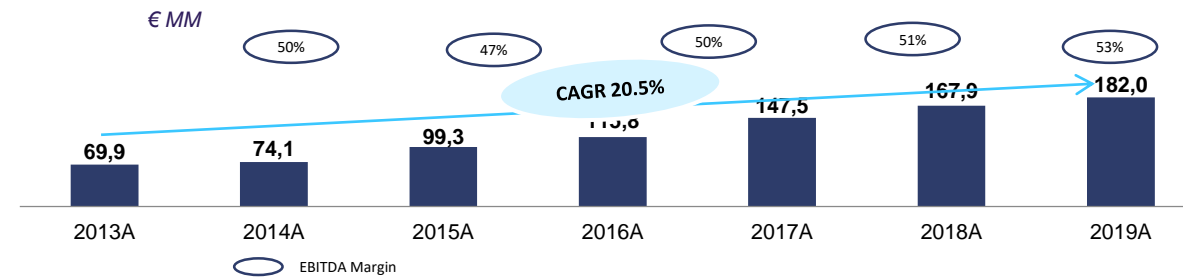
## Installed Capacity

MW



## EBITDA

€ MM



## Cash flow conversion<sup>(1)</sup>

%



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

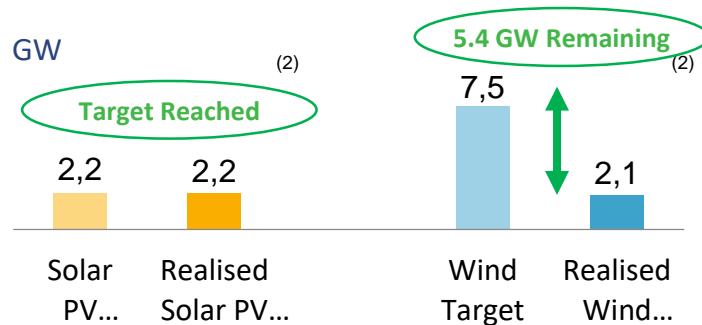
### Maintenance & Insurance Coverage

- 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

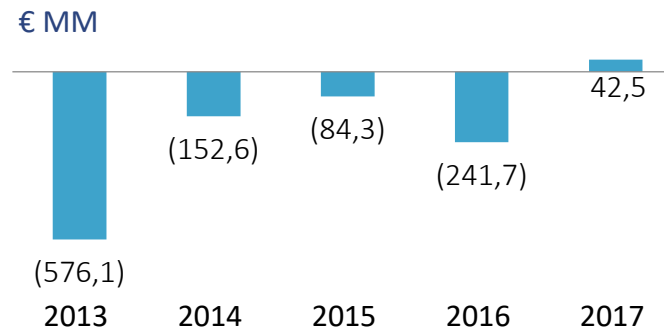


## A Stabilized Renewable Regulatory Framework in a Recovering Greek Economy

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:**

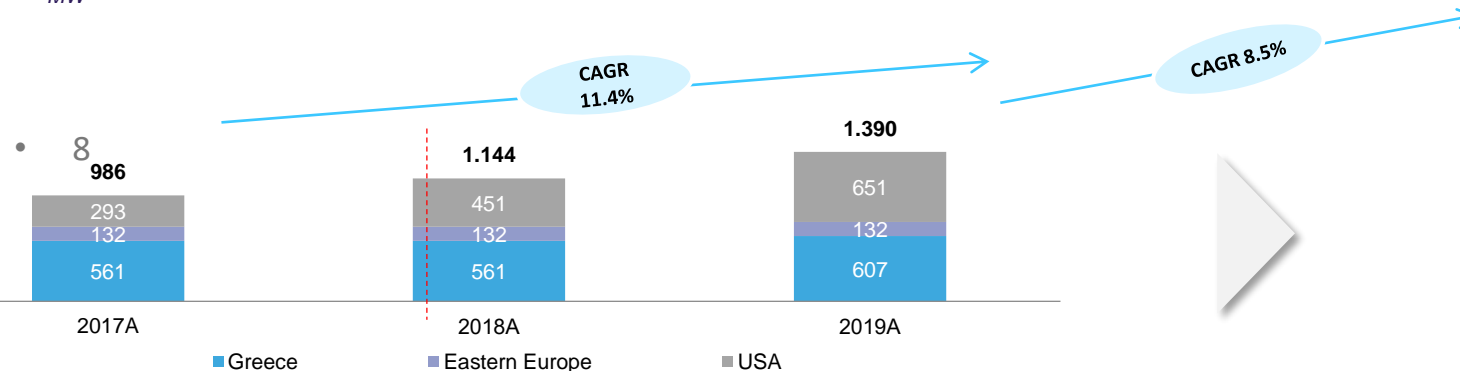
1. IMF Forecasts World Economic Outlook, April 2017
2. As of June 2017

