



# Investor Day



**TERNA ENERGY**  
G E K T E R N A G R O U P

May 16, 2022

# Today's Speakers



• **George  
Peristeris**

**Chairman**



• **Emmanouil  
Maragkoudakis**

**CEO**



• **Aristotelis  
Spiliotis**

**Executive Member  
of the BoD of TERNAL ENERGY**



• **Michalis  
Verrogiopoulos**

**Development Director  
- Greece**

# Agenda for Today

## ***Presented by:***

1

**Our Journey to Date**

George Peristeris

2

**Unprecedented Growth Opportunity**

Michalis Verroiopoulos

3

**Strategy and Targets**

Emmanouil Maragkoudakis

4

**Financial Outlook**

Aristotelis Spiliotis



**SECTION 1**

**Our Journey To Date**

# Key Investment Highlights

The leading Renewables platform in Greece set to become one the largest players in Europe





# 1 Leading Renewable Energy Company in Greece, with Established Presence in Poland and Bulgaria

Large operating asset base located at the most favourable locations in the respective countries

## Key Figures



**3**  
Countries  
with Presence



**895 MW**  
Total Installed  
Capacity



**+370% / €176 m**  
Last 5Y Share Price  
Increase / Dividends



**17 Years**  
Weighted  
Recurring  
Contracted  
Revenue

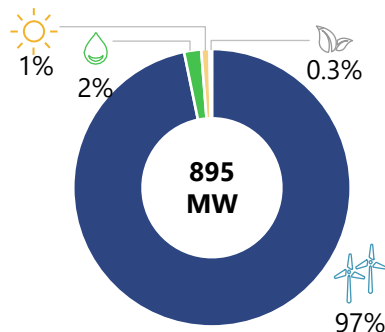


**3.2%**  
Effective Cost  
of Debt

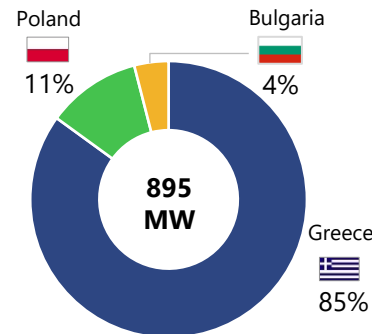


**~65%<sup>(1)</sup>**  
Non-Recourse  
Debt of Total Debt

## Capacity Breakdown by Technology

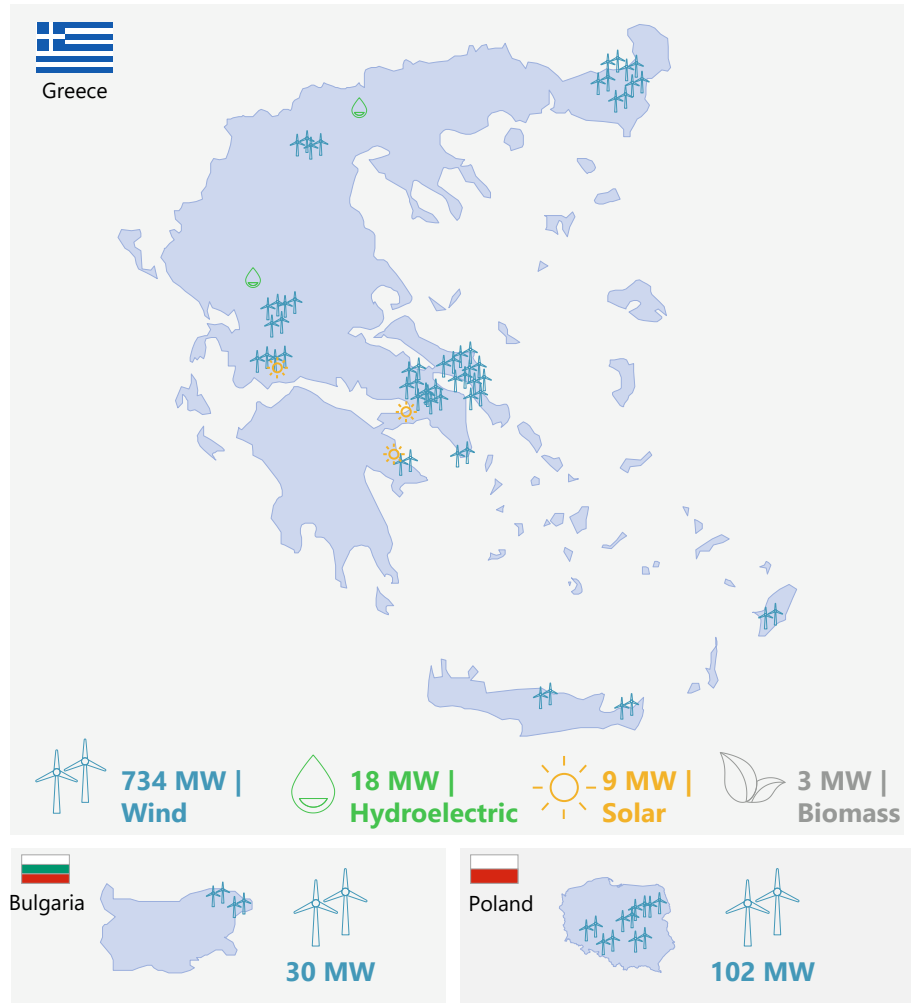


## Capacity Breakdown by Country



Notes:  
1. Adjusting for Kafireas intercompany loan

## Geographical Footprint



## 2 Exceptional Renewable Portfolio Characteristics

High quality, diversified operating portfolio offering long-term and visible, secured cash-flow

### Largest Portfolio In The Greek Market



+



**11 GW**  
Projects  
at various stages

### Technologically Diversified



✓  
**Wind**



✓  
**Solar**



✓  
**Hydroelectric**



✓  
**Biomass**



✓  
**Waste**

### Exceptionally High Load Factors Vs GR Market

*Last 5Y Measurements*

28% - 31%



25 - 27% <sup>(1)</sup>

Greece

### Long Term Contracted Revenue



**94%**  
% of Greek  
Installed Capacity  
Contracted



**1.9 <sup>(2)</sup> GW**  
Operating &  
Near-term  
Pipeline under  
Secured PPAs



**€7 <sup>(2)</sup> Bn**  
Contracted  
Revenue

#### Notes:

1. Load factor (W/F) source: DAPEEP

2. €7 Bn Contracted Revenue and the 1.9 GW Operating and Near-term Pipeline under Secured PPAs includes Amari, Kafireas, Amfilochia

