



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

May 2023

 **14TH SE Europe
Energy Dialogue**

Key Investment Highlights

The leading Renewables platform in Greece set to become one of 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

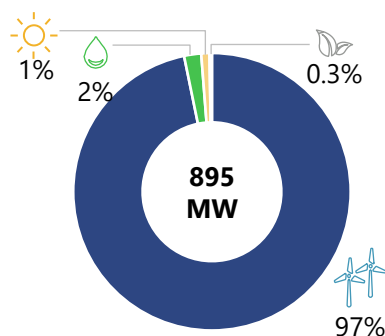


3.2%
Effective Cost
of Debt

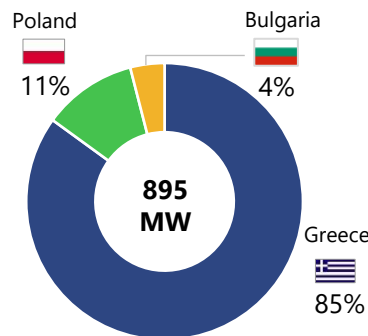


~65%⁽¹⁾
Non-Recourse
Debt of Total Debt

Capacity Breakdown by Technology



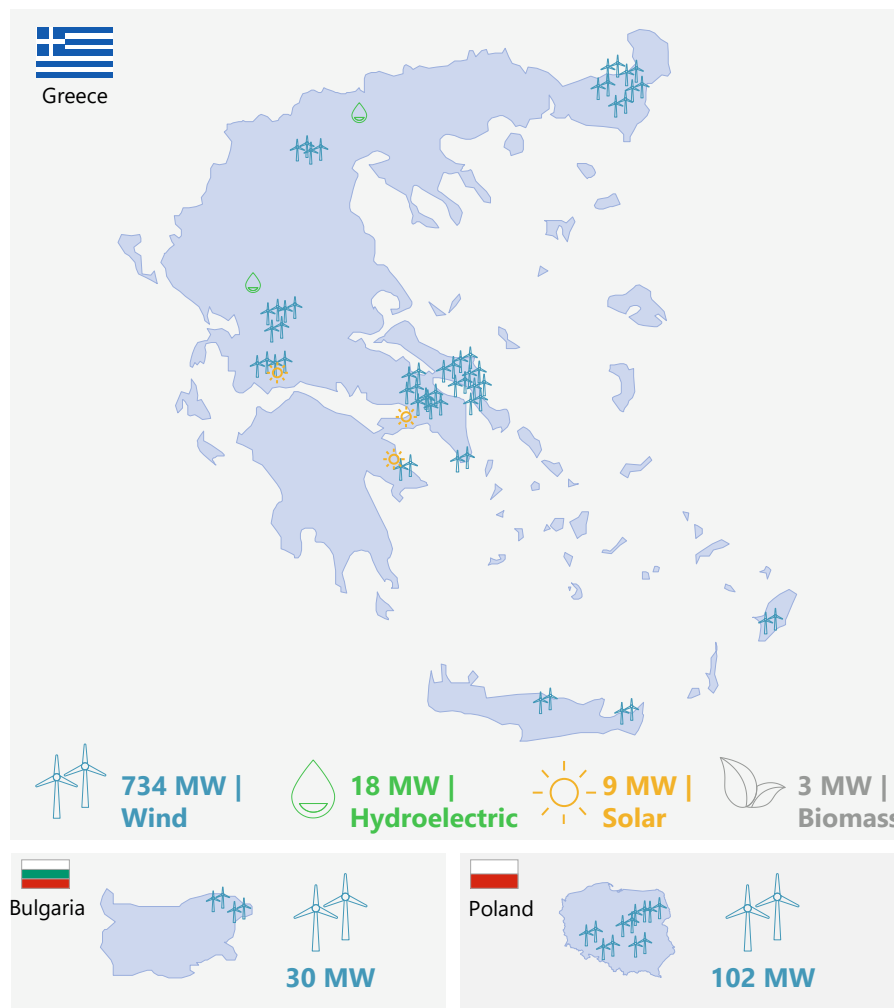
Capacity Breakdown by Country



Notes:
1. Adjusting for Kafireas intercompany loan



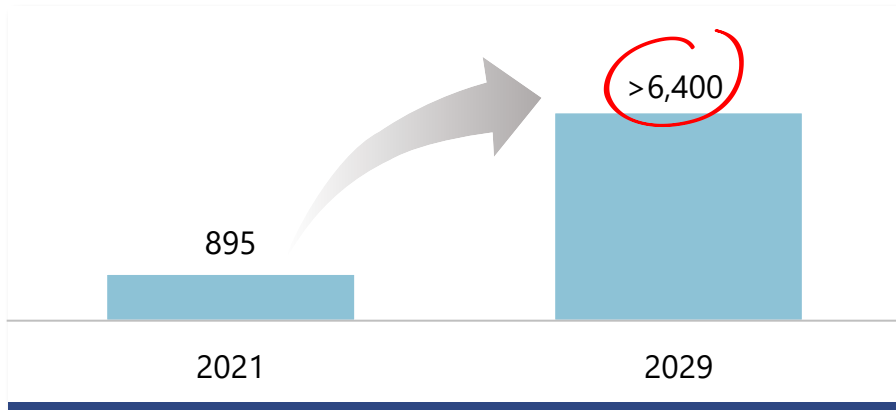
Geographical Footprint



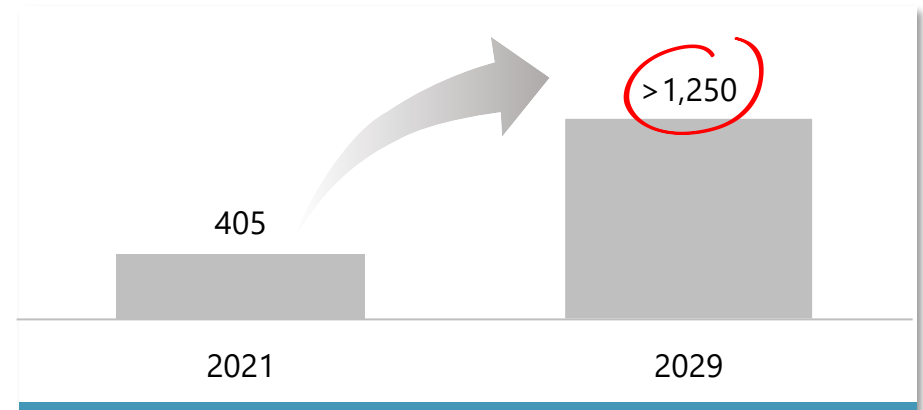
5 Key Targets for 2029, Delivering Equity IRRs “Well Into the Teens”

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

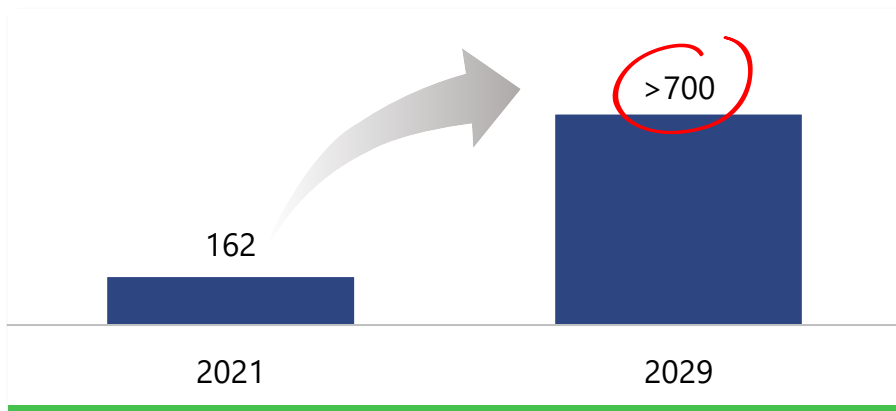
Capacity (MW)