# ...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 <sup>(1)</sup> 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	Total Project Cost*	Cash Grant/Tax Equity	Project Finance Debt	Equity / Cash	Expected commercial operation
UNDER CONSTRUCTION/READY TO BUILD			€m	€m	€m	€m	
Peloponnese Waste Management	Waste	2.4 MW	123	66	40	17	2020
South Evoia (Kafireas)	Wind	330 MW	569	-	455	114	2022
Taratsa	Wind	30 MW	31	-	23	8	2021
Evritania	Wind	67 MW	81	-	63	18	2021
<b>TOTAL</b>		<b>429.4 MW</b>	<b>804</b>	<b>66</b>	<b>581</b>	<b>157</b>	

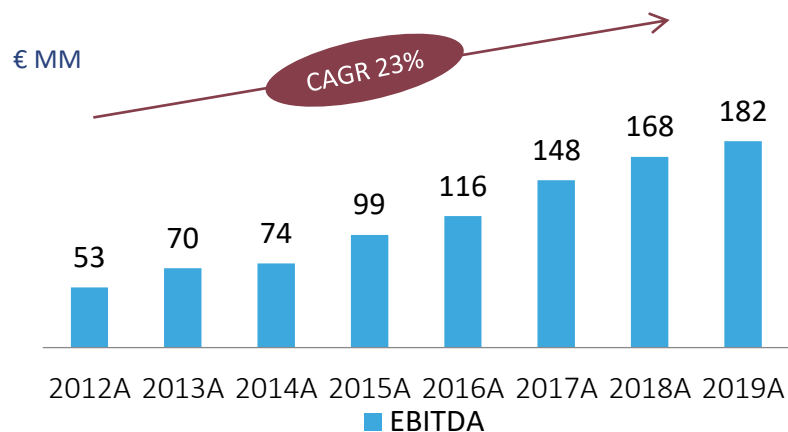
\* Total project cost = (1)+(2)+(3) = Cash grant/Tax equity + Project finance Debt + Equity

## Rapid Deleveraging from EBITDA Growth and High Cash Flow Conversion

### Steady 23% EBITDA CAGR

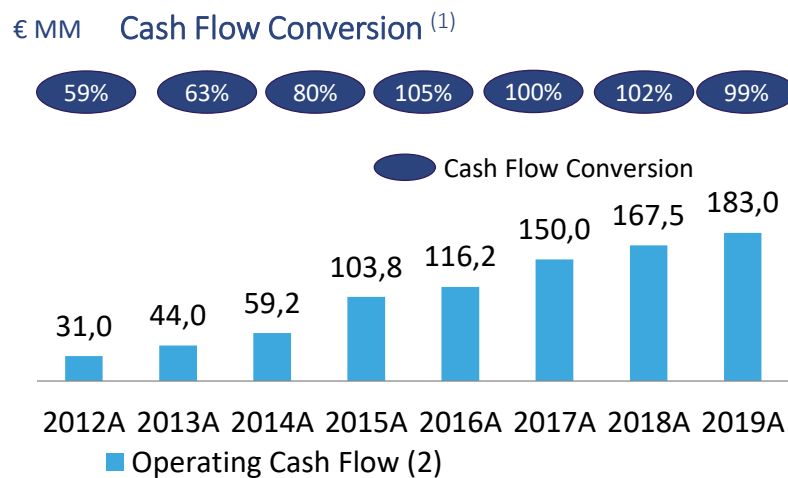
- Long term visibility on volume off takes
- Contracted prices
- Track record of project developments

