



# Corporate Presentation

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

November 2023

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**SECTION 1**

# Unique Investment Proposition

# TERNA Energy at a glance

A leading pure-play renewable energy platform with unique portfolio characteristics

## Leading renewable energy platform

- **Undisputed leader in Greece, with presence in Poland and Bulgaria**
- **100% Renewable energy - 97% wind**
- **Fully integrated organization**
- **1.2 GW in operation and >1.2 GW, under construction and RTB**
- **~16% installed capacity CAGR 2007-23**

## Unique portfolio characteristics

- **One of the youngest portfolios in the industry (w.a. asset life ~7y)**
- **Load factors well above GR wind market**
- **1.9 GW of assets under long-term regulated PPAs**
- **Existing pipeline of >11GW inc. various technologies**
- **Offshore: Exclusive exploration and survey rights for 400MW in Greece**

## Growth track record and financial strength

- **~15% EBITDA CAGR 2007-23**
- **"Run-rate" Net debt/EBITDA ~3.5x**
- **78% non-recourse debt**
- **80% of debt hedged with IRS**
- **~4.2% w.a. cost of debt**
- **Dividend: ~ € 40-45m p.a.**

**Target to exceed 6.0 GW of operating capacity by end-2029**

# 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
- Young fleet with substantial remaining contracted PPA lifetime

## Key Figures



**3**  
Countries  
with Presence



**1.2 GW**  
Total Installed  
Capacity



**~7 Years**  
Weighted  
Average  
Asset Life



**>15 Years**  
Weighted  
Average  
Remaining PPA  
Lifetime

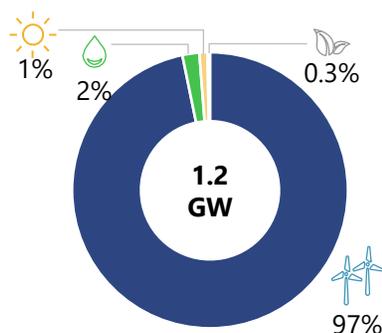


**4.2%**  
Effective Cost  
of Debt

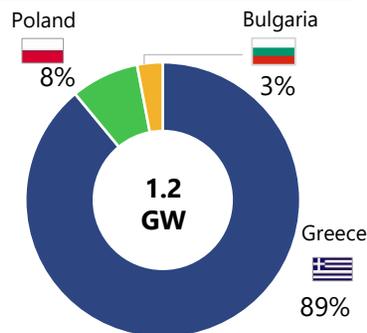


**78%**  
Non-Recourse  
Debt of Total Debt

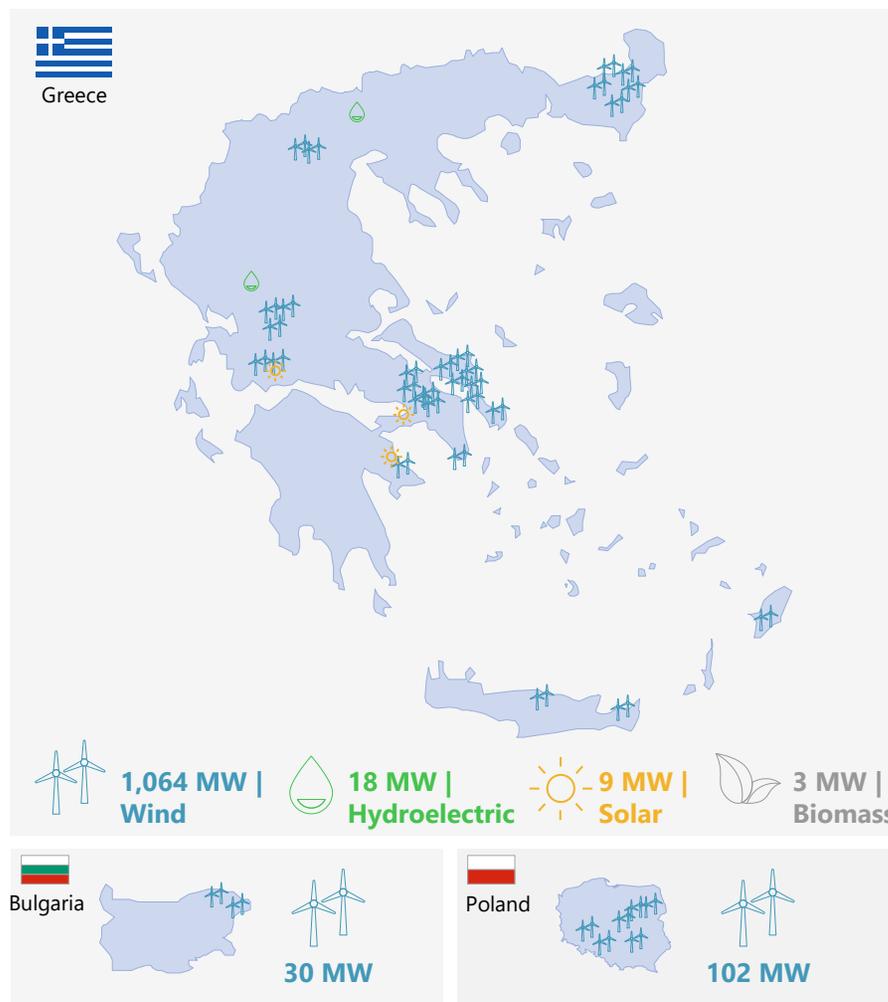