## 2 Additional Income from Attractive Long-term Regulated Activities

Other activities generate strong profitability and predictable cash-flows



### Waste Management

#### 1 Epirus Waste Management Project (2017)



27 Year  
Concession



€37 m  
Investment



105k tn  
Capacity

#### 2 Peloponnese Waste Management Project (2021)



**Largest PPP on  
waste management  
in Greece**



27 Year  
Concession



€118 m  
Investment



200k tn  
Capacity



### Digital Transformation Projects

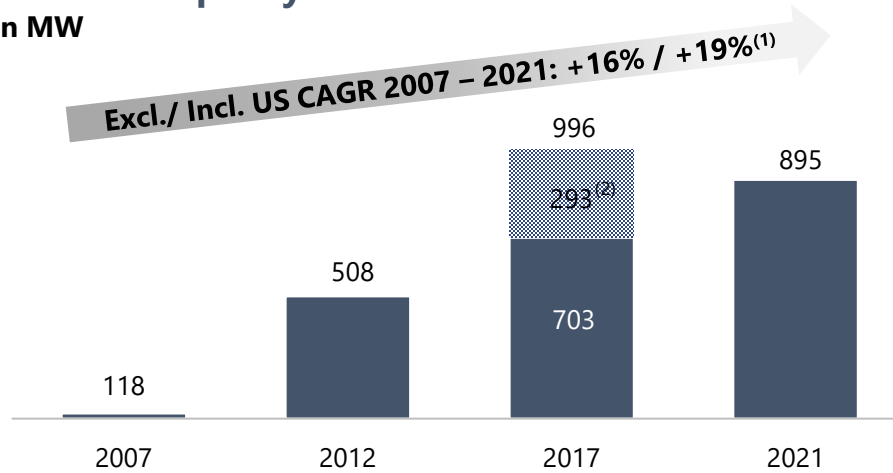
- Concessions for e-ticket projects across all major transportation companies in Greece
- 26-year concessions for installation of Ultra Fast Broadband (UFBB) awarded with regulated prices



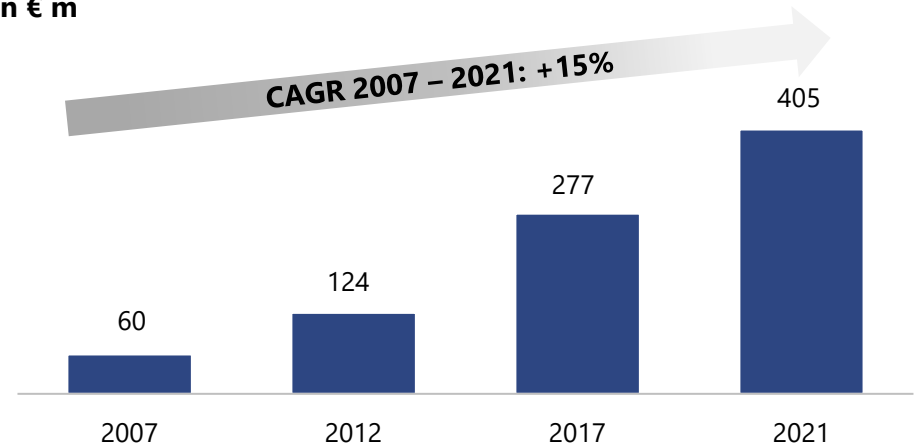
### 3 Consistent Track Record of Growth and Operational Excellence

Platform has been growing at a CAGR of more than ~19%<sup>(1)</sup> over the last 15 years

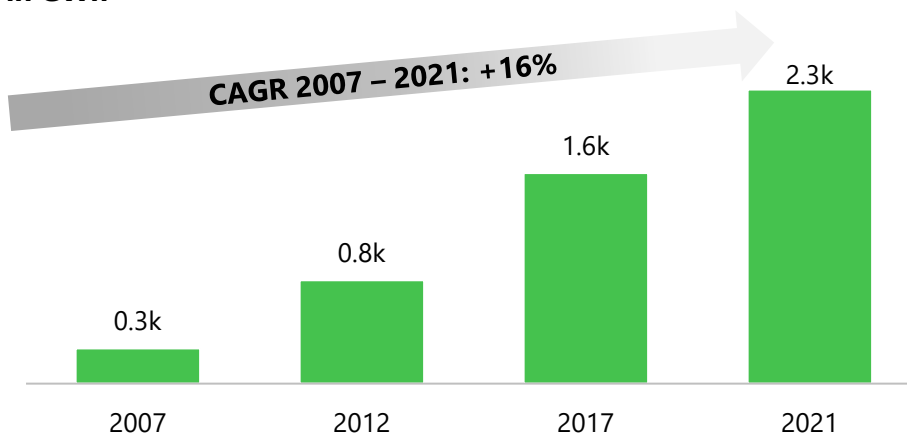
**Installed Capacity**  
in MW



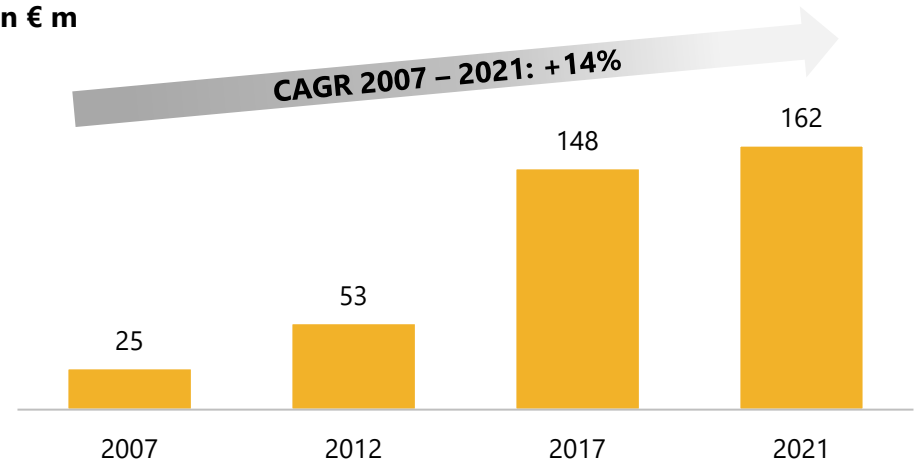
**Revenue**  
in € m



**Energy Produced**  
in GWh



**EBITDA**  
in € m



**Notes:**  
1. Adjusting for the US operations. Added US Capacity (510 MW in 2020) in 2021 figure to calculate CAGR since 2007  
2. US Capacity of 293 MW in 2017

## 4 Fully Integrated Organization with Unique Capabilities

Extensive in-house knowhow and expertise with over 20 years of experience ensuring speed, efficiency and reliability across all the core activities

### Differentiating skills

-  **1 World-Class In-House Wind Measurement Laboratory**
-  **2 Regulatory and Compliance Unit**
-  **3 Strong Construction and Operational Capabilities**
-  **4 Route-to-Market / The Largest Aggregator: Optimus Energy**

### Development Process

- **Wind and energy assessment and micro siting suitability**
- **Environmental assessment**
- **Grid connectivity and availability**
- **Special and spatial planning compatibility**
- **Constructability**
- **Construction: Decades of expertise across a variety of technologies**
- **Financing: Secured project financing for over ~1 GW**
- **Resilient PPAs of up to 20 years**
- **Route-to-Market / trading capabilities complement long-term PPAs**

## 4 ESG performance

1st position in ESG scoring across Country's RES Companies and amongst Top Companies in Greece across all sectors, according to ISS

### ESG Ranking

Based on ISS Ranking



### TERNA ENERGY's climate change action plan

1

To decarbonize the company with reference to Scope 2 emissions, by using 100% green electricity from 2021 onwards in all the facilities in Greece

