GEK TERNA
GROUP OF COMPANIES

GEK TERNA SOCIETE ANONYME
HOLDINGS REAL ESTATE CONSTRUCTIONS

85 Mesogeion Ave., 115 26 Athens Greece
General Commercial Registry No. 253001000
(former S.A. Reg. No. 6044/06/B/86/142)

ANNUAL FINANCIAL REPORT

for the period

1 January to 31 December 2017

In accordance with article 4 of L. 3556/2007 and the relevant executive Decisions by the Board of Directors of the Hellenic Capital Market Commission

CONTENTS

I.STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS
(according to article 4 par. 2 of L. 3556/2007)

We

1. Nikolaos Kampas, Chairman of the Board of Directors
2. George Peristeris, Chief Executive Officer
3. Apostolos Tamvakakis,Vice-Chairman, Independent non-executive Member of the Board of Directors

STATE THAT

To the best of our knowledge:

a. the annual company and consolidated financial statements of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period from January 1st 2017 to December 31st 2017, which were prepared in accordance with the accounting standards in effect, present a true picture of the Assets and Liabilities, the Shareholders' Equity and the Total Comprehensive Income of the Group and Company, as well as of the companies included in the consolidation and considered aggregately as an entity and

b. the Board of Directors' Report accurately presents the developments, the performance and position of the Company, as well as of the companies included in the consolidated and considered aggregately as an entity, including the description of main risks and uncertainties they face.

Athens, 26 April 2018

Chairman of the Board	Chief Executive Officer	Vice-Chairman of the Board
Nikolaos Kampas	Georgios Peristeris	Apostolos Tamvakakis

II. Independent Auditor's Report

(This report has been translated from the Greek Original Version)

To the Shareholders of
“GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS”

Report on Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of “GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS” (“the Company”), which comprise the separate and consolidated statement of financial position as at December 31, 2017, separate and consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiary (the Group) as at 31 December 2017, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union in compliance with the regulatory requirements of C.L. 2190/1920.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters, as well as the related risk of significant misstatements, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Revenue from construction contracts	
The Group's turnover amounted to € 1,185,531 k for the year ended as at 31st December 2017 and includes mainly revenue from implementation of construction contracts (€ 899,549 k). Revenue recognition from construction projects has been identified as an area of particular audit interest as it involves complexity associated with particular accounting treatment in accordance with IFRS, judgments and Management' estimates, which involve a degree of uncertainty. At every reporting date the Management makes estimates of the total revenue and cost of the projects. Revenues and costs are recognized using the completion rate method calculated on the basis of the contractual cost incurred up to the date of the Statement of Financial Position in relation to the total estimated cost of construction of very project. In cases when estimates indicate that the final result of a project will be a loss, then a provision is made for the total project loss, burdening the income statement, regardless of the project completion stage as referred to in Note 3.y.i) (Summary of Key Accounting Principles) and Note 2c) (use of estimates) to the financial statements. When these estimates change, the accumulated effects of reviews / reevaluations of the total estimated cost of the projects and the total contract consideration, they are recognized in the FYs, when the related reviews were conducted.	The key audit procedures we carried out included, among others: – Evaluation of the procedures applied by the Group for recognition of revenues from construction contracts and the efficiency of their design. – Evaluation of recognition assumptions in income from of non-invoiced revenue at the end of the year ended as at 31 December 2017. – Evaluation of the sound recognition of revenue on the basis of the terms of contracts and budget data used for calculations – Reassessment of the completion rate of the implementation commitments based on the construction costs incurred and the project implementation certifications signed by the engineers-in-charge-of the projects. Actual construction costs and signed implementation certifications were examined on a sampling basis. – Assessment of adequacy of the disclosures included in the notes to financial statement regarding this matter.
Acquisition of companies	
During the year ended as at 31 December 2017, the Company acquired the control of the two new concession companies "NEA ODOS SA" and "CENTRAL GREECE E-65 CAR", through acquisition of participating interest of 21,4% and 33,3% respectively, as stated in Note 42 to financial statements. The value of the aforementioned transaction amounted to Euro 66,065 k and negative goodwill of € 35,664 k was recognized, of which an amount of € 22,007 k was recognized in Other Comprehensive Income and an amount of € 13,657 k was recognized in the income	The key audit procedures we carried out included, among others: – Understanding and analyzing the valuation techniques used by the experts to determine the temporary fair values and comparing them with generally accepted practices. – Evaluation of the reasonableness of the key assumptions used, including discount rates. – Confirmation of sound accounting treatment of the transaction and numerical calculation of the amounts recognized in financial statements.

statement for the year.

In accordance with IFRS 3 "Business Combinations", the acquirer measures in its financial statements the identifiable assets acquired and the liabilities assumed at their fair value at the acquisition date, with some exceptions permitted under this Standard. The valuation period may not exceed one year from the date of acquisition.

The measurements mentioned in the previous paragraph require the use of complex valuation techniques, assumptions and estimates.

The Company's disclosures regarding its accounting policy, as well as the judgments and estimates used in the assessment of acquisition of subsidiaries, are included in Notes 3 ab and 42 to financial statements.

– Evaluation of independence and professional competence of external experts of the Group.
– Assessment of adequacy of the disclosures included in the notes to financial statements regarding this matter.

Some of the aforementioned procedures were carried out with the participation of Grant Thornton's specialists.

Assessment of non-current assets impairment

As at 31 December 2017, the Group recognized goodwill of € 3,183, intangible assets of € 838,508 k and property, plant and equipment of € 1,246,267 k. Also, as at 31 December 2017, the Company holds investments in subsidiaries of € 346,137 k and investments in associates and joint ventures amounting to € 4,741 k and € 7,320 respectively.

Intangible assets with definite useful life, property, plant and equipment and investments in subsidiaries and associates are tested for impairment whenever there are relevant indications that require a significant degree of judgment.

An impairment test involves determining the recoverable amounts of every Cash Generation Unit (CGU) based on value in use of such assets. Calculation of value in use arises from discounted cash flow method, based on business plans that incorporate key assumptions and estimates of the Management, such as revenue growth, capital and operating expenses and discounted rates used.

Given the significance of the aforementioned items and the use of the management's assumptions and estimates, we consider that assessment of impairment of those non-current assets is one of the key audit matters.

During the year ended as at 31 December 2017 an impairment loss arising for the Group amounted to €12.522 k (Company: € 11.822 k) in relation to the above categories of non-current assets.

The key audit procedures we carried out included, among others:

– Evaluation of procedures used by the Management to identify indication of impairment in non-current assets.

– Evaluation of the procedures used by the Management in order to prepare reliable business plans through comparing the actual performance in relation to previous projections.

– Evaluation of the reasonableness of the Management's assumptions and estimates, such as the reasonableness of discount rates used and the application of generally accepted evaluation methods.

– Review of the mathematical precision of discounted cash flow models.

– Assessment of adequacy of the disclosures included in the notes to financial statements regarding this matter.

As far as the aforementioned procedures are concerned when necessary, Grant Thornton experts took part in the assessment.

The Group's and Company's disclosures regarding the accounting policy and assumptions and estimates used under assessing impairment of these assets are included in Notes 3m and 3d to financial statements.

Provisions anf contingent liabilities	
As at 31 December 2017, the Group is involved (in its capacity as defendant and plaintiff) in numerous and complicated litigations and arbitration procedures in the context of its operation. Determination of provisions or disclosures of contingent liabilities and receivables related to litigation and arbitration procedures is considered to be an area of particular audit interest as it involves significant Management judgments based on estimates of the legal consultants. The estimates relate to the outcome of every litigation as well as the potential financial impact on the Group and the Company. The Group's and Company's disclosures regarding provisions and contingent liabilities are included in Notes 2c xiv) and 47 to financial statements.	The key audit procedures we carried out included, among others: – Evaluation of the Management's procedures regarding collecting, monitoring and evaluating the outcome of pending litigations. – Review and evaluation of the legal consultants representation letters and discussions with the Management and legal consultants, when deemed reasonable. – Evaluation of Management's conclusions regarding the impact of pending litigations on the financial statement of the Group and the Company. – Assessment of adequacy of the disclosures recorded in financial statements regarding this matter.

Other Matter

The separate and consolidated financial statements of the Company for FY ended as at 31 December 2016 have been audited by another auditing firm. Regarding the FY in question, on 28/04/2017, the Certified Chartered Accountant issued Unqualified Opinion Auditor's Report.

Other Information

Management is responsible for the other information. The other information included in the Annual Financial Report includes the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report and Statements of the Members of the Board of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance. No such issue has arisen.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to procced with liquidating the Company and the Group or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

The Company's Audit Committee (Article 44, Law 4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding financial information of entities or business activities within the Group for the purpose of expressing an opinion on the separate and consociated financial statements to be able to draw reasonable conclusions on which to base the auditor's opinion. Our responsibility is to design, supervise and perform the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1.Board of Directors Report

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb, CL 2190/1920.

b) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a and 107A and Paragraph 1 (cases c' and d'), Article 43bb, CL 2190/1920, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2017.

c) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS" and its environment.

2.Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company Audit Committee, prepared in compliance with Article 11, Regulation (EU) No 537/2014.

3.Provision of Non-Audit Services

We have not provided the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014.

Authorized non-audit services provided by us to the Company during the year ended as at December 31, 2017 are disclosed in Note 36 to the accompanying separate and consolidated financial statements.

4.Auditor's Appointment

We were first appointed the Company's Chartered Accountants following as of 28/06/2017 Decision of the Annual Regular General Meeting of the Shareholders.

Athens, 30th April 2018

The Chartered Accountant

Pavlos Stellakis

I.C.P.A. Reg. No 24941

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

III.ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2017

Dear Shareholders,

The present report of the Board of Directors for the closing financial year 01/01/2017 - 31/12/2017, which includes the audited separate and consolidated financial statements, the notes on the financial statements and the Independent Auditor's Report, has been prepared in accordance with the provisions of P.L. 2190/1920 (article 43a, paragraph 3, article 107 paragraph 3 and article 136 paragraph 2) and of Law 3556/2007 article 4 paragraph 2c as well as the relevant issued executive decisions 1/434/3.7.2007 and 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Markets Commission.

This report contains financial and non-financial information of the Company and its subsidiaries and affiliates for the year 2017 and describes significant events that took place during this period and their impact on the annual financial statements. It also outlines the main risks and uncertainties that Group companies may face in the coming year and finally lists important transactions between the Company and its related parties.

A. Financial Developments and Performance in the Reference Period

In spite of the improvement achieved in the Fiscal Figures, the continued delay in the fulfillment of all Greek government liabilities to the Private Sector (VAT refund, non-payment of interest for delayed VAT refund, payment of subsidies, etc.), coupled with constant changes in tax and insurance laws as well as restrictions on the movement of capital, delays in obtaining approvals for starting investment have adversely affected economic activity, increased investment and increased employment.

In addition, the Banks, mainly due to the uncertainty of resolving the problem of non-performing loans, were unable to finance the market, and at the same time, they offered high lending rates and approximately zero deposits, resulting in a considerable financial burden which delayed the substantial restart of the Of the Greek Economy.

It should be noted that the construction of major road projects, in which our Group participated, contributed directly to the economy, due to the enormous domestic added value, the increase in employment with thousands of jobs (wages - insurance contributions, payments ot taxes –duties, etc.).

In this context, GEK TERNA Group continued its investment program in Greece and abroad in renewable energy sources, in the construction sector for project execution equipment as well as in the field of industrial production of magnesia and selected real estate projects, as its capital structure remains satisfactory.

Our Group, in spite of the existing difficulties, continues its presence in countries outside Greece, as a significant part of the construction and energy turnover comes from countries of the South Europe, the Middle East and America.

The main consolidated financial figures of 2017 based on the International Financial Reporting Standards as compared to the financial figures of 2016, are as follows:

Turnover from continuing operations to third parties amounted to approximately € 1,185 million, compared with € 1,163 million in 2016, a 22 million increase of approximately 1.9%.

Operating EBITDA, excluding non-cash outflows from continuing operations (EBITDA), amounted to EUR 279.9 million, compared to EUR 252.8 million in 2016, an increase of 10.7%, mainly due to the increase in operating profits of the Renewable Energy Sector, the Real Estate Sector and the Concessions Sector.

Earnings before tax from continuing operations amounted to EUR 153.4 million, compared to EUR 93.6 million in the year 2016, and got improved mainly due to the increased operating profits of the Renewable Energy Sector, Sector of Concessions, Sector Asset Exploitation, attributed to the recording of negative goodwill on the acquisition of jointly managed companies consolidated by total consolidation.

Earnings after tax and minority interests amounted to € 69.8 million, compared to € 34 million in 2016, mainly driven by increased profits from the Renewable Energy Sector, Concessions and Holdings.

The Net Debt of the Group (cash & cash equivalents less debt) amounted to approximately EUR 1,084 million on 31.12.2017 against a EUR 403 million net debt on 31.12.2016. The increase in the net debt was mainly influenced by the lending of Concession companies that were fully consolidated in the current year and by the increased investments of the Group.

The alternative performance measurement ratios are specified in note 5 of the Financial Statements of 31.12.2017.

The Group's Total Assets amounted to € 4,093 million, compared to € 3,084 million on the 31st of December 2016.

The Board of Directors of GEK TERNA, taking into account the Group's investment program and its increased cash needs for working capital, proposes the non-distribution of dividends.

B. Significant events for the year 2017

Our Company, the subsidiaries of TERNA and Terna Energy as well as almost all Hellenic Construction Companies and a significant number of foreign companies have been ex officio audited by the Hellenic Competition Commission (GGE) on their own actions, which could be considered that lead to a violation of the relevant rules.

Subsequently, our Company and its above subsidiaries, pursuant to article 25a of Law 3959/2011 and the no. 628/2016 Decision of the Plenary Session of the HCC, after a lot of concern, submitted on the grounds of obvious corporate interest and in order to benefit from the application of Article 25A and 14, par. 2, case n (ee) of Law 3959/2011 and Decision no. 628/2016 of HCC with regards to the terms, conditions and procedure for the settlement of disputes in cases of horizontal partnerships in breach of Article 1 of Law. 3959/2011 and / or Article 101 of the Treaty on the Operation of the European Union, a request for inclusion in the dispute settlement procedures provided for, i.e. for consensual proceedings solution.

On August 3, 2017, the Company and its subsidiaries TERNA and TERNA ENERGY were notified with the no. 642/2017 Decision of the HCC under which a. it should be noted that there are no legal violations of Art. 1 of L.3559 / 2011 for the Company and TERNA ENERGY and no fine and / or penalty is imposed and b. a fine of EUR 18,612 was imposed on the subsidiary company TERNA SA for breach of Art. 1 of Law 3959/2011 and Art. 101 of TFEU (for the period from 11.5.2005 to 4.1.2007 and from 4.6.2011 to 26.11.2012). The settlement procedure for the subsidiary TERNA was finalized and the amount of the fine amounted to 18,612. It should be noted that this subsidiary and the Group, for this fine, have already included in the Financial Statements of the year 2016 a provision of 19,000 (see Note 25 of the Financial Statements of 31/12/2016).

The Group participates in three concession companies that deal with the projects of the Ionian Road, Central Greece and Olympia Road. The participation of the Group in the concession companies of Nea Odos and Central Greece on 31.12.2016 amounted to 57.19% and 33.33% respectively, while in Olympia Road the participation amounted to 17%. On 29.09.2017 the Company came to an agreement with one of the remaining shareholders of the Concessions of Ionian Road & Central Greece and acquired the shares of the two above concession companies, namely 21.4% in the company NEW ROAD and 33.33% in the Central Greece company and its existing receivables from these Concessions companies, for a total consideration of € 66 million. As a result of the acquisition of the above percentages, GEK TERNA now participates with 78.5% in the Concession NEW ROAD company and 66.6% in the company CENTRAL GREECE, while, at the same time, through this acquisition, it acquired control of these companies according to the provisions in force of IFRS. As of October 1, 2017, these Concessions companies are fully consolidated as subsidiaries, and by that date they were consolidated using the equity method.

Within the fourth quarter of 2017, the Certificate of Completion of works for the Period of Studies - Construction of the Concession Projects of Ionia Road, Central Greece and Olympia Road was issued, in accordance with the relevant Agreements signed by the Group and the Greek State on 11.5.2016 (for Ionian Concessions Road & Central Greece) and 25.07.2016 for Olympia Road, through which the new delivery times and the restoration of delay events have been finalized.

On 01.12.2017, the Company signed a EUR 193.95 million Secured Bond Loan Program with Greek Credit Institutions in order to refinance existing loans to Group companies. The basic terms of this Bond Loan are a borrowing cost of 4.5-5.5% depending on the interest rates and a repayment period up to 2023.

On 30.05.2017 the Association of Entities "TERNA SA" - GMR Airports Limited" was declared Temporary sponsor of the project " Study, Construction, Financing, Operation, Maintenance and Exploitation of the New International Airport of Heraklion Crete as well as Study, Construction and Financing of its Road Connections ". The signing of the agreement is expected to take place up until the third quarter 2018.

The operation of a wind farm complex, with a total installed capacity of 48.6 MW, was launched in the Municipality of Tanagra in the Region of Central Greece.

The company "AEFORIKI EPIRUS AE" was founded, a 100% subsidiary of the Group, which undertook to implement and operate the waste management unit of the Region of Epirus. Construction works started in July 2017 and are expected to be completed by the end of the same year, with the aim of starting the unit in January 2018.

The company "TERNA ENERGY FINANCE S.P.S.A." was established as a 100% subsidiary of the Group, aiming at the issuance of a corporate bond of € 60,000,000 to support the investment program in Greece and the USA.
Alpha Bank SA and Eurobank Ergasias SA were Coordinators and Principal Contractors of the Public Offering for the issuance of the bond and the introduction of the bonds of " TERNA ENERGY FINANCE S.P.S.A." to be traded under the Fixed Income Securities Class on the Organized Market of the Athens Exchange.

With the completion of the Public Offer on July 19, 2017, and according to the aggregate allocation data generated through the use of the Electronic Book of Bids (ATHEX) of the Athens Stock Exchange, a total of 60,000 common non-registered bonds of the Company with a nominal value € 1,000 each were allocated and funds of € 60,000,000 were raised. The allocation of the issued bonds is the following: 42,000 Bonds (70% of the total issued Bonds) were allocated to individual Investors and 18,000 Bonds (30% of the total issued Bonds) were allocated to Special Investors.

The characteristics of this bond loan are as follows:
(a) The bond yield is 3.85% and is stable over the duration of the loan.
(b) Interest is calculated on six-month basis.
(c) The loan period is five (5) years with a prepayment option after two (2) years and the time of its repayment will be implemented at the end of the five (5) years after the elapse of the five (5) years.

In December 2017, it received its final funding and the company's second investment (Fluvanna) was launched in Dallas, Texas, in America. The installed capacity of Fluvanna is 155 MW, produced by 74 wind turbines GAMESA G116 2.1MW. The budget of the investment amounts to $ 252.5 million and its financing is as follows:
Exploitation of tax subsidies of $ 152.5 mio by Goldman Sachs (SSIG), a $ 60 mio loan from Copenhagen Infrastructure Partners and a $ 40 mio share capital by Terna Energy USA Holdings Corp.

<u>Construction Segment</u>

Revenues from our construction activities remain significant while the backlog of construction work remains high.

TERNA S.A., the subsidiary of GEK TERNA, constitutes one of the strongest Greek construction companies, with significant presence in Balkans and Middle East and is the main construction arm of our Group.

Turnover from construction to third-party activity amounted to EUR 899.5 million compared to EUR 955 million in 2016. This figure does not include the Group's turnover, which amounts to EUR 58 million and concerns the construction of capital goods for our Group.

Earnings before interest, taxes and depreciation (EBITDA), net of non-cash, amounted to € 126.2 million compared to € 153.4 million in the previous year and decreased by 17.7%. At the same time, earnings before interest and taxes (EBIT) amounted to € 106.4 million compared to € 128.1 million in the previous year. The above amounts do not include profits from intra-Group segment profits.

Sector turnover, 899,549 € million, derives from activities in Greece by 83.9%, from activities in Balkan countries by 5.5% and from activities in Middle East countries by 10.6%.

Lending amounted to EUR 100.4 million, compared with EUR 74 million in 2016, while the net debt of the construction sector (cash less debt) amounted to approximately EUR 234.6 million against a net cash position of EUR 380 million on 31.12.2016.

The backlog of signed contracts on 31.12.2017 amounted to approximately EUR 1,600 million.

Experience in the execution of major road, building, port and other construction projects, as well as the strong presence of TERNA in the Balkan and Middle East markets, advocate to further improvement in economic and other sizes as well as to the track record of this segment for the Group.

Energy production segment

The GEK TERNA Group, active in the energy sector since the mid-1990s, is one of the leading players in the renewable energy sector (RES) through its TERNA ENERGY SA, as well as in thermo-produced energy, through "HERON SA" and HERON II.

a) Electricity production from renewable energy sources

The shift into the Renewable Energy Sources (RES) is evident on global level, with the sector standing as one of the top investment selections over the following years. In this context, the Group continues the development of selected RES projects in Greece and at the same time, capitalizing on its own experience and know how, intensifies its efforts aiming at a stronger presence in the USA, Poland and Bulgaria. The Group’s total installed capacity of RES projects is expected to increase significantly over the following years, given the maturity of the investments that would have been implemented.

Within the context of this strategy, the Company has already put into operation 1,004MW in Greece and abroad. Specifically, the company has already installed 579MW in Greece (46.2MW in test mode), 293MW in the US, 102MW in Poland and 30MW in Bulgaria.

It is characteristic that over the last five years, the Group invests approximately 120 mio on average per year.

Sales of energy from renewable sources amounted to € 173 million, compared to € 151.1 million in 2016, an increase of 14.5%, while EBITDA excluding non-current cash results, amounted to 128.9 million euros, compared to 109.2 million in 2016, an increase of 18%. At the same time, earnings before interest and taxes (EBIT) amounted to € 90.7 million against € 67 million in 2016.

TERNA ENERGY's investments amounted to € 232 million in 2017. The company's ongoing investment activity creates the conditions for stabilizing increased revenue and profitability over the long term.

b) Electricity production from thermal resources – Sale of electric energy

After the adoption of the new IFRS 11, the companies “HERON Thermoelectric SA” and “HERON II S.A.” have been recognized as jointly managed and as a result the consolidation of their financial results is compiled through the equity method. In the current period, the earnings after taxes which have been incorporated amounted to 1.07 million euro compared to 1.8 million euro in 2016.

In the sector of electricity generation from thermal energy sources, in 2016, the operation of the 435 MW thermal power plant and of the 147 MW unit in Viotia continued.

Turnover of the electricity trading sector was € 13.6 million, compared with € 31.8 million in the corresponding period of 2016, presenting a decrease from 2016. Operating EBITDA of the industry amounted to EUR 0.9 million, compared to EUR 0.4 million in 2016.

Real Estate segment

The uncertainty prevailing in the financial environment and the adverse financial conditions in the real estate market since the year 2010, led to the stagnation of the domestic investment activities. Abroad, in 2017, a multi-storey shopping center in Sofia was completed, which is almost entirely leased, and therefore the Group expects significant revenues from this operation. Taking into account the current economic conditions, the Group examines alternative scenarios for the exploitation of part of its investments and, where it deems appropriate, continues the investments.
The turnover of Real Estate stood at € 2.7 million, compared to € 5.8 million in 2016, while Operating EBITDA and non-cash outflows amounted to € 15.6 million, compared to minus € 5.0 million in 2016. Earnings after taxes amounted to € 2.9 million, compared to minus € 6.2 million in 2016. The profit is mainly attributable to the fair value measurement of the above-mentioned investment property abroad, in line with the IFRS forecasts, which was the last year under construction and at the end of 2017, started its operation. The ratio of Liabilities to Total Assets in the sector is 73%, a factor quite safe, given the financial conditions.

Concessions – Self or Jointly Financed Projects

The Group, given the fulfilled agreement of 29.09.2017 on the acquisition of the participation interests of one of the remaining shareholders of the New Road Concession Company and Central Greece, holds 78.5% of the shares of the Concession of NEW ROAD SA and 66.6% of the concession company of CENTRAL GREECE E65.
In the period from 01.01.2017 to 30.09.2017, the after-tax results of the aforementioned companies were incorporated with the equity method, which amounted to 4.6 mio euros against 4.5 mio euros in 2016.

Given that with the abovementioned acquisition, the company acquired control of the aforementioned companies, the results from 01.10.2017 to 31.12.2017 and the Financial position of these companies were incorporated using the Full Method.

Moreover, the Group also participates with a 70% stake in the HELLAS SMARTICKET SA, which has taken over from the Athens Urban Transport Organization, the Partnership Contract for the Study, Financing, Installation, Operation Support, Maintenance and Technical Management of a Unified, Automatic Ticket Collection System for OASA Group Companies through PPPs. The duration of the concession will be 10 years after the construction period. The method of measuring the Annual Revenues is recognized by the invoicing of the cost of construction, maintenance and operation costs, plus an imputed profit, as determined by the total financial asset.

The turnover of the sector as a whole in the area of concessions that was directly incorporated in the financial results amounted to EUR 88.7 million in 2017 compared to EUR 15.5 million in 2016. The significant increase in revenues is due to the construction works by the company of Provision of Electronic Ticket Services - HELLAS SMARTICKET SA, due to the fact that the completion of the construction works and the direct integration of revenue from the New Road and E65 Concessions in the 4th Quarter of 2017. Operating Profit before Tax, Interest and Depreciation s (EBITDA) excluding cash income amounted to 12.1 mio euro compared to minus 0.4 mio in the respective period of 2016.

The Group continued its activity in the sector of management and operation of car stations, the total number of car parking seats attributable to the Group amounted to 2,278.

Industrial Segment

The Group is engaged in the production of quarry products and in the extraction and processing of magnesite through the licenses and mining concessions it holds.
The Management estimating that the demand for caustic magnesia will be high in the coming years, has started a considerable investment program of total estimated amount of 100 mil euro in its self-owned facilities at Mantoudi Evia for the extraction and treatment of magnesium, for the production of caustic mag CCM, magnesia (DBM) and magnesium hydroxide (MDH) products through its subsidiary TERNA LEYKOLITHI (or TERNA MAG) SA.
From the above program of investments in equipment and new installations until 31/12/2017, investments amounting to approximately € 31.5 million have been realized. The remaining investments for fixed equipment will be implemented over the next two years.