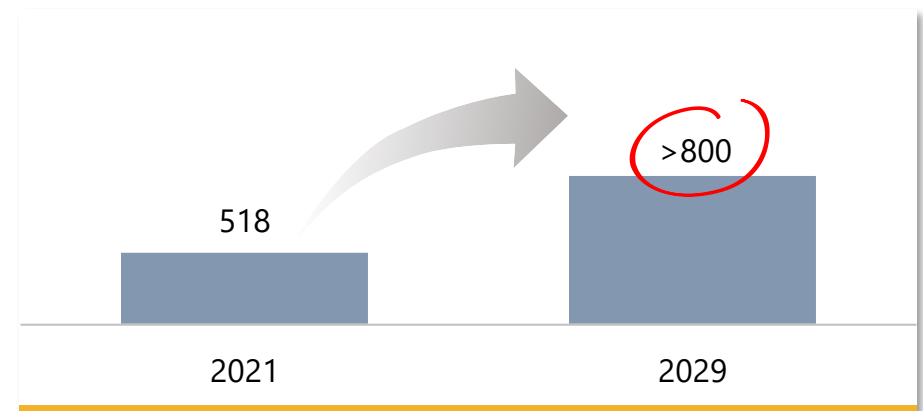
Revenue (€ m)



EBITDA (€ m)