### 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 (%)
<b>Energy from RES</b>	237,3	216,3	9,7%	177,7	156,3	13,7%	121,3	108,6	11,69 %	48,4	37,1	30,46 %
<b>Construction</b>	3,4	14,4	-76%	0,9	5,2	-82,7 %	0,9	5,1	-82,35 %	0,6	3,7	-83,78 %
<b>Electricity Trading</b>	37,0	19,7	87%	2,3	1,6	43,8 %	2,2	1,6	37,50 %	1,1	1,5	-26,67 %
<b>Concession ( e-ticket &amp; Waste Management)</b>	21,5	41,6	48%	1,1	4,9	-77,6 %	1	4,9	-79,59 %	3,1	4,7	-34,04 %
<b>Total</b>	<b>299,1</b>	<b>292,1</b>	<b>2,4%</b>	<b>182,0</b>	<b>167,9</b>	<b>8,4%</b>	<b>125,5</b>	<b>120,1</b>	<b>4,4%</b>	<b>53,2</b>	<b>47,1</b>	<b>13,2%</b>

# Net Debt position

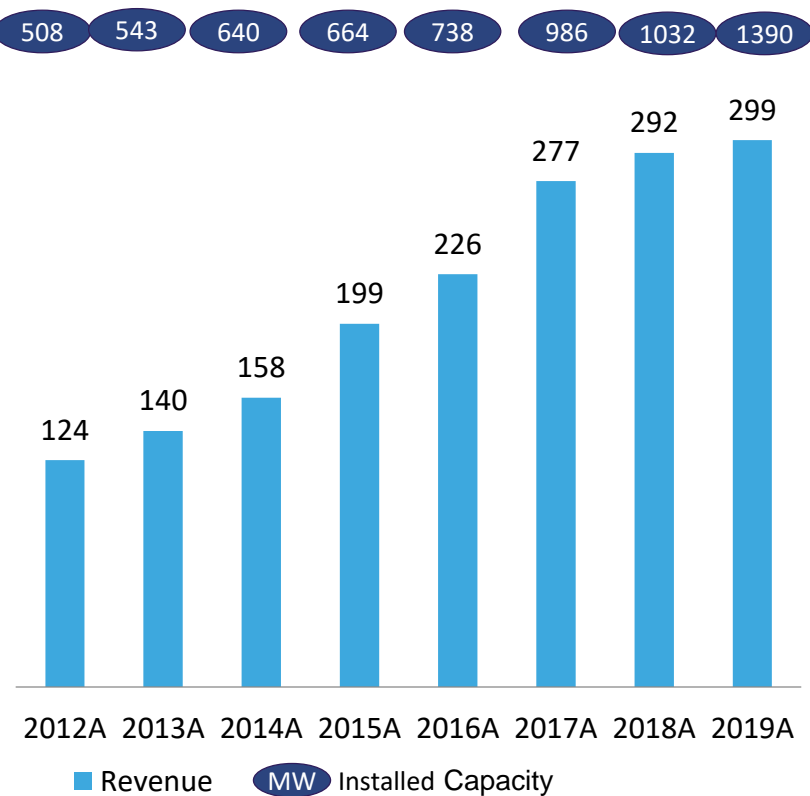
€m	H1 2020	Q1 2020
<b>Net Financial Debt*</b>	<b>789.4</b>	<b>747.0</b>
<i>*\$215m US (Idaho) disposal in Q3 not included</i>		
<b>Other Financial obligations (US Tax Equity)</b>	<b>360.4</b>	<b>375.8</b>