### Capacity Breakdown by Technology



### Capacity Breakdown by Country



## Geographical Footprint



# High quality, diversified and complementary portfolio

- Substantial long-term, secured and predictable cash-flow

## Largest Portfolio In The Greek Market



**1.2 GW**  
Installed Capacity<sup>(1)</sup>

+



**11 GW<sup>(2)</sup>**  
Projects  
at various stages

## Technologically Diversified



✓  
**Wind**  
Onshore  
&  
Offshore



✓  
**Solar**



✓  
**Hydroelectric**



✓  
**Biomass**



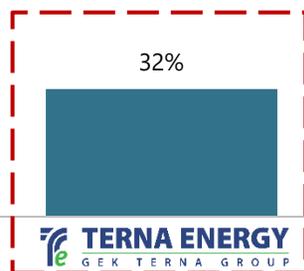
✓  
**Waste**



✓  
**Hydro-**  
pumping  
Storage

## Exceptionally High Load Factors Vs GR Market

2022



27%<sup>(3)</sup>

Greece

## Long Term Contracted Revenue



**100%**  
% of Greek  
Installed Capacity  
Contracted



**1.9<sup>(4)</sup> GW**  
Operating &  
Near-term  
Pipeline under  
Secured PPAs



**€7<sup>(4)</sup> Bn**  
Contracted  
Revenue

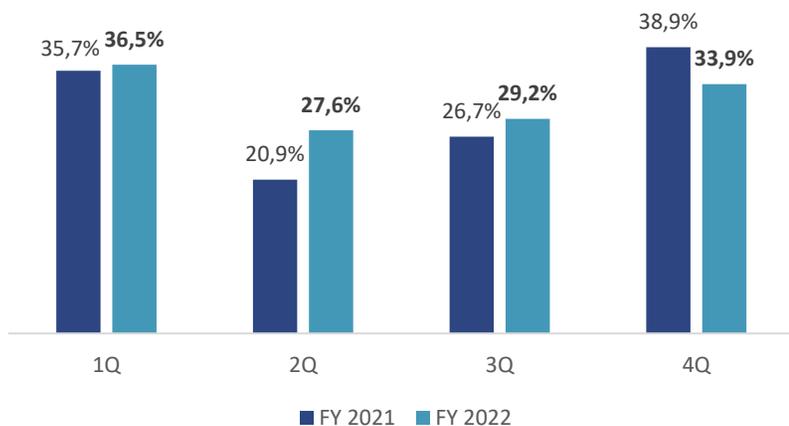
**Notes:**

- Including assets in Poland and Bulgaria
- Including c. 5 GW of other applications / licenses on top of the pipeline
- Load factor (W/F) source: DAPEEP
- Including Amari and Amfilochia contribution

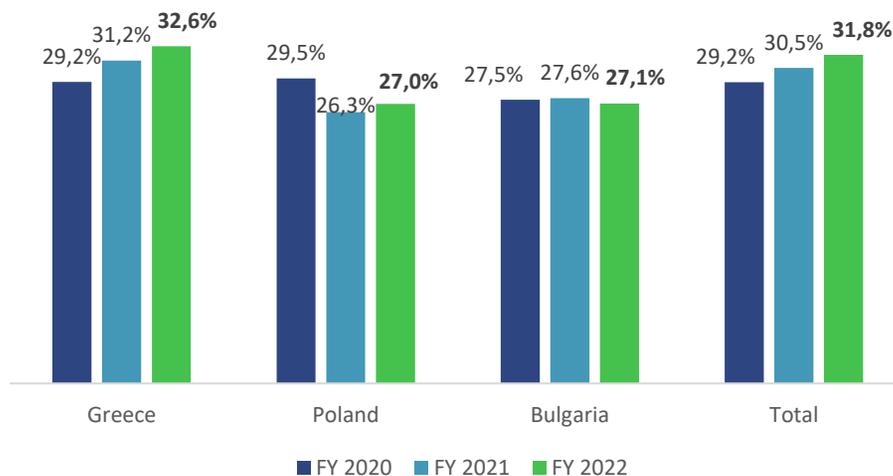
# RES asset base performance

- Sustainably strong load factors - Offtake mix supports revenue generation despite power price volatility

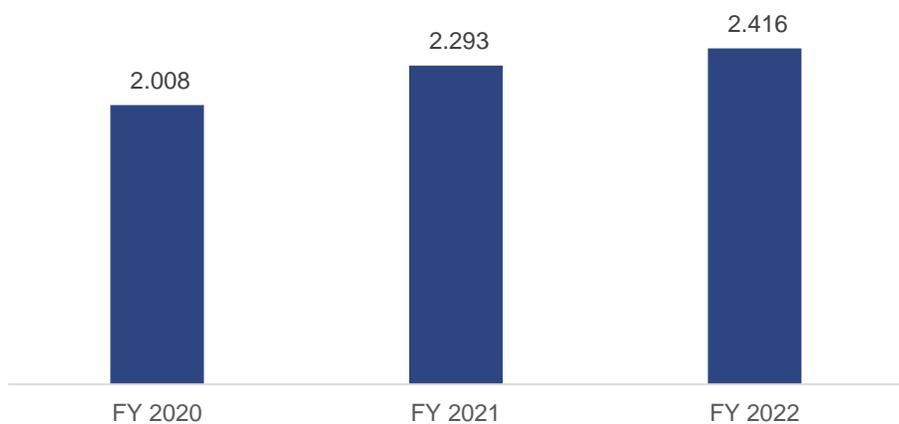
## Portfolio quarterly load factor



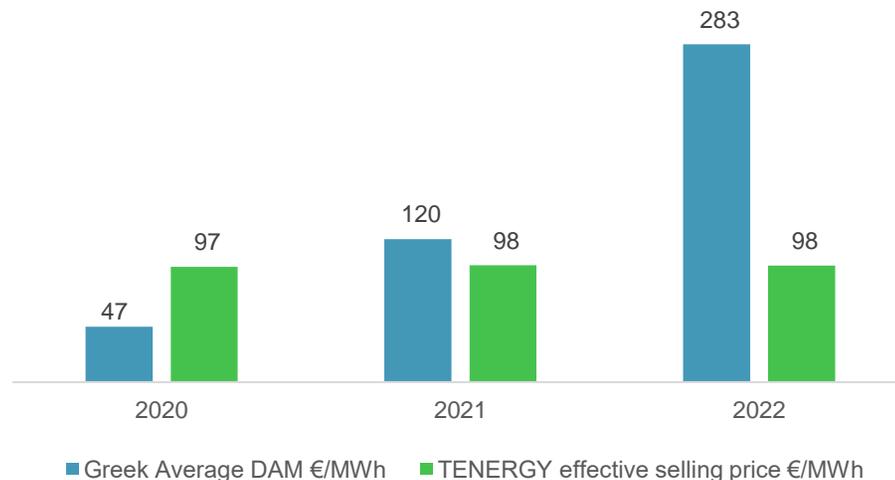
## Portfolio historical load factor (2020-22)



## Generation volumes (GWh)



## TENERGY effective selling price vs DAM



# 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

-  **World-Class In-House Certified Wind Measurement Laboratory and Exceptional Environmental Knowhow**
-  **Regulatory and Compliance**
-  **Strong Construction and Operational Capabilities**
-  **Seasoned Project Finance and Investment Team**