The sector's turnover was EUR 7.9 million, compared with EUR 4.2 million in 2016.

Holdings Sector

Earnings before tax for the year 2017 amounted to € 17.4 million, compared to minus € 24.6 million in the corresponding period of 2016, presenting an increase of € 42 million compared to 2016. This difference is due, on the one hand, to the negative goodwill of € 14 million, which resulted from the acquisition of the two subsidiary companies E65 and NEW ROAD during their incorporation on 01.10.2017 and on the other hand, from the recording of the benefit of € 10 million from the valuation at present value of the amount of EUR 22 million due to the acquisition of Concession shares, which will be repaid between 2024 and 2028. It is noted that the results of 2016 had been affected with impairments of participations whereas no such effect existed in year 2017.

C. Significant Events after the end of the period 01.01 – 31.12.2017

On January 30, 2018, the coverage, as a whole, of the 1.12.2017 signed Common Secured Bond Loan of 193.95 million Euros, was undertaken by the Hellenic Credit Institutions and the purpose of refinancing the existing lending of the parent Company and the Group’s companies was fulfilled.

At the meeting of the Hellenic Capital Market Commission on March 21, 2018, the Company's Prospectus for the public offering by cash payment and the admission to trading on the Athens Stock Exchange of up to 120,000 common non-registered bonds, amounting to a total amount of 120,000,000 million euros was approved. After the completion of the period of exercise of the rights, the above issuance was fully covered. The offer Price of the bonds was set to € 1,000 each, i.e. 100% of its nominal value. The final yield of the Bonds was set at 3.95% and is fixed for the seven-year period. The repayment of the Bond Loan will be executed in seven years after its issuance.

With the completion of the Public Offer on March 29, 2018, and according to the aggregate allocation data generated by the use of the Electronic Book of Bids (ATHEX) of the Athens Stock Exchange, a total of 120,000 common anonymous shares of the Company with a nominal value EUR 1,000 each and funds of EUR 120,000,000 million were raised. The allocation of the issued bonds is the following: 78,000 Bonds (65% of the total issued Bonds) were allocated to individual Investors and 42,000 Bonds (35% of the total issued Bonds) were allocated to Special Investors.

The characteristics of the above bond loan are the following:

(a) The bond yield is 3.95% and is stable over the duration of the loan.
(b) Interest is calculated on six-month basis.
(c) The duration of the loan is seven (7) years and its repayment will be realized at the end of the period of seven (7) years.

On 2.2.2018 the Group signed a contract with M.M. Makronisos Marina Ltd for the execution of the following projects in connection with the development of the Marina of Ayia Napa: villas, towers and commercial buildings, with a conventional objective of 163.4 million.

D. Risks and Uncertainties

The Group's activities are subject to several risks and uncertainties, such as the return to macroeconomic uncertainty, the market risk (volatility in exchange rates, interest rates, market prices, etc.), the credit risk and the liquidity risk, as well as the wind and weather conditions.

In order to handle the financial risks, the Group has a risk management program that aims to minimize the negative effect on the financial results of the group that emerges from the inability to predict financial markets and the volatility of the cost and sales variables.

The financial instruments used by the Group mainly consist of bank deposits, long-term and short-term loans as well as derivatives, trade debtors and creditors, other receivable and payable accounts, long-term and short-term loans, as well as derivatives.

Following, the effect of basic risks and uncertainties on the Group's activities is presented.

Credit risk

The Group continuously monitors its receivables, either separately or by groups and it incorporates the resulting information in its credit control. When necessary, external reports or analyses are used as regards to existing or potential clients.

The Group is not exposed to significant credit risk from trade receivables. This is due to both the Group's policy that focuses on working with credible customers and also to the nature of the Group's activities.

Specifically, the total of receivables corresponds either to the broader public sector in Greece and abroad, or to customers with particularly large financial abilities.

The slowdown of the Greek economy during the first half of 2016 as well and the other negative developments, although they cannot be accurately predicted, are not expected to negatively affect the quality of the receivables portfolio of the Group.

The credit risk with regard to the cash reserves as well as the other receivables is viewed as limited, given the recent recapitalization actions taken by the Greek banks.

Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments are made.

The management considers that all of the financial assets for which the necessary impairments have been made, are of high credit quality.

Foreign exchange risk

The Group is active in Greece as well as in Middle East, the Balkans, Eastern Europe and the USA and therefore is exposed to foreign exchange risk that arises from the exchange rate of the euro against other currencies. This type of risk may emerge from the exchange rate of euro against other foreign currencies, from investments in financial assets denominated in foreign currency as well as from net investments in foreign entities. In order to manage this type of risk the risk management department of the group ensures that cash is covered from foreign exchange volatility.

Regarding the transactions of the company with foreign companies, these mainly take place with European groups and the settlement currency is euro, whereas wherever there are transactions carried out in U.S.A., the settlement currency is the US dollar in an effort to minimize the respective risk.

Interest rate risk

The Group’s policy is to minimize its exposure to interest rate risk as regards to long-term financing. In the context of this policy, medium and long-term loans are mainly in euro, with a fixed spread and floating rate linked to Euribor. An interest rate risk exists for these loans. Whenever it is deemed that due to the length of the repayment period there is increased likelihood of changes in the interest rate, the Group proceeds with a hedging strategy based on Interest Rate Swaps for the coverage of the interest rate risk and as result there is essentially no interest rate risk for such loans.

The Group’s short-term debt is to the larger extent denominated in euro and under a floating rate linked to Euribor. Short-term loans are received mainly either as working capital or as financing for the construction of the Group’s investments. The aim of the Group is to continue the conversion of these Loans into long-term loans with fixed spread linked to Euribor and whenever it is deemed appropriate given the length of the repayment period, to utilize Interest Rate Swaps.

On 31/12/2017, 48.63% of total Group loans were based on floating interest rate (fixed spread) and the remainder 51.37% were based on fixed interest rate.

Such loans are repaid either directly from the collection of trade receivables, or with the receipt of the relevant government grants, or with the long-term loans at the completion of the construction and the commissioning of the investments. Therefore, the Group is exposed to interest rate risk due to changes that may occur in the interest rates.

Sensitivity analysis of interest rate risk

The table below shows the sensitivity of the fiscal year’s result of the short-term borrowing and the Group's deposits, to a change in the interest rate of + 20% -20% (2016: +/- 20% also). Interest rate changes are estimated to move on a reasonable basis in relation to the recent market conditions and until today they are presented as stable compared to the previous year.

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2017		31.12.2016	
	20%	**(20%)**	**20%**	**(20%)**
Results of the year after tax-Group	(267.6)	267.6	(281.4)	281.4
Results of the year after tax - Company	(190)	190	(199.8)	199.8

The Group is not exposed to any other major interest rate risks.

Liquidity Risk

The Group manages its liquidity needs by carefully monitoring the development of the long-term financial liabilities as well as payments that take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are set on a monthly basis.

The company maintains cash and cash equivalents in banks to cover its liquidity needs for periods up to 30 days. Capitals for mid-term liquidity needs are released from the company's term deposits.

Risks due to the current economic conditions prevailing in Greece

The measures implemented for the realization of the program's provision (tax and insurance) agreed with the Lenders, the failure to solve the Banks' problem regarding the non-performing loans, negatively affected the existing economic climate.

The continuation of the measure of capital controls in the economy has a negative effect on the international transactions given the difficulty to repay contractual obligations to suppliers and creditors. The latter generates additional costs and in overall it postpones the return to economic normality whereas it further weakens the country's ability to attract investments.

The full unfolding of the consequences from the above conditions of uncertainty and the delays observed in the payments made from the State and the broader public sector toward the Group in combination with the non-compliance on behalf of the State to the various provisions of Law (for example refusal of paying interest on the delayed VAT rebates) affect negatively the cash flows and the results of the Group, to the minimum degree by the amount of interest, in a way that it cannot be predicted accurately.

Despite the existence of risks referring to the recovery of the future benefits of the asset portfolios and the adequacy of the cash flows, the activities of the Group continue at a normal pace. In this context, the Management systematically assesses the broader situation and its potential effect, in order to ensure that all necessary measures and actions are taken for the minimization of the potential effects on the Group's activities. The Management of the Group aims at immediately informing the investor community about any significant effect generated by the constantly changing conditions.

Other risks and uncertainties

a. The Group's activity is exposed to trends prevailing in the construction market and thus may be negatively affected by the slowdown of construction activity in Greece and abroad, which may be continued due, amongst others, to the general economic conditions. The backlog of construction contracts is not necessarily indicative of future income from the Group's activity in this segment. Despite the fact that the backlog of such contracts represents projects that are considered certain, there is no guarantee that there shall be no cancellations or adjustments to their scope. The backlog of construction contracts of the Group may be subject to fluctuations related to project delays, external market factors and economic factors not under the Group control.

b. The Real Estate segment is subject to significant effects, stemming from the existing economic crisis. The Group actively operates in the development and management of property in Greece and also in the broader Balkans region. Possible changes in prices both of the property market and of leases, directly affect the effectiveness of the Group's investment in land and real estate property, as well as its broader activity in the real estate segment.

c. The Company is partially exposed to short-term fluctuations of wind and hydrological data, in spite of the fact that the implementation of its investments requires extensive studies regarding the long-term behavior of the two aforementioned factors.

E. Report concerning Payment to the Government

The Group according to the provisions of article 6 of Law 3556/2007 as it is currently in effect, due to the mining activity concerning its subsidiary company, paid to the Greek Government an amount of EUR 145.836 thousand during the financial year ended on 31/12/2017.

F. Non-Financial Information

INTRODUCTION

GEK TERNA Group has established itself as one of the largest and most important business groups in Greece. In the Management's Report for the year 2017, the Group incorporates a distinct section that deals exclusively with non-financial items and presents the policies, results and impacts of its activity on Sustainability issues, particularly in relation to: Environment, Society, Labour and Human Rights, Fight against Corruption and Bribery. A detailed presentation of these issues is made in the Corporate Responsibility Reports issued by the GEK TERNA Group and its subsidiary, TERNA ENERGY, on a yearly basis.

These issues have been identified through specific GRI procedures of significant issues' identification and are based on certain standards (The GRI Standards), international methodologies (ISO26000, United Nations Global Compact, AA1000) and global initiatives (Universal Declaration on Human Rights, Worldwide Sustainable Development Targets). Especially with regard to the Global Objectives of Sustainable Development, the GEK TERNA Group is committed to taking actions that will ensure social equality, prosperity and a sustainable natural environment for future generations. The Group is committed to contribute voluntary to the objectives directly related to its activity and invests in responsible entrepreneurship, Corporate Governance and Corporate Responsibility as tools to achieve these goals.

Vision and Principles
GEK TERNA Group, based on the principles of Sustainable Development, its effective organizational structure, its proactive business strategy and the high know-how of its people, excels in important areas of business action. Its dynamic presence and its establishment of its leading position are accompanied by its unwavering support to the local communities in which it operates, from absolute respect to the natural environment and the completion of work-stations that create value for future generations. For nearly half a century, the Group has been operating setting as a priority values that demonstrate that ethical and sustainable entrepreneurship constitute growth driver.
These are:

- Respect for man and the natural environment
- Creating value for employees, associates, customers and shareholders
- Sincerity and reliability
- Targeted social contribution

Principles of Governance
The Corporate Governance Code is the cornerstone of the GEK TERNA Group Corporate Governance System. The Code committees the whole of the Management and employees at every level of the organizational structure and defines the framework of both proper operation and acceptable behaviour. Its aim is to ensure compliance with the principles of transparency, professional ethics and proper management of all Group resources.

In 2017, the Group proceeded to draft and publish the Code of Ethics, which reflects the basic principles, beliefs, corporate culture, business ethics and voluntary moral commitments that characterize it. The Code strengthens the core principles on which the Group is based and concerns employees and management and extends to associates, subcontractors and suppliers. Issues related to corruption and bribery, their combating, and inappropriate behaviour are the core values of the Code.

CORPORATE RESPONSIBILITY

The framework
The Corporate Responsibility Framework developed and operated by the Group:

- incorporates our holistic approach in a simple and comprehensible way
- helps to prioritize business issues
- assists in selecting appropriate actions
- improves the understanding and implementation of Corporate Responsibility
- supports the achievement of corporate goals
- strengthens relations with stakeholders
- constitutes risk management methodology

Strategic approach: Recognition of risks and opportunities
The Group is exposed to multiple risks, which are related to a number of external factors and include: economic conditions in Greece, international trends in the construction market, the Real Estate industry, wind and hydrological data affecting the energy sector. Additional financial risks affect the Group's financial position and the way in which it makes business decisions and conducts strategic partnerships in Greece and abroad.

Corporate Responsibility is accompanied by a framework of principles, the effective integration of which influences the way the Group operates and guarantees:

For Corporate Governance
- ensuring optimal benefits for shareholders, investors, employees and customers
- ensuring entrepreneurial excellence based on ethics, integrity and transparency
- an intimate relationship with employees, and all stakeholders
- sustainable development based on the principles of Sustainability

For the environment
- environmental protection and optimal management of natural resources
- adoption of environmentally friendly technologies and minimization of the burden from the Group's activity

For the Market sector
- extension to new areas of action (waste management etc) and to new markets outside Greece
- maintaining high quality
- strengthening its strong position in its traditional areas of activity (infrastructure, RES, power generation) in Greece
- Maintaining selected suppliers and supporting Greek suppliers

For Employees
- developing and strengthening human resources
- empowering workers' skills
- ensuring equality and a fair work environment
- strengthening know-how and innovation
- Health and Safety
- ensuring Health and Safety for the employees and subcontractors of the Group
- ensuring health and safety for users

For Society and Local Communities
- strengthening local communities
- supporting local communities and strengthening their economies

Corporate Responsibility Management
Effective management of Corporate Responsibility issues is the responsibility of the Group's Corporate Responsibility Team. In this way, the specialized knowledge and skills required for the proper management of the Corporate Responsibility framework are safeguarded.

The team is made up of executives from all the Group's key departments, while the coordination of the team is undertaken by the Directorate of Communication and Corporate Social Responsibility. The Corporate Responsibility Team is fully responsible for Corporate Responsibility issues and:
- to collect the data for the annual Corporate Responsibility Report
- for the accuracy of the content of the Report
- to communicate to employees the methodologies and responsibilities for managing Corporate Responsibility issues

(Amounts in thousands Euro, unless otherwise stated)

- • to coordinate and implement initiatives that fall under the management of Corporate Responsibility issues
- • for in-depth and systematic information to the top management of the Group
- • to adhere to the necessary procedures and policies for the management of Corporate Responsibility actions
- • Defining the necessary policies and procedures for environmental, social, work programs and supply chain programs.

Certified Management Systems
For the GEK TERNA Group, the integration of standards and systems into its activities and operations is inextricably linked to the effective management of its operational function. International management standards allow the Group to use the tools and methodologies necessary in the international competitive environments in which it operates.

- • Quality Management System ISO 9001: 2008: TERNA, TERNA ENERGY, ILIOCHORA, GEK Services, TERNA LEFKOLITHI, STROTIRES, HERON, TERNA S.A. ABU DHABI BRANCH
- • Environmental Management System ISO 14001: 2004: TERNA, TERNA ENERGY, GEK SERVICES, TERNA LEFKOLITHI, HERON, ILIOCHORA, TERNA S.A. ABU DHABI BRANCH
- • Occupational Health and Safety Management System OHSAS 18001: 2007: TERNA, TERNA ENERGY, GEK SERVICES, TERNA LEFKOLITHI, HERON, ILIOCHORA, TERNA S.A. ABU DHABI BRANCH
- • ELOT EN ISO 17025 from the National Accreditation System: Accreditation Certificate for the Wind Measurement Laboratory for TERNA ENERGY

Other certifications include:
TERNA: Pressure Equipment Manufacturer's Quality System in accordance with European Directive 97/23 / EC (ANNEX III, SECTION H)
TERNA - POLYCASTROU QUADRANT: Certificate of Conformity of Production Control of Natural Aggregates at Factory in compliance with European Regulation 305/2011 / EU
TERNA LEUKOLITHI: GMP / + B3 certification for caustic magnesia intended for animal feed

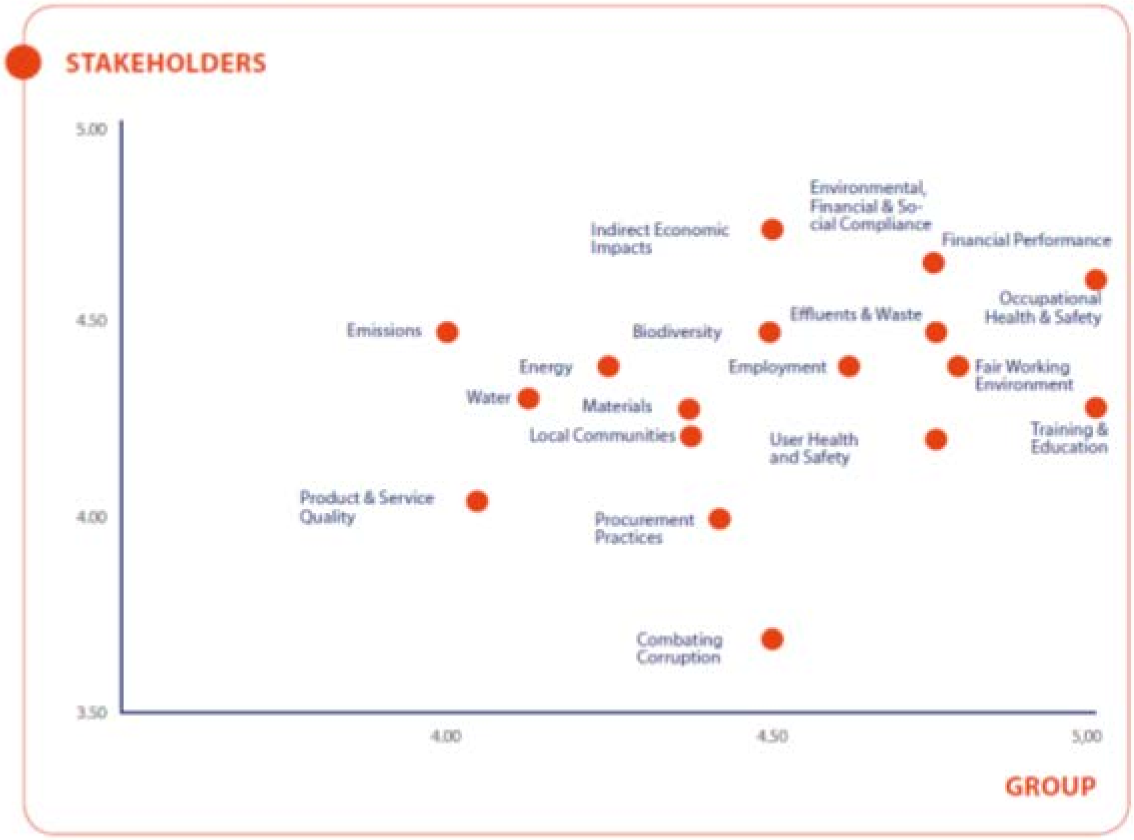
INSPECTIONS		**GEK TERNA GROUP**	
		Greece	**Abroad**
Health & Safety	Internal Inspections and Reviews by Certification Bodies	123	56
Environment	Internal Inspections and Reviews by Certification Bodies	15	11
Quality	Internal Inspections and Reviews by Certification Bodies, from the Quality department of the Construction Joint Venture and from Independent Engineer	251	3
	TOTAL	**389**	**70**
In Greece are included: TERNA SA, TERNA ENERGY, TERNA LEFKOLITHI, ILIOCHORA **In Abroad there are included:** Activities in QATAR, UAE, BAHRAIN **In Motorway Concessions are included:** NEA ODOS , CENTRAL GREECE MOTORWAY			

Important Issues
The issues on which the Group focuses:

- • Are of interest, affect and concern the Group's stakeholders
- • These are issues of risk and opportunities for the Group itself, but also the direct and indirect environment of the Group
- • They are issues of wider interest on a social, environmental, ethical and legal basis

• They concern not only the countries in which the Group operates, but these are issues of international importance

Table of material issues



The process of selecting key issues is of great importance to the Group as it affects investment and strategic decisions that shape the Group's social, environmental and financial impacts at the same time.

CORPORATE GOVERNANCE PUBLIC POLICY COMBATING CORRUPTION ENVIRONMENTAL, FINANCIAL AND SOCIAL COMPLIANCE				
Environment	Market and Business Operation	Employees	Health and Safety	Society and Local Society
• Materials • Liquid Effluents and Waste • Water • Biodiversity • Emissions • Energy	• Procurement Practices • Financial Performance • Project Quality	• Training and Education • Fair Workplace • Employment	• Occupational Health and Safety • User Health and Safety	• Indirect Economic Effects • Local Communities

(Amounts in thousands Euro, unless otherwise stated)

These issues have the potential to significantly influence the implementation of strategic objectives and individual business decisions and therefore have a significant impact on both the shareholders and the Group.

Concern for the Environment

The GEK TERNA Group recognizes the degree of its impact on the natural environment and for this and it has set its protection as priority of its strategy. At the very least, GEK TERNA Group fully complies with the relevant laws and regulations in the environments in which it operates and seeks to over-cover the minimum requirements. Applying an integrated Environmental Management System, the Group prevents and addresses environmental impacts and takes the necessary measures in a timely manner.

Fuel and Electricity Consumption

Fuel and Electricity Consumption GEK TERNA GROUP (Greece)	
Liquid fuel (Diesel, Petrol, Gasoline etc) (litres)	8,701,188.28
LPG (Kg)	4,172,760
Natural Gas (Nm3)	214,039,095.9
Electricity Consumption (KWh)	17,599,590.8
There are included: TERNA SA, TERNA ENERGY, GEK Services, TERNA LEUKOLITHI, ILIOCHORA	

Fuel and Electricity Consumption GEK TERNA GROUP (Abroad)	
Liquid fuel (Diesel, Petrol, Gasoline etc) (litres)	1,345,139.0
Electricity Consumption (KWh)	10,025,292.4
There are included: QATAR, UAE, BAHRAIN	

Fuel and Electricity Consumption Motorways' Concessions	
Liquid fuel (Diesel, Petrol, Gasoline etc) (litres)	639,082.6
Electricity Consumption (KWh)	33,225,83.5
There are included: NEA ODOS, CENTRAL GREECE MOTORWAYS	

Management of natural resources

The main volume of the Group's activities focuses on the construction sector, through TERNA SA and a large part of the environmental impact is due to the Group's construction activity. In the Group's office buildings and building sites, there is a recycling process for paper, electronic and electrical equipment, lamps and batteries. The Group has entrusted the management of both hazardous and non-hazardous waste to appropriately licensed companies.

Waste Production – GEK TERNA GROUP (Greece)		
Hazardous Waste		
1.	Used Mineral Oil (Litres)	3,500
2.	Lubricants (Litres)	19,643.8
3.	Lubricants (Litres)	62,490
4.	Old Tires (Pieces)	117
5.	Lighting Fixtures (Kg)	20,10
6.	Asbestos cement (Kg)	910

(Amounts in thousands Euro, unless otherwise stated)

7.	Filters-Hoses(Kg)	2,429
8.	Oil Filters – of Oil (Kg)	10,092
9.	Plastic Polished Packaging (Kg)	4,354.9
10.	Polished Absorbents (Cloths, Towels) (Kg)	12,096.8
11.	Accumulators (Batteries) (Kg)	5,924
12.	Machine Batteries (Kg)	163
13.	Laboratory Waste (Kg)	3,926
14.	Toner (Pieces)	442
Non-hazardous Waste		
1.	Household waste (m3)	81.5
2.	Construction and Demolition Excavations (Kg)	9,633,920
3.	Mixed Construction / Fascia (Kg)	742,370
4.	Waste Natural Plant Waste (Kg)	92,171,000
5.	Paper (Kg)	15,188
6.	Aluminium Scrap (Kg)	730
7.	Electric Scrap (Kg)	360
8.	Iron Scrap (Kg)	1,277,485
9.	Wood (Kg)	130,470
10.	Urban (Kg)	103,564
11.	Effluent (m3)	166,207
12.	Plastic Scrap (Kg)	60,985
13.	Old copper (Kg)	370
14.	Old Wires (Kg)	4,760
15.	Electronic waste (Pieces)	138
16.	Waste to Process in Biological Cleaning (m3)	335
***There are included:** TERNA SA, TERNA ENERGY, TERNA LEUKOLITHI, ILIOCHORA, TAP		

Waste Production GEK TERNA GROUP (Abroad)		
Hazardous Waste		
1.	Lubricants Waste (Kg)	410
2.	Mixed Construction / Fascia (Kg)	385,100
3.	Used Mineral Oil (Litres)	8,320
Non-Hazardous Waste		
1.	Food Waste (m3)	245
2.	Water Waste (Litres)	7,646,531.8
3.	Solid wastes (m3)	7,380
4.	Aggregates (Kg)	19,530
5.	Paper (Kg)	780
6.	Metallic (Κιλά)	86,710
7.	Wood (m3)	4
There are included: Activities in QATAR, UAE, BAHRAIN		

Waste Production – Motorways' Concessions		
Hazardous		**GROUP GEK TERNA***
1.	Lamps (Kg)	167
2.	Mixed Batteries (Kg)	7

(Amounts in thousands Euro, unless otherwise stated)

3.	Batteries (Lead-Acid) (Kg)	1,510
4.	Engine, transmission and lubrication oils (Litres)	2,441
Non-Hazardous Waste		
1.	Spare parts (wires) (Kg)	242
2.	PCs/electric appliances /equipment (Kg)	843
3.	Tyres (Kg)	9,315
There are included: NEA ODOS, CENTRAL GREECE MOTORWAY		

Categories of Environmental Investments (in €)			
Type of expense	**Categories of Environmental Expense**	**GEK TERNA GROUP**	
		Greece	**Abroad**
Costs of management, waste disposal, emission treatment and restoration	Management and disposal of waste	1,953,740.06	71,320
	Expenditure on equipment, material maintenance and other services, and staff costs (payroll, etc.)	28,300	5,936,436
Prevention and environmental management costs	Environmental education and training	850	-
	External services of environmental management	30,000	1,107
	External certification of management systems	992	738
	Additional costs for installing cleaner technology (eg extra cost beyond standard technology)	5,991.70	-
	Technical Environmental Engineering of Associated Projects. Special and Complementary Studies.	50,950	-
	Staff costs for environmental management and compliance with the EMS	118,319	-
	Environmental Measurement Costs	9,016	-
	Plantations & Restorations	1,285,991.54	-
	Environmental monitoring activities (laboratories, instruments, measurements, etc.)	9,709	-
	Construction of special waterproofing for temporary storage of waste	6,842	5,000
	Procurement of Leakage Management Material	2,000	-
	Soil, Worksite and Road Drilling	323,990	-
	Temporary Storage of Plant Earth Depot (Renting of Areas)	6,600	-
	Restorations of premises	5,063,602	-
	Removal of temporary deposits	3,524,000	-
	TOTAL	**12,420,893.30**	**6,014,601.00**
In Greece there are included: TERNA SA, TERNA ENERGY, TERNA LEUKOLITHI, ILIOCHORA **Abroad there are included:** Activities in QATAR, UAE, BAHRAIN			

Investments in Environment and Health & Safety (in €)	Motorways' Concessions
Fire protection system maintenance for the Management's building (N. Erythraia)	2,510
Environmental Studies (MPS,TEPEM, Renovation Studies EPO, Environmental Licensing of Associated Projects and operations, etc.)	50,590
Monitoring Program for Health and Safety in the motorway	8,158.32
Security Technician and Occupational Physician	14,031.80
Protection and Conservation of Green	928,000
Traffic noise monitoring program	18,500
Environmental Consultants and staff to monitor the implementation of the PO	63,000
Supply of Equipment for Air Pollution Monitoring	235,323.21
Operation of atmospheric pollution and meteorological data stations	43,275.16
Annual Report on Gaseous Pollution Monitoring	4,650
Certifications ISO 39001:2012	850
Certifications OHSAS 18001/ ISO 9001:2008/ ISO 14001:2004	1,600
Total	**1,370,488**

Responsible Supplies and Local Suppliers

Although the Group operates business-wise and beyond Greek borders, it does not cease to support the Greek market and the Greek suppliers. As ambassador of Sustainable Development and economic stability, it helps to develop local communities, being aware that the social dividends from its operation benefits multiply the Greek society and local suppliers.