**Net Financial Debt increased in H1 2020 by c.€ 42.4 due to Capital Expenditure**

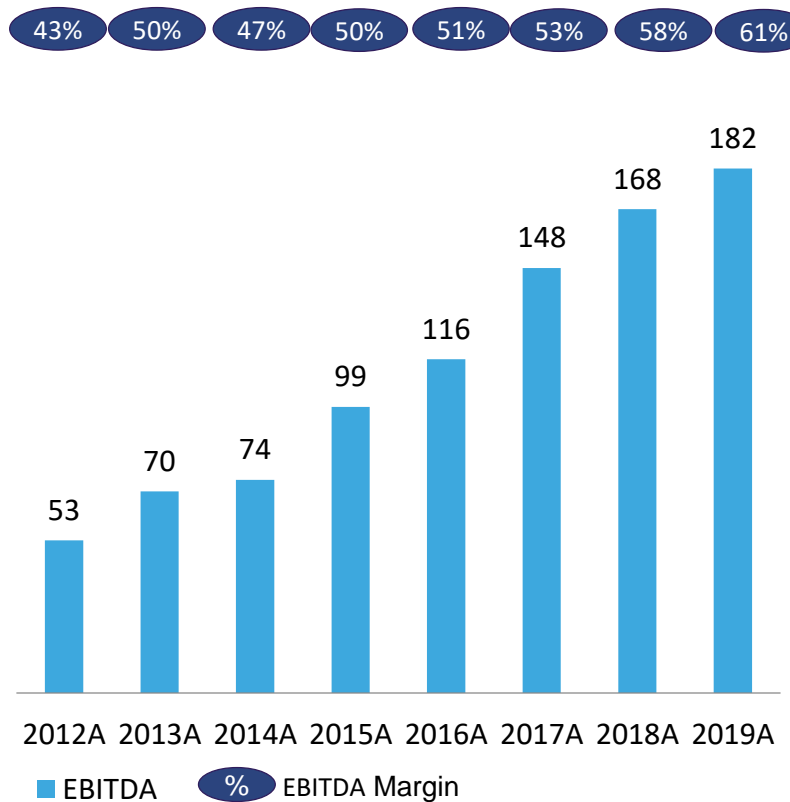