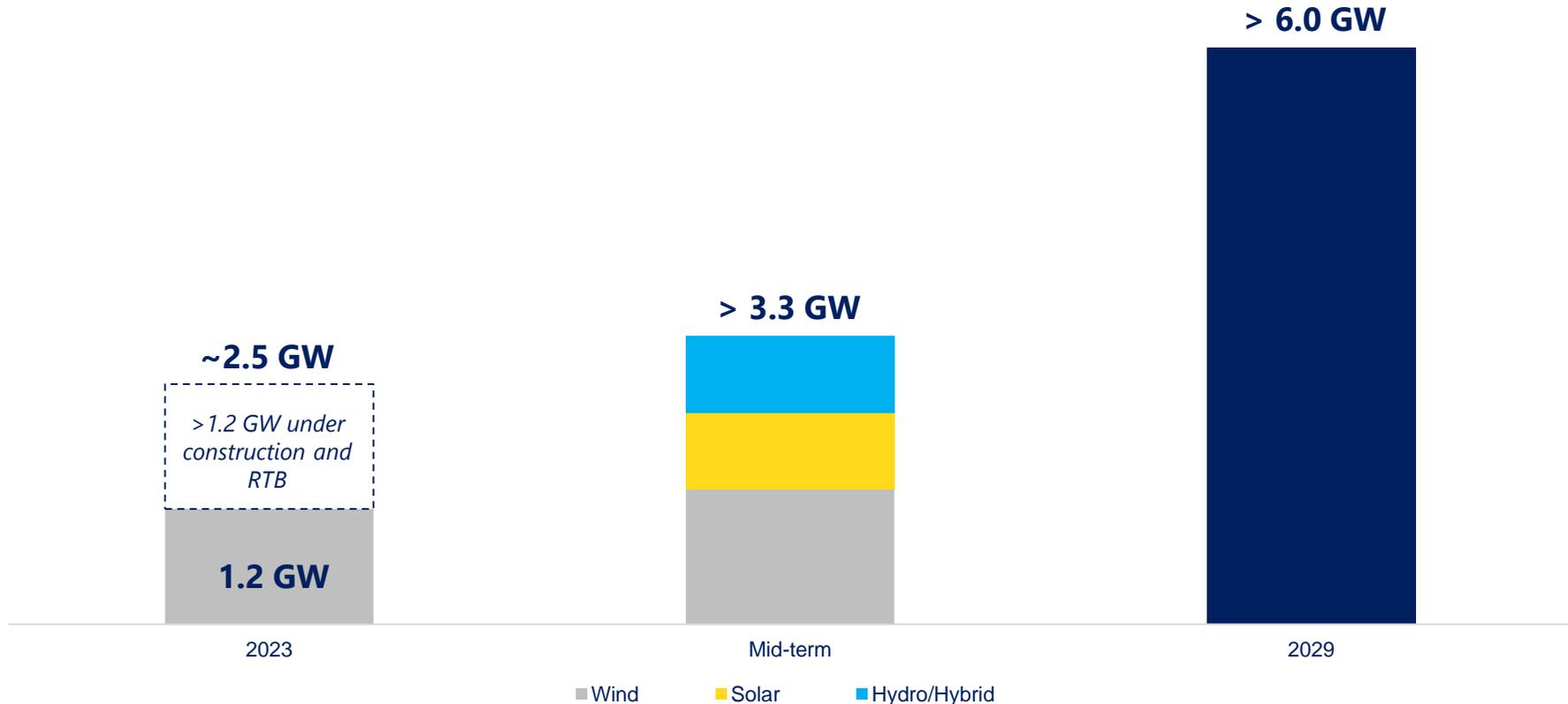
## Development Process

- **Wind and energy assessment and micro siting suitability**
- **Deep & thorough environmental assessment**
- **Contribution as major stakeholder to national policies and targets**
- **Special and spatial planning compatibility**
- **Grid connectivity and availability**
- **Decades of expertise across a variety of technologies assuring constructability, quality and on time delivery**
- **Strong know-how in operations delivered by on-site personnel working with asset manufacturers**
- **Utilisation of internal knowhow to achieve superior returns**
- **Secured project financing for over ~1.9 GW**

***Terna Energy team has unique capabilities and expertise, achieving consistently exceptional outcomes over the years***

# TERNA Energy growth targets

- Installed capacity to exceed 6.0GW by 2029
- Mid-term milestone >80% covered with under construction and RTB capacity



**Targets well underpinned by 11 GW portfolio of existing pipeline**

# Flagship Near-Term Projects for the Greek Energy Sector

- Leading the way through innovation and operational excellence



## Kafireas Wind Park



- Kafireas, Evia, Greece
- Capacity: 327 MW
- Capex: € 550m
- **In full operation since Sep'23**



**Largest wind park in Greece**



## Amfilochia Hydro Pumped Storage Project



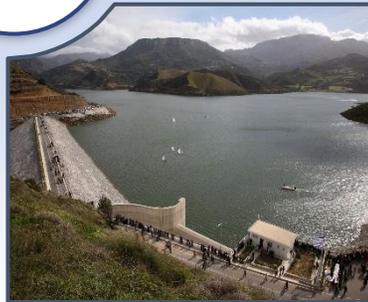
- Amfilochia, Greece
- Capacity: 680 MW
- Capex: €650 m
- Expected completion by 2025-2026 (construction <10% currently)



**Largest energy storage investment in Greece**



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



- Crete, Greece
- Capacity: 156 MW
- Capex: €280 m
- Expected completion by 2026

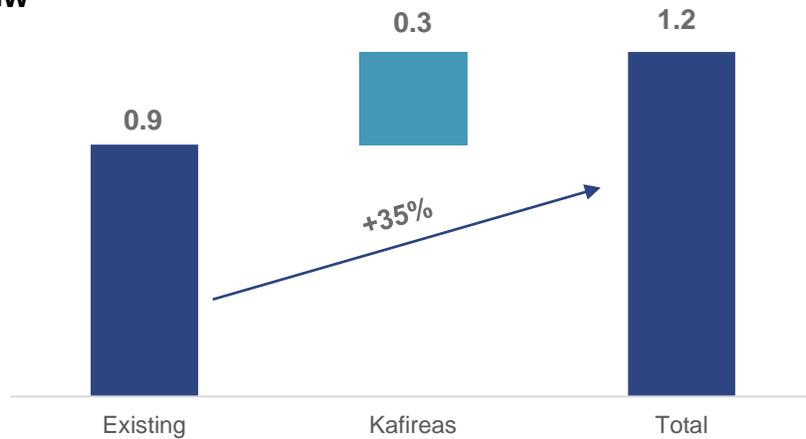


**Largest hybrid project in Europe, integrating wind power with pumped storage**

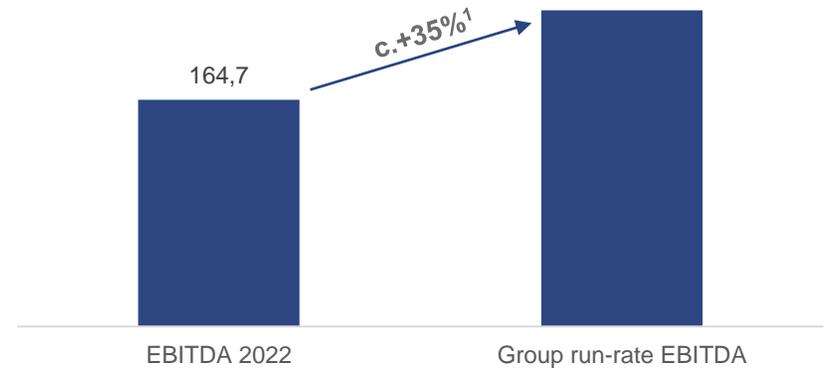
# The "Kafireas" Effect

Commissioning of Kafireas project is an important milestone for the Group's growth