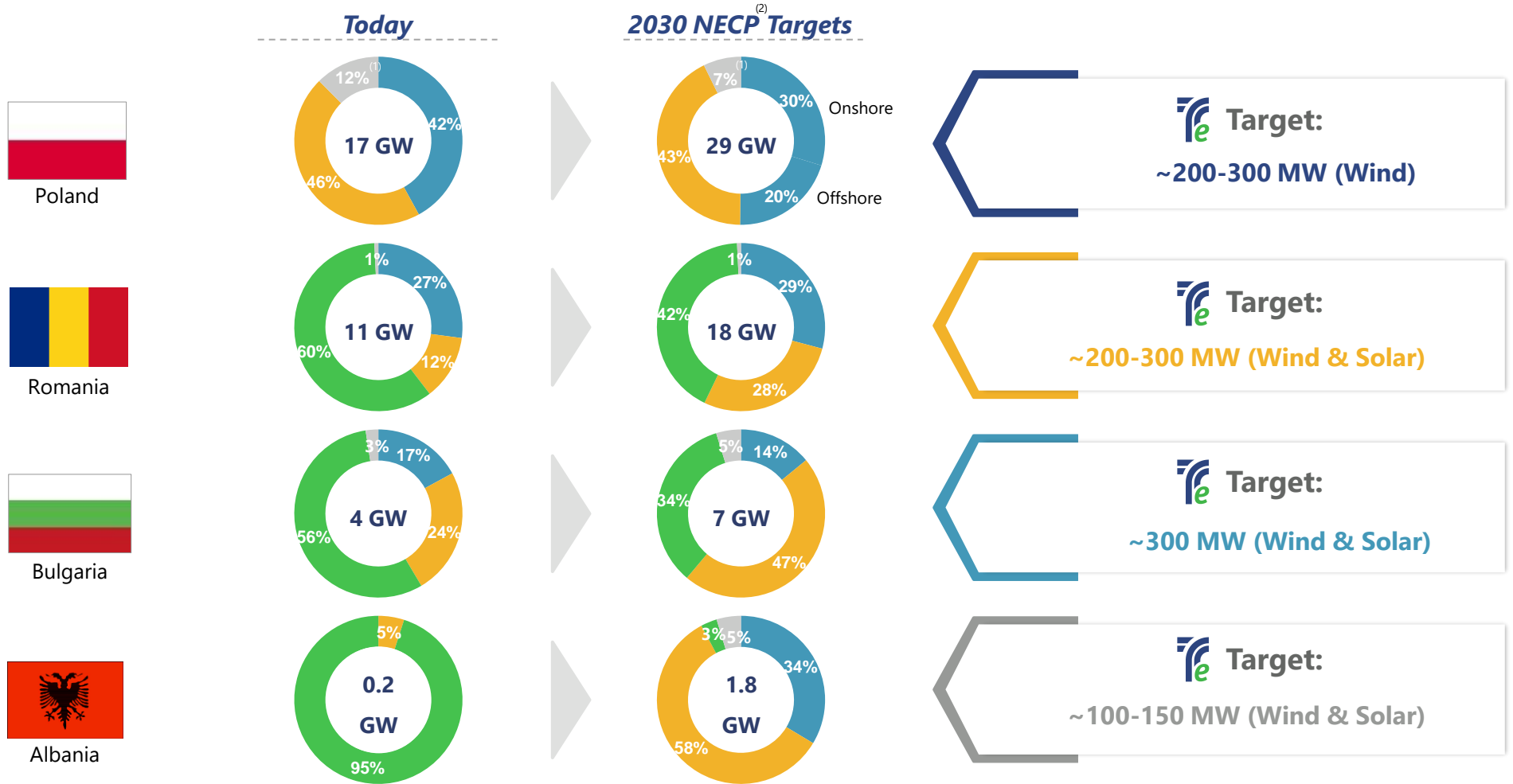


Full-Time Employees (FTEs)



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

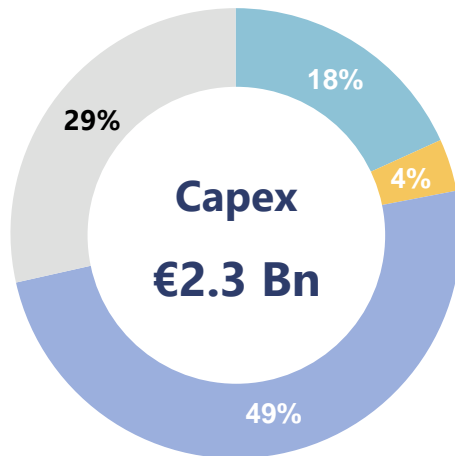
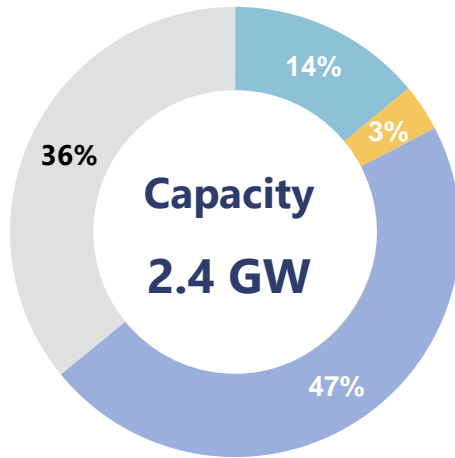
Wind
 Solar
 Hydroelectric
 Other