# Strong Financial Performance

Run-rate EBITDA increases with capacity

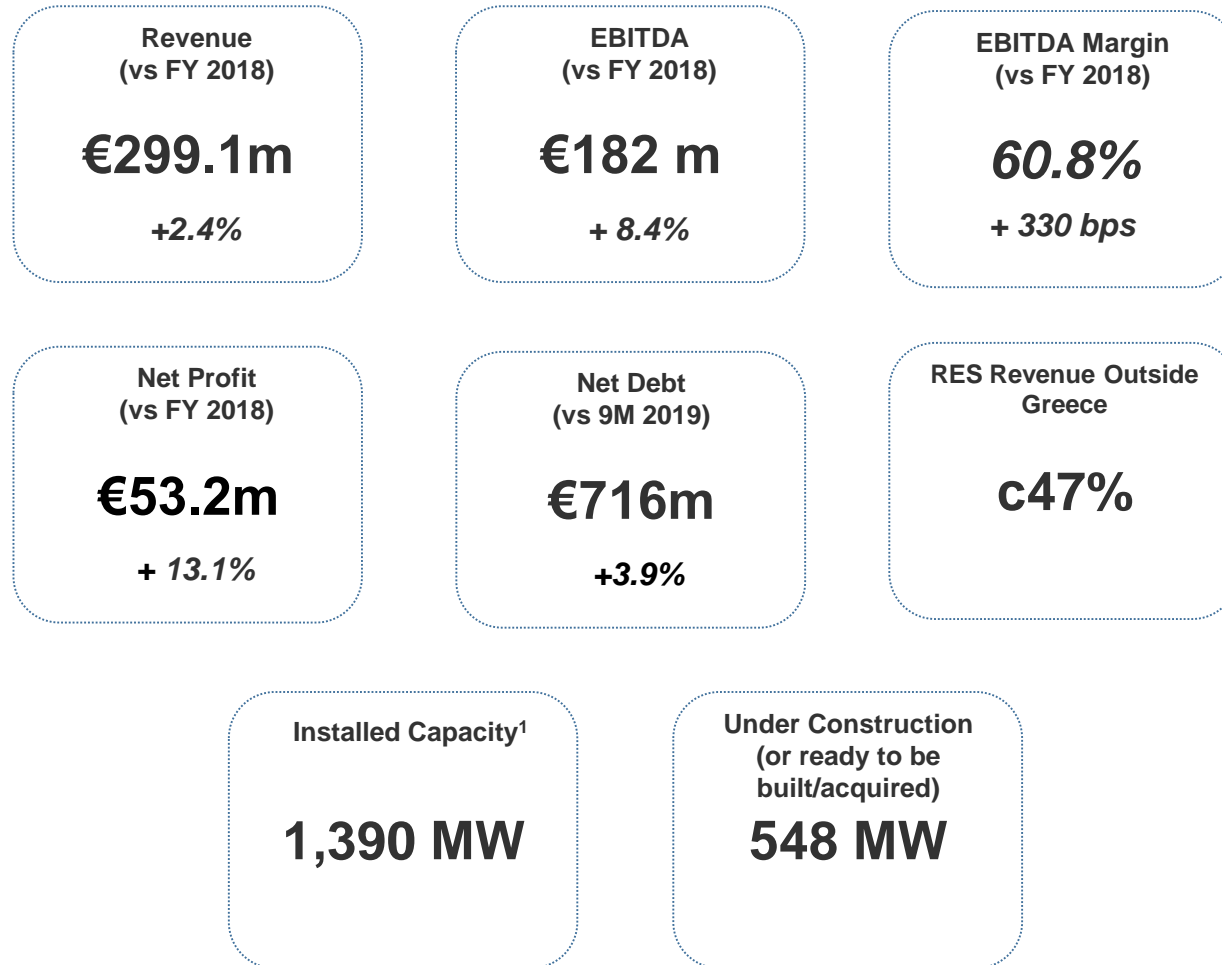
**Installed Capacity and Revenue**  
€MM



