

Athens, 29 April 2020

**Message from the Chairman of TERNA ENERGY Group, George Peristeris**  
**to the Shareholders of the company**

Dear Shareholders,

This year's "meeting" is admittedly a very different one. The global public health crisis, an unprecedented situation that has had far-reaching economic implications, has drastically changed - literally overnight - habits and norms fully associated with human existence and function as the latter has evolved over time.

However, what I strongly believe that remains unchanged is the sense of mutual trust that has united us all for years now. The trust you have shown all these years is for all of us at TERNA ENERGY a strong guidance, as well as a source of inspiration and creation. And I am absolutely certain that you, as well, feel that we are reciprocating your trust with all our strength, meaning with very hard work, with positive results for years now, with satisfactory returns and also with prudent Management.

I want to assure you that even in this difficult period, the people of TERNA ENERGY continue to work with zeal, dedication and responsibility to address this particular situation and ensure the further growth of our Group. The health and safety of our employees and partners has been and remains our top priority and we have managed to ensure at the same time the highest possible level of safety for all our people and the smoothest possible operation of our company.

The so-called clean energy sector in which our company holds a leading position in Greece and abroad is now a global priority. At the same time, it also emerges as a wise business and investment decision in the conditions of the pandemic we are currently experiencing. We now believe more than ever that it is extremely important for our country to continue its shift towards a greener and more sustainable development model. This is imperative not only for environmental and social reasons but also for purely economic ones. RES investments can and should be a key driver for the recovery of the Greek economy in the post-COVID19 era for a number of reasons:

- Because there are **ready, fully licensed** (i.e. with installation license) RES investments with a total capacity of approximately 2,400 MW, while an additional capacity of approximately 5,800 MW of RES projects have full environmental permits (Decision on Approval of Environmental Terms). Therefore a total capacity of about 8,200 MW in RES projects, with **an investment consideration of 8.5-9 billion Euros** can be implemented immediately or within a 3-year horizon.

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- Because at least another 1,000 MW of electricity storage projects (pumping projects, hybrids) can be added to these investments - as soon as, and after long delays, the respective regulatory framework is established - **totaling an investment of 1.5-2 billion Euros**. These projects are also mature in terms of licensing and therefore ready for implementation.
- Because IPTO's (Independent Power Transmission Operator – IPTO) investment program (in collaboration with private investors) is **inextricably linked** to the above flow of RES investments, with the aim of the gradual implementation of electrical interconnections of the Aegean islands (Cyclades, Crete, Dodecanese, North Aegean islands), for a total **consideration of 2-2.5 billion Euros**, with the immediate prospect being the great interconnection of Crete.
- Because the above RES projects, especially wind, hydroelectric and pumped storage ones, have high **domestic** added value: 50% for wind, 70% for hydroelectric and 75% for the pumped storage projects.
- Because the RES projects have a great multiplier for the national economy and employment. According to a detailed report by the international organization IRENA that has just been released ("Global Renewables Outlook 2020"), investments in RES return € 3-8 to the economy (depending on factors such as technology and local conditions) for every € 1 invested in the sector, while they can quadruple the number of employees in the particular sector, in the medium to long term horizon.
- Because many of the above mentioned RES projects have also significant additional benefits, either environmental / economic, such as the residual biomass / biogas energy utilization projects, or benefits in terms of tourist upgrade / stabilization of the local electricity network, such as in the case of the hydroelectric and storage projects.

Dear Shareholders,

2019 was a positive year, as our Group's international presence and continued investment plan enabled us to grow the revenues and profits of the company as well as the installed capacity. However now, we are faced with an unprecedented double crisis – both public health and economic - whose duration and effects are difficult to estimate. On the other hand, the Group's business activity, the qualitative economic characteristics of electricity production from RES, the Group's international presence and the key financial performance allow us to be relatively optimistic. We remain committed to supporting our Group's activities and of course the Greek economy with all our strength and for this reason we daily monitor and evaluate the developments, insisting on our goal of implementing our investment plan as seamlessly as possible.

In this context, we recently announced the extension of our investment program in the Greek RES market by 550 million Euros. The total amount of investments that we have planned and are launching for clean energy in Greece now exceeds 1.5 billion Euros.

This is an important investment program, implemented in an extremely critical time. These investments show our faith in the potential as well as in the prospects of the Greek economy, and our strong commitment to high domestic value added investments in clean energy and energy storage facilities, for the benefit of the economy, employment, the environment and all citizens.

Moreover, these investments will significantly contribute in achieving the national renewable energy deployment targets as well as the objectives of our country's decarbonisation program and progressive withdrawal from fossil fuel use. I would like to reiterate that at this time, more than ever, our country needs investments that will create many well-paid jobs, and as we have been pointing out for years, Greek companies must be at the forefront of this endeavor.

From our side, we can proudly say that we will actively help once again! We will continue to do what we did during the big economic crisis that our country went through in the last decade. We will continue to invest in Greece and the clean energy sector, for the benefit of our country, all of you, our shareholders and our employees, but also to constantly and uninterruptedly maintain all of our cash position within the Greek banking system.

Hard work brings results. And we are happy that we are achieving much earlier than originally planned the goals we have set. With the new investments we just announced, the total capacity of RES installations operated, constructed or fully licensed by TERNA ENERGY Group currently reaches 1,938 MW bringing the target of reaching 2,000 MW much closer and ahead of schedule.

At the same time, we continue our investments in other fields of activity, in addition to RES electricity production and storage, via new investments in environmental and waste management projects, where we soon hope to commence the construction phase of the integrated waste management project of Peloponnese Region.

But we do not stop here. We continue to explore and evaluate new investment opportunities in Greece and abroad, looking into technological developments on a daily basis so that TERNA ENERGY can remain at the forefront of the clean energy and the circular economy.

I would also like to underline something that is of interest for all our shareholders. In addition to the positive results and the fulfillment of our business and investment goals, we show in practice our respect for you, safeguarding your interests over time and through the systematic distribution of capital. In this context, this year the total cash payments to our shareholders will be increased by approximately 15% compared to 2019, a year in which those payments were also higher by about 15% (compared to 2018).

Dear friends,

We look to the future with cautious optimism and we are committed to continuing the effort with even greater intensity than usual, to achieve the best possible results for all of us and for our national economy. I hope that we may all get together soon, healthy, and up close.

I warmly thank you.

George Peristeris,

Chairman of TERNA ENERGY Group