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

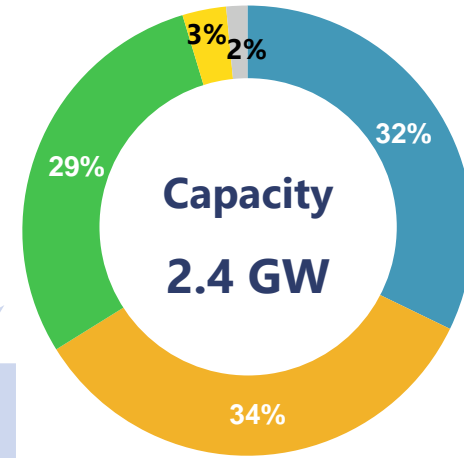
2022-2025 Pipeline Breakdown

By Status

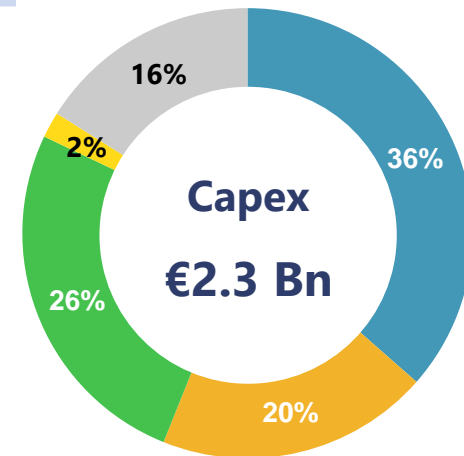


● Under Construction
 ● RTB
 ● Advanced Stage
 ● Early Stage

By Technology



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



● Wind
 ● Solar
 ● Hydroelectric
 ● Battery Storage
 ● Other

Southeastern Europe – Overview

SE region, like most of the world, is undergoing a transition towards an energy-efficient, renewables-based economy.



1

Some countries in the region are lagging behind, while others moving ahead, and that the process is far from linear.

2

Overall we noticed that most of the barriers go far beyond the energy sector, touching on the hardest-to-crack issues like state capture, geopolitics, and lack of rule of law and accountability.

3

Sometimes, energy sector decision-making puts special interests ahead of the public interest. State-owned utilities exert massive influence on policy-making, while at the same time governments depend on them for their voter base.

4

Political will and understanding of the new energy sector trends can't be implemented overnight, but adopting EU legislation that affects the energy sector, can help to advance things in the right direction.

5

For some countries, the political instability and reduced institutional capacity creates obstacles. Although they are politically in favor of energy transition– a shortage of experienced staff at the central and local government levels is emerging as a key issue preventing better progress.

Challenges for the Renewable Energy in the region

Major challenges within the industry

- 1 Grid connection challenges**

The role of RES for meeting the energy demand is critical, but the lack of reliable energy grids is a serious problem that requires long term planning and solution. The grid condition in some countries is rather poor and underfunded. For meeting the challenges of the future rehabilitation and expansion of the grids is required.

- 2 Land Use**

Finding the equilibrium between demands for energy with other land-use requirements is a major issue. The importance of natural resources is vital and the land use has become a point of debate. Which land should we use for RES?

- 3 Economic & Financial challenges**

Indeed the recent years investments in RES has boosted innovation and technologies advance. However, current economic pressures slow down implementation of new projects. The financial support from large organizations and introduction of governmental incentives is absolutely necessary for achieving the progress we need to see.

- 4 Political challenges**

Strongly connected with economic concerns are the political challenges of the transition to RES. Authorities, in some countries pacing in the right direction, but some others are being left behind. Societies are increasingly positive for RES and they consider them as a critical response to the climate emergency. However, doubts about costs and benefits, as well as other concerns in daily life can drive RES further down on the political priorities.

- 5 Energy Storage**

By nature, the energy generation from RES is more variable comparing with other means of energy generation. For smoothing the discrepancies in the energy supply, batteries are required to store energy for later. Advancements in battery technologies have reduced their cost significantly but for sure there is room for improvement.

The necessity of a stable, transparent & reliable business environment.

Last but not least. On the way to green energy transition and development/implementation of RES projects, possibly the most important factor is the existence of a stable, reliable, and transparent legislative framework that will encourage investors to support this transition by allocating their funds in the sector, without having the risk that a State through arbitrary and/or unjustified decisions may distort the market rules. For example:

- 1 Arbitrary & unilateral amendment of Support schemes (FiT, CfD) on operative/permitted projects (sometimes even with retroactive effect) that negatively affect the planned investments.**

- 2 Sudden arbitrary and unjustified taxation targeting exclusively the RES producers. We noticed in the past such actions in some countries that looked like sanctions, in order to satisfy opportunistic and temporary needs.**

- 3 Changes in Law with retroactive effect targeting solely the revenue shearing. We have experienced introduction of arbitrary Decisions, adopted several years after the CoD, that with indirect ways reduced the turnover (NSH).**

- 4 Mutual respect between producers and State owned off takers on the signed PPAs. We have noticed in the recent past cases of “abuse of dominant position” by state owned off takers.**



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