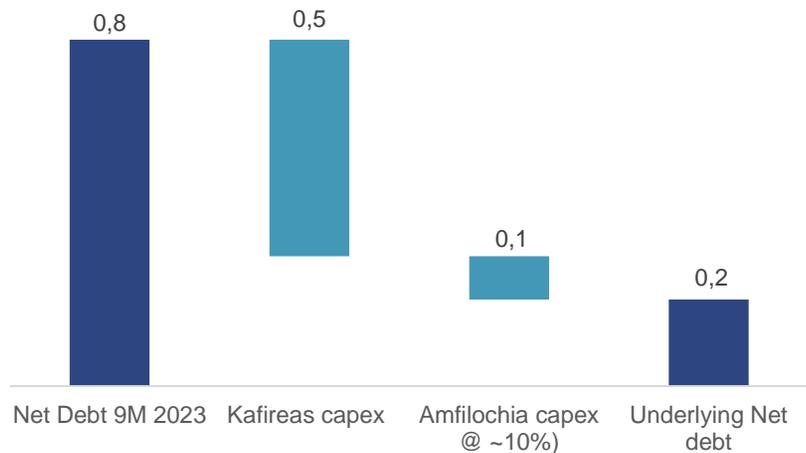
## Installed capacity GW



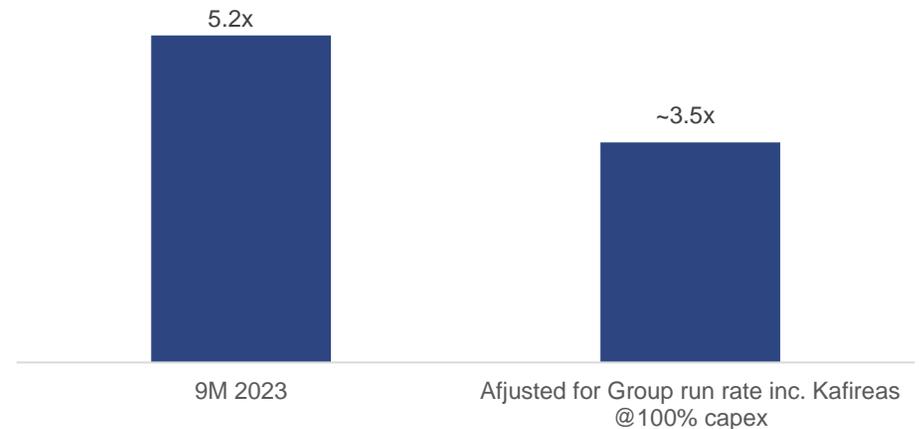
## Group run-rate EBITDA € m



## Net debt breakdown € bn



## Net debt / adj. EBITDA (x)



Notes: 1. Expected

# 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



**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 RES & Hydro to reach <b>27.3 GW</b> by 2030 Increase of 14.2 GW in RES and 0.7 GW in Hydro 2030 capacity target compared to 2021 target
2	New framework for the development of storage (Hydro-Pumping and Battery Storage) to reach <b>5.3 GW</b> by 2030
3	Establishing a framework for offshore wind with the aim of developing of <b>1.9 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	Rollout of electrolyzers paves the way to initial penetration of hydrogen in the power mix reaching <b>1%<sup>(1)</sup> share</b> and <b>175 MW<sup>(1)</sup></b> of installed capacity in 2030