**EBITDA and EBITDA Margin**  
€MM

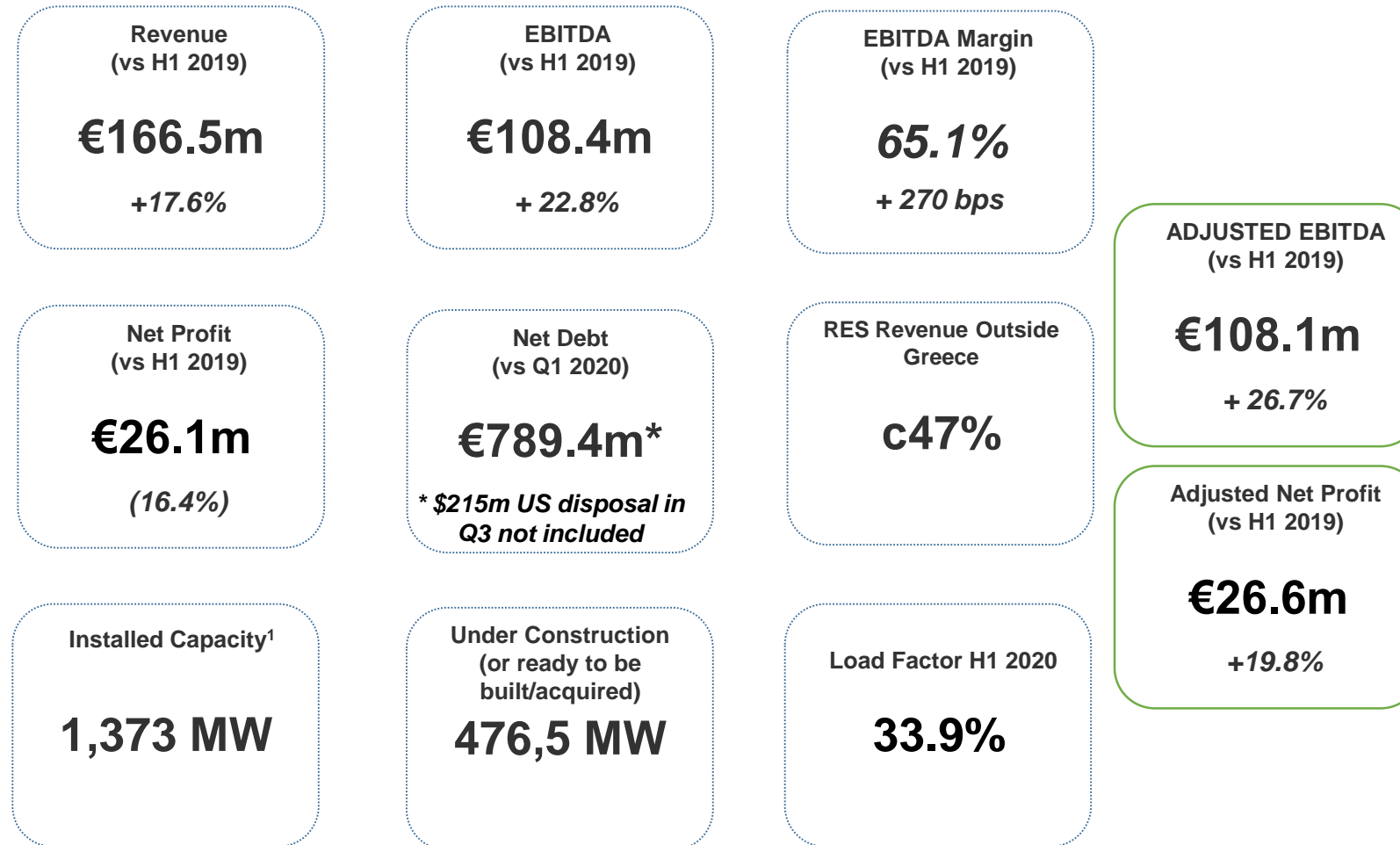


# YR 2019 Key Performance Indicators



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

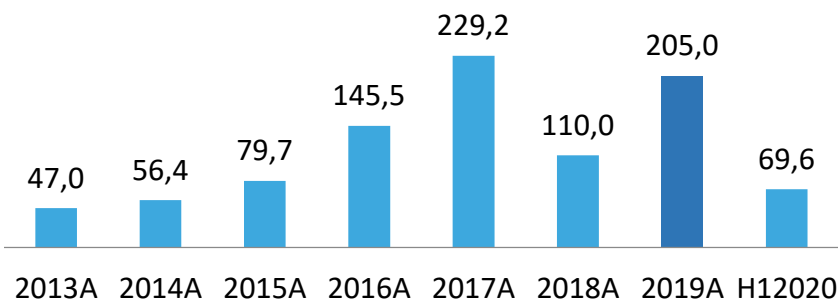
# Key Performance Indicators



1. Includes wind, hydro, solar and biomass capacity

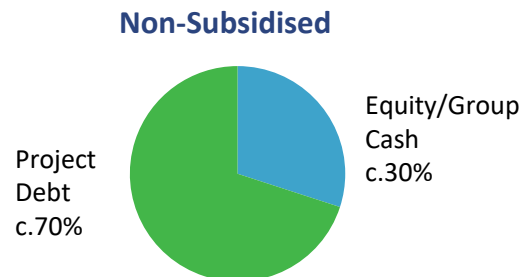
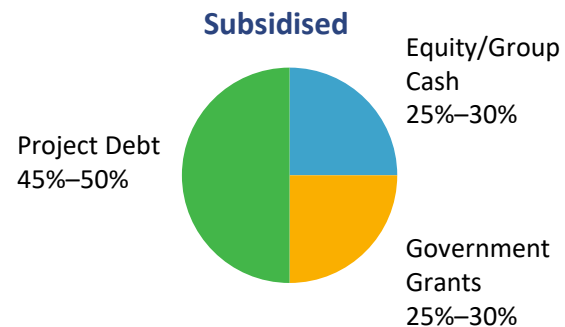
# Capital Expenditure