Group's Suppliers (based on range – exempt concession motorways)	GROUP 2017	
	Number of suppliers	**Value of supplies (€th.)**
Local Suppliers	5.375	590.336
National Suppliers	698	230.280
International Suppliers	835	267.264
Affiliated Companies	5	5.862
Total	6.913	1.093.742

Categorization of suppliers – Motorways' Concessions	Number of suppliers	Cost (in euro)
Local Suppliers	621	3,990,656.99
National Suppliers	496	380,171,263.76
International Suppliers	48	2,577,257.11
Total	**1,165**	**386,739,177.86**
There are included: NEA ODOS, CENTRAL GREECE MOTORWAY		

Caring for our People

The way the Group operates is governed by certified systems and clear procedures that contribute to corporate goals' achievement and employees' development. The key success factor of the Group is our people. That is why we have constantly created and improved a work environment characterized by respect, transparency, equal opportunities, justice and safety.

(Amounts in thousands Euro, unless otherwise stated)

GEK TERNA GROUP			
	Male	**Females**	**Total**
Greece (employees)	1,185	253	1,438
Greece (free-lancers)	462	113	575
Abroad	1,884	137	2,021
Total Employees	**3,531**	**503**	**4,034**

GEK TERNA GROUP Motorway Concession			
	Male	**Female**	**Total**
Total Employees	371	298	**669**
There are included: NEA ODOS, CENTRAL GREECE MOTORWAY			

Employees' Training and Development
The Group invests in the human resources that manages its companies and continuously cares for its professional development, security and prosperity. The continuing education and development that we offer is in line with the Group's anthropocentric approach, which is formally reflected in the GEK TERNA Code of Ethics, "based on a value system that promotes mutual trust, transparency, cooperation, recognition, integrity, equal opportunities and motivation for progress, and which distinguishes the skills and characteristics of each person's personality, helps to overcome personal and interpersonal difficulties, promotes innovation of thinking and actions based on achievements up to date and it creates security and meritocracy feeling for all employees in a modern environment "

Education and provision of opportunities stimulates employees' self-confidence, strengthens culture and team spirit and promotes innovation. At the same time, the personal and professional development of the executives ensures the continuous progress and development of the Group itself, thus safeguarding its leading position in the market.

Training	**GEK TERNA GROUP**		
	Greece	**Abroad**	**Motorways' Concession**
Participations	7,267	8,846	253
Training Hours	26,013,6	42,599	5,332
In Greece there are included: TERNA SA, TERNA ENERGY, TERNA LEUKOLITHI, ILIOCHORA, GEK Services **In abroad there are included:** Operations in QATAR, UAE, BAHRAIN **There are included:** NEA ODOS, CENTRAL GREECE MOTORWAY			

Equal Treatment
The Group invests in creating a safe, healthy and friendly work environment for all employees, with respect for human rights and human values.
The work environment in which the Group consciously invests is based on the equal treatment of all employees, without discrimination. The Group maintains non-discriminatory criteria for all matters relating to the management of human resources, from the recruitment to the termination of the cooperation with the Group. Every employee is treated equitably and meritocratic on the basis of his /her abilities and performance. Specific training was conducted in 2017, focusing on the implementation of the Code of Ethics and the value system, which should characterize the professional behaviour of all Group people.

(Amounts in thousands Euro, unless otherwise stated)

Human Rights
The Group has consistently applied international human rights principles and operates in accordance with the national and international law of the countries in which it operates.
The GEK TERNA Group places special emphasis on child and forced labour issues, as well as on collaborators and subcontractors, and applies audit procedures that ensure that there is no violation of fundamental human rights. The following systems far outweigh the minimum expectations and no human rights violations and no incidents of discrimination in the whole of the Group's operations have occurred in its operations.

Health and Safety
Safeguarding Health and Safety at work is a non-negotiable principle under which the strategy of GEK TERNA Group has been built. It is a prerequisite for every Group business activity and equally applies to employees, subcontractors and the entire network of partners.
The Group, through a specific Health and Safety policy and a strict Health and Safety Management System, aims at identifying and minimizing the risks involved in all its activities in a timely manner.
The approach followed by the Group is based on the following five axes:
1. Active role of Management
2. Employee involvement
3. Health and Safety Partnerships
4. Actions that promote Health and Safety
5. Compliance audits

Health and Safety Indicators (excluding motorways' concessions, excluding subcontractors)	**GEK TERNA GROUP**	
	Greece	**Abroad**
Lost Days of Work Due to Accident	152	25
Events without days absent	0	1
Deadly accidents	0	0
Near accidents	16	123
First Aid help provision	13	-
Total accidents with absence days	20	2
Small-scale accidents (absence from work up to 3 days)	3	1
Serious accidents (absence from work over 3 days)	17	1
Occupational Disease Incidents	19	-
Days of absence	-	86
In Greece there are included: TERNA SA, TERNA ENERGY, TERNA LEFKOLITHI, ILIOCHORA, GEK Services **In abroad there are included:** Activities in QATAR, UAE, BAHRAIN		
Health and Safety Indicators of SUBCONTRACTORS	**GEK TERNA GROUP**	
	Greece	**Abroad**
Total accidents	30	0
Lost days of work due to accidents	678	0
First Aid help provision	1	0
Near accidents	1	146
In Greece there are included: TERNA SA, TERNA ENERGY, TERNA LEFKOLITHI, ILIOCHORA, GEK Services**In abroad there are included:** Activities in QATAR, UAE, BAHRAIN		

Health and Safety Indicators	**Motorway's Concession**
Lost days of work due to accidents	177
Events without absence from work	6
Total Accidents	16
Occupational accidents with days of absence from work	10

Categories of Health and Safety Investment (in €)	**GEK TERNA GROUP**	
	Greece	**Abroad**
Personal Protection Equipment (Purchase and Certification)	157,802.3	64,586
Upgrading of Mechanical Equipment and Vehicle Purchase	1,997.5	-
Equipment Certification	26,266.8	-
Certification of Lifting and Other Machinery	36,273.1	12,336
Traffic regulations	232,360	
Security signs	1,323,800.4	17,691
Reorganization / Maintenance of the Fire Safety System	18,346.4	2,150
IAE Directorate Expenses (training, IAE certification, etc.)	377,224.3	-
Security Services	173,785.1	-
Upgrading Workspace	53,143.4	-
Projects' Insurance	20,845.6	272,394.71
Employees' Health Coverage Program (from project insurance)	2,286	517,881.10
External Certification of Systems	36,733.6	10,938.22
Provision of Security Consultants and Occupational Health Service	302,289.7	-
Costs of Medical Personnel Examinations	15,404.5	18,000
Medical Equipment	89,769.9	3,300
IAP Training	3,064	18,900
Security Projects and Systems	69,283	-
TOTAL	**2,940,675.60**	**938,177.03**
In Greece there are included: TERNA SA, TERNA ENERGY, TERNA LEFKOLITHI, ILIOCHORA, GEK Services **In abroad there are included:** Activities in QATAR, UAE, BAHRAIN		

Supporting Local Communities
The substantial contribution of the Group in the construction of modern infrastructure and energy projects that promote Sustainable Development, contributes significantly to achieving social welfare and the positive promotion of Greece internationally.
The multiple benefits of the business of the GEK TERNA Group are translated into thousands of jobs, benefits and social security contributions, together with thousands of suppliers to market products and services, as well as in taxes and investments. The GEK TERNA Group focuses mainly on the following areas of social support:

1. creating infrastructures
2. employment
3. cooperation with local suppliers
4. Sponsorships, donations and support in kind (Sports & Culture, Environment, Schools, Universities, Youth Associations & Teams, Municipalities, Social Structures & Bodies)

Total grants and financial aid from TERNA SA and TERNA ENERGY for 2017: € 767,720

The amount of investment, financial and non-financial support in the Concessions sector for 2017: € 557,427.70.

G. Outlook and Future Developments

As results from the analysis of each segment, the Group's prospects, despite the existing economic crisis, are considered positive.

The diversification of the Group's activities offers dispersion of risk and a lower dependence of profitability on specific segments.

H. Treasury Shares

On December 31, 2017, the Company directly owned 5,203,114 own shares, namely 5.03009%, with an acquisition value of 12.798.267 €.
The subsidiary TERNA SA acquired, in 2017 on behalf of GEK TERNA SA, additional 104.856 own shares and holds a total of 688.205 shares, namely 0.6654%. The subsidiary company ILIOCHORA SA holds 616.835 own shares, namely percentage of 0.5964%.
On 31/12/2017 GEK TERNA SA held directly and indirectly through its subsidiaries a total of 6,508,154 own shares, namely 6.2927% of the share capital.
GEK TERNA SA on November 14, 2017, informed the investment community that, with the purchase of own shares on 13/11/2017, the total own shares held by the Company directly amounted to 5%.
On February 26, 2018, the Company, in order to implement the decision of the 1st Repeat General Meeting of Shareholders dated 7/7/2014, granted to seven (7) Managers of the Company, against the exercise of stock options, a total of 1,350,000 own shares which represent 1.3053% of the paid up share capital, for a total consideration of EUR 769,500.00.
Following the aforementioned transaction, the own shares held by the Company directly and indirectly fell below the 5% limit and the number of treasury shares directly after the transaction on 26/2/2018 decreased to 3,853,114, namely 3.7256 %
The number of treasury shares held by subsidiaries remained unchanged.
The total number of treasury shares, directly and indirectly held after the transaction on 26/2/2018, amounts to 5,158,154, namely at 4.9874%.

I. Related Party Transactions

Below the Company's and Group's transactions and balances with its related parties are presented for the period 1.1-31.12.2017:

(Amounts in thousands Euro, unless otherwise stated)

Sales-Inflows of the Company

(amounts in euros)	Participation type	Total	Sales of Goods / Services	Revenues from Consulting services	Revenues from administration support services	Income from leases	Income from dividends and related profits	Income from interest and related profit	Received Loans	Share capital reductions
TERNA SA	Subsidiary	**58,035,890.00**	124,188.00	0.00	15,500.00	391,048.00	0.00	0.00	42,500.000.00	15,005,154.00
TERNA ENERGY SA	Subsidiary	**6,492,175.49**	0.00	0.00	8,000.00	266,119.00	6,218,056.49	0.00	0.00	0.00
CHIRON CAR PARK S.A	Subsidiary	**135,465.11**	0.00	0.00	36,000.00	0.00	99,465.11	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**78,000.00**	0.00	0.00	78,000.00	0.00	0.00	0.00	0.00	0.00
MONASTIRIOU SA	Subsidiary	**- 0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**179,072.00**	0.00	0.00	572.00	0.00	178,500.00	0.00	0.00	0.00
ILIOHORA SA	Subsidiary	**2,257,420.00**	0.00	0.00	0.00	38,880.00	0.00	0.00	1,500,000.00	718,540.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**19,425.00**	0.00	0.00	0.00	0.00	0.00	19,425.00	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**155,353.00**	0.00	0.00	0.00	0.00	0.00	155,353.00	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**248,726.00**	0.00	0.00	0.00	0.00	0.00	248,726.00	0.00	0.00
TERNA MAG SA	Subsidiary	**4,350.00**	0.00	0.00	500.00	0.00	0.00	3,850.00	0.00	0.00
VRONTIS QUARRY PRODUCTS SA	Subsidiary	**0.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NEA ODOS SA	Subsidiary	**12,592,266.03**	6,128,238.03	1,322,813.00	1,084,317.00	0.00	0.00	4,056,898.00	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**6,170,862.08**	4,984,953.08	94,107.00	1,002,539.00	0.00	0.00	89,263.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**27,000.00**	0.00	0.00	27,000.00	0.00	0.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	180,000.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**5,916.00**	0.00	0.00	0.00	0.00	0.00	5,916.00	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**37,635.00**	0.00	0.00	0.00	1,200.00	0.00	36,435.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**37,000.00**	0.00	37,000.00	0.00	0.00	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**37,000.00**	0.00	37,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KEKROPS SA	Associate	**828,979.00**	0.00	0.00	0.00	0.00	0.00	31,158.00	797,821	0.00
		87.522.534,71	**11,237,379.11**	**1,490,920.00**	**2,252,428.00**	**697,247.00**	**6,496,021.60**	**4,647,024.00**	**44,797,821.00**	**15,903,694.00**

Company's Receivables

(amounts in Euro)	Participation type	Total	From revenue	From Loans and Interest	From Dividends and related earnings	From share capital reductions
TERNA SA	Subsidiary	**340,335.42**	340,335.42	0.00	0.00	0.00
TERNA ENERGY SA	Subsidiary	**4,000.00**	4,000.00	0.00	0.00	0.00
CHIRON CAR PARK S.A	Subsidiary	**11,160.00**	11,160.00	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**140,120.00**	140,120.00	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**248.00**	248.00	0.00	0.00	0.00

(Amounts in thousands Euro, unless otherwise stated)

ILIOHORA S.A.	Subsidiary	**3,356.64**	3,356.64	0.00	0.00	0.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**337,022.70**	0.00	337,022.70	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**2,826,903.53**	0.00	2,826,903.53	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**4,402,935.82**	0.00	4,402,935.82	0.00	0.00
TERNA MAG SA	Subsidiary	**103,850.02**	0.00	103,850.02	0.00	0.00
NEA ODOS SA	Subsidiary	**84,206,359.77**	667,235.82	83,539,123.95	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**6,393,533.09**	4,483,599.46	1,909,933.63	0.00	0.00
Construction Joint Ventures	Joint Venture	**707,828.31**	707,828.31	0.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**5,580.00**	5,580.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	0.00	180,000.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**133,258.19**	0.00	133,258.19	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**954,242.92**	2,279.20	951,963.72	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**18,600.00**	18,600.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**24,419.10**	24,419.10	0.00	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00	0.00
		100,826,192.83	**6,408,761.95**	**94,237,430.88**	**0.00**	**180,000.00**

Purchases - Company's Outflows

(amounts in euro)	Participation type	Total	Purchases of goods	Purchases of administrative services	Lease expenses	Interest expenses	Received Loans	Share capital increases
TERNA SA	Subsidiary	**3.455.378,00**	0,00	768.000,00	10.800,00	2.676.578,00	0.00	0.00
TERNA ENERGY SA	Subsidiary	**480.503,00**	349.977,00	111.526,00	19.000,00	0,00	0,00	0.00
ILIOHORA SA	Subsidiary	**62.307,00**	0,00	0,00	0,00	62.307,00	0,00	0.00
IOANNINON S.A.	Subsidiary	**272,170.50**	0.00	0.00	0.00	0.00	0.00	272,170.50
MONASTRIRIOU TECHNICAL DEVELOPMENT S.A.	Subsidiary	**451,000.00**	0.00	0.00	0.00	0.00	0.00	451,000.00
KIFISIA PLATANOU SQ. CAR PARK SA	Subsidiary	**250,000.00**	0.00	0.00	0.00	0.00	0.00	250,000.00
ICON EOOD	Subsidiary	**458,200.57**	0.00	0.00	0.00	0.00	0.00	458,200.57
ROM GEK CONSTRUCTION SRL	Subsidiary	**110,000.00**	0.00	0.00	0.00	0.00	0.00	110,000.00
ICON BOROVETS EOOD	Subsidiary	**375,032.60**	0.00	0.00	0.00	0.00	0.00	375,032.60
VIPA THESSALONIKI	Subsidiary	**311,000.00**	0.00	0.00	0.00	0.00	0.00	311,000.00
ΤΕΡΝΑ ΛΕΥΚΟΛΙΘΟΙ ΑΕ	Θυγατρική	**100.000,00**	0.00	0.00	0.00	0,00	100,000.00	0,00
TERNA – Bulgarian Branch	Subsidiary	**5,069.00**	0.00	0.00	0.00	5,069.00	0.00	0.00
J/V EUROIONIA	Subsidiary	**9.793.260,56**	0.00	0.00	0.00	2,057,260.56	7,736,000.00	0.00
J/V CENTRAL GREECE MOTORWAY E-65	Subsidiary	**534.440,00**	0.00	0.00	0.00	270,440.00	264,000.00	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**1,217.52**	0.00	0.00	0.00	1,217.52	0.00	0.00
HELLAS SMART TICKETS	Subsidiary	**1,000,000.00**	0.00	0.00	0.00	0.00	0.00	1.000.000,00
ATHENS CAR PARK SA	Joint Venture	**230,250.00**	0.00	0.00	0.00	0.00	0.00	230,250.00
HERON THERMOELECTRIC S.A.	Joint Venture	**168,834.41**	165,896.74	0.00	0.00	2,937.67	0.00	0.00
ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**150,000.00**	0.00	0.00	0.00	0.00	150,000.00	0.00
KEKROPS SA	Associate	**2,053,313.95**	0.00	0.00	0.00	0.00	0.00	2,053,313.95
		20.261.977,11	**515.873,74**	**879.526,00**	**29.800,00**	**5.075.809,75**	**8.250.000,00**	**5.510.967,62**

Company's Liabilities

(amounts in euro)	Participation type	Total	From purchases	From Loan and interest	From dividends and Joint-Ventures results	From share capital increases
TERNA SA	Subsidiary	**84,206,812.42**	4,501,329.55	79,705,482.87	0.00	0.00
TERNA ENERGY SA	Subsidiary	**1,913,332.61**	1,913,332.61	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**1,590,937.67**	0.00	1,590,937.67	0.00	0.00
MONASTIRIOU TECHNICAL DEVELOMENT SA	Subsidiary	**52.01**	52.01	0.00	0.00	0.00
ICON EOOD	Subsidiary	**30,386.07**	0.00	0.00	0.00	30,386.07

(Amounts in thousands Euro, unless otherwise stated)

ROM GEK CONSTRUCTION SRL	Subsidiary	**3,000,000.00**	0.00	0.00	0.00	3,000,000.00
TERNA – Bulgarian Branch	Subsidiary	**109,142.08**	0.00	109,142.08	0.00	0.00
J/V EUROIONIA	Subsidiary	**30,672,189.52**	0.00	30,672,189.52	0.00	0.00
J/V CENTRAL GREECE MOTORWAY E-65	Subsidiary	**4,508,450.46**	0.00	4,508,450.46	0.00	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**21,049.06**	0.00	21,049.06	0.00	0.00
NEA ODOS SA	Subsidiary	**902,384.09**	178,767.70	723,616.39	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**26,206.96**	0.00	26,206.96	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**24,200.66**	24,200.66	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**60.00**	0.00	60.00	0.00	0.00
KEKROPS SA	Associate	**1,650.04**	1,650.04	0.00	0.00	0.00
		127.006.853,65	**6.619.332,57**	**117.357.135,01**	**0,00**	**3.030.386,07**

Below, the transactions and the balances between the <u>Group</u> and the related parties are presented for the period 1.1-31.12.2017:

<u>Sales - Inflows of the Group</u>

(amounts in euro)	Participation type	Total	Revenues from Construction Services	Sales of Goods	Revenues from Consulting services	Revenues from administration support services	Income from leases	Received loans	Income from interest	Share capital reductions
HERON THERMOELECTRIC S.A.	Joint Venture	**3,491,926.00**	62,256.00	3,322,946.00	30,000.00	76,724.00	0.00	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**1,378,467.00**	65,126.00	0.00	30,000.00	37,000.00	0.00	0.00	1,246,341.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**27,000.00**	0.00	0.00	0.00	27,000.00	0.00	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**5,916.00**	0.00	0.00	0.00	0.00	0.00	0.00	5,916.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**37,635.00**	0.00	0.00	0.00	0.00	1,200.00	0.00	36,435.00	0.00
KEKROPS SA	Associate	**828,979.00**	0.00	0.00	0.00	0.00	0.00	797,821.00	31,158.00	0.00
		5.769.923,00	**127.382,00**	**3.322.946,00**	**60.000,00**	**140.724,00**	**1.200,00**	**797.821,00**	**1.319.850,00**	**0,00**

<u>Receivables of the Group</u>

(amounts in euro)	Participation type	Total	From sales	From Loans and Interest	From dividends and Joint-Ventures results	Share capital reductions
HERON THERMOELECTRIC S.A.	Joint Venture	**632,961.94**	632,961.94	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**12,843,659.51**	31,000.00	12,812,659.51	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**5,580.00**	5,580.00	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**133,258.19**	0.00	133,258.19	0.00	0.00
PARKING OUIL SA	Joint Venture	**180,000.00**	0.00	0.00	0.00	180,000.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**954,242.92**	2,279.20	951,963.72	0.00	0.00
GLS OOD	Joint Venture	**0.00**	0.00	0.00	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00	0.00
KEKROPS SA	Associate	**0.00**	0.00	0.00	0.00	0.00
		14,782,141.88	**671,821.14**	**13,930,320.74**	**0.00**	**180,000.00**

(Amounts in thousands Euro, unless otherwise stated)

Purchases - Outflows of the Group

(amounts in euro)	Participation type	Total	Purchases of goods	Revenues from Consulting services	Leasing Expenses	Share Capital Increases
HERON THERMOELECTRIC S.A.	Joint Venture	**8,200,626.00**	8,200,626.00	0.00	0.00	0.00
KEKROPS SA	Associate	**2,053,313.95**	0.00	0.00	0.00	2,053,313.95
		10,253,939.95	**8,200,626.00**	**0.00**	**0.00**	**2,053,313.95**

Liabilities of the Group

(amounts in euro)	Participation type	Total	From Purchases and Advances	From Loans and Interest
HERON THERMOELECTRIC S.A.	Joint Venture	**3,338,702.56**	3,338,702.56	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**60.00**	60.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**6,557.98**	6,557.98	0.00
ATTIKAT SA	Associate	**5,658.47**	5,658.47	0.00
KEKROPS SA	Associate	**1,650.04**	1,650.04	0.00
		3,352,629.05	**3,352,629.05**	**0.00**

The remuneration of members of the Board of Directors and senior executives of the Group and the Company for 2017 as well as the relative balances on 31.12.2017, has as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Remuneration for services rendered	2,790	2,127	130	133
Remuneration to employees	375	41	44	20
Remuneration for participation in the BoD's meetings	566	770	272	52
	3,731	**2,938**	**446**	**205**
Liabilities	694	731	54	12
Receivables	5	58	0	0

CORPORATE GOVERNANCE STATEMENT

The Company applies all the established rules and procedures from the legal, regulatory and other relevant authorities without deviation on all its activities and operations. Moreover, it has adopted internal rules and business practices that contribute to the adherence to transparency principles, professional ethics and prudent management of all Company resources at all management levels, to the benefit of its shareholders and related parties. The overall above rules and practices are incorporated in the Corporate Governance Code (CGC), which was prepared by the Company, in line with the provisions of Law 3873/2010. The Code has been posted on the Company's website www.gekterna.com.

In this context and in order to further enhance the principles, rules and practices that should govern the operations and procedures of a modern and socially responsible business, the Management has developed a specific Code of Ethics applicable to all the Group's companies.

Corporate governance rules and practices
The CGC states, with clarity and accuracy, the following corporate governance rules and practices in detail:

Board of Directors
Its role is defined clearly, together with its responsibilities and duties to set and apply the company's strategy with the basic objective of protecting the interest of all its Shareholders. As the highest authority in the company's management, the Board of Directors decides on all the corporate affairs, apart from those that fall under the responsibility of the General Meeting of the Shareholders.

Specifically, the responsibilities of the Board of Directors include:
- the long-term strategic and mid-term business planning of the company
- decisions of strategic importance, such as acquisitions, mergers, liquidations, high budget investments
- the planning of the general, as well as specific, basic policies for the company's operation
- the approval, supervision and evaluation of the implementation of annual projects and budgets
- ensuring the reliability and completeness of the accounting – financial systems and data and the company financial statements derived from such
- ensuring the smooth and proper operation of the appropriate systems and mechanisms for the company's internal audit, adhering to the company's legal – operational framework, as well as assessing and managing the business risks it faces
- the continuous effort for the avoidance or prudent handling of a possible conflict of interest of the Board of Directors or its members or basic shareholders with the interests of the company, by adopting transparency and monitoring rules on its transactions
- the selection of the Chief Executive Officer and the other members of the Board, which are also evaluated on their overall activity
- defining the remuneration of the Board members and proposing their approval by the General Meeting of the Shareholders, as well as deciding on the remuneration of the company's senior executives
- deciding on the company's organizational structure, management systems and procedures, as well as the amendment of such when deemed necessary by the company's internal and external operation conditions

- the establishment and effort to ensure the proper operation of committees specified by the Corporate Governance Principles (Audit Committee and Committee for Election of Nominee Board Members and Remuneration)
- the establishment of collective bodies when deemed necessary for the improvement of the company's efficiency and operation
- the definition and effort to lay out and apply basic company values and principles, including those of corporate governance, throughout its overall relationship with all related parties.

