

## P R E S S R E L E A S E

Athens, 27 November 2020

### TERNA ENERGY Group: Results for the 9-Month 2020

- Consolidated sales settled at EUR 241.4 million, edging higher by 14.6%
- Adjusted operating profitability amounted to EUR 152.3 million – posting an increase of 15.9%
- Net profit accounted for EUR 58.6 million – posting an increase of 43.3%

### Comment on the Main Financial Figures of Income Statement for the 9-month period of 2020 and the third quarter of 2020, and of the Statement of Financial Position as at 30.09.2020

During the 9-month period of 2020, TERNA ENERGY Group posted an increase in turnover and profitability compared to the same period of the previous year.

Specifically, the consolidated results of TERNA ENERGY in the 9-month period of 2020 are as follows:

- Consolidated sales amounted to 241.4 million Euro compared to 210.7 million Euro in 9-month 2019, higher by 14.6%. Specifically:  
  
Income from electricity production amounted to 203.6 million Euro, posting an increase of 20.3%. Sales from the division of electric energy trading amounted to 25 million Euro versus 26.3 million Euro in the previous year. Sales from the Company's construction division for third parties settled at 1.6 million Euro compared to 2.5 million Euro in the 9-month period of 2019. The revenues of the concessions' division amounted to 11.1 million Euro compared to 12.5 million Euro in the previous year.
- Total earnings before interest, taxes, depreciation and amortization (EBITDA)<sub>1</sub> amounted to 152.3 million Euro compared to 131.4 million Euro in the corresponding period of 2019, posting an increase of 15.9%, mainly due to the significant contribution of the new wind parks in the USA. Total earnings before interest and taxes (EBIT)<sub>1</sub> amounted to 102.8 million Euro compared to 90.7 million Euro in the 9-month period of 2019, increased by 13.3%. Net earnings amounted to 58.6 million Euro versus 40.9 million Euro in the 9-month period of 2019, increased by 43.3%.

In addition, the consolidated results for the third quarter of the year 2020 of TERNA ENERGY Group settled as follows:

- Consolidated sales amounted to 74.8 million Euro compared to 69.1 million Euro in the third quarter of 2019, higher by 8.2%. Total earnings before interest, taxes, depreciation and amortization (EBITDA)<sub>1</sub> amounted to 43.8 million Euro compared to 43.1 million Euro in the corresponding period of 2019, posting an increase of 1.6%. Total earnings before interest and taxes (EBIT)<sub>1</sub> amounted to 28.3 million Euro compared to 28.6 million Euro in the third quarter of 2019, decreased by 1.3%. Earnings before taxes amounted to 36.8 million Euro versus 16.4 million Euro in the third quarter of 2019, increased by 124.4%.

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## Basic Data of the Statement of Financial Position as of 30.09.2020

The total installed capacity of TERNA ENERGY Group settles at 1,373 MW. Specifically, the Group has installed 728 MW in Greece, 513 MW in the USA and 132 MW in SE Europe. The Group also has under construction or ready for construction RES facilities with a total capacity of 430 MW in Greece and abroad. In total, the Group has more than 1,800 MW in operation, under construction or ready for construction in Greece, USA, Central and Eastern Europe.

TERNA ENERGY's goal is for the total installed capacity of the Company to reach 2,800 MW within the next five years.

Regarding the figures of the consolidated Financial Position, the following have been observed during the third quarter of 2020:

The net debt position<sup>1</sup> of the Group (debt less cash) at the end of the nine months amounted to 598.5 million euro compared to 789.4 million euro in the first half of 2020, mainly due to the sale of the wind park "Mountain Air" located in the US. In particular, as it has been announced, on 15.07.2020 TERNA ENERGY proceeded with the sale of the 138 MW "Mountain Air" wind park, in the state of IDAHO, in the USA, to Innergex Renewable Energy Inc. The agreed value (Enterprise Value) for the sale of the wind farm amounted to 215 million dollars. It is worth noting that the operating profit (US GAAP) of the project in 2019 amounted to 17.6 million dollars (EBITDA 2019). The sale resulted in a capital gain (IFRS) which amounted to 27.7 million euro, while TERNA ENERGY's total debt was equally reduced by 189.6 million euro. The subsidiary TERNA ENERGY entered the US clean energy market as early as 2011. After the sale of the project in IDAHO, the subsidiary TERNA ENERGY will operate three (3) wind farms with a total capacity of approximately 513 MW, in the state of Texas.

The total non-current assets amounted to € 1,515,126 thousand on 30.09.2020 from € 1,723,950 thousand on 30.06.2020, posting a decrease of 12%. This decrease is mainly due to the sale of the 138 MW "Mountain Air" wind park in the state of IDAHO, in the USA.

