

TERNA ENERGY: Annual Ordinary General Meeting

Speech by Chairman, George Peristeris

Athens, 23th June 2021

Dear shareholders,

Dear friends,

I welcome you to our company's annual ordinary general meeting. We may not be able to get together in the same place this year either, but let us reflect on the conditions under which we held our general meeting last year, take a positive stance about the distance we've covered so that this year we are clearly better than the previous one and let us keep our optimism that this adventure will soon come to an end.

Before informing you of our company's progress, on behalf of all our Group's employees and associates, I would like to publicly express our thanks and gratitude for all those who, with self-sacrifice, kept hope alive and the health system of our country standing up. You are aware that we have been a supporter in the effort to strengthen the National Health System to tackle the pandemic from the very first moment, and we continue to do so. It's the least we could do. And fortunately, we are now able to see the future with greater optimism, thanks to the achievements of science.

Throughout this agonising adventure, we have all fought together to protect our people's health and safety and ensure the seamless continuation of our Group's operations. We did it to a very large extent. For TERNA ENERGY Group, 2020 proved a very successful year, one that we effectively demonstrated that the decisions we made many years ago were the right ones since the sectors in which our company endeavours proved highly resistant to the pandemic effects. It is no coincidence, after all, that the Recovery Fund – the joint European effort for economic growth and the pandemic effects mitigation for the European economy and the peoples of Europe – has at its core the very domains in which we mainly invest. Not to mention that the global investment community is also keenly focusing on green investments.

All this is happening at a time when our country is finally on its course towards its green transition while the global clean energy revolution is in full swing to tackle climate disaster. Peoples and governments are mobilising more than ever before. The pandemic has raised a red flag for the climate crisis, and more and more people now realise that if we do not act immediately, what we are going through because of the pandemic will seem little compared to what we will have to deal with as a result of the climate destruction..

TERNA ENERGY has been at the forefront of the global clean energy revolution for decades. We have persisted and still persist in our vision. And we are now pleased to see that what we have been planning and implementing since the 1990s is now being aimed at by more and more businesses. With insight and much hard work, we have established a leading position in the clean energy market in our country: rest assured that we will do whatever it takes to strengthen this position even further.

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To benefit our shareholders and employees, civil society, the national economy, the environment and sustainable development. And in this effort, we shall continue with vigour and passion, despite the adversities we have been summoned to overcome. Because, as you know at the beginning of this year, our company, just like all companies active in the energy market in Texas, USA, had to manage an exceptionally rare and particularly extreme weather phenomenon in terms of intensity and duration. You have been informed in detail about what happened in the U.S. and how we dealt with it. Not without casualties, unfortunately, but our choices proved to be the most cost-effective and comparatively advantageous for our company. Let me stress once again that the damage caused by the disinvestment of wind farms in Texas is a non-recurring event, the effects of which have no reference neither to the parent company TERNA ENERGY nor to TERNA ENERGY USA HOLDING GROUP in the USA.

Despite the obstacles, however, we continue to look right ahead. We've proven that we can absorb even the most severe turbulence. And I think from what you will hear next, you will realise that the best is yet to come and that the next few years will be a period of dramatic growth for our Group. It is no coincidence, after all, that important foreign institutional investors are constantly increasing their position in the company, while some of them even pick our company for their first placement in the Greek market, such a meaningful vote of confidence for us.

At this point, I would like to refer to the recent shareholding changes that have taken place in our companies, GEK TERNA and TERNA ENERGY, marking the entry of new powerful shareholders, including Mrs Marianna Latsis and Mr Vangelis Marinakis. I would like to thank all the new shareholders who trusted our Group and made their faith in our bright outlook and vision strikingly evident. With our Group united and pristine and with an even stronger shareholding base consisting of people who believe in what we are doing, we shall implement our important investment plans and render our company even larger and more successful. And make all of you who have faithfully been with us for years now even happier that you chose to do so.