2

To broaden and intensify the assessment of climate change physical and transition risks and opportunities performed as part of the Environmental Management System, and to align it with the recommendations of TCFD<sup>(1)</sup>

3

To contribute to global decarbonization by increasing the installed capacity of the energy production from RES, which in 2021 resulted in the prevention of 1.350.589 tCO<sub>2</sub> eq in the atmosphere

4

To accelerate investment plans in the field of energy storage, aiming to contribute decisively to the maximization of penetration of RES and to the achievement of the Greek national goals for energy and climate

#### Notes:

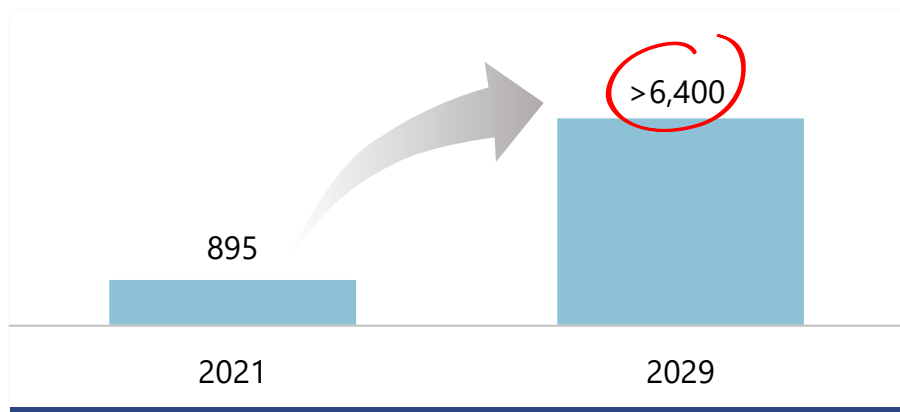
1. TCFD: Task Force on Climate-related Financial Disclosures



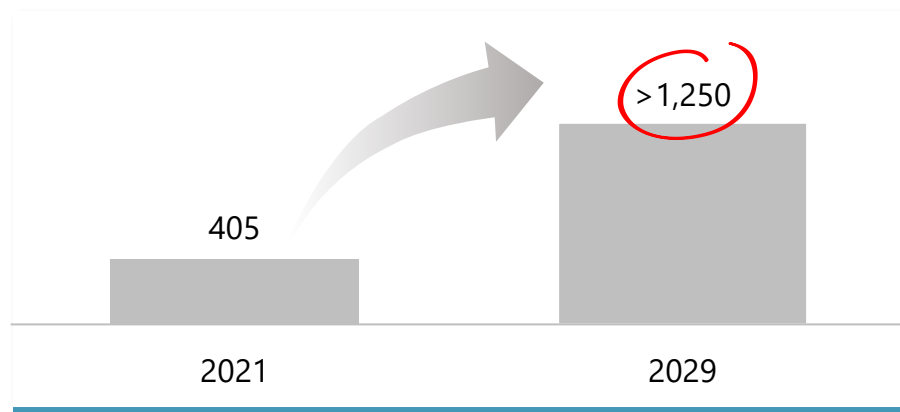
## 5 Key Targets for 2029, Delivering Equity IRRs “Well Into the Teens”

Asset base set to grow to ~6.4 GW by 2029 generating over ~€700 m of EBITDA

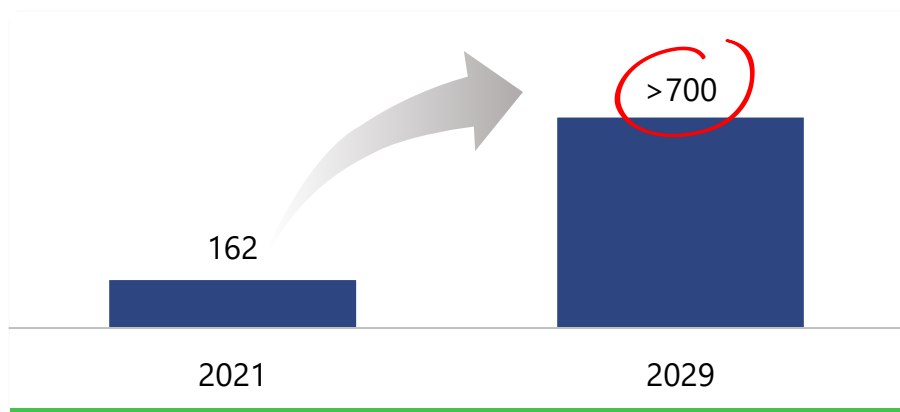
Capacity (MW)



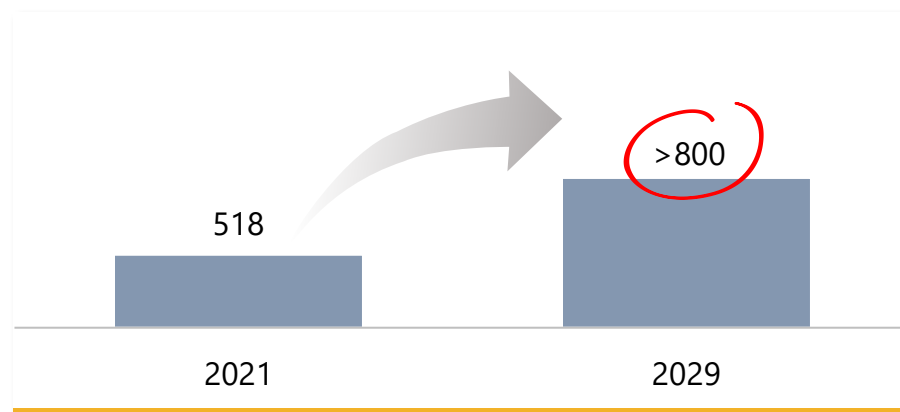
Revenue (€ m)



EBITDA (€ m)



Full-Time Employees (FTEs)



**SECTION 2**

**Unprecedented Growth Opportunity**

# Greece: A Premium European Market for Renewables

Unprecedented growth of renewable installed capacity over the next 30 years to meet the decarbonization targets

## Greece until 2030

1	Acceleration of decarbonization; Installed Renewable & Storage to reach <b>30 GW</b> by 2030
2	Favorable regulatory framework, underpinned by energy account surplus
3	Establishing a framework for offshore wind with the aim of developing more than <b>2 GW</b> by 2030
4	Ambitious program run by system and network operators for new interconnections with neighboring countries, interconnection of islands and upgrading of the electricity network
5	New framework for the development of storage (Hydro Pumping and Battery Storage) to reach <b>5 GW</b> by 2030