The Ordinary General Meeting of 29/6/2015 elected a new twelve-member Board of Directors for the management of the Company with a four-year term, which may be automatically extended until the Ordinary General Meeting that will convene on 30/6/2019.
Following replacements, taking place in 2016, the composition of the Board of Directors on 1/1/2017 was the following:

1. Nikolaos Kampas, Chairman – Non Executive Member
2. Konstantinos Vavaletskos, Vice Chairman – Executive Member
3. Michail Gourzis, Vice Chairman – Executive Member
4. Aggelos Benopoulos, Vice Chairman – Executive Member
5. Georgios Peristeris, Chief Executive Officer – Executive Member
6. Dimitrios Antonakos, Executive Member
7. Emmanuel Vrailas, Executive Member
8. Emmanuel Moustakas, Executive Member
9. Vasileios Delikaterinis, Non Executive Member
10. Georgios Perdikaris, Non Executive Member
11. Aggelos Tachmatarchis, Independent Non Executive Member
12. Apostolos Tamvakakis, Independent Non Executive Member

At its meeting on 26 April 2017, the Board of Directors accepted the resignation of Mr. Vassilios Delikaterinis and in his place was elected Mr. Gagik Apkarian of Serop as non-executive member of the Board of Directors. His election was announced to the Ordinary General Assembly on 28 June 2017.
The Ordinary General Meeting of June 28, 2017 elected a new 12-member Board of Directors to manage the Company with a four-year tenure, which will be extended automatically until the Ordinary General Meeting that will be convened no later than 30/6/2021.
Pursuant to the Law and Articles 16 and 17 of the Company's Articles of Association, the Board of Directors was constituted as follows:

1. Nikolaos Kampas, Chairman – Non Executive Member
2. Konstantinos Vavaletskos, Vice Chairman – Executive Member
3. Michail Gourzis, Vice Chairman – Executive Member
4. Aggelos Benopoulos, Vice Chairman – Executive Member
5. Apostolos Tamvakakis, Vice Chairman - Independent Non Executive Member
6. Georgios Peristeris, Chief Executive Officer – Executive Member
7. Dimitrios Antonakos, Executive Member
8. Emmanuel Vrailas, Executive Member
9. Emmanuel Moustakas, Executive Member
10. Georgios Perdikaris, Non Executive Member
11. Spyridon Kapralos, Independent Non Executive Member
12. Gagik Apkarian, Independent Non Executive Member

(Amounts in thousands Euro, unless otherwise stated)

The members of the Board of Directors have Greek nationality except for Mr. Gagik Apkarian, who is an Australian national.
The CVs of the Members of the Board of Directors are posted on the Company's website.
Also, the General Meeting of 28/6/2017 appointed a new Audit Committee, in accordance with the provisions of article 44 of Law 4449/2017, composed of Messrs. Nicholas Kambas - non-executive member, Apostolos Tamvakakis - independent non-executive member and Mr. Aggelos Tahmatarchis, who is not a member of the Board of Directors, and meets the conditions of independence as provided for in the provisions of Law 3016/2002. Both Mr. Tamvakakis and Mr. Tahmatarchis have proven sufficient knowledge in accounting and auditing and Mr. Kambas has proven sufficient knowledge in the field in which the Company operates.

During the exercise of their duties and the Board meetings in 2017, the Board members exhibited “diligence of a prudent businessman”, they dedicated the sufficient time needed for the efficient management of the Company, acted with integrity, accountability and proper judgment, avoiding actions that could endanger the Company’s competitiveness or conflict its interests. Also, they protected the confidentiality of information they had privileged access to and ensured the prompt and simultaneous provision of information to all shareholders and interest investors on issues that could affect their decision to realize any transaction on company shares.

The Board of Directors convened twenty two (18) times during 2017.
The dates of the Board meetings were scheduled in advance in order to ensure the highest possible quorum.

NAME	NUMBER OF MEETINGS THAT TOOK PLACE DURING HIS TENURE	NUMBER OF MEETINGS IN WHICH HE PARTICIPATED	NUMBER OF MEETINGS IN WHICH HE WAS REPRESENTED	NUMBER OF MEETINGS IN WHICH HE WAS ABSENT AND NOT REPRESENTED
Nikolaos Kampas	18	17	-	1
Konstantinos Vavaletskos	18	13	5	-
Michael Gourzis	18	17	1	-
Aggelos Benopoulos	18	18	-	-
Georgios Peristeris	18	16	-	2
Dimitrios Antonakos	18	16	2	-
Emmanuel Vrailas	18	17	1	-
Emmanuel Moustakas	18	18	-	-
Vasileios Delikaterinis	4	4	-	-
Georgios Perdikaris	18	15	2	1
Aggelos Tahmatarchis	9	8	-	1
Apostolos Tamvakakis	18	17	-	1
Gagik Apkarian	14	10	1	3
Spyridon Kapralos	9	7	1	1

During the meetings and the tasks of the Board of Directors, the Members were supported by the Vice-Chairman of the Board, the corporate secretary Mr. Aggelos Benopoulos whose responsibilities are described in CGC.

The Board of Directors at its meeting held on 31 January 2018 accepted the resignation of Mr. Angelos Benopoulos from the position of the Company Secretary and elected Mrs. Dimitra Chatziarseniou of Nicholas as his substitute.

Chairman of the Board of Directors
The Chairman represents the basic instrument for applying Corporate Governance Principles in the Company, with responsibility, among others, for the efficient operation of the Board of Directors and the active participation of all its members in making and reviewing the application of business decisions, as well as for the smooth communication between the Company and its shareholders.
The Chairman's responsibilities include convening and addressing the Board's activities on the issues of the daily agenda prepared by the Chairman himself according to the Company's needs and the relevant requests by other Board members, making efforts for the efficient coordination and smooth communication between all Board members, as well as between the Company and shareholders – investors, which is based on the prompt, clear and reliable provision of information towards Board members on the total activities and operation of the Company, as well as ensuring the smooth incorporation of other members to the Board of Directors and their motivation in order to encourage their active and substantial participation in corporate affairs and the decision making process
The Board of Directors is supported by Committees, which carry an advisory role, but which also carry a heavy weight in the decision making process of the Board. The Committees are as follows:

Nominee and Remuneration Committee
The Nominee and Remuneration Committee's main role is to explore and propose the proper nominees for election in the Company's Board of Directors, as well as to propose policies and systems that define remuneration for all Company levels.
The Committee's responsibilities, in relation to proposing nominees, mainly include defining the company's requirements as regards to the size and composition of its Board of Directors, defining the role, responsibilities and skills of each position within the Board of Directors, the periodic review of the Board's size and composition and the submission of proposals for changes – improvements when deemed necessary.
In relation to its responsibilities on remuneration issues, the Nominee and Remuneration Committee convenes at least twice a year and whenever else deemed necessary. It processes and proposes the system that defines remuneration of employees, Board members and senior executives, it prepares and submits to the Board proposals for the corporate remuneration policy and assesses its application according to the relevant annual remuneration report and it prepares the proposals that must be submitted by the Board to the General Meeting of shareholders for approval.
The Code of Corporate Governance, which was approved by the Board of Directors of the Company on 18/3/2011 and has been in operation since then, provided in Article 2.3.1 a three-member committee.
The Board of Directors which was elected by the General Assembly on 29/6/2015 formed a Nominee and Remuneration Committee with the following members:

Aggelos Benopoulos-Vice Chairman, executive member
Panagiotis Pothos– non executive member
Aggelos Tachmatarchis – Independent non executive member

The late member of the Nominations and Remunerations Committee, Panayiotis Pothos was replaced on 20/4/2016 by Mr. Georgios Perdikaris.

The Committee met on May 31st, 2017, on the submission of a proposal for candidate members of the Board of Directors and Members of the Audit Committee to the Ordinary General Meeting of Shareholders of 28 June 2017.

The Board of Directors elected by the Ordinary General Meeting on 28/6/2017 set up a Committee of Nominations and Remunerations consisting of the following Members:
Angelos Benopoulos, Vice-Chairman, executive member
Georgios Perdikaris, non-executive member
Apostolos Tamvakakis, Vice-Chairman, independent non-executive member

The Ordinary General Meeting pre-approved in accordance with the provision of article 24 par. 2190/1920 to pay compensation to members of the Board of Directors and members of Committees for the year 2017, the total gross amount of which cannot exceed 500,000.00 €. As a result of this decision, the Committee of Nominations and Remunerations met on 14/7/2017 and recommended to the Board of Directors the payment of an annual allowance of € 75,000.00 to the independent non-executive member Mr. Apostolos Tamvakakis as a member of the Board of Directors and member of the Committees a) Nominations & Remunerations and b) Audit, € 30,000.00 to the independent non-executive member Mr. Gagik Apkarian plus € 20,000 to cover travel expenses, € 50,000 to the independent non-executive member Mr. Spyridon Kapralos, and also an amount of € 50,000 as compensation to Mr. Aggelos Tahmatarchis as a member of the Audit Committee. Also, there was an approval on 20/12/2017, following the proposal of the Nomination and Remuneration Committee, of an annual compensation amounting to € 200,000.00 for the Chief Executive Officer Mr. G. Peristeris.
These amounts are within the limits set by the General Meeting and are in line with their qualifications and their contribution to the Company.

At its meeting on 27/9/2017, the Board of Directors decided to amend article 2.3.1 of the Code of Corporate Governance and expand the composition of the Committee of Nominations and Remunerations so that it is now a committee of four members, consisting of one executive member and the other three non-executive, two of which independently. Chairman of the Committee is an independent, non-executive member.
The full composition of the Nominations and Remunerations Committee is now as follows:
Angelos Benopoulos - Executive member of the BoD,
Georgios Perdikaris - non-executive member of the Board of Directors
Gagik Apkarian - independent non-executive member of the Board of Directors
and Apostolos Tamvakakis - independent non-executive member of the Board of Directors and Chairman of the Commission.

Following this decision, the full text of the revised Corporate Governance Code has been posted on the Company's website and is now the reference framework based on which the Corporate Governance Statement is based as provided in Article 2 of Law 4403/2016.
As mentioned above, the Board of Directors at its meeting on 27/9/2017 received, inter alia, a decision on the implementation of the Stock Option Plan as approved by the 1st Repeat General Meeting of Shareholders of 7 July 2014 and invited Committee for Nominations and Remunerations, as competent to submit for approval to the Board of Directors the Stock Option Plan which will specify the terms and conditions.

The Nominations & Remunerations Committee met on the subject on 25/10/2017, 29/11/2017, 12/12/2017, 14/12/17 and 18/12/17 and submitted its final proposal to the Board of Directors of 20/12/2017, which included the list of criteria and incentives in the program that must have been met as targets within the program's approved duration. At the same time it set the criteria for evaluating the Executives and proposed their participation in the program. The Board of Directors accepted the proposal.

It also informed the Board of Directors about its intention to proceed with a proposal for a bonus scheme and the enactment of new long-term incentives for stock option, stock grants, pension plans, etc. for the Company's Executives.

Following this decision, the Nomination and Remuneration Committee again met on 12/2/2018 in order to check the achievement progress of the objectives and concluded that some of the objectives had been achieved and the Company then awarded on 26/2/2018 through an over-the-counter transaction of 1,350,000 shares of its own shares held, to the beneficiaries.

Investment Committee

The mid-long-term strategic planning for the Company's development includes, amongst others, the following investment policy in order to achieve and maintain its business objectives through time.
The Company's Board of Directors is the responsible body that sets and applies investment policy. In this context the Board bases its decisions on the appropriate proposals submitted by the Investment Committee as regards to acquisitions, mergers, strategic alliances, high budget investments, liquidation of assets and any other action of strategic importance that may affect the capital structure and future development of the Company. The Investment Committee convenes once every quarter and at any other time deemed necessary for the Board to make investment decisions.

As is the case for other company committees, the I.C. has the character of providing proposals and not making decisions. Its basic responsibilities include the preparation of the investment policy and long-term investment plan of the Company, the evaluation and the approval of the implementation of the annual investment plan, as well as any new investment that is separately submitted, the examination of the Company's capital structure for the materialization of its investment proposal, the evaluation of the corporate risks which are linked with its materialization, the documentation of its aim and the confirmation that its materialization is included in the implementation measures of the approved corporate strategy of the Company.

The Investment Committee consists of five members in which participate three (3) members of the Company's BoD and two (2) senior executives or advisors of the Company, depending on the issue to be discussed. The Chairman and the Chief Executive Officer can become members of the I.C.

The Board of Directors which was elected by the General Assembly on 28/6/2017 formed an Investment Committee with the following members:

Konstantinos VavaletskosExecutive member
Emmanuel VrailasExecutive member
Emmanuel MoustakasExecutive member

The Committee during the year reviewed the implementation progress of the Company's planned investments.

It also presented to the Board of Directors of 26/4/2017 its proposal for the acquisition by the Company of ACS DRAGADOS minority participation stake and of FERROVIAL CINTRA participation stake in each of the concession companies of the motorways "NEA ODOS" and " CENTRAL GREECE MOTORWAY" as well as to the Board of Directors of 25/10/2017 its proposal for the participation of the subsidiary company VRONTIS QUARRY PRODUCTS SA in the Public tender for the sale of the assets of G. LAZARIDIS - MARMARA DRAMAS SA.

Audit Committee

The Audit Committee supports the Board of Directors in fulfilling its responsibility to ensure compliance of the Company's bodies and actions with the provisions of the legal – institutional – regulatory framework and the Corporate Governance Principles that govern its operation, the completeness and reliability or accounting, IT and administrative systems of the Company and the derived by such published financial statements and other reports, as well as the smooth and effective operation of all the Company's control mechanisms in order promptly identify, apart from the above, business risks and handle such prudently and effectively.
The Audit Committee convenes at least four times a year and whenever else it deems necessary. It invites the ordinary auditor to its meeting at least twice a year to provide clarifications – explanations on its activity and its comments – conclusions on the financial statements and the general financial information of the Company.
The Audit Committee has the following, by subject, basic responsibilities:
It oversees the production procedure of the Company's financial statements and other financial reports, examines their reliability and sees to the smooth operation of the internal control's activities providing its support, and also periodically reviews the adequacy and reliability of internal control mechanisms and mechanisms for the management of business risks with the following criteria: the prompt identification of business risk and the quick response to handle such. It investigates possible transactions of the Company with any related party in detail and submits relevant reports to the Board of Directors in order to evaluate the possibility of present conflicts of interest with complete transparency and to prevent possible damage or loss for the Company.
Also, the Audit Committee receives the reports of the Internal Audit Division, assesses their contents and proposes the head of the Division to the Board of Directors, evaluates the effectiveness and efficiency of such, and based on the above proposes the continuity or termination of his/her responsibilities.
The Audit Committee monitors the conduct of activities by the ordinary auditor and assesses whether such is in accordance with the relevant legal – regulatory framework, the international standards and best practices. It also examines and evaluates the adequacy of knowledge, professional consistency, independence and effectiveness of the ordinary auditor, and based on such proposes to the Board of Directors the continuance or termination of the relationship with the ordinary auditor.

Pursuant to the provisions of article 44 of Law 4449/2017, which the Board of Directors incorporated into the current Corporate Governance Code, the Audit Committee is composed of non-executive members of the Board of Directors and by members elected by the General Meeting of Shareholders and who are not members of the Board of Directors but fulfill with the provisions of Law 3016/2002 regarding independence.

With the proposal of the Nominations and Remunerations Committee, was elected by the Ordinary General Meeting of the Shareholders on 28/6/2017, a new Audit Committee, consisting of the independent non-executive member of the Board of Directors Mr. Apostolos Tamvakakis, Mr. Nikolas Kambas, non-executive member of the Board of Directors and Mr. Aggelos Tahmatarchis, who is not a member of the Board of Directors and meets the conditions of independence as provided for in the provisions of Law 3016/2002. Both Mr. Tamvakakis and Mr. Tahmatarchis have proven sufficient knowledge in accounting and auditing and Mr. Kambas has proven sufficient knowledge in the field in which the Company operates. It follows from the above that the members of the Audit Committee are independent in the majority of them and are able to fulfill their responsibilities and obligations. Chairman of the Audit Committee is Mr. Apostolos Tamvakakis.

The Audit Committee convened eight (8) times during 2017, it exercised all its responsibilities and tasks, it cooperated with the Company's Internal Audit Department and provided the appropriate guidance for the continuation of the audit by subject and priority.

It discussed with the head of the Company's internal audit about its findings and conclusions and confirmed the correctness of the preparation procedure for the financial statements.

Internal Control and Risk Management

Since 29/5/2014, Ms. Aggeliki Nika holds the position of the Internal Auditor.

The internal control system is defined by the total rules and procedures applied by the Company, which aim at the preventive and restrictive audit of operations and procedures at all levels of the company's hierarchy and organization, in order to ensure: the legality and security of management and transactions, the accuracy and reliability of published financial statements and any other financial information and announcement, as well as the effectiveness of the Company's operational systems and activities.

The Board employs the internal control system so as to protect the Company's assets, estimate the evident risks from its operations and to provide accurate and complete information towards shareholders as regards to the actual condition and prospects of the Company, as well as the manner in which detected risks are handled.

To implement the above, the Board defines the operational context of the internal control, approves the conduct and evaluation procedures of its results and decides on its composition, adhering to the relevant legal and regulatory framework up to the Corporate Governance Code. It establishes a special internal audit division, which is independent, is not subject to any hierarchy in relation to any other organizational unit and is supervised by the Company's Audit Committee.

With the contribution of the Audit Committee, it evaluates the adequacy and effectiveness of the special internal audit division and the extent to which its reports are utilized by the Board for the continuous improvement of the Company's operation at all levels ant the effective management of business risks. Moreover, the Audit Committee maintains direct and regular contact with the external auditors, in order to by systematically informed on the adequacy and reliability regarding the operation of the internal control and risk management systems, as well as the accuracy and reliability of the financial information.

The evaluation and management of risks during 2017 is described in the relevant paragraph of the Company's Annual Financial Report.

Relations – Communication with Shareholders - Investors

The Board of Directors emphasizes greatly on protecting the rights of all Company Shareholders, by facilitating the information they receive on the development of corporate affairs and by encouraging their participation in the General Meetings, where they have the opportunity to communicate directly with Management, submit questions they may have and contribute to the final positioning of the Company's strategic directions.
The Company has a special Investor Relations and Shareholders' Service Department, which ensures the direct, responsible and complete provision of information, as well as the facilitation of shareholders to exercise their rights.
In the same context, the Chairman of the Board and/or Chief Executive Officer may realize individual meetings with Company's Shareholders that own a significant share of its capital, with the objective to provide more detailed information on corporate governance issues. They also collect the views stated by shareholders, transfer such to the remaining Board members and ensure that the principles and procedures of corporate governance and any other information useful for shareholders and investors are promptly available and easily accessible through modern means.

General Meeting of Shareholders

The Company adheres to the total relevant terms, clauses and procedures stipulated by the effective legal – regulatory framework as regards to the General Meeting of its Shareholders, with particular dedication on reinforcing their ability to smoothly exercise their rights, based on the completeness, accuracy and clarity of the information such receive promptly by the relevant company bodies, through all means available to the Company.
Aiming at the largest possible presence of its shareholders (institutional and private) during the General Meeting, the Company promptly announces, through any appropriate means, the daily agenda issues, the date and location where the General Meeting will convene. To facilitate their active participation in the General Meeting's activities, it provides complete information on the manner and deadline for exercising the right to list issues on the daily agenda, as well as to submit questions. Also, it informs shareholders about the number of shares and voting rights, the voting procedures and offers any other required supplementary document in order to conduct the General Meeting's activities most effectively.
Members of the Board of Directors, the Company auditors and any other senior company executive, who are considered essential for the provision of detailed information and clarifications on shareholders' inquiries, are present at the General Meetings.

Disclosure of information required by items (c), (d), (f), (h) and (i) of par. 1 article 10 of the directive 2004/25/EC

The required information is already included in another section of the Management Report that refers to the additional information of article 4 par. 7 of Law 3556/2007.

Compliance with the provisions of the Code
The Board of Directors has complied with the provisions of the Corporate Governance Code during the year.

(Amounts in thousands Euro, unless otherwise stated)

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 OF L. 3556/2007

The present Explanatory Report of the Board of Directors is submitted towards the Ordinary General Shareholders' Meeting, according to paragraph 8 article 4 of L. 3556/2007 and has been prepared according to those stipulated by paragraph 7 of article 4 of the same law.

a) Structure of Share Capital

The Company's share capital amounts to fifty eight million, nine hundred fifty one thousand, two hundred seventy five Euros and eighty seven cents (58,951,275.87), is fully paid in, and is divided by one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares with a nominal value of fifty seven cents (0.57) each.
The Company's shares are listed and traded on the Securities Main Market of the Athens Exchange.
All the rights and obligations stipulated by Law and the Company's Articles of Association emanate from each share.

b) Limitations to the transfer of Company shares

The transfer of Company shares takes place according to Law and there is no limitation to their transfer according to the Articles of Association.

It is reminded that according to the provisions of the 22.01.2014 Program for the Issue of a Common Bond Loan between the Company and ALPHA BANK SA, as Organizer and Representative of the debt-holders, the reduction of the shareholding percentage of Mr. G. Peristeris to less than 12.5 % in the Company's share capital constitutes a breach of the terms of the above Common Bond Program. This commitment was lifted by the disbursement of the 193.9m bond loan, signed on 01/12/2017 and its coverage was conducted on 30/01/2018 with which the bond was repaid.

c) Significant direct or indirect participations according to the definition of the provisions of L. 3556/2007
It is displayed below the Shareholders' Table who held on 31/12/2017 percentage over 5%:

SHAREHOLDER NAME	No. of shares	%
York Global Finance Offshore BDH (Luxembourg) Sarl	18,132,551	17.532%
George Peristeris	13,363,224	12.921%
Nikolaos Kampas	10,669,209	10.316%
GEK TERNA SA	5,203,114	5.031%

d) Shares providing special control rights
According to the Company's Articles of Association there are no shares that provide special control rights.

e) Limitations to voting rights
According to the Company's Articles of Association there are no limitations of voting rights emanating from its shares.

f) Agreements between Company Shareholders
To the Company's knowledge, there are no agreements between its Shareholders, which imply limitation to the transfer of its shares or to the exercise of voting rights emanating from its shares.

g) Rules for appointment and replacement of Board Members and amendments of the Articles of Association
The Company's Articles of Association have been conformed to the provisions of L. N,3604/2007 and their provisions do not differ from those stipulated by C.L. 2190/20 as in effect, both as regards to the appointment and replacement of Board Members and as regards to the amendment of its articles.

h) Authority of the Board of Directors for the issuance of new shares or the purchase of treasury shares
According to those stipulated by par. 2 article 5 of the Articles of Association, the General Meeting may by means of its decision, assign authority to the Board of Directors to increase by means of its decision, the share capital according to those stipulated by C.L. 2190/20.

According to the provisions of article 13 par. 13 of C.L. 2190/20, as in effect, the Board of Directors may increase the share capital by issuing new shares in the context of implementing the approved by the General Meeting Stock Option Plan, for acquisition of Company shares by the beneficiaries.

According to the provisions of article 16 of C.L. 2190/1920, as in effect, following approval of the General Meeting, the Company may with the responsibility of the Board of Directors, acquire through the Athens Exchange, its own shares with the condition that the nominal value of shares acquired, including shares acquired previously and maintained by the Company, does not exceed 10% of its paid up share capital.

The Ordinary General Meeting of June 27, 2016 decided to renew the share buyback program by the Company through the Athens Stock Exchange until the completion of 10% of the paid up share capital of the Company, taking into account the 3,452,643 own shares already held by the Company for the purpose in accordance with the provisions of L.2190 / 20 as effective, Regulation 2273/2003 and Decision 1/503/13.3.2009 of the Hellenic Capital Market Commission, until June 27, 2018, at a minimum purchase price of ten cents (0.10 euros) and a maximum price of thirty (30) Euros per share and authorized the Board of Directors for the implementation of that decision.

It is noted that the decision of the General Assembly in the 1st Repeat meeting of July 7, 2014 is still in effect. The above meeting decided on a scheme providing stock options of the Company to its directors, in accordance with the provisions of par. 13 of Article 13 of the C.L. 2190 / 20, and gave the authorization to the Board of Directors to determine the beneficiaries, how to exercise the right and the other terms of the scheme.

On 26/2/2018 rights were exercised to acquire a total of 1,350,000 shares.

i) Important agreements put into effect, amended or terminated in case of change in control following a tender offer
There are no agreements which are put into effect, amended or terminated in case of change in the Company's control following a tender offer.

j) Agreements of Members of the Board of Directors or the Company's Employees

There are no agreements of the Company with members of its Board of Directors or its employees, which include the payment of indemnity, specifically in case of resignation or termination without reasonable cause or termination of term or employment due to a tender offer.

Dear Shareholders,

2017 was a year during which the Group continued its stable trend. Moreover, the Group carefully continues its investment plan, by maintaining at the same time adequate liquidity.

We would like to express our thanks to the Board or Directors, our Staff, Executives and Partners for their contribution to our work.

We also thank our Customers, Suppliers and cooperating Banks and of course you Shareholders for your trust in us.

The Board of Directors unanimously approves the above Management Report to be submitted to the Ordinary General Meeting of Shareholders.

Athens, 27 April 2018

On behalf of the Board of Directors,

Nikolaos Kampas
Chairman of the Board of Directors

IV.ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2017 (1 January - 31 December 2017)

In accordance with the International Financial Reporting Standards

The accompanying Financial Statements were approved by the Board of Directors of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS on 26 April 2018 and have been published by being posted on the internet at the website http://www.gekterna.com where such will remain at the disposal of the investment community for at least 5 years from their issue and publication. It is noted that the published Data and Information aim at providing the reader with general information on the financial position and the results of the Company and Group but do not provide a full picture of the financial position and the results of the Company and Group, in accordance with the International Financial Reporting Standards (IFRS).