The total current assets amounted to € 477,773 thousand on 30.09.2020 compared to € 415,435 thousand on 30.06.2020, posting an increase of 15%. This increase is mainly attributed to the increase in the accounts "Trade receivables", "Non-invoiced income from customer contracts" and "Cash and cash equivalents". Specifically the "Trade receivables" amounted to € 64,527 thousand on 30.09.2020 versus € 56,530 on 30.06.2020 rising by 14%, while at the same time "Non-invoiced income from contracts with customers" amounted to € 21,876 thousand on 30.09.2020 versus € 11,348 thousand on 30.06.2020, recording an increase of 93%. The two aforementioned increases came mainly on the one hand due to the increase in revenue for the period from contracts for the sale of Electricity of the Group's Greek companies, and on the other hand from the commissioning of the new Wind Parks developed by the company and located in the Municipalities of Karystos and Kymi - Aliveri. Regarding the "Cash and cash equivalents" of the Group, they amounted to € 321,584 thousand on 30.09.2020 compared to € 266,024 thousand on 30.06.2020, recording an increase of 21%, coming mainly from the sale of the "Mountain Air" wind park in the USA as well as from the Increase of the Share Capital of the Parent Company TERNA ENERGY SA.

Equity increased to € 494,358 thousand on 30.09.2020 from € 390,567 thousand on 30.06.2020 (+27%), a fact that is mainly due to the Increase of Share capital accounts and the Share premium account of TERNA ENERGY SA by an amount of € 68,624 thousand within the third quarter of 2020.

Long-term liabilities amounted to € 1,290,135 thousand on 30.09.2020 compared to € 1,420,549 thousand on 30.06.2020. The change was mainly due to the reduction of "Long-Term Debt", "Long-Term Liabilities from Financial Instruments" and "Grants" due to the sale of "Mountain Air" Wind Park in the USA. Also, the short-term liabilities decreased on 30.09.2020 to € 208,406 thousand versus € 328,273 thousand on 30.06.2020, posting a decrease of 37%. The change was due to the reduction of short-term loans, due to long-term borrowing.

## **Global public health crisis from the coronavirus pandemic (COVID-19)**

On 30.01.2020, the World Health Organization (WHO) declared the spread of the COVID-19 virus as an "emergency of international interest for public health", while following further developments, on 11.03.2020, the WHO declared COVID-19 pandemic as it spread worldwide. In the context of public health protection, governments, including the Hellenic Republic, have imposed restrictions on traffic, travel and strict quarantine measures. Specifically, in Greece, gradually from 20.03.2020, strict measures were taken to safeguard public health and ensure the economic survival of workers, companies and vulnerable groups. The measures began to be phased out after 04.05.2020. In the third quarter of 2020, the Greek economy started finding its momentum again, however the course of the gradual recovery was abruptly interrupted in the fourth quarter of 2020, due to the second and unfortunately heaviest wave of covid worldwide, with the Greek government taking again decisions for a new national lockdown in early November 2020. Specifically, on November 5, 2020, the Greek government new announced restrictive measures throughout the country, aimed at limiting the spread of the coronavirus.

The Management of the Group with an extremely high sense of responsibility, towards its customers, employees, suppliers, partners and investors, monitors the developments regarding the coronavirus disease (COVID-19), studying the possible risk factors that could affect the financial position, activities and results of the Group. The Group has taken all necessary measures in order to continue the development of its core activities, continuing uninterruptedly the exploitation of RES and its investment program and therefore to further boost the Greek economy and domestic employment.

In relation to the effects from the spread of COVID-19, the operation, the financial performance, the cash flows and the financial position of the Group have not been significantly affected. In the electricity sector from RES, in Greece there was no interruption or other negative impact on the Group's facilities that are in operation. Furthermore, with regard to the RES facilities under construction, to date no delays have been caused due to the coronavirus pandemic (COVID-19) and the estimated time of completion and commissioning of the projects has not changed.

In any case, the Management ensures the maintenance of the smooth operation both in the Greek territory and in the other countries where the Group operates, applying procedures of continuous identification and evaluation of all risks that may arise in the near future. In direct, continuous and systematic cooperation with the Risk Managers and the executives of the Group, the Management designs and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible. The organizational efficiency of the Group and the continuous care taken by the Management in order to use its managers on a project by project basis and specific topic, depending on the required ability and experience have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group if and when it appears. This fundamental principle has resulted into the immediate reaction of the Management and of the above mechanism in dealing with the epidemic crisis with prudence, calm and strategic perspective.

In terms of its financial position, the Group, despite the current financial crisis, maintains satisfactory capital adequacy, profitability and liquidity and continues to be fully consistent with its liabilities to suppliers, public entities, insurance companies, etc. creditors. Pending the submission to the Parliament of the package of proposals from the Ministry of Energy for the reform of the RES market and the coverage of the deficit of ELAPE (the Special RES Account), the Group has made the necessary provisions and is waiting for the voting of the final regulations. At the same time, it implements its ambitious investment program, creating conditions for further development of its activities in Greece and abroad. Finally, the Management of the Group estimates that, in 2021, the credit risk regarding the requirements of the energy sector both for the Parent Company TERNA ENERGY SA and for the other Greek companies of the Group, will be limited.

<sup>1</sup> The alternative performance measures (APM) were determined in the same manner as in note 6 of the Semi-Annual Financial Report for the period 01/01/2020-30/06/2020.

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