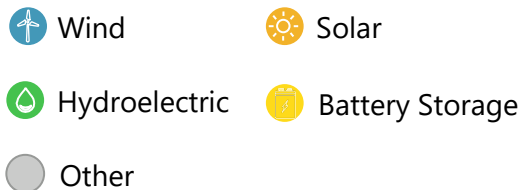
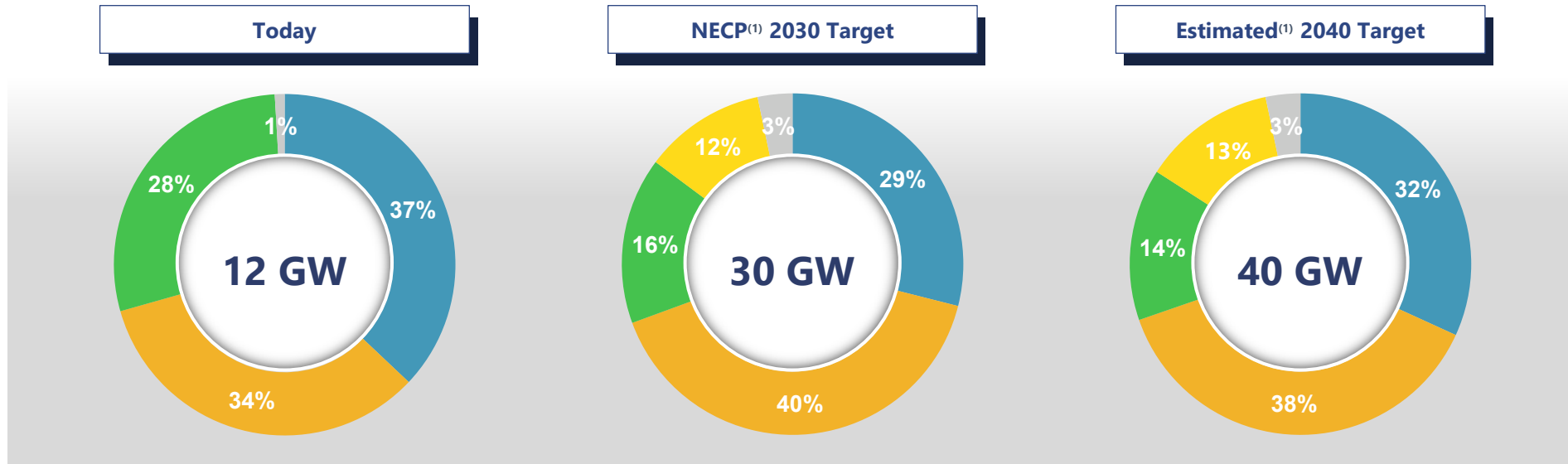
## 2030 Onwards

1	Additional <b>10 GW</b> of RES & Storage until 2040 reaching total installed capacity of <b>40 GW</b>
2	Electricity demand is expected to increase significantly due to electrification and green hydrogen
3	Development of mature Floating Offshore Wind Farms
4	Greece to become an electricity hub in South-East Europe
5	Installed Hydro Pumping and Battery Storage to reach <b>7.5 GW</b> by 2040



# Greece: 18 GW to be Added by 2030 and 28 GW by 2040

With the recent update of the NECP indicating significant additional growth potential



## Further Upside - Hydrogen Plan

- Additional RES capacity is expected to serve Green Hydrogen Deployment based on the, currently under preparation, Climate Law and Europe's Hydrogen Strategy and Repower EU
- Hydrogen set to become a new fuel carrier for Natural Gas substitution

Notes:  
1. TERNAL ENERGY's estimates

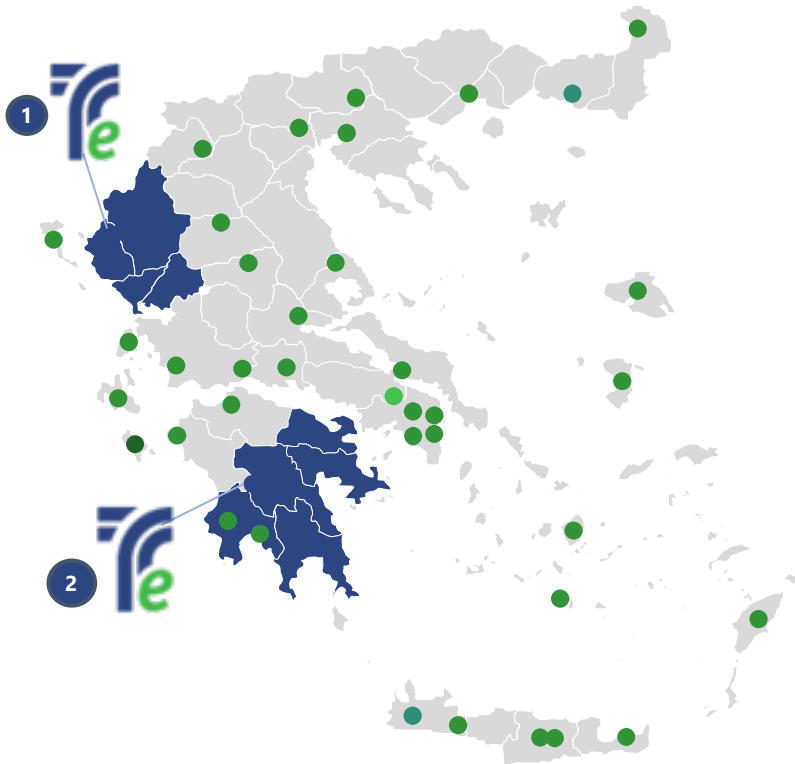
# Greece: Additional Growth Optionality from Regulated Activities

Over €2 Bn of Waste Projects are expected to be auctioned by 2030



## Waste Management

### Waste Management Facilities in Greece by 2023



**7**  
Existing Facilities

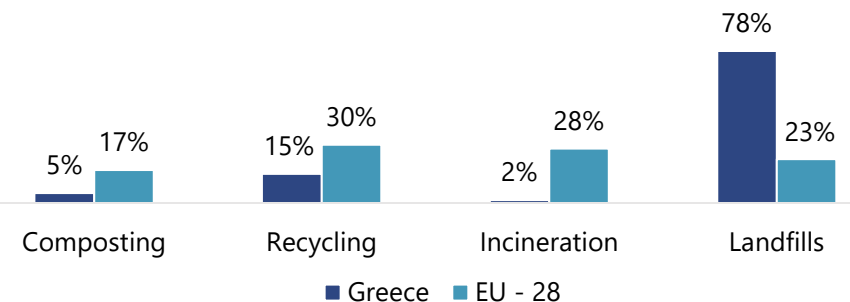
**31**  
New Waste  
Management Facilities  
under construction