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

	Note	GROUP 31.12 2017	GROUP 31.12 2016	COMPANY 31.12 2017	COMPANY 31.12 2016
ASSETS					
Non-current assets					
Intangible fixed assets	7	838,508	81,069	106	33
Tangible fixed assets	8	1,246,267	1,087,192	9,475	9,820
Goodwill	6	3,183	9,759	0	0
Investment property	9	113,705	88,230	12,810	13,540
Participations in subsidiaries	4, 10	0	0	346,137	229,975
Participations in associates	4, 11	4,873	5,326	4,741	2,688
Participations in joint ventures	4, 12	49,834	138,365	7,320	99,454
Financial Assets - Concessions	13	26,463	10,055	0	0
Investments available for sale	21	47,461	26,775	47,442	26,756
Other long-term assets	14	81,416	121,698	114,034	82,014
Receivables from derivatives	31	182,091	1,526	0	0
Deferred Tax Assets	34	86,193	77,791	0	1,384
Total non-current assets		**2,679,994**	**1,647,786**	**542,065**	**465,664**
Current assets					
Inventories	15	54,365	56,606	5,658	5,813
Trade receivables	16	193,143	279,786	8,219	2,921
Receivables from construction contracts	17	151,366	118,251	0	377
Advances and other receivables	18	318,568	334,019	7,203	6,822
Income tax receivables		48,897	20,351	2,219	4,901
Investments held for commercial purposes	20	3,069	4,807	3,070	4,807
Investments available for sale	21	2,126	1,884	2,126	1,884
Cash and cash equivalents	5, 22	642,227	621,003	10,998	4,771
Total current assets		**1,413,761**	**1,436,707**	**39,493**	**32,296**
Non-Current assets held for sale		0	0	0	0
TOTAL ASSETS		**4,093,755**	**3,084,493**	**581,834**	**497,960**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	32	58,951	58,951	58,951	58,951
Share premium account		381,283	381,283	202,774	202,774
Reserves	33	243,935	199,327	68,549	57,313
Retained earnings		(195,288)	(255,712)	(32,560)	(30,336)
Total		**488,881**	**383,849**	**297,714**	**288,702**
Non-controlling interests	42	279,274	214,656	0	0
Total equity		**768,155**	**598,505**	**297,714**	**288,702**

(Amounts in thousands Euro, unless otherwise stated)

Non-current liabilities					
Long-term loans	5, 23	1,232,574	827,531	113,216	197,415
Loans from finance leases	5, 23	11,692	16,470	0	0
Liabilities from financial instruments	24	134,263	44,567	0	0
Other long-term liabilities	29	320,583	326,544	12,102	108
Other provisions	26	33,665	42,868	0	0
Provisions for staff leaving indemnities	25	7,780	8,392	81	77
Grants	27	164,211	180,324	0	0
Liabilities from derivatives	31	200,975	6,289	0	0
Deferred tax liabilities	34	40,326	18,204	6,555	0
Total non-current liabilities		**2,146,069**	**1,471,189**	**131,954**	**197,600**
Current liabilities					
Suppliers	28	243,239	238,288	7,052	5,424
Short term loans	5, 30	112,484	54,975	0	0
Long term liabilities payable during the next financial year	5, 23	369,555	125,272	126,553	1,176
Liabilities from construction contracts	17	179,467	264,162	985	0
Liabilities from financial instruments	24	25,107	3,987	0	0
Accrued and other short term liabilities	29	243,157	304,437	16,360	4,943
Income tax payable		6,522	23,678	940	115
Total current liabilities		**1,179,531**	**1,014,799**	**151,890**	**11,658**
Liabilities directly linked to the non-current assets held for sale		**0**	**0**	0	0
Total Liabilities		**3,325,600**	**2,485,988**	**283,844**	**209,258**
TOTAL EQUITY AND LIABILITIES		**4,093,755**	**3,084,493**	**581,558**	**497,960**

The accompanying notes constitute an integral part of the financial statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
Profit and Loss	**Note**	**1.1 – 31.12 2017**	**1.1 – 31.12 2016**	**1.1 – 31.12 2017**	**1.1 – 31.12 2016**
Continued operations					
Revenues	5	1,185,531	1,163,480	17,672	8,358
Cost of sales	35	(950.382)	(950,579)	(13,501)	(6,166)
Gross profit		**235.149**	**212,901**	**4,171**	**2,192**
Administrative and distribution expenses	35	(46.125))	(36,873)	(2,169)	(1,522)
Research and development expenses	35	(1,548)	(1,682)	0	0
Other income/(expenses)	37	(5.797)	(16,075)	(860)	(1,178)
Net financial income/(expenses)	40	(46,408)	(50,615)	3,113	(4,515)
Income/(losses) from participations		1,730	727	8,226	14,921
Profit / (loss) from sale of participations	38	264	(3,491)	216	649
Profit from acquisition of subsidiary	42	14,604	0	0	0
Profit / (loss) from valuation of participations	39	(1,112)	(15,719)	(11,985)	(27,857)
Profit / (loss) from valuation of associates under the equity method	11	(2,455)	(186)	0	0
Profit / (loss) from valuation of joint ventures under the equity method	12	5,148	4,632	0	0
EARNINGS BEFORE TAXES	5	**153.450**	**93,619**	**712**	**(17,310)**
Income tax	5, 34	(58,663)	(47,800)	(2,936)	361
Net Earnings/(losses) from continued operations	5	**94.787**	**45,819**	**(2,224)**	**(16,949)**
Discontinued operations					
Earnings from discontinued operations after income tax		0	0	0	0
Net Earnings / (Losses)	5	**94.787**	**45,819**	**(2,224)**	**(16,949)**
<u>Other Comprehensive Income/(Expenses)</u>					
a) Other Comprehensive Income/(expenses) which are transferred to Income Statement of subsequent periods					
Valuation of investments available for sale	21	21,244	(1,792)	21,244	(1,792)
Proportion in Other comprehensive income of joint ventures	12	1.267	(72)	0	0
Proportion in Other comprehensive income of associates		(52)	(166)	0	0
Valuation of cash flow hedging contracts	31	6.093	(873)	0	0
Translation differences from incorporation of foreign entities		(289)	4,346	0	0
Share capital expenses		(60)	(172)	0	0

(Amounts in thousands Euro, unless otherwise stated)

Other comprehensive income	21	22.008	1,400	0	0
Tax corresponding to the above results	34	(7,774)	(324)	(6,161)	518
		42.437	**2,347**	**15,083**	**(1,274)**
b) Other Comprehensive Income/(expenses) which are not transferred to Income Statement in subsequent periods					
Actuarial gains/(losses) on defined benefit pension plan	25	348	82	3	7
Proportion in Other comprehensive income of joint ventures	12	0	(15)	0	0
Net Other Comprehensive Income/(Losses)		**42.785**	**2,414**	**15,086**	**(1,267)**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**137,572**	**48,233**	**12,862**	**(18,216)**
Net earnings/(losses) attributed to:					
Owners of the parent from continued operations, Basic	32	69.816	34,262		
Non-controlling interests from continued operations		24.971	11,557		
Total comprehensive income/(losses) attributed to:					
Owners of the parent from continued operations		111.266	37,037		
Non-controlling interests from continued operations		26.306	11,196		
Basic Earnings/(losses) per share (in Euro)	32	0,71570	0.34560		
Diluted Earnings/(losses) per share (in Euro)	32	0,71570	0.34560		

The accompanying notes constitute an integral part of the financial statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
	Note	**1.1 – 31.12 2017**	**1.1 – 31.12 2016**	**1.1 – 31.12 2017**	**1.1 – 31.12 2016**
Cash flows from operating activities					
Profit before tax	5	**153.450**	**93,619**	**712**	**(17,310)**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	5, 6, 7	73,657	77,418	414	410
Grants amortization	5, 26	(8,125)	(11,046)	0	0
Provisions		2,582	18,435	6	11
Impairments	36	17,940	24,028	11,987	28,104
Impairments of liabilities		(14)	0	0	0
Interest and related revenue	5	(18,713)	(8,263)	(15,639)	(4,379)
Interest and other financial expenses	5	77,729	60,254	12,567	8,894
Results from derivatives		(12,608)	(1,069)	0	0
Results from associates and joint ventures		(2,693)	(4,446)	0	0
Results from withdrawal of associate		0	0	0	0
Results from participations and securities		(777)	2,700	(7,331)	(15,571)
Results from investment property	8	(11,694)	8,707	731	1,003
Results from fixed assets		(1,240)	576	0	0
Foreign exchange differences		9,507	(532)	0	0
Other adjustments		0	(1,267)	0	0
Operating profit before changes in working capital		**279.001**	**259,114**	**3,447**	**1,162**
(Increase)/Decrease in:					
Inventories		3	1,584	(11)	(38)
Investment property as main activity		(14,538)	0	0	0
Trade receivables		(13,541)	35,240	(5,468)	1,896
Prepayments and other short term receivables		48,783	(76,404)	140	8,715
Increase/(Decrease) in:					
Suppliers		24,799	8,877	975	1,365
Accruals and other short term liabilities		(137.096)	100,526	(21,854)	184
Collection of grants	16, 24	(63,777)	0	0	0
Other long-term receivables and liabilities		(41,156)	39,332	22,130	(7)
Income tax payments		(74,862)	(57,093)	2,125	(3,465)
Operating cash flows from discontinued operations		0	0	0	0
Net cash flows from operating activities		**7,616**	**311,176**	**1,484**	**9,814**
Cash flows from investing activities					
(Purchases) / Sales of fixed assets		(259,992)	(161,309)	(143)	(1)
(Purchases) / Sales of investment property		0	(9,020)	0	0
Interest and related income received		3,187	1,502	1	23
(Purchases) / sales of participations and securities		(1,210)	(27,573)	(1,082)	(107,781)
Payments/Receipts for the acquisition of control in		(21,662)	0	(21,662)	0

(Amounts in thousands Euro, unless otherwise stated)

subsidiaries					
Receipts of dividends and earnings from joint ventures		1,730	752	8,226	16,921
Initial cash reserves of companies which were purchased or in which the proportional share of consolidation was decreased		0	0	747	0
Returns/(Receipts) of Loans		(19,550)	(27,008)	(19,281)	(27,008)
Cash from acquisition of subsidiaries		129,563	0	0	0
Net cash flows for investing activities		**(167,934)**	**(222,656)**	**(33,194)**	**(117,846)**
Cash flows from financing activities					
Change in share capital of parent	29	(3,322)	0	0	0
Receipts from bond loan mandatorily convertible into shares	29, 30	0	0	0	0
Receipts/payments from increase/(decrease) of share capital from subsidiaries		0	1,125	12,496	0
Purchase of own shares		(4,280)	(4,362)	(3,850)	(4,362)
Net change of short-term loans		44,270	4,498	0	68,800
Net change of long-term loans		125,089	232,818	36,500	51,497
Payments for financial leases	20	(4,456)	(4,983)	0	0
Dividends paid		(6,675)	(6,177)	0	0
Interest and related expenses paid		(74,909)	(55,697)	(7,209)	(5,607)
Receipts / (Payments) from risk hedging derivatives		(11,283)	0	0	0
Receipts from special financial instruments		127,882	0	0	0
Payments for financial instruments		(4,598)	(2,884)	0	0
Financing cash flows from discontinued operations		0	0	0	0
Net cash flows from financing activities		**187,718**	**164,338**	**37,937**	**110,327**
Effect of foreign exchange differences in cash		(6,176)	2,508	0	0
Net increase /(decrease) of cash and cash equivalents from continued operations		**21,224**	**255,366**	**6,227**	**2,295**
Net increase /(decrease) of cash and cash equivalents from discontinued operations			**0**	**0**	**0**
Cash and cash equivalents at the beginning of the year from continued operations	5	621,003	365,637	4,771	2,476
Cash and cash equivalents at the beginning of the year from discontinued operations			0	0	0
Cash and cash equivalents at the end of the year from continued operations	**5**	**642,227**	**621,003**	**10,998**	**4,771**
Cash and cash equivalents at the end of the year from discontinued operations		**0**	**0**	**0**	**0**

The accompanying notes constitute an integral part of the financial statements.

(Amounts in thousands Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

COMPANY	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2017	**58,951**	**202,774**	**57,313**	**(30,336)**	**288,702**
Total comprehensive income for the year	0	0	15,086	(2,224)	**12,862**
Share capital issuance	0	0	0	0	**0**
Dividends	0	0	0	0	**0**
Purchase of Treasury stocks	0	0	(3,850)	0	**(3,850)**
Discontinuation of joint venture's consolidation	0	0	0	0	**0**
Formation of reserves / Transfers	0	0	0	0	**0**
31st December 2017	**58,951**	**202,774**	**68,549**	**(32,560)**	**297,714**

1st January 2016	**58,792**	**202,259**	**63,593**	**(13,384)**	**311,260**
Total comprehensive income for the year	0	0	(1,268)	(16,949)	**(18,217)**
Share capital issuance	159	515	(650)	0	**24**
Dividends	0	0	0	0	**0**
Purchase of Treasury stocks	0	0	(4,362)	0	**(4,362)**
Discontinuation of joint venture's consolidation	0	0	0	0	**0**
Formation of reserves / Transfers	0	0	0	(3)	**(3)**
31st December 2016	**58,951**	**202,774**	**57,313**	**(30,336)**	**288,702**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2017	**58,951**	**381,283**	**199,327**	**(255,712)**	**383,849**	**214,656**	**598,505**
Total comprehensive income for the year	0	0	41.450	69.816	**111.266**	26.306	**137.572**
Share capital issuance	0	0	0	0	**0**	0	**0**
Dividends	0	0	0	0	**0**	(6,359)	**(6,359)**
Effect of non-controlling participations from acquisition, share capital increase of subsidiary/associate/joint venture	0	0	0	0	**0**	50,299	**50,299**
Reverse entry of non-controlling participations of subsidiary/associate/joint venture	0	0	0	2,625	**2,625**	(2,625)	**0**
Purchase of Treasury stocks	0	0	(4,280)	0	**(4,280)**	0	**(4,280)**
Distribution of reserves	0	0	0	0	**0**	(3,305)	**(3,305)**
Change in interest of consolidated subsidiary	0	0	(1.850)	0	**(1.850)**	302	**(1.548)**
Termination of subsidiary’s consolidation	0	0	0	0	**0**	0	**0**
Formation of reserves/Transfers	0	0	9.288	(12.017)	**(2.729)**	0	**(2,729)**
31st December 2017	**58,951**	**381,283**	**243.935**	**(195.288)**	**488,881**	**279,274**	**768,155**

(Amounts in thousands Euro, unless otherwise stated)

1st January 2016	**58,792**	**380,768**	**192,770**	**(281,589)**	**350,741**	**211,624**	**562,365**
Total comprehensive income for the year	0	0	2,775	34,262	**37,037**	11,196	**48,233**
Share capital issuance	159	515	(650)	0	**24**	0	**24**
Dividends	0	0	0	0	**0**	(6,177)	**(6,177)**
Share capital increase of subsidiary/associate/joint venture	0	0	0	0	**0**	1,119	**1,119**
Capital return of subsidiary/associate/joint venture	0	0	0	0	**0**	0	**0**
Purchase of Treasury stocks	0	0	(4,362)	0	**(4,362)**	0	**(4,362)**
Change in interest of consolidated subsidiary	0	0	0	533	**533**	(3,106)	**(2,573)**
Termination of subsidiary's consolidation	0	0	(300)	300	**0**	0	**0**
Formation of reserves/Transfers	0	0	9,094	(9,218)	**(124)**	0	**(124)**
31st December 2016	**58,951**	**381,283**	**199,327**	**(255,712)**	**383,849**	**214,656**	**598,505**

V.NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY

"GEK TERNA Holdings, Real Estate, Construction S.A.", (the "Company" or "GEK TERNA") as the company GEK TERNA Holdings, Real Estate, Construction S.A. was renamed according to the decision of the Extraordinary General Shareholders' Meeting on 18.11.2008 and approved by the No. K2-15459/23-12-2008 decision of the Ministry of Development published in the Government Gazette with No. 14045/23-12-2008 (SA & LTD Companies Issue), is registered in the General Commercial Register of the Ministry of Development under Reg. No. 253001000 and in the Société Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.

The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

The company was founded in 1960 under the name ERMIS HOTELS AND ENTERPRISES S.A. In the middle of the 1960s it was renamed to ERMIS REAL ESTATE CONSTRUCTIONS ENTERPRISES S.A. with its main activity being building constructions (ERMIS mansion, apartment buildings and maisonettes in various areas across the country). In 1969, the company listed its shares in the Athens Stock Exchange (28.08.1969). Following the Extraordinary General Shareholders' Meeting on the 4th of August 1999 the company's ownership status is altered. On 16.10.2000, the decision No. K2-10469/16.10.2000 of the Ministry of Development is registered in the Société Anonyme Registry. This decision approved the amendment, by changing the numbering and the provisions of the Articles, and the codification of the company's Articles of Association in accordance with the decision of the Extraordinary General Shareholders' Meeting on 17.07.2000. On the same date, the complete new text of the Articles of Association, with the amendments, is registered in the Société Anonyme registry. On 10/02/04 the Board of Directors decided that the company should merge with the company "General Construction Company S.A." by absorbing it. The Extraordinary General Shareholders' Meetings of both the acquiring and the absorbed company, that took place on 15/10/2004, approved the Merger Contract Plan. The merger was completed on 3/12/04 with decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/3-12-04. At the same time, the change of the company's name and the amendment of its corporate objective were approved.

On 23.12.2008 the merger through absorption of part of the other activities of the company TERNA SOCIETE ANONYME TOURISM TECHNICAL AND SHIPPING COMPANY, was approved by means of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 and at the same time the share capital increase was approved by 25,386,322.56 euro. Thus the share capital amounts to euro 48,953,132.16 divided into 85,882,688 common registered shares, with a nominal value of 0.57 euro each.

By the decision on 6.12.2013 of the A' Repetitive Extraordinary General Assembly it has been decided the increase of the Company's Share Capital by the amount of 4,890,417.60 € with cash deposits, through the issuance of 8,579,680 common ordinary shares on nominal value 0.57 € and offer price of 2.50 € each. The derived difference from the share premium amounting to 16,558,782.40 € it was credited to the share premium account. The specific share capital increase has been completed through the abdication of the existing shareholders' preference right over the company York Global Finance Offshore BDH (Luxembourg) S.a.r.l. As a result of the above, the share capital of the company stands now to the amount 53,843,549.76 euro, it is fully paid up and divided into 94,462,368 common registered shares with a nominal value of 0.57 each. On 23/12/2013 it was recorded to the General Commercial Registry the N. K2 -7312 decision of the Ministry of Development and Competitiveness by which it has been approved the aforementioned increase of the Share Capital.

Following the decision on 6/12/2013 of the A' Repetitive Extraordinary General Assembly of the Company's shareholders and the decision of the Board of Directors on 27/3/2015, the Company's share capital increased by the amount of three million two hundred eighty six thousand one hundred sixteen euro and sixty nine cents (3,286,116.69) via the issuance of five million seven hundred sixty five thousand one hundred and seventeen (5,765,117) new shares, with nominal value of fifty seven cents of euro (0.57€) per share and offering price of two euro and forty three cents (2.43€) per share, due to the conversion of one hundred forty (140) bond securities with nominal value of one hundred thousand euro (100,000.00€) per security of the Company's Convertible Bond Loan increased with the contractual interest. Following and pursuant to the above decision of the General Assembly of the Company's shareholders, the share capital of the Company, based on the Board of Directors' decision on 29/6/2015, increased by the amount of one million six hundred sixty two thousand, seven hundred twenty five euro and ninety one cents (1,662,725.91) with the issuance of two millions nine hundred seventeen thousand and sixty three (2,917,063) new shares, with nominal value of fifty seven cents of the euro (€ 0.57) and with offering price two euro and forty seven cents (2,47€) per share, due to the conversion of seventy (70) bonds, with nominal value of one hundred thousand each (100,000.00 €) of the Convertible Bond Loan of the Company, increased with the contractual interest.

With the decision of 29th March 2016, the Board of Directors approved the increase of the Company's share capital by one hundred fifty eight thousand, eight hundred eighty three Euros and fifty one cents (158,883.51 €), via the issuance of two hundred seventy eight thousand, seven hundred forty three (278,743) common registered shares with nominal value of fifty seven cents (0.57€) per share and with offering price of two Euros and forty three cents (2.43 €) per share, due to conversion of convertible bonds (in the context of the Company's Convertible Bond), of nominal value of six hundred thousand Euros (650,000.00 €), increased with the interest of the holding period, in shares. With the above, the convertible Bond Loan signed between the Company and the company York Global Finance Offshore BDH (Luxembourg) S.a.r.l. was fully repaid.
Following the above changes, the Company's share capital amounts to fifty eight million, nine hundred fifty one thousand, two hundred seventy five Euros and eighty seven cents (58,951,275.87), and is divided by one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares with a nominal value of fifty seven cents (0.57) each.

The main activity of the Company is the development and management of investment property, the construction of any kind, the management of self-financed or co-financed projects, the construction and operation of energy projects, as well as its participation in companies having similar activities.

The Group has a significant and specialized presence in construction, the production and trading of energy as well as in the development, management and exploitation of investment property having a strong capital base.
The Group is also active in the production of quarry products and magnesite through its subsidiary TERNA SA, and the exploitation of magnesite quarries through the rights that its subsidiary TERNA MAG S.A. possesses.

The activities of the Group mainly take place in Greece, while at the same time it has significant presence in the Balkans, the Middle East, Eastern Europe and North America.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements
The accompanying company and consolidated financial statements have been prepared according to the historic cost principal, except for investment property, financial derivatives, investments available for sale and the trading portfolio that are valued at fair value. Also, several self-used tangible fixed assets on the transition date (1 January 2004) to the International Financial Reporting Standards (IFRS) were valued at fair values, which were used as deemed cost, according to the provisions of IFRS 1 "First time adoption of IFRS".

The accompanying financial statements consist of the separate and consolidated financial statements of the Parent Company and its Group and have been prepared according to IFRS, as such have been adopted by the European Union.

b) New standards, interpretations and amendments of standards
The accounting principles applied during the preparation of the financial statements are the same as those followed for the preparation of the Group's and company's financial statements for the year ended on December, 31 2016, except for the adoption of amendments of several standards, whose application is mandatory by the European Union for periods beginning on 1 January 2017.
Therefore, from January 1, 2017 the Group and the company adopted specific amendments of standards as follows:

New Standards, Interpretations, Revisions and Amendments to Existing Standards mandatory for the year 2017

The following Standards amendments have been adopted by the International Accounting Standards Board (IASB), have been adopted by the European Union and their implementation is mandatory from 01/01/2017 or later.

IAS 7 (Amendment) "Cash Flow Statement: Disclosure Initiative"
The amendment applies to annual accounting periods beginning on or after 1.1.2017 and it is not adopted by the European Union. On 29 January 2016, the International Accounting Standards Board adopted an amendment to IAS 7 under which a company is required to provide disclosures that help users of the financial statements to evaluate changes in those liabilities for which cash flows are classified in the financing activities in the cash flow statement. Changes to be disclosed, which are not necessarily cash, include changes in cash flows from financing activities, changes resulting from the acquisition or loss of control of subsidiaries or other companies, changes in exchange differences, changes in fair value and other changes.

IAS 12 (Amendment) "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses "
On 19 January 2016, the International Accounting Standards Board issued an amendment to IAS 12 stating that:
• Unrealized losses on debt instruments, which are valued for accounting purposes at fair value and for tax purposes in cost, may lead to deductible temporary differences regardless of whether the holder is to recover the value of the items through the sale or their use.
• The recoverability of a deferred tax asset is dealt with in conjunction with other deferred tax assets. However, if the tax law restricts the offsetting of specific taxable losses to specific income categories, the deductible temporary differences in question should be considered only in conjunction with other deductible temporary differences in the same category.
• When assessing the recoverability of deferred tax assets, the deductible tax differences are compared with future taxable profits without taking into account the tax deductions arising from the reversal of deferred tax assets.

Annual Improvements to IFRS, Cycle 2014-2016
The amendments to the 2014-2016 Cycle were issued by the International Accounting Standards Board on 8 December 2016. The amendment included in this cycle that is effective for annual periods beginning on or after 1 January 2017 is as follows:

IFRS 12 Disclosures of participations in other entities: Clarification of the purpose of the standard.
The amendment clarified the scope of the standard by specifying that the disclosure requirements of the standard, other than those in paragraphs B10-B16, apply to the entity's holdings referred to in paragraph 5 that are classified as held for sale, held for distribution or discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

New Standards, Interpretations, Revisions and Amendments to Existing Standards that have not yet entered into force or have not been adopted by the European Union for financial statements beginning after 1 January 2017

The following new standards, amendments of standards and interpretations have been issued, however they are compulsory for subsequent accounting periods or they are expected to be adopted from the European Union. The Company and the Group have not proceeded with an earlier adoption of the following standards and assesses their effect on the financial statements.

IFRS 9 "Financial Instruments"
On 24 July 2014 the Board issued the final version of IFRS 9, which includes the classification and measurement, the impairment and the hedge accounting. The standard will replace IAS 39 and all previous versions of IFRS 9. The financial assets are valued at the non-depreciated cost, at the fair value through the results, or at the fair value through the other comprehensive income, based on the business model of the company with regard to the management of the financial assets and the conventional cash flows of the financial assets. Apart from the risk of the entity, the classification and measurement of the financial liabilities has not changed in comparison to existing requirements. The Group and the Company are in the process of assessing the effect from IFRS 9 on the financial statements. IFRS 9 is mandatorily applied for annual accounting periods beginning on or after 1st January 2018 and was adopted by the European Union on 22 November 2016. The Group will apply the modified retrospective method, ie the effect from the transition will be recognized cumulatively in the Revaluation gains while the comparative amounts will not be modified. Initially it is estimated that in the first application the effect for the Company and the Group will not be significant. The Group is in the process of finalizing this impact on the Financial Statements.