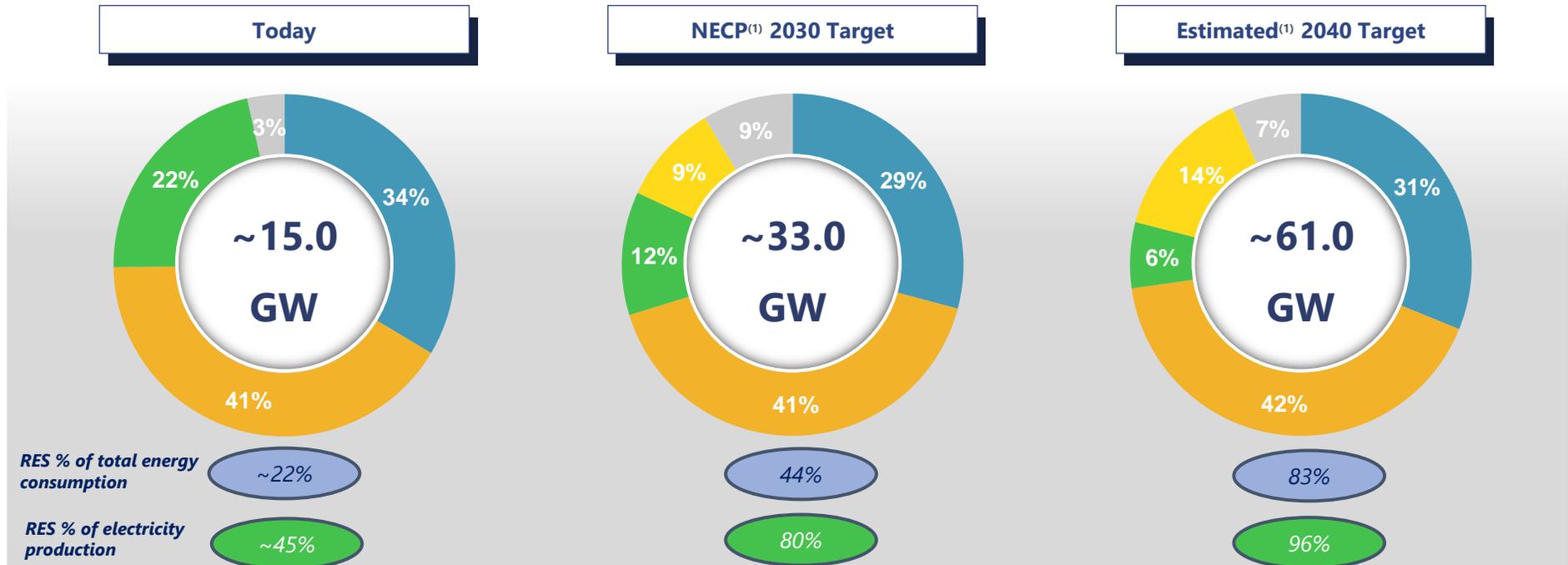
## 2030 Onwards

1	Additional <b>22.7 GW</b> of RES & Hydro until 2040 reaching total installed capacity of <b>50 GW</b>
2	Installed Hydro-Pumping and Battery Storage to reach <b>11 GW</b> by 2040
3	Development of mature Floating Offshore Wind Farms with a target of additional <b>7.9 GW to reach 9.8 GW</b> until 2040
4	Electricity demand is expected to soar by c. <b>40%<sup>(1)</sup></b> by 2040 driven by prominent electrification trend led by industry, decarbonized heat demand and EV charging
5	In response to falling prices, hydrogen demand ramps up from 2030 achieving a <b>14%<sup>(1)</sup> share</b> of on grid demand by 2040

Notes:  
1. Source: Wood Mackenzie

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

- The recently updated NECP indicating the significant growth potential of the GR RES market...
- ...driven by the EU wide push to reach Net Zero by 2050



- Wind
- Solar
- Hydroelectric
- Battery Storage
- Other RES inc. pump storage

### 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. TERNA ENERGY's estimates based on latest draft NECP

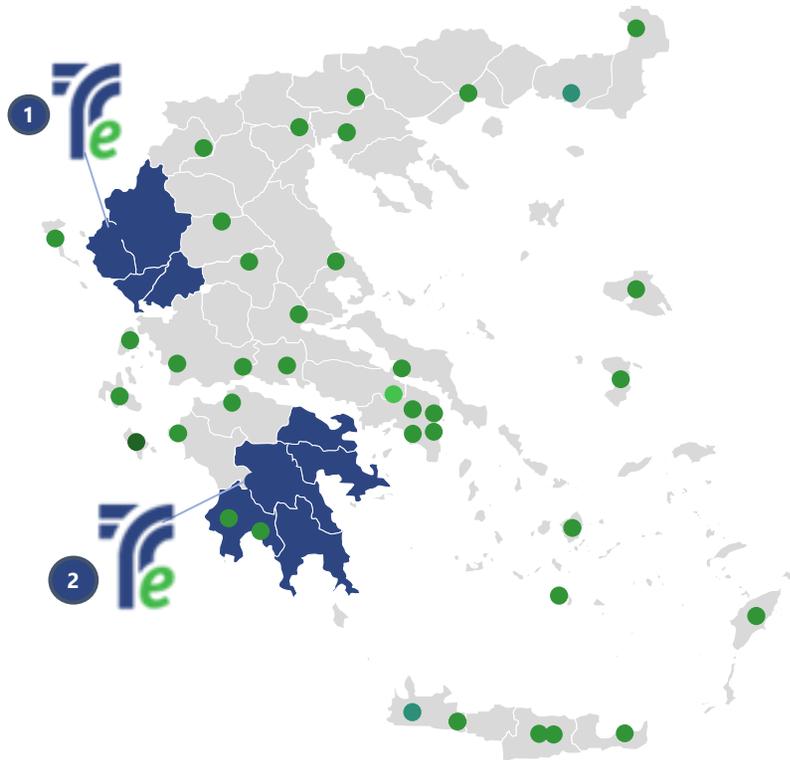
# Greece: Additional Growth Optionality from Regulated Activities

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

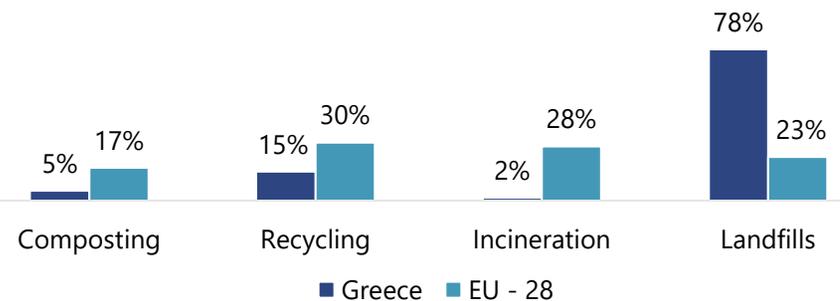
**31**  
New Waste Management Facilities under construction

**~ €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



**SECTION 4**

**Key financials & 9M 2023 Results**

# 9M 2023 Highlights

**Strong performance in 3Q following normalisation of wind conditions and increased capacity allows to recover slow start of the year – 3Q adj.EBITDA+50.9% y-o-y // 9M adj.EBITDA € 124.5m (-1.6% y-o-y)**

## Key Highlights

- **Installed capacity at 1.2 GW post Kafireas completion (vs. 0.9GW in end-2022)**
- **Normalised wind conditions for August and September along with increased effective capacity drive generation higher, allowing to recover from slow start of the year**
- **Further acceleration expected in 4Q as Kafireas now operates with full capacity**
- **~2.5GW of projects operating, under construction or ready to build phase**
- **Early mover advantage in the offshore industry having exclusive exploration and survey rights for 400MW for fixed bottom in Northern Greece**

## Key Financials

- **3Q Group revenues increase by 43.1% y-o-y to € 90.3m // adj.EBITDA +50.9% y-o-y € 49.8m**
  - Group Load Factor 3Q 2023 at 29.6% (vs. 29.2% in 3Q 2022) – Power generation +28.4% y-o-y
- **9M Group revenues increase by 7.8% y-o-y to € 235.9m // adj. EBITDA at 124.5m, -1.6% y-o-y**
  - Group Load Factor 9M 2023 at 27.9% (vs. 31.1% in 9M 2022) – Power generation +2.3% y-o-y
- **Group adj. Net Profit 3Q € 18.0m (+87.5% y-o-y) // 9M € 41.9m (-21.2% y-o-y)**
- **Operating CF 9M 2023 at € 113.9m // € 58.9m of OCF in 3Q 2023**
- **Capex at € 178m during the 9M period for Kafireas and Amfilochia**
- **Net debt at € 844.4m (vs. € 669.3m in Dec'22) with leverage (Net Debt/adj.EBITDA) at 5.2x**

# Financial Performance by Business Segment

Increased RES production in 3Q drives revenues and profitability higher – Increased contribution from Waste Management and Construction