**~ €1.5 Bn**  
Total estimated Capex

**4**  
Major Projects Waste  
to Energy to be  
developed by 2030

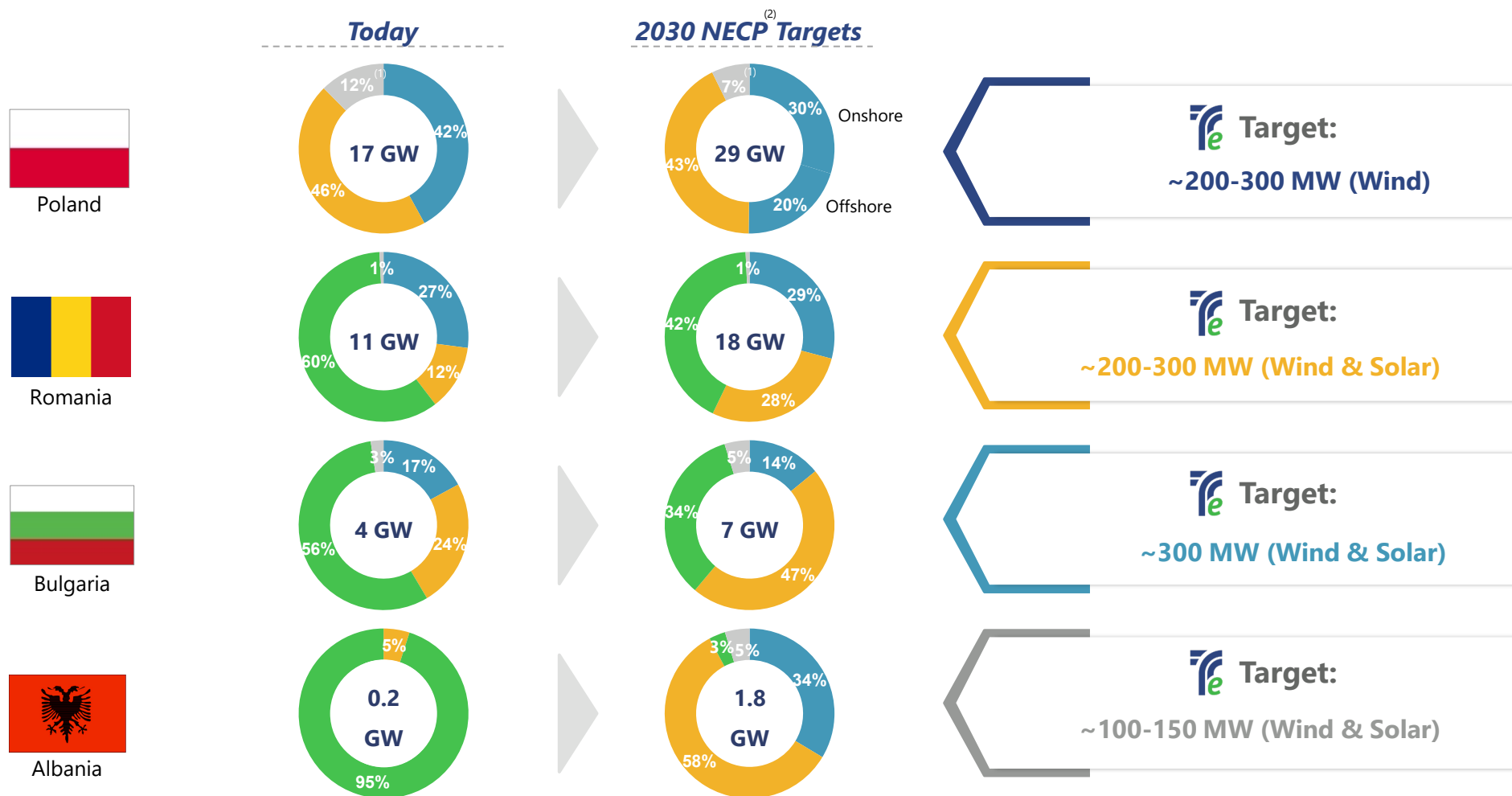
**~ €1 Bn**  
Total estimated Capex

### Key Waste Management Metrics in Greece vs EU - 28



# International: Significant Growth Opportunity Also Outside Greece

Neighboring countries target to substantially increase RES capacity in the upcoming years



**More than ~1 GW opportunity for Terna Energy not yet included in our Business Plan**

**Notes:**  
 1. Poland other includes Hydro and Biomass  
 2. Terna Energy's estimates regarding Poland, has not approved NECP yet



**SECTION 3**

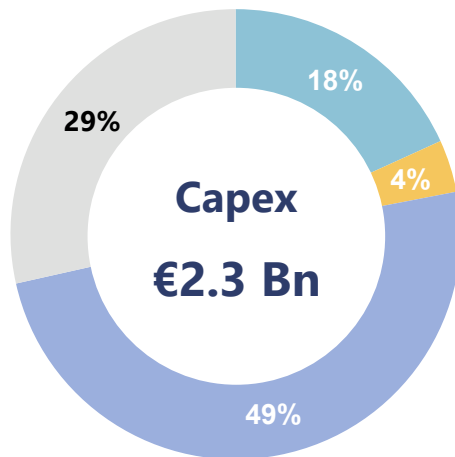
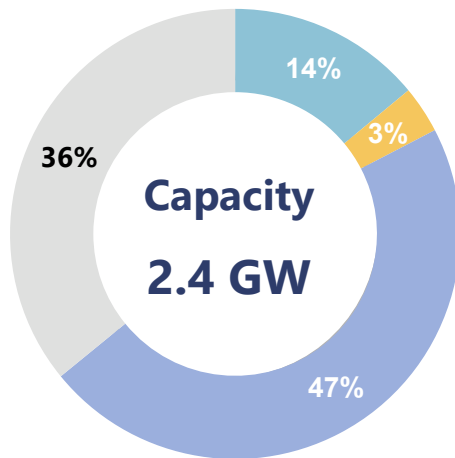
# Strategy and Targets

# Well on Track Towards our 2025 Goals

Over 2.4 GW of new capacity to be installed, with the company investing more than €2.3 Bn over the next 4 years