IFRS 15 “Revenue from Contracts with Customers”
On 28 May 2014 the IASB issued the IFRS 15 “Revenue from Contracts with Customers”, which including also the amendments to the standard issued on 11 September 2015 is mandatory for annual periods beginning on or after 1 January 2018 and is the new standard referring to revenue recognition.
The IFRS 15 supersedes the IAS 18 “Revenue”, IAS 11 “Construction contracts” and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.
The new standard establishes a single, five-step model that shall be used for revenue arising from a contract with a customer (with limited exemptions), regardless of the nature of the revenue transaction or the sector. The requirements of the standard will be applied also for the recognition and measurement of gains and losses from the sale of certain non-financial assets that do not constitute production from the entity’s usual activities (e.g. sales of property, plant and equipment or intangible assets). Further disclosures shall be required, including an analysis of the total revenue, information in relation to return obligations, changes in the balance of the contract’s assets and liabilities between the periods and critical judgments and estimates. The IFRS 15 was approved by the European Union on 22 September 2016.

IFRS 14 “Regulatory Deferral Accounts”
On 30th January 2014, the International Accounting Standards Board issued the IFRS 14 “Regulatory Deferral Accounts”. The aim of IFRS 14 is to define the requirements of financial information regarding the balances of the “regulated deferred accounts” which derive when an economic entity provides goods or services to customers, at a price or percentage which is under a special regulated status by the state.
IFRS 14 allows an economic entity which is a first-time adopter of the standard to continue accounting for, based on minor changes, the balances of the “regulated deferred accounts” according to previous accounting standards, both at the first adoption of the IFRS as well as in subsequent financial statements. The balances and the movements of these accounts are separately presented in the statements of financial position, results and other total comprehensive income, whereas certain disclosures are required. The new standard is applied in annual accounting period beginning on or after January 1st, 2016 and is not expected to be adopted by the European Union in anticipation of a final standard.

IFRS 16 “Leases”
On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. Purpose of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The FIRS 16 introduces a single lessee accounting model on lessee’s side, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For the accounting, on the lessor’s side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019, has been approved by the European Union and the Group assesses its effect on the financial statements.

IFRS 17 "Insurance Contracts"
On May 18, 2017, the International Accounting Standards Board issued a new Standard, IFRS 17, which replaces an interim standard, IFRS 4. It is applied for annual periods beginning on or after January 01, 2021. The purpose of the International Accounting Standards Board's work was to develop a single, principle-based standard for the accounting of all types of insurance contracts,

including reinsurance contracts held by an insurance company. A single principle-based standard will enhance the comparability of the financial reporting between economic entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should apply to financial reporting that is related to insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between the Investor and its Associate or Consortium
The main consequence of the amendment adopted by the Board on 11 September 2014 is that a full profit or loss is recognized when a transaction includes a business (whether it is hosted in a subsidiary or not). A partial gain or loss is recognized when a transaction includes non-business assets, even if those assets are housed in a subsidiary. The amendment is effective for annual periods beginning on or after 1 January 2016 and its adoption has been postponed by the European Union for an indefinite period.

IFRS 2 Share-based Payment (Amendment) “Classification and Measurement of Share-based Payment”
The amendment to IFRS 2 “Share-based Payment” clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRS 4 (Amendment) “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”
The Board issued on 12 September amendments to IFRS 4 to address, concerns about applying the new standard IFRS 9 Financial Instruments before the application of the new Board amended IFRS 4. The amendments introduce two approaches: overlay approach and temporary exemption. The amended standard shall:
• Allow all companies that issue insurance contracts to recognize in OCI, rather than profit or loss, the volatility that may arise when IFRS 9 is applied before the new insurance contracts.
• Provide to companies with activities predominantly connected with insurance an optional temporary exemption to defer the application of IFRS 9 until 2021.
The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Clarifications to IFRS 15 “Revenue from Contacts with Customers”
On April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification on how to apply these policies. The amendments clarify how to identify performance obligations recognized as a contract, how to determine whether an entity is a principal or an agent and how is determined whether the revenue from granting a license should be recognized as transferred at a point in time or over time. The Company and the Group will assess the impact of all the above on the financial statements, however is not expected any. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Annual Improvements to IFRSs 2014-2016 Cycle
The amendments of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016, are applicable for annual periods beginning on or after 1 January 2018 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements of the Company (The Group) unless stated otherwise.

IFRS 1 First time adoption of IFRS
The amendment eliminates the "Short-term exemptions from IFRS" which were required according to Section E of IFRS 1 under the concept that they have served their purpose and are no longer appropriate.

IAS 28 (Amendment) "Measurement of Associates or Joint Ventures at Fair Value"
The amendment clarifies that the option given to investments in an associate or joint venture held by an entity that is a venture capital fund or other entity that qualifies to be measured at fair value through profit or loss is available for each investment in associate or joint venture separately at initial recognition.

IAS 40 (Amendment) "Investment Property" Transfer of Investment Property
The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management's intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.
The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 22 Interpretation "Foreign currency transactions and Advance consideration"
The Interpretation 22 clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognizes a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognizes the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognizes the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transition is determined for each payment or receipt.
The interpretation is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 23 "Income Tax Treatment Uncertainty"
On June 7, 2017, the International Accounting Standards Board issued a new IFRIC Interpretation 23. It is applied for annual periods beginning on or after 01/01/2019. IAS 12 "Income Taxes" specifies the accounting for current and deferred tax but does not specify how the effects of the uncertainty should be reflected. IFRIC 23 includes the additional to IAS 12 requirements, specifying how the effects of the uncertainty on the accounting treatment of income taxes should be reflected. The Group will examine the impact of all of the above in its Financial Statements. These have not been adopted by the European Union.

Amendments to IFRS 9 "Prepaid items with Negative Return" (effective for annual periods beginning on or after 01/01/2019)
In October 2017, the International Accounting Standards Board issued limited-purpose amendments to IFRS 9. Based on the existing requirements of IFRS 9, an entity would measure a financial asset with negative return on fair value through profit or loss , as the "negative return" characteristic could be considered as generating potential cash flows that are not only composed of capital and interest payments. Under the amendments, entities may measure specific prepaid financial assets with a negative return on amortized cost or at fair value through other comprehensive income, provided that a particular condition is met. The Group will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

Amendments to IAS 28 "Long-term Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 01/01/2019)
In October 2017, the International Accounting Standards Board issued limited-purpose amendments to IAS 28. The purpose of these amendments is to provide clarifications on the accounting treatment of long-term participations in an associate or joint venture - to which it does not apply the equity method - under IFRS 9. The Group will examine the impact of all of the above in its Financial Statements. These have not been adopted by the European Union.

Annual Improvements to IFRS - Cycle 2015-2017
In December 2017, the International Accounting Standards Board issued the "Annual Improvements to IFRSs - Cycle 2015-2017", which consists of a series of amendments to certain Standards and is part of the program for annual improvements to IFRSs. The modifications included in this cycle are as follows:
IFRS 3 - IFRS 11: Participation rights previously held by the acquirer in a joint venture,
IAS 12: Effect on income tax from payments for financial instruments classified as equity,
IAS 23: Borrowing costs eligible for capitalization. The amendments shall be applied for annual periods beginning on or after 1 January 2019.
These have not been adopted by the European Union. The Group examines their possible impact on the financial statements.

Amendments to IAS 19 "Amendment, Curtailment or Settlement of a Defined Benefit Plan" (effective for annual periods beginning on or after 01/01/2019)
In February 2018, the IASB issued limited-purpose amendments to IAS 19, under which an entity is required to use updated actuarial assumptions when determining the current service cost and net interest for the remaining period after the amendment, the curtailment or the settlement of a defined benefit plan. The purpose of these amendments is to enhance the understanding of the financial statements and the provision of more useful information to its users. The Company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

Revision of the Financial Reporting Concept Framework
In March 2018, the IASB revised the Financial Reporting Concept Framework, the purpose of which was to incorporate important issues that were not covered, as well as the updating and provision of clarification in relation to specific guidance. The revised Financial Reporting Concept Framework contains a new chapter on measurement in which it is analyzed the measurement concept, including factors that should be taken into account when choosing a measurement basis, issues relating to presentation and disclosure in the Financial Statements and guidance regarding the de-recognition of

assets and liabilities from the Financial Statements. Furthermore, the revised Financial Framework Concept contains improved definitions of assets and liabilities, guidance to help implement these definitions, updating of the criteria for recognizing assets and liabilities, as well as clarification on significant issues such as the management roles, conservatism, and uncertainty when measuring financial information. The Company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. The revision is applied on annual periods starting on or after 01/01/2020. These have not been adopted by the European Union.

Amendments to the Financial Reporting Concept Framework
In March 2018, the IASB issued amendments to the Financial Reporting Concept Framework Reports as a follow-up to its review. Some Standards include explicit references to earlier versions of the Financial Reporting Concept Framework. The purpose of these amendments is to update these references and the support for the transition to the revised Financial Reporting Concept Framework. The Group will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. The amendment is applied on annual periods beginning on or after 01/01/2020. These have not been adopted by the European Union.

c) Use of Estimates
The Group makes estimations, assumptions and judgments in order to choose the best accounting principle related to the future evolution of events and transactions. These estimations, assumptions and judgments are continuously assessed in order to reflect current information and risk and are based on the management's experience related to level/volume of transactions or events.
The main assumptions and judgments that refer to data that may affect the financial statements in the coming 12 months are as follows:
i) Recognition of income from construction contracts and agreements for the construction of real estate: The Group uses the percentage of completion method to recognize such income, in accordance with IAS 11. According to this method the construction cost as of each date of the statement of financial position, is compared to the budgeted total cost of the project in order to determine the percentage of completion of such. The cumulated effect of the restatements/reassessments of the total budgeted cost of the projects and the total contractual payment (recognition of work over and above the contract) are recorded in the financial years during which such restatements arise.
The total budgeted cost arises from estimation procedures and is reassessed and reviewed at each statement of financial position date.

ii) Depreciation of fixed assets: For the calculation of depreciation, the group reviews the useful life and residual value of tangible and intangible assets based on the technological, institutional and financial developments, as well as on experience from their use.

iii) Value readjustment of investment property: For the valuation of its investment property, when there is an active market the Group defines the fair value based on valuation reports prepared on its behalf from independent appraisers. If no objective reports are available, especially due to the financial conditions, then the management based on its previous experience and taking into account the available information estimates the fair value.

iv) Valuation of inventories: For the valuation of its inventories, the Group estimates, based on valuation reports of statistical data and market conditions, expected sale prices and the cost of their finalization and distribution, per category of inventory.

v) Impairment of assets and reversals: The Group evaluates the technological, institutional and financial developments looking for indications of impairment of any kind of assets (fixed, trade and other receivables, financial assets etc) as well as their reversal.

vi) Provision for staff indemnities: The Group, based on IAS 19, proceeds with estimations of assumptions based on which the provision for staff indemnities is calculated actuarially.

vii) Provision for income tax: The Group, based on IAS 12, makes a provision for income tax, current and deferred. It also includes a provision for additional taxes that may arise from tax audits. The final settlement of income tax may differ from the respective amounts registered in the interim and annual financial statements.

viii) Provision for environmental rehabilitation: The Group creates a provision against its relevant liabilities for dismantlement of the technical equipment of wind parks and rehabilitation of the environment, which emanate from the documented environmental law or from the Group's binding practices. The provision for environmental rehabilitation reflects the present value (based on an appropriate discount rate), during the date of the financial statements, of the rehabilitation liability reduced by the estimated recoverable value of materials expected to be dismantled and sold.

ix) Valuation of cash flow hedging agreements
The Group uses financial derivatives and specifically it enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates. The swap agreements are valued according to market estimations regarding the trend of relevant interest rates for periods up to thirty years. According to such estimated interest rates, the cash flows are discounted in order to define the liability on the date of the financial statements.

x) Fair value of financial assets and liabilities:
The Group applies estimation of the fair value of financial assets and liabilities.

xi) Liabilities from Financial Instruments:
The Group has issued financial securities, in the context of a tax equity investment program, the payments of which depend on the future returns on specific Group investments. This financial liability is measured at amortized cost with the effective interest rate method. The calculation of the effective interest rate is based on management's estimations regarding the future cash flows of the specific investments for the entire expected duration of such.

xii) *Evaluation of agreements that include lease elements*
In the context of electric power contracts that the Group concludes with the electric energy supplier, the Group undertakes the commitment to sell the total amount of electric energy produced by a specific facility. According to the requirements of the interpretations IFRIC 4 "Defining whether a contract includes a lease", the Group examines the electric power sales contracts, in order to evaluate if these contracts include lease elements, so to recognize the relative revenues according to IAS 17 "Leases". Lease elements is considered that are included in a contract, when the total amount of production of a specific wind farm is sold to the provider and the conventional price is neither fixed nor representative of the current price of the market during the time of production.

The evaluation of the lease revenues, which are recognized on a straight line basis, depends on the future production of the wind farm, according to the capacity and the wind measurements.

xiii) Provision for restoration or maintenance obligation under the Concession Agreement. The concession contract with the Greek State includes the contractual obligation of the concessionaire to maintain the infrastructure at a defined level of service provision or to restore the infrastructure to a specific situation before delivering it to the grantor at the end of the concession period. Calculating the amount to be considered as a provision for restoration or maintenance obligation is a complex process that includes judgments about the cost and timing of such work and actual costs may differ from what is foreseen.

xiv) Contingent Liabilities and receivables. The existence of contingent liabilities and receivables requires from the management to continually make assumptions and judgments about the probability that future events will occur or not occur, and the likely consequences that these events may have on the Company's activity. Determining contingent liabilities and receivables is a complex process involving judgments about future events, laws, regulations, etc. Changes in crises or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future.

xv) Company mergers
When acquiring a company or business segment the fair value and useful life of the acquired tangible and intangible assets are determined, where relevant valuations are required.
Future events could amend the assumptions employed by the Group and consequently have an impact on the Group's results and equity.

xvi) Market Risk
Market risk consists of three main risks: currency risk, price risk, such as commodity risk, and interest rate risk.

d) Risks due to the current economic conditions prevailing in Greece

The measures and actions that were taken for the implementation of the program (on the fronts of taxation and social security) based on agreement with the creditors had a negative effect on the economic climate and as result the Greek State became unable to fulfill its obligations.
The continuation of the measure of capital controls in the economy has a negative effect on the international transactions given the difficulty to repay contractual obligations to suppliers and creditors and the additional costs incurred.
The full unfolding of the consequences from the above conditions of uncertainty and the delays observed in the payments made from the State and the broader public sector toward the Group affect negatively the cash flows and the results of the Group in a way that it cannot be predicted accurately.
Despite the existence of risks referring to the recovery of the future benefits of the asset portfolios and the adequacy of the cash flows, the activities of the Group continue at a normal pace. In this context, the Management systematically assesses the broader situation and its potential effect, in order to ensure that all necessary measures and actions are taken for the minimization of the potential effects on the Group’s activities. The Management of the Group aims at immediately informing the investor community about any significant effect generated by the constantly changing conditions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The main accounting principles adopted during the preparation of the attached financial statements are the following:

Basis of consolidation

The attached consolidated interim condensed financial statements include those of GEK TERNA SA and its subsidiaries.

The attached consolidated interim condensed financial statements include those of GEK TERNA SA and its subsidiaries. Subsidiaries are the companies at which the Group has the control of their operations and they have been consolidated under the full consolidation method. The Group is considered to have the control of a subsidiary when it holds rights which provide the current ability to manage its respective activities, namely the activities which affect substantially the performance of the subsidiary. The authority stems from the rights. In certain cases the assessment of control is relatively simple as in the case where the authority upon an issuer is gained directly and exclusively from the voting rights provided by participation titles such as shares, and it can be estimated through the examination of voting rights stemming from the specific participations. In other cases the assessment is more complicated and requires the examination of more than one factor for example when the authority stems from one of more contractual arrangements. The subsidiaries are consolidated as from the date that the Group gains control on them and ends when as from the date that the specific control ceases to exist. The intergroup transactions and balances have been omitted in the accompanying consolidated financial statements. When it is required the accounting principles of the subsidiaries have been amended as to ensure the consistency in the accounting principles adopted by the Group.

a) Joint operations

It refers to tax construction joint operations. The above do not constitute separate entity under the framework of IFRS. Their assets and liabilities are incorporated in the financial statements of the Company or its subsidiaries according to the percentage that they possess of each item.

b) Investments of Group in Joint Ventures

The participation of the Group in Joint ventures when there is common control, are incorporated in the attached financial statements with the equity consolidation method which instructs for the presentation of the participation at its cost value plus the proportion of the participation in the joint-venture of the shareholders’ equity change minus any provisions for impairment in the value of the respective participations. As a result the assets, liabilities, and total income are not incorporated in the consolidated financial statements. Under the context of the standard, as Joint-ventures are considered the forms under joint control where the members have rights in the net assets of the participations and they are responsible up to the percentage of the contribution in the share capital of the company. If the participation of the Group to the losses of a Joint Venture exceeds the value of the participation, then the Group terminates any additional recognition of losses. The allocation of the operating results and other comprehensive income is made on proportional basis, meaning according to the percentage of participation.

c) Investments of Group in Associates

Includes companies in which the Group exercises significant influence however they are not subsidiaries or joint ventures. The Group's participating interests are recorded using the equity method. According to this method the participating interest in the associate company is carried at acquisition cost plus any change in the percentage of its Equity held by the Group, less any provisions for impairment.

The consolidated comprehensive income statement shows the Group's share in the total comprehensive income of the associate companies. If the participation of the Group to the losses of an Associate company exceeds the value of the participation, then the Group terminates any additional recognition of losses. The allocation of the operating results and other comprehensive income is made on proportional basis, meaning according to the percentage of participation.

d) Participation cost of the Parent company in affiliates

1. Participations in Subsidiaries

The Company's investments in subsidiaries in the separate financial statements are recognized at cost plus the acquisition expenses and are tested for impairment as described in paragraph (k) "Impairment of Assets" below. In the case that an investment is reclassified separately (or as part of a set of assets with such a destination) to the held for sale fixed assets available for sale, they are applied the defined in paragraph (af "Assets held for sale and discontinued operations" as below.

Dividends from a subsidiary are recognized in the separate financial statements when the Company's right to receive the dividend is established. The dividend is recognized in the income statement.

2. Participation in joint ventures

The Company's investments in joint ventures in the separate financial statements are recognized at cost plus the acquisition expenses and are tested for impairment as described in paragraph (xi) "Impairment of Assets" below. In the case that an investment is reclassified separately (or as part of a set of assets with such a destination) to the held for sale fixed assets available for sale, the following there are applied what is defined in paragraph (af) "Assets held for sale and discontinued operations" as below. These dividends are recognized in the separate financial statements when the Company's right to receive the dividend is established. The dividend is recognized in the income statement.

3. Participation in Associates

The Company's investments in associates in the separate financial statements are recognized at cost plus the acquisition expenses and are tested for impairment as set out in paragraph (xi) "Impairment of Assets" below. In the case that a holding is reclassified separately (or as part of a set of assets with such a destination) to the held for sale fixed assets available for sale, there are applied what is defined in paragraph (af) "Assets held for sale or Discontinued operations" below. Dividends from a subsidiary are recognized in the separate financial statements when the Company's right to receive the dividend is established. The dividend is recognized in the income statement.

e) Investments and other (non-derivative) financial assets

Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:

(i) Investments available for sale
(ii) Receivables and loans
(iii) Financial assets at fair value through the comprehensive income statement
(iv) Investments held to maturity

Initially they are recognized at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses.

The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale

Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investments available for sale. After the initial recognition, available for sale investments are valued at fair value with the resulting gains or losses being recognized in the other total income of the Comprehensive income statement. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the net earnings.

(ii) Receivables and loans

Receivables and loans created by the activities of the Group (and which fall outside the usual credit limits), are valued at net amortized cost using the effective interest rate method. Gains or losses are recorded in the net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

(iii) Financial assets at fair value through the net earnings

This relates to the trading portfolio and comprises investments acquired with a view to liquidate them in the near future. Gains or losses from the valuation of such assets are recorded in the net earnings.

(iv) Investments held to maturity

Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recognition, at net amortized cost using the effective interest rate method. Gains or losses are recorded in the net earnings when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

The fair value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards to investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

g) Financial Instruments and Risk Management

Non-derivative financial assets and liabilities in the Statement of financial position include cash balances, receivables, participations bank loans and other short and long-term liabilities. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem.

Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Company, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time. Financial risk management aims to reduce possible negative consequences. More specifically:

(i) *Interest rate risk and exchange rate risk*
The Group's bank debt is mainly in Euro and is subject to variable and fixed interest rates. The Group has entered into interest rate swap agreements in order to reduce its exposure to interest rate volatility risk of certain significant bank debt liabilities. The Management of the Group follows the development of interest rates and exchange rates and takes the necessary measures to reduce the risk.
(ii) Fair Value
The amounts appearing in the attached Statements of financial position for cash balances, short-term receivables and other short-term liabilities approximate their respective fair values due to their short-term nature. The fair value of short-term bank loans does not differ from their accounting value due to the use of floating interest rates.
(iii) Credit Risk Concentration
A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Despite the aforementioned fact these receivables are under special monitoring and in case it is considered necessary respective adjustments will be made. Group's policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within an amicable settlement context. Moreover the credit risk concentration is limited due to the great dispersion of the balances.
(iv) Market Risk
The Company has not entered into contracts in order to hedge the market risk arising from its exposure to fluctuations in the prices of raw materials used in the production process.

h) Operation and Presentation Currency and Foreign Exchange Conversion
The euro is the currency of operation and presentation of the Company. Transactions in other currencies are converted into euro using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.
The profits and losses resulting from transactions in foreign currencies and from the end-of-year valuation of monetary items in foreign currencies are recorded in the net earnings.
The currency of operation for the foreign subsidiaries of the Group is the official currency of the country in which the subsidiary operates. Therefore, at any financial statements date all subsidiaries' accounts in the Statement of financial position are translated to euro based on the foreign exchange rate prevailing at that date. Revenues and expenses are translated based on the weighted average exchange rate of the year. Any foreign exchange differences resulting as mentioned above are recoded directly in other comprehensive income. During the sale or disposal of foreign subsidiaries the cumulative foreign exchange differences are recorded in net earnings.

i) Intangible assets
Intangible assets mainly consist of rights related to quarries and mines, software acquisition costs as well as acquired rights (licenses of wind parks, quarries, and construction agreements recognized on acquisition at fair value).
Furthermore intangible assets include the fair value of rights under service concession agreements with the state and more specifically those providing for the building, operating, transferring (BOT) of motorways and car parks. Fair value is calculated as construction costs plus a reasonable construction profit.
Amortization on rights regarding the use of quarries, mines and wind parks licenses are based on straight line method during the normal period for the use of quarries (20-50 years) and within the period of their productive use while the amortization on software is accounted for based on the

straight line method for a period of three years. The amortization on the acquired right for construction agreements is made based on the rate of execution of the respective projects.
Amortization of rights stemming from car parking concession contracts is conducted based on the duration of the concession.

j) Intangible assets under motorway concession agreements
Under the terms of the contracts, the operator (the concessionaire) acts as a service provider. The operator manufactures or upgrades an infrastructure (construction or upgrading services) used to provide a service of general interest and deals with the operation and maintenance of that infrastructure (operating services) for a specified period of time.
According to IFRS, such infrastructure is recognized as a financial asset or as an intangible asset, depending on the contractually agreed terms. The Company recognizes both an intangible asset from the concession agreement and a financial asset (bifurcated model).
Intangible assets
The concessionaire recognizes an intangible asset and revenues to the extent that it acquires the right to charge the users of the utilities. Revenue recognition is based on the completion rate method. Furthermore, the intangible asset is subject to amortization on the basis of the time of the concession and an impairment test, while revenues from the infrastructure users are recognized on an accrual basis and to the extent that they cover the operating costs of the Company. The extra portion of these is recorded deducted from the intangible asset.
Financial Contribution of the State (Financial Asset)
The concessionaire recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or other financial asset from the grantor for the construction services.
In the case of concession agreement, the concessionaire has an unconditional right to receive cash if the grantor contractually guarantees to pay to the concessionaire:
(A) specific or fixed amounts; or
(B) the deficit which may arise from the amounts received by the users of the public service and the specific or fixed amount provided for in the Concession Agreement.
The Concession Company recognized the Financial Contribution of the State as a financial asset in accordance with the provisions of IFRIC 12.

k) Tangible Fixed Assets
As previously mentioned, the Company has valued certain land and buildings at fair value on January 1st, 2004 and these fair values have been used as deemed cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.
Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.
Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.
Fixed assets under construction include fixed assets that are work in progress and are recorded at cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation status.

l) Depreciation

Depreciation is calculated according to the straight-line method using rates that approximate the relevant useful economic life of the respective assets. The useful economic life per fixed asset category ranges between:

Category of Fixed Asset	Years
Buildings and Construction projects	8-30
Machinery and Technical Installations	3-25
Vehicles	5-12
Fixtures and Other Equipment	3-12

The residual values and useful lives of the tangible assets are subject to review at least for each end of use. In this context, in 2017, it was decided to extend the useful life of wind farms from 20 to 25 years, based on new assessments that emerged when assessing the conditions that have been established in the operation and technological development of wind turbines in general. This change is based on the careful analysis of the Group data as well as on recent studies and industrial practices according to which the economic life of individual wind turbines or wind power plants as a whole can safely be redefined in 25-30 years without significant changes in strategic operation and maintenance. Group's Management considers that extending the useful life will protect the fair and reasonable presentation of the financial statements by adjusting the depreciation time closer to reality.

m) Impairment of the Value of Fixed Assets

The book values of long-term assets, other than goodwill and tangible fixed assets with an indefinite life are reviewed for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is recorded in the ret earnings. The recoverable amount is defined as the largest between the fair value minus the sale cost and the value in use.

The fair value minus the sale cost is the plausible income from the sale of an asset in the context of an arm's-length transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct sales cost for the asset. The value in use consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its sale at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows can be recognized separately.

A reversal of an impairment for the value of assets accounted for in previous years, takes place only when there are sufficient indications that such impairment no longer exists or it has been reduced. In these cases the above reversal is treated as income in net earnings.

n) Investment property

Investments in property are those held for the purpose to receive rent or capital appreciation and are valued at their fair value which is based on market value, that is to say at the estimated value of which the property may be sold, at the day of the estimation, in a normal transaction. When there is an active market, the Group defines the fair value of investment property based on valuation reports prepared on its behalf by independent appraisers. If no objective information is available, specifically due to economic conditions, then the Management based on its previous experience and taking into account available information performs an estimation of fair value.