## Historical Capital Expenditure €MM



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

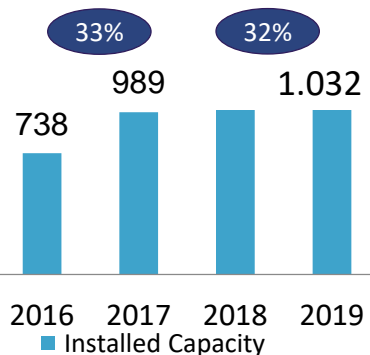
## Typical Funding Structure



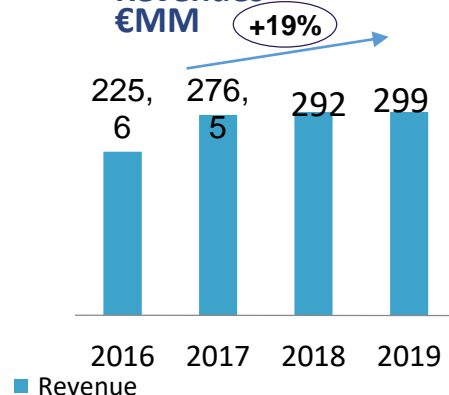
Projects without grants benefit from higher contracted tariffs, allowing to raise more project debt and to de-lever faster

# 2019 Performance Update

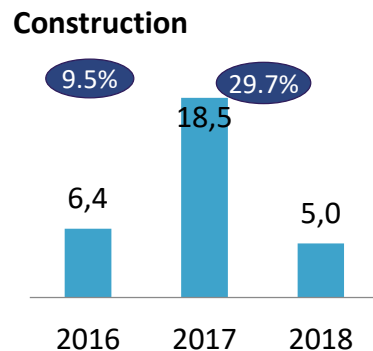
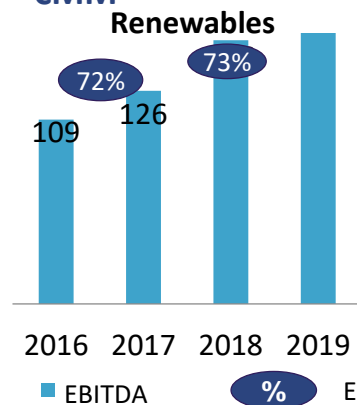
## Key drivers MW



## Revenues €MM



## EBITDA and EBITDA Margin €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

# 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%
<b>Gross profit</b>	<b>128,8</b>		<b>123,6</b>		<b>4,2%</b>
<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%
<b>Operating profit</b>	<b>122,9</b>	<b>41,1%</b>	<b>118,1</b>	<b>40,4%</b>	<b>4,1%</b>
Financial expenses, net	-53,3	-17,8%	-55,7	-19,1%	-4,2%
<b>EBT</b>	<b>69,6</b>	<b>23,3%</b>	<b>62,4</b>	<b>21,4%</b>	<b>11,5%</b>
Income tax expense	-16,4	-5,5%	-15,4	-5,3%	6,7%
<b>Net Profit</b>	<b>53,2</b>		<b>47,1</b>		<b>13,1%</b>
<i>Net Profit as % of Revenue</i>	<i>17,8%</i>		<i>16,1%</i>		
<b>EBITDA</b>	<b>182,0</b>	<b>60,8%</b>	<b>167,9</b>	<b>57,5%</b>	<b>8,4%</b>
<b>Net Profit attributed to shareholders</b>	<b>51,5</b>	<b>17,2%</b>	<b>44,9</b>	<b>15,4%</b>	<b>14,9%</b>
<b>Net Profit attributed to NCI</b>	<b>1,7</b>	<b>0,6%</b>	<b>2,2</b>	<b>0,8%</b>	<b>-22,9%</b>

# 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
<b>TOTAL ASSETS</b>	<b>2.118.398</b>	<b>1.646.270</b>
EQUITY AND LIABILITIES	426.546	379.891
Non-controlling interests	11.916	11.242
<b>Total equity</b>	<b>438.462</b>	<b>391.133</b>
Total long-term liabilities	1.430.595	997.955
Total short-term liabilities	249.341	257.182
<b>Total liabilities</b>	<b>1.679.936</b>	<b>1.255.137</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2.118.398</b>	<b>1.646.270</b>

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