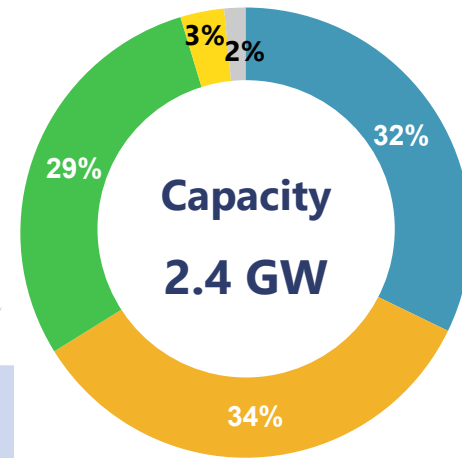
## 2022-2025 Pipeline Breakdown

By Status

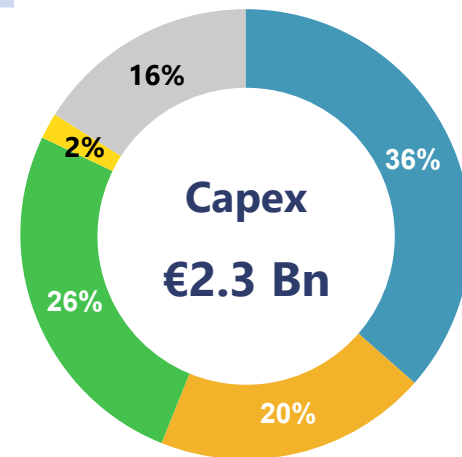


Under Construction RTB Advanced Stage Early Stage

By Technology



2025 Target  
Covered **5.0x** by  
Existing Pipeline



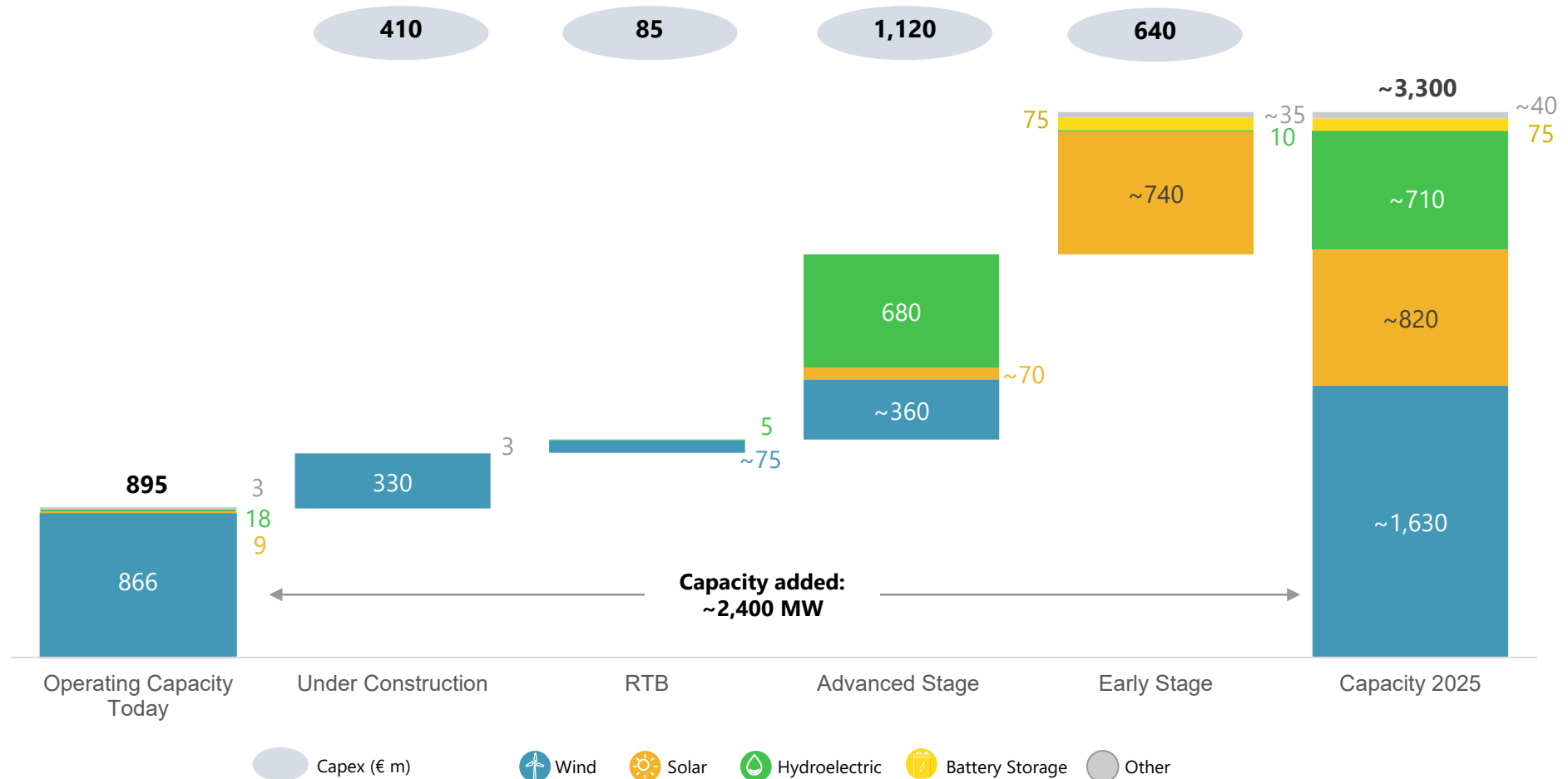
Wind Solar Hydroelectric Battery Storage Other

# 2025 Capacity Target of 2.4 GW Already Secured

More than 1.5 GW in advanced stage or already under construction

## Capacity Evolution

In MW





# Flagship Near-Term Projects for the Greek Energy Sector

Leading the way through innovation and operational excellence



## Kafireas Wind Park



- Kafireas, Evia, Greece
- Capacity: 330 MW
- Capex: €555 m (o/w €207 m already spent)
- Partial operation by end of 2022 / start of 2023



**Largest wind park in Greece**



## Amfilochia Hydro Pumped Storage Project



- Amfilochia, Greece
- Capacity: 680 MW
- Capex: €550 m
- Expected completion by 2025-2026



**Largest energy storage investment in Greece**



## Agia Triada Photovoltaic Project



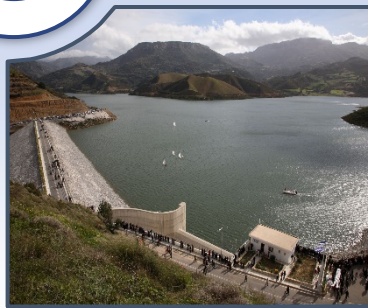
- Agia Triada, Thessalia, Greece
- Capacity: 470 MW
- Capex: €240 m
- Expected completion by 2026



**One of the largest photovoltaics in Greece**



## Amari Hybrid Project (Hydro Pumped Storage and Wind)



- Crete, Greece
- Capacity: 153 MW
- Capex: €240 m
- Expected completion by 2025-2026



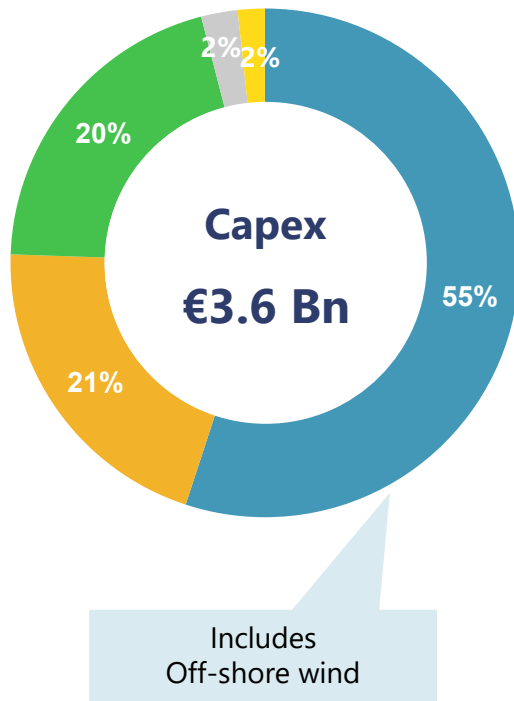
**Largest hybrid project in Europe, integrating wind power with pumped storage**

# TERNA ENERGY Will Add Another ~3.1 GW Between 2026-2029

Incremental ~€3.6 Bn by 2029 to create one of the largest renewable portfolios in South-East Europe