Profits or losses that arise from changes in the fair value of investments in property are included in the net earnings of the period during which they arise. Repairs and maintenance are recorded as expenses in the year in which they are incurred. Material subsequent expenses are capitalized when

they augment the useful economic life of the buildings, their productive capacity or reduce their operation cost.
The investment property is eliminated from the Statement of financial position upon sale. All gains or losses resulting from the sale of an investment property are included in the net earnings of the year during which it was sold.
Investment property being build or developed are monitored, as those completed, at fair value.

o) Inventories
Inventories include under construction or real estate for development which are intended to be sold, excavated from the quarry material and mineral resources, construction material, spare parts and raw and auxiliary material. Inventories are valued at the lower of cost and net realizable value. The cost of raw materials, semi-finished and finished products is defined based on the weighted average method.
The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses and other costs that directly relate to the purchase of materials.
The net realizable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale.
The net realizable value of raw materials is their estimated replacement cost during the normal course of business.
A provision for impairment is made if it is deemed necessary.

p) Receivables Accounts
Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables, while long-term receivables are valued at net amortized cost based on the effective interest rate method. At each date of the financial statements, all overdue or doubtful receivables are reviewed in order to determine the necessity for a provision for doubtful receivables.
The balance of the specific provision for doubtful receivables is appropriately adjusted at each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

q) Cash and Cash Equivalents
The Group considers time deposits and other highly liquid investments with an initial maturity less than three months, as cash and cash equivalents.
For the compilation of the cash flow statements, cash and cash equivalents consist of cash, deposits in banks and cash and cash equivalents as defined above.

r) Long-term loan liabilities
All long-term loan liabilities are initially booked at cost, which is the actual value of the received payment less the issuance expenses related to the loan. After the initial recording, interest-bearing loans are valued at the net book value using the effective interest rate method. The net book value is calculated after taking into account the issuance expenses and the differences between the initial amount and the amount at maturity. Profits and losses are registered in the net profit or loss when the liabilities are written off or impaired and through the amortization procedure. Interest expenses are recognized on an accruals basis.

We note that interest on loans related to the construction of fixed assets and inventories, whose construction requires a significant period of time, increase the value of relevant assets, based on the revised IAS 23. The capitalization of interest is disrupted when the asset is ready for the use it is intended for.

s) Provisions for Staff Retirement Indemnities

According to the provisions of L2112/20, the Group reimburses its retiring or dismissed employees, and the amount of the relevant indemnities depends on the years of service, the level of wages and the reason for exit from employment (dismissal or retirement).

The liabilities for staff retirement indemnities are calculated using the discounted value of future benefits that have accrued at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years.

The above liabilities are calculated based on the financial and actuarial assumptions and are defined using the projected unit method of actuarial valuation.

Net retirement costs for the period are included in the net earnings and consist of the present value of benefits that have accrued during the year, the interest on the benefits' liability, the cost of prior service, the actuarial profit or loss and any other additional retirement costs. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to IFRS and compilation of initial Balance Sheet) the Company, applying the exemptions provided for by IFRS 1 for the first-time application of the IFRS, recognized the total actuarial losses that had accumulated as of the 1st of January 2004.

However from the beginning of 2013 based on the implementation of the revised IAS 19, both actuarial profit and losses are registered directly as income or expenses to the non-recycled other comprehensive results. The prior service costs in case that they change within the fiscal year they are recorded in the respective year's results.

t) Government Pension Plans

The staff of the Group is mainly covered by the main Government Social Security Fund for the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is required to contribute part of his/her monthly salary to the fund, while part of the total contribution is covered by the Company. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Company has no legal or constructive obligation for the payment of future benefits according to this plan.

u) Finance and Operating Leases

Finance leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the net earnings. Capitalized leased fixed assets are depreciated based on straight lime method during the useful life of the asset.

Leases where the lessor maintains all the risks and returns related to ownership of the fixed asset are recorded as operating leases. The payments of operating leases are recognized as an expense in the net earnings on a constant basis for the duration of the lease.

v) Government Grants

Government grants relating to subsidies of tangible fixed assets are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met.

These government grants are recorded in a deferred income account and are transferred to the comprehensive income statement in equal annual installments based on the expected useful life of the asset that was subsidized, as a reduction to the relevant depreciation expense. When the grant relates to an expense it is recognized as income during the period deemed necessary to match the grant on a systematic basis with the expenses it is meant to reimburse.

Specifically the Group with regard to motorways concession's subsidy, recognized the entire amount of Financial Contribution as a financial asset, approved through the Concession Agreement, deducted from the intangible asset created under the same contract and amortized over the same period and in a manner equivalent to transfer to the results of the carrying amount of the intangible asset.

w) Provisions, Contingent Liabilities and Contingent Receivables

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is possible that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each date of the financial statements and are adjusted in order to reflect the present value of expenses that are expected to be required for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the outflow of economic resources that include an economic loss benefits is probable.
Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of financial benefits is possible.

For concession provisions, and in particular for the provision for the obligation for restoration or maintenance under the concession agreement, the Group - operator has contractual obligations that he must fulfill as a condition for obtaining the license (a) maintain the infrastructure at a defined level of utility; or (b) restore the infrastructure to a defined situation before handing it over to the grantor upon termination of the service concession arrangement. These contractual obligations for maintaining or restoring the infrastructure are recognized and measured using the best possible estimate of the costs that would be required to meet the present obligation at the balance sheet date if the maintenance and restoration obligation arises as a result of the use during the operating service. Construction or upgrading services are charged to contract revenue and expenses.

x) Financial Derivatives and Hedging Instruments

The Group has used financial derivatives and specifically in enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates for substantial loans. The financial derivatives are valued at fair value during the reference date. The fair value of such derivatives is mainly defined based on the market value and is confirmed by the counterparty financial institutions.
For the purposes of hedge accounting, the hedges are classified as follows:

- Fair value hedges when used to hedge the changes in the fair value of a recognized asset or liability or a non-recognized certain corporate commitment.
- Cash flow hedges when used for the hedge of the fluctuation of cash flows in relation to a recognized asset or liability or in relation to a very possible commitment.
- Hedges of a net investment in a foreign operation.

The full hedged part of the profit/loss of a measurement of derivatives that meet the conditions for hedge accounting is registered in other comprehensive income, if such refers to cash flow hedges, while the non-effective part is registered in net earnings. If such refers to a fair value hedge, the relevant profit or loss is recognized in net earnings, where the fair value change of the hedged instrument is registered respectively.
The hedge accounting is discontinued when the hedging instrument expires or is sold, is terminated or is exercised, or when the hedge does not fulfill the criteria for hedge accounting. The accumulated amount of gains or losses which has been recognized directly in the equity until the above date remains as a reserve until the hedged item affects the Statement of Results. In case where a hedged transaction is not expected to be realized, the net accumulated gains or losses which had been recorded in the reserves are immediately transferred in the Statement of Results.

y) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefit will result for the Group and that the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of revenue.

(i) Revenue from construction activities

The construction subsidiaries and joint ventures realize the income from construction contracts in their accounting books based on amounts invoiced to customers, which result from the relevant partial certifications of work completed that are issued by the responsible engineers and correspond to the work completed up to the closing date. For reasons of compliance with the IFRS, income from construction activity is accounted for in the attached consolidated financial statements using the percentage-of-completion method in accordance with the provisions of IAS 11 “Construction Contracts”.
According to the percentage-of-completion method the construction costs incurred up to the date of the Statement of Financial position, are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed.
This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise.
In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognized in the year during which the loss-making events become probable.
Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced, while non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method.
Project execution down-payments represent amounts received by the Company upon signing the relevant contracts and are proportionally netted-off with the partial invoicing. The remaining amount due appears as a liability in the attached financial statements.

(ii) Sale of goods

Revenue from the sale of goods, net of trade discounts, sales incentive discounts and the corresponding VAT, is recognized when the significant risks and benefits from ownership of the goods have been transferred to the buyer.

(iii) Revenues from car parks

Such revenues come from concessions for the operation of car parks’ operations. Such revenue equals the amounts received.

(iv) Revenue from the sale of Electric Energy
Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to LAGIE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements. Furthermore, the expected revenues from the production of Electric Energy that includes, according to the IFRIC 4, lease elements, are recognized proportional during the duration of the contract, insofar these revenues are related with the lease contract. An Electric Energy contract is consider that includes lease elements when regards the total amount of production of a specific settlement and the conventional price per production unit is neither fixed during the duration of the contract, nor representative of the current price of the market during the time of production.
(v) Revenue from the construction and sale of buildings
Buildings owned by the Company that are under construction, appear as inventories. From the price defined by the sale contract drawn by a final notary deed or memorandum agreement (given that the relevant risks in the context of the company's guaranteed responsibilities are covered by insurance), the portion that corresponds to the realized construction cost of the sold building or part of such until the end of the period, is recognized in the revenue for the period according to the percentage-of-completion method.
(vi) Rent Revenue
Rent revenue (operating leases) is recognized using the straight-line method, according to the terms of the lease.
(vii) Dividends
Dividends are accounted for when the right to receive them has been finalized by the shareholders by virtue of a Shareholders' General Meeting resolution.
(viii) Interest
Interest income is recognized on an accruals basis.

Revenues from the operation of the concession project
Revenue from the operation of the Motorway is recognized on the basis of the intangible asset model and relates to (a) revenues from the collection of tolls through the manual or electronic toll payment systems and (b) revenues from the rental of Motorway Service Stations or other areas.
The Group, according to the intangible asset model, recognizes a revenue to the extent that it acquires the right to charge the users of the utilities.
The Company recognizes the amount received or receivable on the part of the operator at its fair value, which is considered to be payments received from the users of the infrastructure, on the basis of the accrual principle.
The concession agreement lists all rights and obligations in relation to the infrastructure and services provided.

z) Income Tax (Current and Deferred)
Current and deferred taxes are calculated based on the financial statements of each of the companies included in the consolidated statements that are compiled according to the tax regulations in effect in Greece or in other countries in which the foreign subsidiaries operate. Current income tax is calculated based on the earnings of each company as such are reformed on the company's tax returns, additional income tax emerging from the Tax Authorities' tax audits, on deferred income tax based on the enacted tax rates, as well as any possible extraordinary tax contribution calculated on earnings.
Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities on the date of the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all the exempt temporary differences and the transferable tax losses, to the extent that it is likely that there will be available taxable earnings, which will be set against the exempt temporary differences and the transferable unused tax losses.
The deferred tax assets are estimated on each date of the financial statements and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.
Deferred tax assets and liabilities are calculated according to the tax rates that are expected to be in effect during the financial year when the asset will be realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted on the date of the financial statements.
Income tax that relates to items, which have been directly recognized in other comprehensive income, is also recognized in other comprehensive income.

aa) Earnings per Share

Basic earnings per share (EPS) are calculated by dividing net earnings corresponding to the parent's owners with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the group as treasury-shares.
Diluted earnings per share are calculated by dividing the net earnings corresponding to owners of the parent (after deducting the interest on convertible shares, after taxes) with the weighted average number of shares that are outstanding during the reporting period (adjusted for the effect of the diluted convertible shares).

ab) Business Combinations, Goodwill from Acquisitions and Changes in Percentages of non-controlling Participations

Business Combinations are accounted on the basis of the acquisition method. According to this method, the financial assets (including the formerly not recognized intangible assets) and the obligations (including the possible obligations) of the acquired firm/activity are recognized at fair value at the date of the transaction.
The goodwill arising from the Business Combinations derives as the difference of the fair values at the transaction date of a) the price paid, the amount which corresponds to the percentage to the percentage of non-controlling participation and the potential participation in the acquired company and b) the value of the individual assets which were acquired and the liabilities undertaken. At the date of the transaction (or at the date that the allocation of the respective price paid is completed), the goodwill which gained, is distributed to cash generating units or to cash generating units which are expected to be benefitted from this combination. If the fair value of the assets acquired exceeds the cost of the combination, then the Group re-estimates the recognition and the measurement of the recognized net assets and the cost of the combination and recognizes immediately in the results the negative difference between the price of the acquisition and the fair value of the net assets (negative goodwill).
The goodwill is valued at historical cost minus the accumulated impairment losses. The goodwill is not depreciated but is subject to impairment control on annual basis or more frequently when the situation or changes of conditions imply that the value might have been impaired.
If the book value of a cash generating unit, including the pro rata goodwill, exceeds its recoverable sum, then loss impairment is recognized. This impairment is defined by estimating the recoverable sum of the units generating cash flows, which are associated with the goodwill.
If part of the cash flow generating unit to which the goodwill has been distributed, is sold, then the goodwill which is proportionate to the sold part, is defined according to the relevant prices of the part that was sold and the part of the cash flow generating unit that remains.

The goodwill that has arisen from acquisitions or business combinations has been distributed and is being monitored on Group basis at the basic units generating cash flows, which have been defined according to IAS 36 "Impairment of Assets".
When the Group increases its participation ratio to current subsidiaries (acquisition of percentages of non-controlled participations) the total difference between the acquisition price and the proportion of the percentages of the non-controlled participations which are acquired is recognized directly to the shareholders' equity as it is deemed as a transaction between shareholders. Respectively, when percentages of non-controlled participations are sold (without the final participation leading to the loss of control on the subsidiary), the relevant gains or losses are directly recognized at the shareholders' equity.

ac) Expenses of Mining – Mineral's Extraction Operating Development

It refers to the expenses of mining and minerals' operational development which mainly include stripping, tunneling and waste removal. During the operational development phase of mineral-mining extraction areas (before production begins), stripping costs are usually capitalized as part of mining's developing and construction depreciable cost. The depreciation of the operational development expenditure of mineral-mining extraction areas – are calculated based on the extraction percentage of the commercially extractable deposit. Depreciation – expense of capitalized development expenditure of mineral-mining extraction is included in the cost of mining-ore extraction. The mining-ore operational development costs - are capitalized if and only if all the following conditions are met:
(a) the Group will derive future economic benefits (improved access to the ore deposit) associated with the stripping activity,
(b) the Group can utilize the portion of the deposit to which access has been improved and,
(c) the cost of stripping-related activity related to this part can be measured reliably. The asset stemming from the stripping activity is been added to the cost of the mine and subsequently is measured at the cost less accumulated depreciation and any impairment in value.

ad) Provisions for dismantling of wind farms and environmental rehabilitation:

The Group is forming provisions for dismantling the wind turbines from the wind farms and the rehabilitation of the surrounding area. The provisions of dismantling and rehabilitation reflects the present value at the reference date, the estimated cost, reduced by the expected salvage value of the recoverable materials. The provisions are reviewed every time the financial statements are issued and adjust in order to reflect the present value of the expenses that expected to be disbursed for the clearing of the dismantling and rehabilitation obligation.
The relative provision is registered accretive of the acquisition cost of the wind turbines and is depreciated in fixed method basis, within the 20 year duration of the Electric Energy contract. The depreciation expense of the capitalized dismantling and rehabilitation expenses is included in the income statement with the depreciations of the wind farms.
Any changes to the evaluations in reference to the estimated cost or the discount rate are added or reduced respectively to the cost of the asset. The effect of the discount of the estimated cost is registered at the income statement as an interest expense.

ae) Financial Assets from Concessions – Loans and receivables

In Public-Private Partnership agreements where the right to provide State's services to a private individual is granted, the Group applies IFRIC 12 if the following two conditions are met:

(a) the grantor audits or determines which services the operator will have to provide, at whom and at what price and
(b)
(b) the grantor audits any significant balance of interest in the infrastructure at the end of the concession period.

Under IFRIC 12, such infrastructure is not recognized in the assets of the concessionaire as tangible fixed assets. The Concessionaire Company recognizes a Financial Asset of Receivable to the extent that it has an unconditional contractual right to receive cash or another financial asset, guaranteed by the State body (Financial Asset Model) and / or intangible asset guaranteed by the State body (intangible asset model), to the extent that it receives the right to charge the users of the utility. The treatment is conducted according to the conventionally agreed terms.

Group companies operating as concessionaires recognize a financial asset to the extent that they have an unconditional contractual right to receive cash if the grantor contractually guarantees to pay to the concessionaire: (a) specific or identifiable amounts; or (b) the deficit that may, potentially, arise between the amounts received by the public service users and the specific or fixed amount provided for in the Partnership Contract. The concessionaire shall charge revenue and expenses in respect of construction or upgrading services in accordance with IAS 11. Income and expenses relating to operating services are accounted for in accordance with IAS 18.

af) Assets held for sale
As held for sale or distribution assets or sum of assets and liabilities are classified those that the Group intends to sell within one year of the date of their classification in the relevant accounts of the statement of financial position.
These assets are valued at the lower of their book value immediately prior to their classification as held for sale, and their fair value less costs to sell. Also, these assets are not subject to amortization, whereas the gain or loss arising from the sale and revaluation of assets is included in the "other income" and "other expense" respectively in the income statement.

(ag) Receivables from embedded derivatives
The group, within the context of concessions' operation recognizes a receivable for an embedded derivative.
In accordance with paragraphs 10 and 11 of IAS 39, an embedded derivative is a component of a hybrid (composite) financial instrument that includes as well a non-derivative main contract having as a result that some of the cash flows of the composite instrument to fluctuate in the same way as an independent derivative. The embedded derivative affects some or all of the cash flows that otherwise, based on the contract, would have to be changed according to a specified interest rate, financial instrument price, commodity price, exchange rate, price or interest rate index or other variables. A derivative that accompanies a financial instrument but which under the contract may be transferred independently of that instrument or that has a different counterparty from that instrument is not an embedded derivative but a separate financial instrument.
An embedded derivative will be separated from the main contract and will be treated accounting-wise as a derivative in accordance with this Standard only if the following conditions are met:
(a) the economic characteristics and risks of the embedded derivative are not closely related to the financial characteristics and risks of the main contract,
(b) a separate financial instrument on the same terms as the embedded derivative would meet the definition of a derivative; and

(c) the hybrid (composite) instrument is not measured at fair value through recognition of changes in profit or loss (ie a derivative embedded in a financial asset or financial liability through profit or loss is not segregated). If an embedded derivative is segregated, the main contract, if it is a financial instrument, will be treated accounting-wise in accordance with this Standard and other appropriate IAS if it is not a financial instrument.
The Group considers that the above conditions are met in their entirety and has made appropriate accounting representation.

ah) Determination of fair values
The fair value of a financial asset is the price that someone would receive for the sale of an asset or that would be paid for the transfer of a liability in a normal transaction between market participants at the measurement date. The fair value of the financial items in the Financial Statements on 31 December 2017 was determined with the best possible estimate by the Management. In cases where data is not available or is limited from active financial markets, fair value measurements have been derived from management's assessment according to available information.
The Group uses the following hierarchy to determine and disclose the fair value of financial instruments by measurement technique:
Level 1: Negotiable (unadjusted) prices in active markets for similar assets or liabilities,
Level 2: Other techniques for which all inflows that have a significant effect on the recorded fair value are observable, either directly or indirectly,
Level 3: Techniques that use data that have a significant effect on the recorded fair value and are not based on observable market data.
During the year there were no transfers between levels 1 and 2, nor transfers within and outside level 3 when measuring the fair value. Also, during the same period there was no change in the purpose of a financial asset that would result in a different classification of that asset.

ai) Share capital and reserves
Common registered shares are recorded as equity. Costs that are directly attributable to a component of equity are deducted from this item of the equity. Otherwise, this amount is recognized as an expense in the period in question.
In particular, the reserves of the concession companies are divided into:

Untaxed reserves: Under the concession agreement, the amount of revenue from the amortization of the financial contribution is separated from the retained earnings in a reserve in the Statement of Changes in Equity so that it is separately disclosed in the case of a future distribution or capitalization for taxation purposes.

Risk hedging reserve: The risk hedge reserve is used to record profits or losses on derivative financial instruments that can be classified as cash flow hedges and are recognized in other comprehensive income.

aj) Dividends
Dividends distributed to shareholders are recognized as a liability when they are approved by the General Meeting of Shareholders. Also at the same time, is presented in the Financial Statements the effect of the approved by the General Meeting of shareholders distribution of results and the possible formation of reserves.

(Amounts in thousands Euro, unless otherwise stated)

4. STRUCTURE OF THE GROUP AND THE COMPANY

The following tables present the participations of the parent company GEK TERNA SA, direct and indirect in economic entities during 31.12.2017, which were included in the consolidation. According to the level of their consolidation, they are classified as follows:

4.1 Company Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
CONSTRUCTION SEGMENT – JOINT VENTURES					
J/V HELLAS TOLLS	Greece	66.66	0	66.66	
ALTE ATE – TERNA SA GP	Greece	50	0	50	
J/V GEK TERNA – TERNA ENERGY (INSTALLATION & OPERATION ATS)	Greece	50	50	100	

4.2 Group Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATIO N %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
CONSTRUCTION SEGMENT – SUBSIDIARIES					
TERNA SA	Greece	100	0	100	Full
J/V EUROIONIA	Greece	0	100	100	Full
J/V CENTRAL GREECE MOTORWAY E-65	Greece	0	100	100	Full
ILIOCHORA SA	Greece	70.55	29.45	100	Full
TERNA OVERSEAS LTD	Cyprus	0	100	100	Full
TERNA QATAR LLC *	Qatar	0	35	35	Full
TERNA BAHRAIN HOLDING WLL	Bahrain	0	99.99	99.99	Full
TERNA CONTRACTING CO WLL	Bahrain	0	100	100	Full
TERNA VENTURES WLL	Bahrain	0	100	100	Full
TERNA SAUDI ARABIA LTD	Saudi Arabia	0	60	60	Full
J/V GEK TERNA – TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50	50	100	Full
CONSTRUCTIONS SEGMENT - JOINT VENTURES					
J/V TOMI ABETE-ILIOHORA SA	Greece	0	30	30	
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece	0	37.5	37.5	
J/V ILIOCHORA-KASTAT CONSTRUCTIONS (Koumpila-Louloudi project)	Greece	0	70	70	
J/V TERNA-KARAYIANNIS-KARAYIANNIS-ILIOCHORA	Greece	0	50	50	
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	0	66	66	
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	0	55	55	
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	0	50	50	
J/V ATHANASIADIS - TERNA (THESSAL. CAR PARK.)	Greece	0	50	50	

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
J/V TERNA SA - AKTOR SA-J&P-AVAX SA (LAND OF CONCERT HALL)	Greece	0	69	69	
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	0	50	50	
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	0	35	35	
J/V TERNA – PANTECHNIKI (OAKA SUR. AREAS)	Greece	0	83.5	83.5	
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall)	Greece	0	37	37	
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	0	65	65	
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	0	50	50	
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	0	50	50	
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	0	49	49	
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	0	25	25	
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	0	50	50	
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	0	50	50	
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	0	37.4	37.4	
J/V TERNA SA-AKTOR ATE J&P AVAX–TREIS GEFYRES	Greece	0	33.33	33.33	
J/V METKA-TERNA	Greece	0	90	90	
J/V APION KLEOS	Greece	0	17	17	
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	0	50	50	
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	0	33.33	33.33	
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	0	50	50	
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	0	50	50	
J/V AKTOR-TERNA (Patras Port)	Greece	0	70	70	
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	0	33.33	33.33	
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	0	49	49	
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	0	50	50	
J/V AKTOR ATE – TERNA SA (Thriasio B’)	Greece	0	50	50	
J/V AKTOR SA – J&P AVAX – TERNA SA (Tithorea Domokos)	Greece	0	33.33	33.33	
J/V AKTOR SA – J&P AVAX – TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	0	44.56	44.56	
J/V AKTOR SA – TERNA SA (Thriasio B’ ERGOSE)	Greece	0	50	50	
J/V AKTOR – TERNA (Joint Venture ERGOSE No. 751)	Greece	0	50	50	
J/V TERNA GCC WAC	Qatar	0	30	30	
J/V TERNA-Al OMAIER	Saudi Arabia	0	60	60	
J/V TERNA-CGCE (AMAS 1)	Bahrain	0	50	50	
J/V RENCO-TEPNA (Construction of compressor stations TAP)	Greece	0	50	50	
J/V J&P AVAX SA-TERNA SA-AKTOR SA-INTRAKAT (Temenos)	Greece	0	25	25	
J/V TERNA - CGCE (AMAS 2)	Bahrain	0	50	50	

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
CONSTRUCTION SEGMENT - ASSOCIATES					
ATTIKAT ATE	Greece	22.15	0	22.15	Equity
RES ENERGY SEGMENT - SUBSIDIARIES					
TERNA ENERGY SA	Greece	41.38	0	41.38	Full
IWECO HONOS LASITHIOU CRETE SA	Greece	0	41.38	41.38	Full
ENERGIAKI SERVOUNIOU SA	Greece	0	41.38	41.38	Full
TERNA ENERGY EVROU SA	Greece	0	41.38	41.38	Full
PPC RENEWABLES - TERNA ENERGY SA	Greece	0	41.38	41.38	Full
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	0	41.38	41.38	Full
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	0	41.38	41.38	Full
ENERGIAKI DERVENOCHORION S.A.	Greece	0	41.38	41.38	Full
AIOLIKI MALEA LAKONIAS S.A.	Greece	0	41.38	41.38	Full
ENERGIAKI FERRON EVROU S.A.	Greece	0	41.38	41.38	Full
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	0	41.38	41.38	Full
ENERGIAKI PELOPONNISOU S.A.	Greece	0	41.38	41.38	Full
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	0	41.38	41.38	Full
AIOLIKI ILIOKASTROU S.A.	Greece	0	41.38	41.38	Full
EUROWIND S.A.	Greece	0	41.38	41.38	Full
ENERGEIAKI XIROVOUNIOU S.A.	Greece	0	41.38	41.38	Full
DELTA AXIOU ENERGEIAKI S.A.	Greece	0	41.38	41.38	Full
TERNA ENERGY SEA WIND PARKS S.A.	Greece	0	41.38	41.38	Full
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	0	41.38	41.38	Full
VATHICHORI ENVIRONMENTAL S.A.	Greece	0	41.38	41.38	Full
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	0	41.38	41.38	Full
CHRISOUPOLI ENERGY Ltd	Greece	0	41.38	41.38	Full
LAGADAS ENERGY SA	Greece	0	41.38	41.38	Full
DOMOKOS ENERGY SA	Greece	0	41.38	41.38	Full
DIRFIS ENERGY SA	Greece	0	41.38	41.38	Full
FILOTAS ENERGY SA	Greece	0	41.38	41.38	Full
MALESINA ENERGY SA	Greece	0	41.38	41.38	Full
ORCHOMENOS ENERGY Ltd	Greece	0	41.38	41.38	Full
ALISTRATI ENERGY Ltd	Greece	0	41.38	41.38	Full
TERNA ENERGY AI-GIORGIS SA	Greece	0	41.38	41.38	Full
TERNA AIOLIKI AMARINTHOU SA	Greece	0	41.38	41.38	Full
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	0	41.38	41.38	Full
TERNA ILIAKI VIOTIAS SA	Greece	0	41.38	41.38	Full
VATHICHORI TWO ENERGY S.A.	Greece	0	41.38	41.38	Full
TERNA AIOLIKI XEROVOUNIOU SA	Greece	0	41.38	41.38	Full
TERNA ILIAKI ILIOKASTROU SA	Greece	0	41.38	41.38	Full
TEPNA ILIAKI PANORAMATOS SA.	Greece	0	41.38	41.38	Full