€ m	3Q 2022	3Q 2023	y-o-y	9M 2022	9M 2023	y-o-y
<b>Group revenues</b>	<b>63.0</b>	<b>90.2</b>	<b>43.1%</b>	<b>218.9</b>	<b>235.9</b>	<b>7.8%</b>
RES	52.8	67.8	28.3%	175.2	173.1	(1.1%)
Waste Management	2.8	5.1	80.9%	5.9	11.7	98.3%
E-Ticket	3.2	3.3	5.1%	9.3	10.2	9.7%
Construction	4.3	14.1	225.9%	28.6	40.9	43.0%
<b>Group adj. EBITDA</b>	<b>33.0</b>	<b>49.8</b>	<b>50.9%</b>	<b>126.5</b>	<b>124.5</b>	<b>(1.6%)</b>
RES	35.7	46.1	26.7%	124.0	116.9	(5.7%)
Waste Management	0.8	1.2	44.6%	0.9	4.2	366.7%
E-Ticket	0.3	1.5	449.5%	1.0	2.4	140.0%
Construction	-3.8	1.0	n.m.	0.6	0.9	50.0%
<i>Group adj. EBITDA margin</i>	<i>52.3%</i>	<i>55.2%</i>		<i>57.8%</i>	<i>52.8%</i>	
<i>RES segment adj. EBITDA margin</i>	<i>67.5%</i>	<i>67.8%</i>		<i>70.8%</i>	<i>67.6%</i>	
<b>Group adj. Net Profit</b>	<b>9.6</b>	<b>18.0</b>	<b>+87.5%</b>	<b>53.1</b>	<b>41.9</b>	<b>(21.2%)</b>

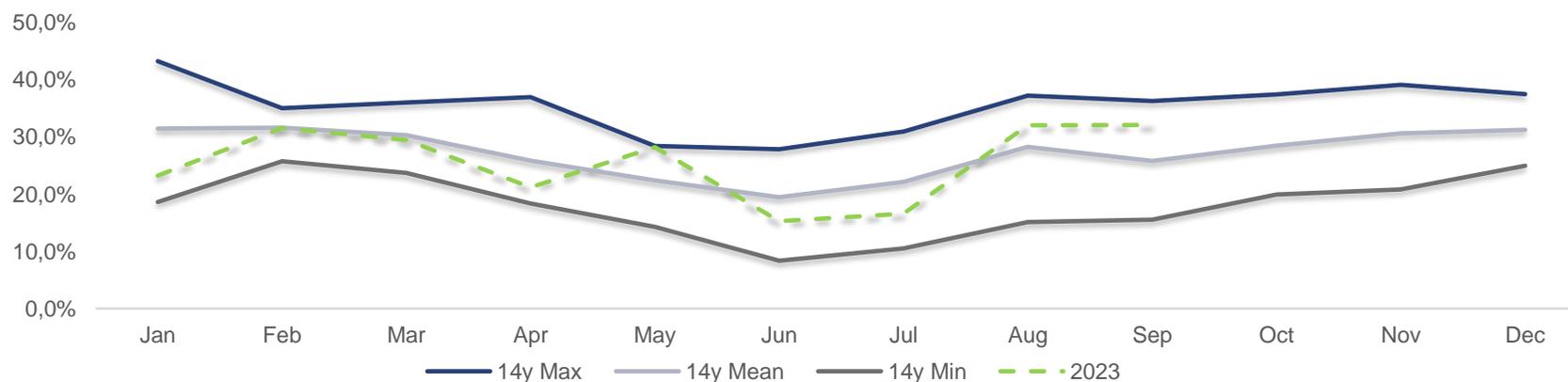
# Operating Performance Overview

Wind conditions in 3Q 2023 recover to normalised levels and along with increased effective capacity drive generation volumes sharply higher, recovering the slow 1H 2023 performance

### Portfolio load factor per country



### 2023 Load factor vs. long-term average<sup>(1)</sup>



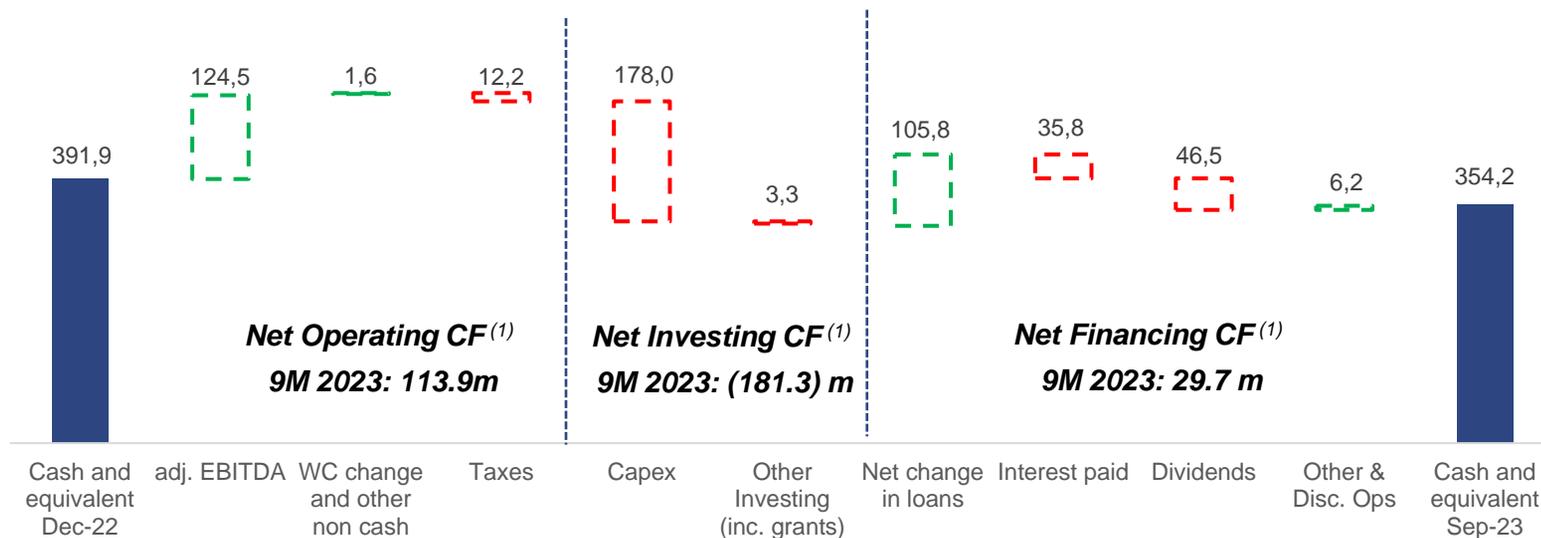
(1) Average for a representative sample of assets for the period 2008-22