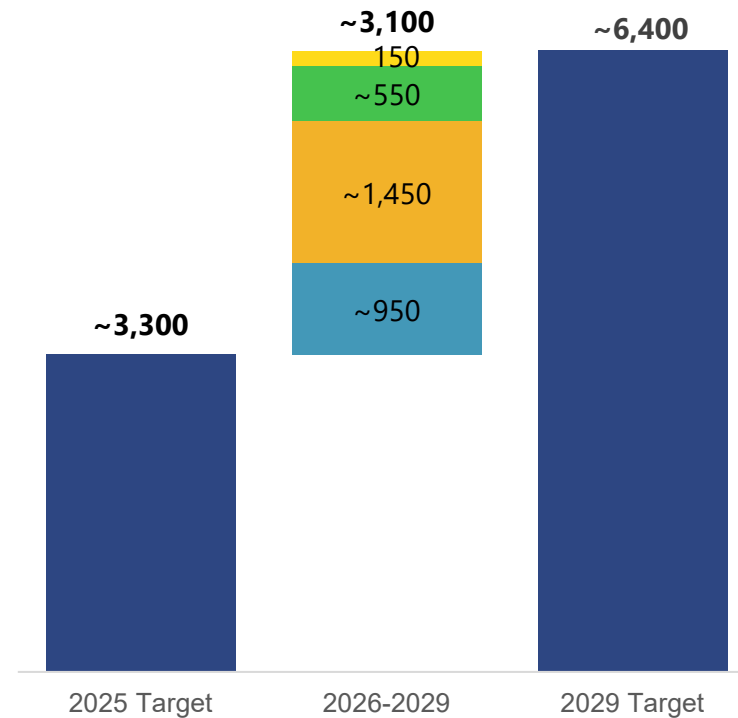
## Capex Invested (2026 – 2029)

In € m



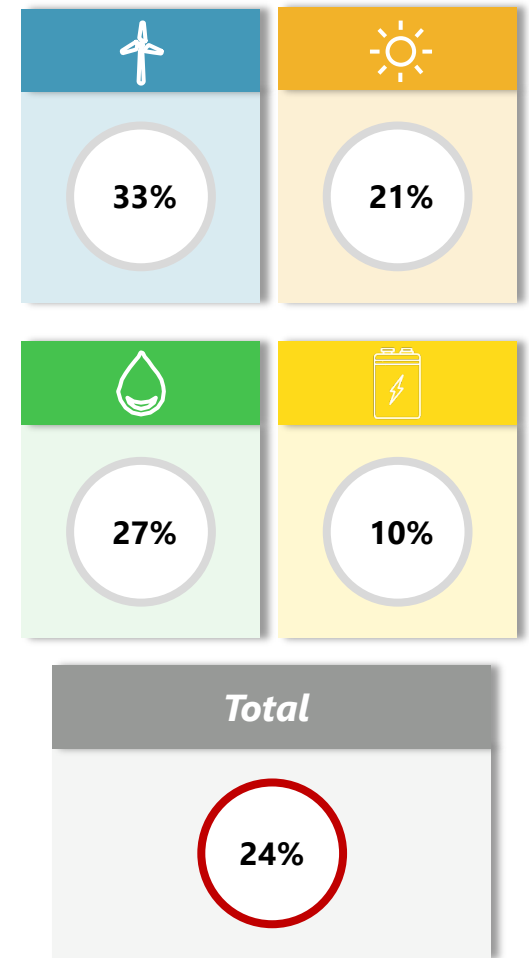
## Capacity Additions

In MW



Wind Solar Hydroelectric Battery Storage Other

## TERNA ENERGY Target 2029 Market Share



**SECTION 4**

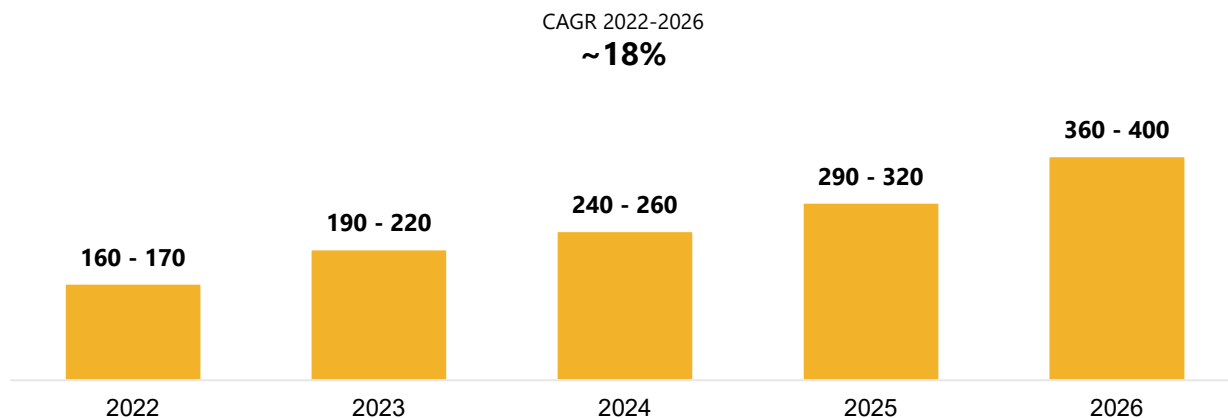
**Financial Outlook**



# Financial Outlook Reflecting the Expected Growth

Robust EBITDA improvement resulting in increasing operating cash-flow generation

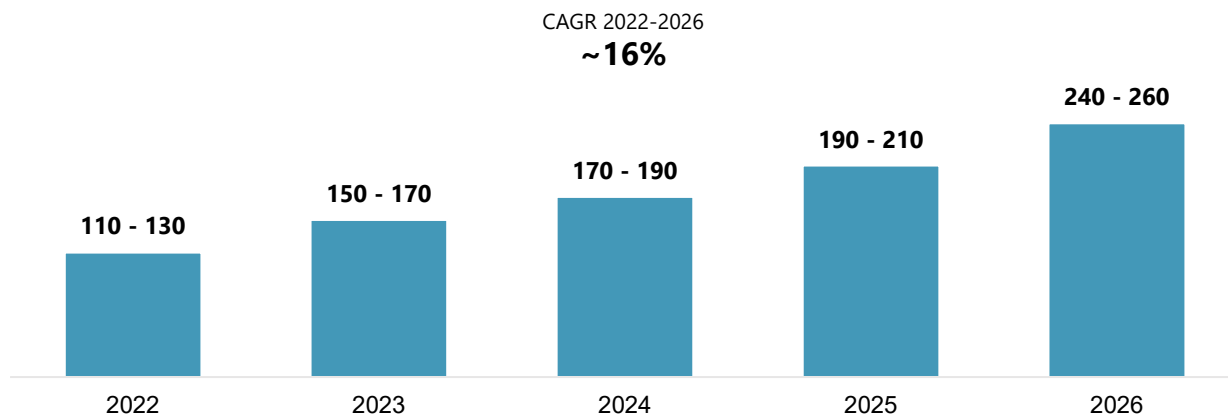
EBITDA (€ m)



**Considerable EBITDA improvement as a result of well-invested and high returns pipeline coming online**

*Business plan underpinned by conservative economic assumptions that have already been outperformed by recently secured project terms*

Operating Cash-flow (€ m)