Let us now talk about the future. This year we are in a phase of even greater growth, witnessing our Group's investment plan of about 2 billion euro being realised smoothly and at an intense pace. The pandemic did not curb this unprecedented investment plan that includes investments in critical sectors such as clean energy production and storage, the circular economy with standard integrated waste management projects, but also innovation, new technologies and the digital transition.

Our Group still aims to have a total installed power (wind parks, photovoltaic parks and storage systems) of 3,000 MW within the next five years. To this end, the company recently launched wind farms of an additional 30 MW in Greece. In total, the Group is constructing or is about to construct new wind farms of about 400 MW in various regions of the country. Works have recently begun on the PPP project concerning the integrated waste management of the Region of Peloponnese, following a similar project that already operates in Epirus. Also, within the first quarter of the year, the company signed the agreement for the electronic ticketing in Thessaloniki, following a similar one that has already been completed and is now operating in Athens.

But that's not all. We are already mapping out the new generation of investments to follow even before the current two billion euro investment plan is completed. On this account, the company is devising an extensive investment plan in new wind farms, onshore photovoltaics, but also in floating photovoltaic and offshore floating wind farms, as well as new investments in energy storage, in addition to the pumping project in Amphiloikia and the hybrid project in Amari, Crete.

To help you realise the size of the investments to follow in clean energy production and storage, please allow me to show you a glimpse of the future and please make a mental note of some figures:

Wind Farms: The total capacity of farms built or ready to be built is 400 MW. In addition, we are maturing 63 new projects that already have secured production licensing, whose total power exceeds 1.8 GW.

Photovoltaic Farms: The total capacity of photovoltaic projects the company is planning amounts to about 1.7 GW, of which more than 1.1 GW is already licensed.

Power storage: Our investment plan in storage, mainly through pumped storage but also through other technologies, reaches about 2 GW, with the Amphilochia and Amari projects being the most mature.

Offshore floating wind farms: In a joint venture with Ocean Winds, we plan to construct offshore floating wind farms in the Greek seas of a total 1.5 GW capacity.

In other words, we are talking about new projects – I repeat new projects – of a total 1.5 GW capacity, of which 5 GW have already secured initial licensing, are currently maturing and will gradually start to realise.

At the same time, we are preparing for the new generation of waste management projects and compete for every such proclaimed project in Attica, Thessaloniki, and all country regions.

We are also aiming at several new technologies, telcos and digital transition projects, while together with other powerful Greek Groups, we participate in the White Dragon plan relating to hydrogen usage.

With the investments underway and the ones to follow, we are creating thousands of well-paid jobs, offering Greek scientific potential and our young people in our homeland the chance to make a dignified living and have faith in the future, but also the opportunity to those who left our country to gradually start returning to us.

For entrepreneurship does not exist without a solid society. If the outcome of our endeavours does not spread to the many, all this effort makes no sense. With this in mind, we are further intensifying our social activity, supporting the health system, vulnerable social groups, young scientists and the local communities where we operate. Please allow me to mention just two of our most representing initiatives. The conversion of the 115 Combat Wing of the Souda military airport into the world's first green and energy-autonomous military airport through sponsorship of more than 3.5 million euro; and the conversion of Ai Stratis island into a green and energy-autonomous island.

Together with the steps we have taken for quite a few years for the best possible governance and enhanced transparency and protection of our shareholders and associates' interests, we continue to pay particular attention to ESG issues, i.e., those related to environmental protection society and corporate governance. The new Board, which our general assembly will hopefully approve today, is another step forward.

Dear shareholders,

I'd like to finish off by referring to something I know concerns you all. Our company has followed a generous policy of rewarding the shareholders who trust us, with a strong dividend policy and returns of capital throughout the years. Therefore, for the fiscal year of 2020, we are proposing the distribution of a total of 40 million euro. Twenty million euro have already been paid to our shareholders in December, and another 20 will be paid out over the next period should our proposal to distribute an additional 20 million euro dividend be adopted.

Let me, please, express my gratitude for your trust once more and assure you that we shall all continue to work hard together for the good of our company and our country.