# Cash Flow

Strong operating cash flow generation continues, supporting the investment program and shareholder returns

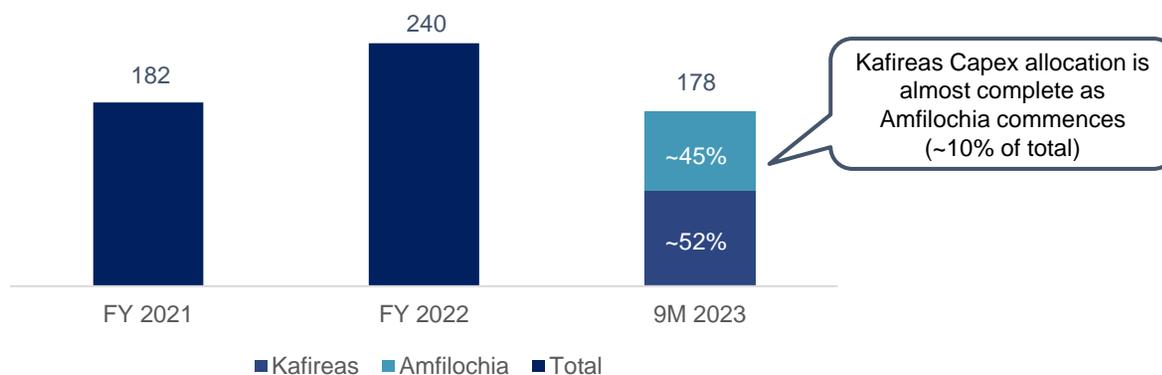
## Cash flow bridge

€ m



## Capex<sup>(1)</sup>

€ m



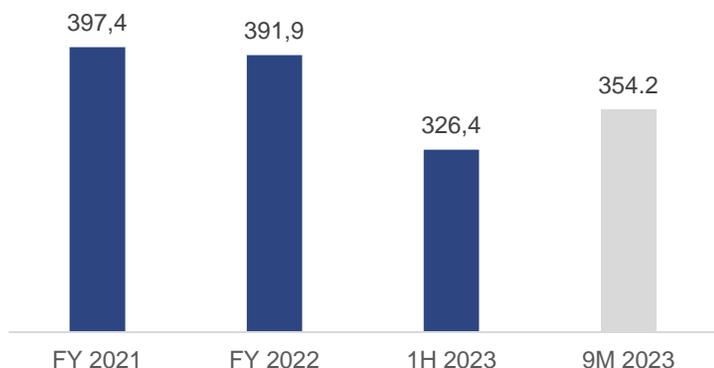
Notes: 1. From continued operations

# Balance Sheet Highlights

Healthy leverage and liquidity to sustain investment plans

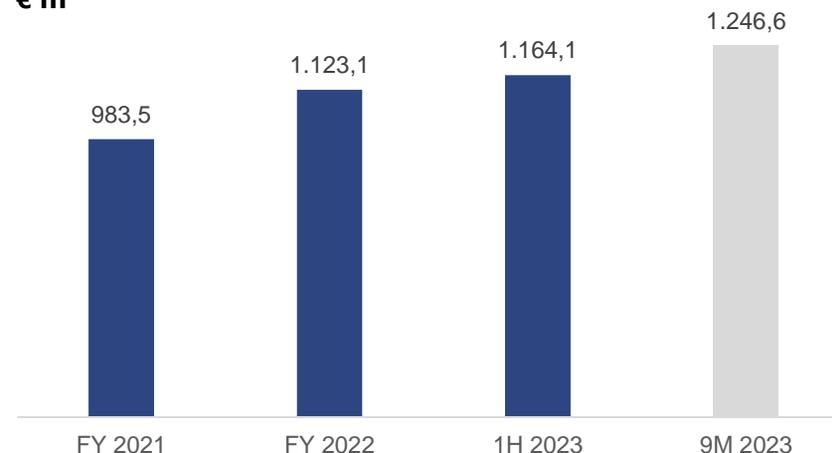
## Cash and Cash Equivalent<sup>(1)</sup>

€ m



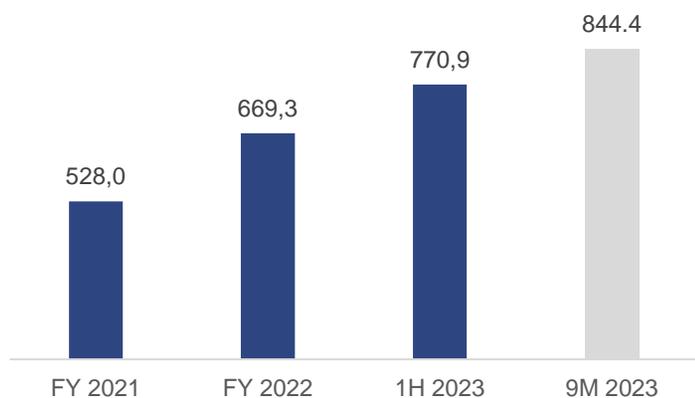
## Gross debt

€ m



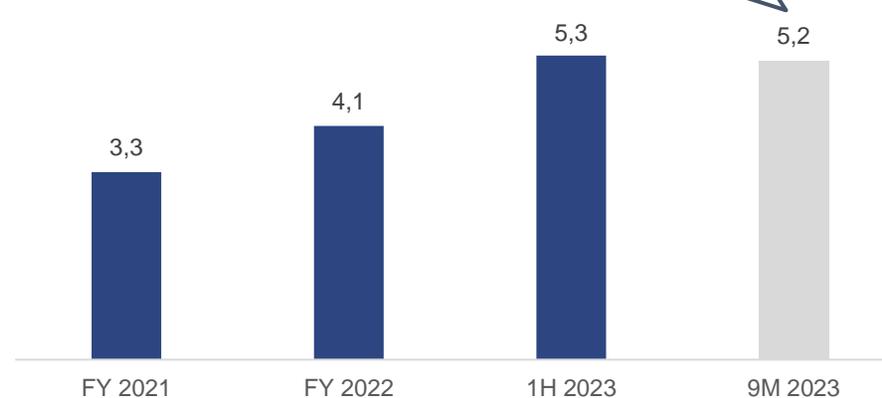
## Net Debt

€ m



## Net debt / adj. EBITDA

(x)



Notes: 1. Does not include restricted cash (€ 69m in 1H 2023)