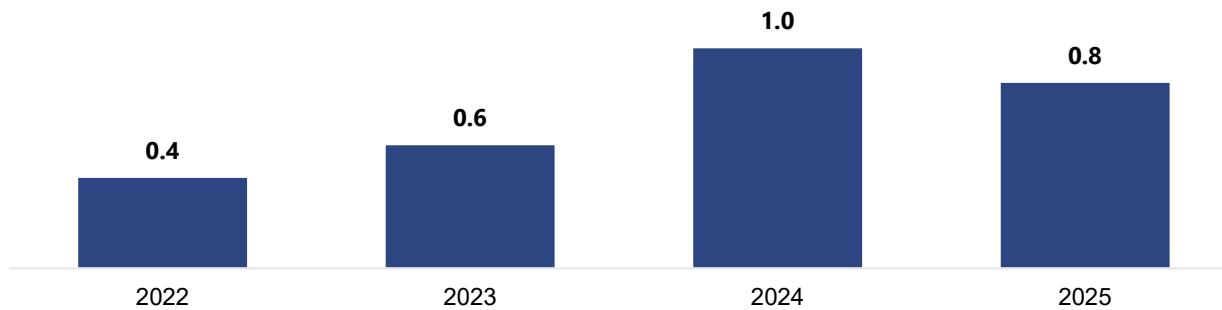
**Continuous improvement of profitability and low Working Capital needs bolster Operating Cash-flow**



# Flexibility to Fully Fund Future Investments

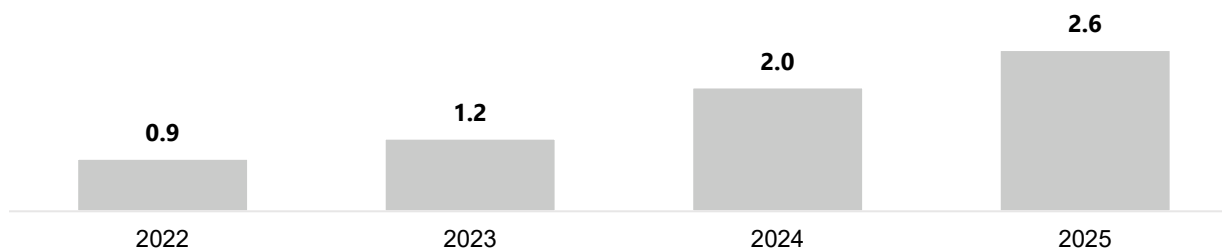
Significant investment over the coming years in order to achieve the ~6.4 GW target

Capex (€ Bn)



**High Capex investments  
secure long-term pipeline and  
sustained growth**

Net Debt (€ Bn)



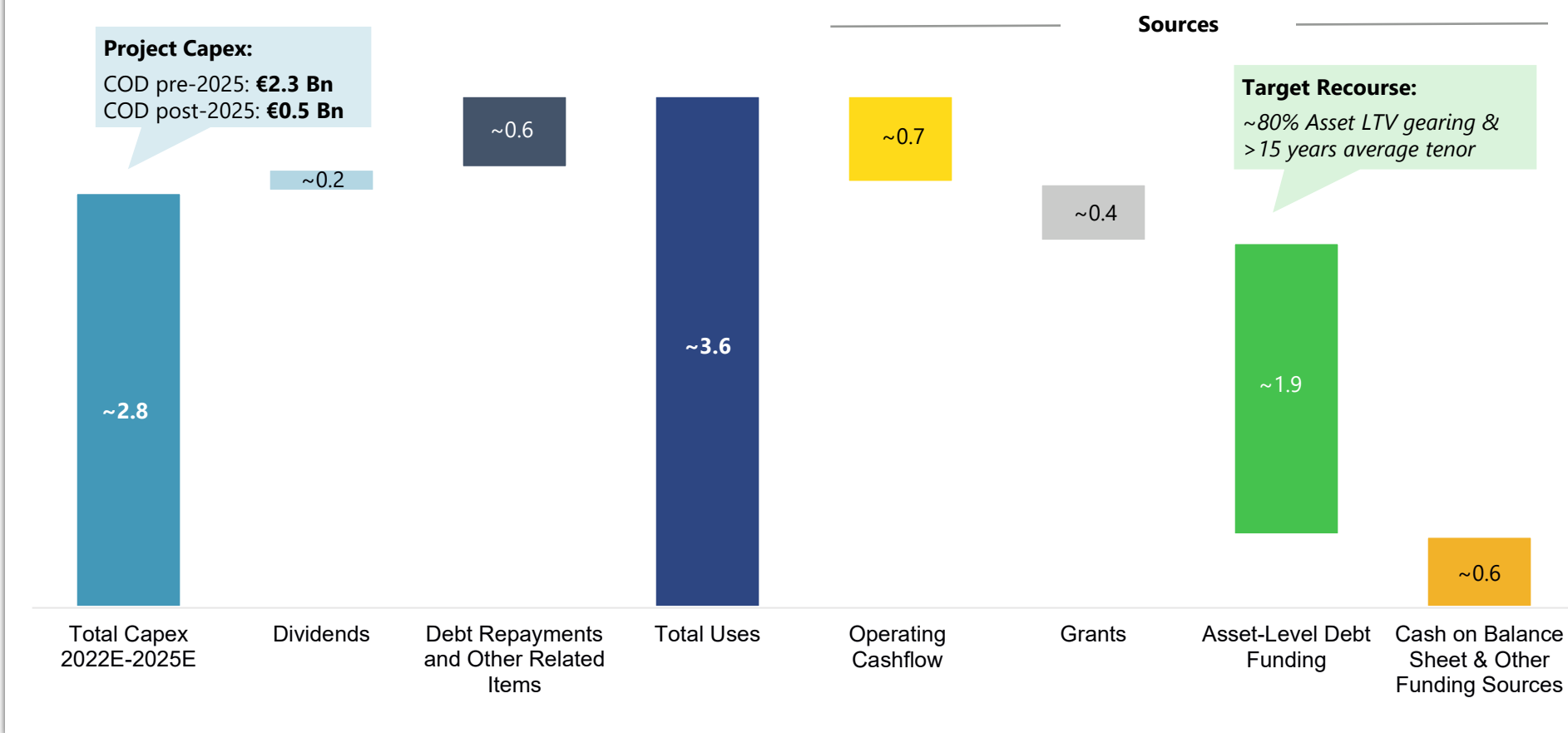
**Headroom for leverage to  
grow to facilitate investment  
plan**

# Secured Funding Sources to Deliver the 2025 Targets

Whilst maintaining the current dividend levels (~€40 m per annum)

## 2022-25 Capex Funding Plan

in € Bn





## Closing Remarks

# **TERNA ENERGY, the Largest Renewable Energy Platform in Greece, is Leading The Way in Delivering the Upcoming, Unprecedented, Market Growth**



1

**Fully integrated platform with unparalleled in-house expertise and operational excellence track record of more than 20 years...**

2

**...Underpinned by a large operating portfolio with long-term, secured and stable PPAs...**

3

**...Uniquely positioned to capture the highest capacity growth ever seen in the energy sector...**

4

**...Reaching ~6.4 GW by 2029, representing a market share of almost ~25%...**

5

**...Whilst delivering attractive equity returns for its shareholders and exemplary ESG performance**





Thank you



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