# Group Income Statement

€ m	9M 2022	9M 2023
Revenue	218.9	235.9
Cost of sales	(109.8)	(127.9)
<b>Gross profit</b>	<b>109.1</b>	<b>108.0</b>
Administrative & distribution expenses	(41.3)	(24.4)
Research and development	(4.7)	(5.4)
Other income, net	12.0	8.0
<b>Operating profit</b>	<b>75.1</b>	<b>86.2</b>
Financial expenses, net	(24.3)	(31.6)
<b>EBT</b>	<b>50.8</b>	<b>54.6</b>
Income tax expense	(18.4)	(13.9)
<b>Net Profit</b>	<b>32.4</b>	<b>40.7</b>
Discontinued ops	18.7	0.0
<b>Net Profit from continued &amp; discontinued ops</b>	<b>51.1</b>	<b>40.7</b>
<b>EBITDA</b>	<b>105.6</b>	<b>123.6</b>
adj. EBITDA <sup>(1)</sup>	126.5	124.5
adj. Net Profit <sup>(1)</sup> from continued & discontinued ops	71.9	41.9

# Group Balance Sheet and Cash Flow

€ m	FY 2022	1H 2023
Tangible and Intangible fixed assets	1,256.9	1,366.1
Investments	75.0	81.4
Other long-term assets	54.9	53.2
Inventories and Receivables	256.7	250.6
Cash and cash equivalent	391.9	326.4
<b>Total assets</b>	<b>2,035.4</b>	<b>2,077.7</b>
Total loans	1,123.1	1,164.1
Grants	167.1	164.6
Other Long-term liabilities	118.0	111.9
Other Short-term liabilities	136.2	165.8
<b>Total Liabilities</b>	<b>1,544.4</b>	<b>1,606.4</b>
<b>Total Equity</b>	491.0	471.3
Non controlling interest	(10.0)	9.9
<b>Shareholders equity</b>	<b>481.0</b>	<b>461.3</b>

€ m	1H 2022	1H 2023
<b>adj. EBITDA</b>	<b>93.5</b>	<b>74.7</b>
WC change and other non-cash	(29.2)	(15.3)
Taxes	(7.4)	(4.4)
<b>Net Operating CF</b>	<b>56.9</b>	<b>55.0</b>
Capex	(138.8)	(132.7)
Other Investing	(3.1)	3.9
<b>Net Investment CF</b>	<b>(141.9)</b>	<b>(128.8)</b>
Interest paid	(18.5)	(29.7)
Net change in loans	89.1	35.1
Dividends and share buy back	(2.1)	(0.3)
<b>Net financing CF</b>	<b>68.5</b>	<b>5.1</b>
Disc. Ops and FX	13.6	3.1

## Closing Remarks and ESG Agenda

# Market Backdrop - Outlook

## Market backdrop

- **Capex costs**

- PV remain on a downward trend since the beginning of the year
- Wind stabilized

- **Corporate PPAs**

- Strong demand by energy intensive consumers in Greece and abroad
- Prices showing signs of stabilization at current, healthy levels

- **Licensing**

- Early signs of pick-up in pace by authorities
- Support at EU level to accelerate

*Attractive value creation opportunities for good quality projects*

## TERNA Energy Outlook

- Wind conditions were weak during the first 7 months of the year. There has been a normalization over the recent months and along with increased effective capacity should allow to at least recover the slow start of the year – Further acceleration expected in 2024 given increased effective capacity
- >550MW of new projects (mostly PV) to start construction in Greece and SE Europe within the next few months - Sizable part of new capacity already under advanced discussion with third parties for corporate PPAs
- Strict commitment to targeted return levels - Focusing on highly value added projects
- Closely monitoring market / regulatory backdrop to optimise and further accelerate the realisation of our large pipeline

# **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 accelerated pace of RES capacity growth...**

4

**...Reaching >6.0 GW by 2029, representing a market share of almost ~25%...**

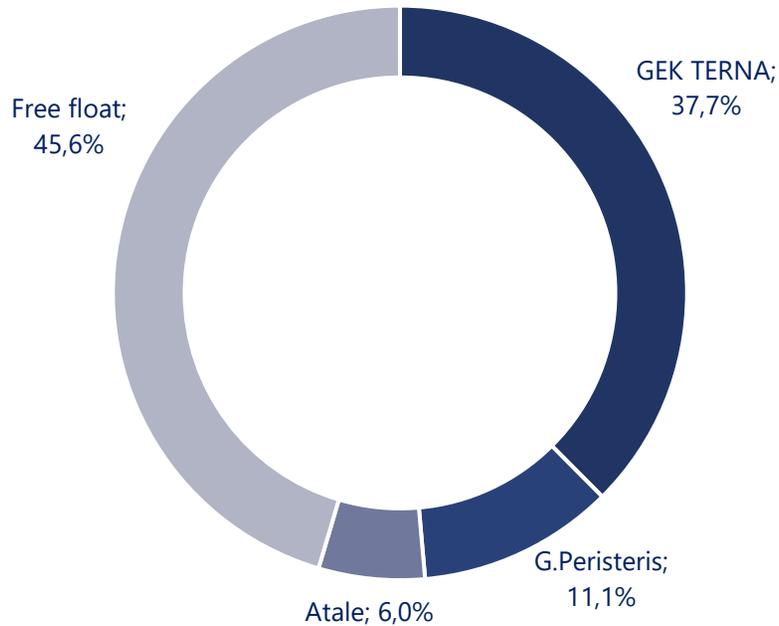
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**...Whilst delivering attractive equity returns for its shareholders and exemplary ESG performance**

# Stock highlights

- Strong shareholding base and high liquidity
- MCap of € 1.75bn as of 22/11/2023

**TERNA Energy shareholding**



**Terna Energy 3Y Share Price Performance**



**~€ 3.0m traded per day over the last 9 months**

## Sustainability Development Report 2022

Available now [here](#)



## ESG – Key Performance Index 2022

Available now [here](#)

# ESG KPI's

	2021	2022
<b>People</b>		
Total number of employees (excl. freelancers)	388	427
Percentage of female employees	N/A	21,8%
Percentage of female employees at the top 10% of employees by total compensation	N/A	16,1%
Number of fatalities as a result of work-related injury	0	0
<b>Environment</b>		
Renewable production (GWh)	2,293	2,415
Percentage of energy consumed from renewable sources (in MWh)	92%	95%
Total gross direct (Scope 1) GHG emissions (in CO <sub>2</sub> e)	333	372.4
Scope 2 emissions-Location-based emissions (in tCO <sub>2</sub> e)	3,923	2,672.4
Scope 2 emissions-Market-based emissions (in tCO <sub>2</sub> e)	195	0
Avoided emissions (CO <sub>2</sub> e tons)	1,066,103	1,119,436
<b>Taxonomy - Aligned (% of total)</b>		
Revenues		79%
CapEx		93%
OpEx		94%



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