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
AIOLIKI KARYSTIAS EVOIA S.A.	Greece	0	41.38	41.38	Full
GEOTHERMIKI ENERGY ANAPTYXIAKI S.A.	Greece	0	41.38	41.38	Full
TEPNA ILIAKI PELLOPONISSOU SA.	Greece	0	41.38	41.38	Full
TERNA ENERGY OVERSEAS LTD	Cyprus	0	41.38	41.38	Full
EOLOS POLSKA sp.z.o.o.	Poland	0	41.38	41.38	Full
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	0	41.38	41.38	Full
HAOS INVEST 1 EAD	Bulgaria	0	41.38	41.38	Full
VALE PLUS LTD	Cyprus	0	41.38	41.38	Full
GALLETTE LTD	Cyprus	0	41.38	41.38	Full
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	0	41.38	41.38	Full
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	0	41.38	41.38	Full
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	0	41.38	41.38	Full
COLD SPRINGS WINDFARM LLC	U.S.A.	0	41.38	41.38	Full
DESERT MEADOW WINDFARM LLC	U.S.A.	0	41.38	41.38	Full
HAMMETTHILL WINDFARM LLC	U.S.A.	0	41.38	41.38	Full
MAINLINE WINDFARM LLC	U.S.A.	0	41.38	41.38	Full
RYEGRASS WINDFARM. LLC	U.S.A.	0	41.38	41.38	Full
TWO PONDS WINDFARM. LLC	U.S.A.	0	41.38	41.38	Full
MOUNTAIN AIR WIND. LLC	U.S.A.	0	41.38	41.38	Full
EOLOS NORTH sp.z.o.o.	Poland	0	41.38	41.38	Full
EOLOS EAST sp.z.o.o.	Poland	0	41.38	41.38	Full
AIOLIKI PASTRA ATTIKIS SA	Greece	0	41.38	41.38	Full
JP GREEN sp.z.o.o.	Poland	0	41.38	41.38	Full
WIRON sp.z.o.o.	Poland	0	41.38	41.38	Full
BALLADYNA sp.z.o.o.	Poland	0	41.38	41.38	Full
TERNA ENERGY SA & CO AIOLIKI POLYKASTROU G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO ENERGIAKI DYSTION EVIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO AIOLIKI EASTERN GREECE G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO AIOLIKI MARMARIOU EVIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & CO ENERGIAKI STYRON EVIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIAS G.P.	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & SIA PROVATA TRAIANOUPOULEOS	Greece	0	41.38	41.38	Full
TERNA ENERGY SA & VECTOR GREECE WIND PARKS – TROULOS WIND PARK G.P.	Greece	0	41.38	41.38	Full
MOUNTAIN AIR PROJECTS LLC	U.S.A.	0	41.38	41.38	Full
MOUNTAIN AIR INVESTMENTS LLC	U.S.A.	0	41.38	41.38	Full
MOUNTAIN AIR ALTERNATIVES LLC	U.S.A.	0	41.38	41.38	Full
MOUNTAIN AIR RESOURCES LLC	U.S.A.	0	41.38	41.38	Full
MOUNTAIN AIR HOLDINGS LLC	U.S.A.	0	41.38	41.38	Full

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATIO N %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
FLUVANNA WIND ENERGY LLC	U.S.A.	0	41.38	41.38	Full
FLUVANNA HOLDINGS LLC	U.S.A.	0	41.38	41.38	Full
FLUVANNA INVESTMENTS LLC	U.S.A.	0	41.38	41.38	Full
TERNA DEN LLC	U.S.A.	0	41.38	41.38	Full
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	0	41.38	41.38	Full
AEGIS LLC	U.S.A.	0	41.38	41.38	Full
MOHAVE VALLEY ENERGY LLC	U.S.A.	0	41.38	41.38	Full
RES ENERGY SEGMENT – JOINT VENTURES					
TERNA ENERGY SA – MEL MACEDONIAN PAPER MILLS SA & CO CO-PRODUCTION GP	Greece	0	20.4	20.4	
TERNA ENERGY AVETE & SIA LP	Greece	0	28.56	28.56	
RES ENERGY SEGMENT - ASSOCIATES					
CYCLADES RES ENERGY CENTER SA	Greece	0	18.36	18.36	Equity
EN.ER.MEL S.A.	Greece	0	20.07	20.07	Equity
ELECTRIC ENERGY TRADING SEGMENT - SUBSIDIARIES					
GP ENERGY LTD	Bulgaria	0	41.38	41.38	Full
TETRA DOOEL SKOPJE	FYROM	0	41.38	41.38	Full
PROENTRA D.O.O BEOGRAD	Serbia	0	41.38	41.38	Full
OPTIMUS ENERGY SA	Greece	0	41.38	41.38	Full
THERMAL ENERGY SEGMENT (PRODUCTION & TRADING) - JOINT VENTURES					
HERON THERMOELECTRIC S.A.	Greece	50	0	50	Equity
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	0	25	25	Equity
REAL ESTATE SEGMENT - SUBSIDIARIES					
IOANNINON ENTERTAINMENT DEVELOPMENT S.A.	Greece	72.58	0	72.58	Full
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	100	0	100	Full
VIPA THESSALONIKI S.A.	Greece	100	0	100	Full
GEK SERVICES SA	Greece	51	0	51	Full
ICON EOOD	Bulgaria	83.62	16.38	100	Full
ICON BOROVEC EOOD	Bulgaria	23.33	76.67	100	Full
DOMUS DEVELOPMENT EOOD	Bulgaria	0	100	100	Full
I&B REAL ESTATE EAD	Bulgaria	0	100	100	Full
SC GEK ROM SRL	Romania	100	0	100	Full
HERMES DEVELOPMENT SRL	Romania	0	100	100	Full
HIGHLIGHT SRL	Romania	0	100	100	Full
MANTOUDI BUSINESS PARK S.A.	Greece	0	100	100	Full

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
REAL ESTATE SEGMENT - JOINT VENTURES AND ASSOCIATES					
KEKROPS S.A.	Greece	37.22	0	37.22	Equity
GEKA S.A.	Greece	0	33.34	33.34	Equity
GAIA INVESTMENT SA	Greece	35.78	0	35.78	Equity
GLS EOOD	Bulgaria	50	0	50	Equity
CONCESSIONS SEGMENT - SUBSIDIARIES					
IOLKOS S.A.	Greece	100	0	100	Full
HIRON CAR PARK S.A.	Greece	99.47	0.53	100	Full
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	83.33	16.67	100	Full
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	83.67	16.33	100	Full
HELLAS SMARTICKET S.A.	Greece	35	41.38	76.38	Full
WASTE CYCLO S.A.	Greece	0	41.38	41.38	Full
PERIVALLONTIKI PELOPONNISOU MAE	Greece	0	41.38	41.38	Full
AEIFORIKI EPIRUS MAEES	Greece	0	41.38	41.38	Full
NEA ODOS SA	Greece	78.59	0	78.59	Full
CENTRAL GREECE MOTORWAY S.A.	Greece	66.66	0	66.66	Full
CONCESSIONS SEGMENT - JOINT VENTURES					
PARKING OUIL SA	Greece	50	0	50	Equity
ATHENS CAR PARK S.A.	Greece	23.2	0	23.2	Equity
THESSALONIKI CAR PARK S.A.	Greece	24.7	0	24.7	Equity
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	32.42	0	32.42	Equity
POLIS PARK SA	Greece	28.76	0	28.76	Equity
SMYRNI PARK SA	Greece	20	0	20	Equity
HELLINIKON ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	31.63	0	31.63	Equity
METROPOLITAN ATHENS PARK SA	Greece	22.91	0	22.91	Equity
INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES					
VIOMEK ABETE	Greece	67.52	29.07	96.59	Full
STROTIRES AEBE	Greece	51	0	51	Full
TERNA MAG SA	Greece	51.02	48.98	100	Full
EUROPEAN AGENCIES OF METALS SA	Greece	0	100	100	Full
VRONDIS QUARRY PRODUCTS SA	Greece	0	100	100	Full
CEMENT PRODUCTION AND EXPORT FZC	Libya	0	75	75	Full
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0	75	75	Full
SEGMENT OF HOLDINGS – SUBSIDIARIES					
QE ENERGY EUROPE LTD	Cyprus	0	100	100	Full
TERNA ENERGY UK PLC	United Kingdom	0	41.38	41.38	Full
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	0	41.38	41.38	Full
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	0	41.38	41.38	Full
TERNA ENERGY TRADING LTD	Cyprus	0	41.38	41.38	Full
TERNA ENERGY FINANCE SPSA	Greece	0	41.38	41.38	Full
TERNA ENERGY TRADING SHPK	Albania	0	41.38	41.38	Full

The voting rights of GEK TERNA in all of the above participations coincide with the stake it owns in their outstanding share capital.

The percentage of voting rights of GEK TERNA SA in all the above participations coincide with the percentage held on companies' free float.

* TERNA ENERGY SA is a subsidiary and is fully consolidated in the GEK TERNA Group because it is subject to control. Control is the result of the following conditions:
1. The parent company has authority over the invested since it has the ability to direct the related operations (operational and financial). This is achieved through the appointment of the majority of the members of the Board of Directors and the management of the subsidiary by the parent's management.
2. The parent Company holds rights with variable returns from the participation in the subsidiary. In particular, GEK TERNA, holds the largest share among the shareholders. The other non-controlled holdings present significant variability and therefore they cannot materially influence decision-making.
3. The parent Company may exercise its power over the subsidiary in order to influence the amount of its returns. This is the result of the decision-making on subsidiary's issues through the control of the decision-making bodies (BoD and Managing Directors).

** The Group entered into a share acquisition transaction of 21.4% and 33.3% of the two new concession companies NEA ODOS SA and CENTRAL GREECE MOTORWAY E-65, as mentioned in note 42 of the financial statements, resulting in holding 78.59% and 66.66% respectively, on 31/12/2017. The result of this transaction was an increase in the members of the Board represented by GEK TERNA, namely eight out of ten.
By adopting the accounting policy as to whether or not it has control, the Group has assessed the new data, namely increased participation rates, based on the provisions of IFRS 10, which are set out below:
An investing entity controls an invested entity when and only when the three following elements are cumulative.
a) Control over the invested
b) Report, or rights, to variable returns arising from participation in the investor
c) The ability to use power over the investor in order to influence performance
In assessing the concept of power over the two invested companies, the Group used as a presumption the fact that since September 2017 the two concession companies are basically in their operational period, having as result in all related activities and the relevant decisions required for their proper functioning to differ significantly from those in the previous construction period.
The Group received this substantial change in the 4th quarter of 2017, period that it acquired both the majority of shares and of the Board of Directors for both Concessions. In interpreting all of the above, the Group has been led to conclude that the existing rights of the other shareholder of the two companies constitute a type of protective rights, also based on IFRS 10, and differ significantly with the protective rights that may have existed for the whole of the construction period of the two motorways and at the same time meets the criteria of full consolidation of the two companies based on the accounting framework it adopts.

*** The company TERNA QATAR LLC is fully consolidated according to IFRS 10 "Consolidated Financial Statements" since based on contractual agreement the Group controls the management and the results of the company.

(Amounts in thousands Euro, unless otherwise stated)

The following table presents the joint ventures for the construction of technical projects, in which the Group participates. These joint ventures have already concluded the projects they were established for, their guarantee period has expired, their relations with third parties have been settled and their final liquidation is pending. Therefore such are not included in the consolidation.

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V IMPREGILO Spa – TERNA SA-ALTE SA (EXECUTIONS)	33.33%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V ATHINA – PANTECHNIKI – TERNA – J/V PLATAMONAS PROJECT	39.20%
J/V VIOTER SA – TERNA SA	50.00%
J/V TERNA SA – AKTOR SA – EBEDOS SA – J&P AVAX SA - IMEC GmbH	24.00%
J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
J/V J&P AVAX SA – TERNA SA - EFKLEIDIS	35.00%
J/V EVANGELISMOS PROJECT C’	100.00%
J/V J&P AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)	37.50%
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	35.00%
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33%
J/V J&P AVAX-VIOTER-TERNA (CANOE KAYAK)	33.33%
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARAD. TSAKONA RING ROAD)	49.00%
J/V AKTOR TERNA (BANQUET HALL)	50.00%
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	51.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	51.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%

During the year 2017, the following joint companies were liquidated:

COMPANY NAME	TOTAL PARTICIPATION %
J/V ATHENS CAR PARKS	20.00%
J/V TERNA SA – VIOTER SA (KOROMILIA)	50.00%
J/V TERNA SA – MOCHLOS SA	70.00%

At the end of 2017 the companies GEOTHERMIKI ENERGY DEVELOPMENT SA, LAGKADAS ENERGY SA, DOMOKOS ENERGY SA and FILOTAS ENERGY SA were set into liquidation. The liquidation of these companies is not completed until the date of publication of the Group's Financial Statements.

Within 2017, the following were established:

- OPTIMUS ENERGY SA, subsidiary of the subsidiary TERNA ENERGY SA with objective the Electricity Trade Services
- Aeiforiki Epirus, a subsidiary of subsidiary TERNA ENERGY SA with objective the waste management
- TERNA ENERGY TRADING SHPK, subsidiary of subsidiary TERNA ENERGY SA with objective the Electricity Trade Services
- FLUVANNA I INVESTOR INC with activity related to the production of electric energy from RES

- FLUVANNA I HOLDING COMPANY LLC with activity related to the production of electric energy from RES

Finally, within 2017, the Company acquired from TERNA ENERGY SA 35% of the share capital of the subsidiary HELLAS SMARTICKET SA After the acquisition date, TERNA ENERGY SA continues to maintain the control of the subsidiary company HELLAS SMARTICKET SA through the exercise of management and to consolidate it fully in its financial statements.

5. OPERATING SEGMENTS

An operating segment is a component of an economic entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that concern transactions with other components of the same economic entity) and, b) whose operating results are regularly reviewed by the chief operating decision maker of the entity to make decisions about resources to be allocated to the segment and assess of its performance.
The term "chief operating decision maker" defines the Board of Directors that is responsible for the allocation of resources and the assessment of the operating segments.
The Group presents separately the information on each operating segment that fulfils certain criteria of characteristics and exceeds certain quantitative limits.
The amount of each element of the segment is that which is presented to the "Chief operating decision maker" with regard to the allocation of resources to the segment and the evaluation of its performance.
The above information is presented in the attached statements of financial position and total comprehensive income according to the IFRS, whereas previously recorded operating segments –as presented in the financial statements of the previous year- require no modifications.
Specifically, the Group recognizes the following operating segments that must be reported, whereas no other segments exist that could be incorporated in the "other segments" category.

<u>Construction:</u> refers, almost exclusively, to contracts for the construction of technical projects.

<u>Electricity from renewable sources of energy:</u> refers to the electricity production from wind generators (wind parks), from hydroelectric projects and other renewable energy sources.

<u>Electricity from thermal energy sources and trading of electric energy:</u> refers to the electricity production using natural gas as fuel, and to the trading of electric energy.

<u>Real estate development:</u> refers to the purchase, development and management of real estate as well as to investments for value added from an increase of their price.

<u>Industry:</u> refers to the production of quarry products and the exploitation of magnesite quarries.

<u>Concessions</u>: it concerns the construction and operation of infrastructure (eg motorways), other public interest projects (Unified Automatic Collection System and municipal waste treatment plant) and other facilities (eg car stations, etc.) with in return for their long-term exploitation of services to the public.

<u>Holdings</u>: refers to the supporting operation of all of the segments of the Group and the trial operation of new operating segments.

(Amounts in thousands Euro, unless otherwise stated)

The tables that follow present an analysis on the data of the Group's operating segments for the period ended on 31.12.2017.

Calculation of disclosed data on Operating segments

Following, the calculation of disclosed data that do not result directly from the accompanying financial statements is presented:

The item *"Net debt / (Surplus)"* is an index used by Management to judge the cash flow of an operating segment at every point in time. It is defined as the total liabilities from loans and financial leases minus Cash and cash equivalents.

The item *"Operating results (EBIT)",* is an index used by Management to judge the operating performance of an activity. It is defined as Gross profit, minus Administrative and distribution expenses, minus Research and development expenses, plus/minus Other income/(expenses) except of the payment and valuation related Foreign exchange differences, the Impairments of fixed assets, the Impairments of inventories, the Other impairments and provisions, and the Impairments / write-offs of trade receivables, as presented in the accompanying financial statements.

The item *"EBITDA"* is defined as the *Operating results (EBIT),* plus depreciations of fixed assets, minus the grants amortization, as presented in the attached financial statements.

The item "*adjusted EBITDA"* is defined as the EBITDA, increased by any non-cash items included therein.

The reconciliation of EBIT and EBITDA with the items of the Financial Statements is presented below:

	GROUP	
	1.1-31.12.2017	**1.1-31.12.2016**
Gross Profit	**235,149**	**212,901**
Administrative and distribution expenses	(46,125)	(36,873)
Research and development expenses	(1,548)	(1,682)
Other income / (expenses) determinants of the EBIT (note 36)	20,956	5,432
EBIT	**208,432**	**179,778**
Net depreciation and amortization	65,532	66,371
EBITDA	**273,964**	**246,149**
Non cash adjustments	5,928	6,646
Adjusted EBITDA	**279,892**	**252,795**

The Non cash adjustments in the above analysis concern Provisions for staff indemnities of 2,199 (2,679 in 2016), and Impairments of investment property of 3,730 (2,935 in 2016).

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2017	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and HP trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Eliminations on consolidation**	**Consolidated Total**
Sales of products and merchandise	330	173,024	13,623	294	7,916	0	0		**195,187**
Sales of services	4,084	0	0	2,383	0	0	47		**6,514**
Revenues from operation of motorways	0	0	0	0	0	88,695	0		**88,695**
Revenues from construction services	895,135	0	0	0	0	0	0		**895,135**
Revenue from external customers	**899,549**	**173,024**	**13,623**	**2,677**	**7,916**	**88,695**	**47**		**1,185,531**
Inter-segmental turnover	58,141	0	0	749	6	6	207	(59,109)	
Revenue	**957,690**	**173,024**	**13,623**	**3,426**	**7,922**	**88,701**	**254**	**(59,109)**	**1,185,531**
Operating results from continuing activity (EBIT)	**106,408**	**90,695**	**952**	**11,387**	**(4,279)**	**4,816**	**(1,549)**		**208,430**
Interest income	3,169	1,298	0	2	1	1,569	14,034		**20,073**
Interest and related expenses	(4,442)	(47,938)	(27)	(1,716)	(2,495)	655	(10,518)		**(66,481)**
Foreign exchange differences and other non-operating results	(15,029)	(6,630)	(26)	(1,732)	(1,774)	(1,561)	1,730		**(25,022)**
Results from associates and Joint Ventures	0	(1,113)	1,076	(1,612)	0	4,342	0		**2,693**
Results from participations and securities	0	5	0	0	0	0	13,751		**13,756**
Results before tax	**90,106**	**36,317**	**1,975**	**6,329**	**(8,547)**	**9,821**	**17,448**		**153,449**
Income tax	(41,381)	(13,352)	(188)	(3,425)	2,931	(1,087)	(2,161)		**(58,663)**
Net Results	**48,725**	**22,965**	**1,787**	**2,904**	**(5,616)**	**8,734**	**15,287**		**94,786**
Net depreciation	17,709	38,172	24	524	1,760	7,319	24		65,532
EBITDA from continued activities	**124,117**	**128,867**	**976**	**11,911**	**(2,519)**	**12,135**	**(1,525)**		**273,962**
Provisions and other non cash results	2,109	61	0	3,709	37	7	5		5,928
Adjusted EBITDA from continued activities	**126,226**	**128,928**	**978**	**15,620**	**(2,482)**	**12,142**	**(1,520)**		**279,892**

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2017	Constructions	Electricity from RES	Electricity from thermal energy and HP trading	Real Estate	Mining / Industry	Concessions	Holdings	Eliminations on consolidation	Consolidated Total
Assets	940,554	1,443,307	5,994	169,270	96,669	1,359,149	24,105		**4,039,048**
Investments in associates	0	2,768	0	2,105	0	0	0		**4,873**
Investments in joint ventures	0	0	44,620	971	0	4,243	0		**49,834**
Total Assets	**940,554**	**1,446,075**	**50,614**	**172,346**	**96,669**	**1,363,392**	**24,105**		**4,093,755**
Liabilities	**833,195**	**1,104,634**	**2,554**	**126,633**	**75,334**	**1,104,466**	**78,784**		**3,325,600**
Loans	100,379	742,597	87	115,546	42,607	688,425	36,665		**1,726,305**
Cash and Cash Equivalents	334,999	153,514	571	5,537	398	139,313	7,895		**642,227**
Net debt / (surplus)	**(234,620)**	**589,083**	**(484)**	**110,009**	**42,209**	**549,112**	**28,770**		**1,084,078**
Capital expenditure for the period 1.1-31.12.2017	**4,452**	**232,372**	**0**	**15,280**	**9,406**	**15,795**	**82**		**277,387**

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2016	**Constructions**	**Electricity from RES**	**Electricity from thermal energy**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Eliminations on consolidation**	**Consolidated Total**
Sales of products and merchandise	127	151,112	31,798	555	4,197	0	0	0	**187,789**
Sales of services	4,812	0	0	5,271	0	15,505	180	0	**25,768**
Revenues from construction services	949,923	0	0	0	0	0	0	0	**949,923**
Revenue from external customers	**954,862**	**151,112**	**31,798**	**5,826**	**4,197**	**15,505**	**180**	**0**	**1,163,480**
Inter-segmental turnover	46,273	0	0	1,468	11	0	96	(47,848)	**0**
Revenue	**1,001,135**	**151,112**	**31,798**	**7,294**	**4,208**	**15,505**	**276**	**(47,848)**	**1,163,480**
Operating results from continuing activity (EBIT)	**128,170**	**66,969**	**421**	**(8,804)**	**(4,990)**	**(853)**	**(1,135)**	**0**	**179,778**
Interest income	2,816	1,138	0	4	1	252	3,953	0	**8,164**
Interest and related expenses	(7,201)	(38,464)	(33)	(2,025)	(1,630)	(1,012)	(8,414)	0	**(58,779)**
Foreign exchange differences and other non-operating results	(22,551)	683	(13)	4,915	(3,681)	(863)	730	0	**(20,780)**
Results from associates and Joint Ventures	0	(80)	1,759	(264)	0	3,031	0	0	**4,446**
Results from participations and securities	(5)	591	0	0	0	0	(19,796)	0	**(19,210)**
Results before tax	**101,229**	**30,837**	**2,134**	**(6,174)**	**(10,300)**	**555**	**(24,662)**	**0**	**93,619**
Income tax	(31,721)	(12,690)	(66)	(96)	2,125	56	(5,408)	0	**(47,800)**
Net Results	**69,508**	**18,147**	**2,068**	**(6,270)**	**(8,175)**	**611**	**(30,070)**	**0**	**45,819**
Net depreciation	21,653	42,118	26	885	1,210	466	13	0	66,371
EBITDA from continued activities	**149,823**	**109,087**	**447**	**(7,919)**	**(3,780)**	**(387)**	**(1,122)**	**0**	**246,149**
Provisions and other non cash results	3,586	120	0	2,904	19	6	11	0	6,646
Adjusted EBITDA from continued activities	**153,409**	**109,207**	**447**	**(5,015)**	**(3,761)**	**(381)**	**(1,111)**	**0**	**252,795**

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2016	**Constructions**	**Electricity from RES**	**Electricity from thermal energy**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Eliminations on consolidation**	**Consolidated Total**
Assets	1,183,018	1,349,930	4,409	151,541	91,914	141,298	18,692	0	**2,940,802**
Investments in associates	0	3,881	0	1,445	0	0	0	0	**5,326**
Investments in joint ventures	0	0	43,544	1,241	0	93,580	0	0	**138,365**
Total Assets	**1,183,018**	**1,353,811**	**47,953**	**154,227**	**91,914**	**234,878**	**18,692**	**0**	**3,084,493**
Liabilities	**1,105,851**	**1,019,803**	**2,000**	**110,900**	**64,789**	**156,733**	**25,912**	0	**2,485,988**
Loans	73,594	641,543	78	100,095	38,544	150,603	19,791	0	**1,024,248**
Cash and Cash Equivalents	453,904	156,177	50	6,433	338	2,065	2,036	0	**621,003**
Net debt / (surplus)	**(380,310)**	**485,366**	**28**	**93,662**	**38,206**	**148,538**	**17,755**	**0**	**403,245**
Capital expenditure for the period 1.1-31.12.2016	**14,937**	**150,713**	**0**	**80**	**2,927**	**1**	**0**	**0**	**168,658**
Investments in concession joint venture (share capital increases and secondary loans) for capital expenditures 1.1-31.12.2017	**0**	**0**	**0**	**0**	**0**	**68,808**	**0**		**68,808**

(Amounts in thousands Euro, unless otherwise stated)

Geographical segments 31.12.2017	Greece	Balkans	Middle East	Eastern Europe	USA	Other regions	Consolidated total
Revenue from external customers	1,021,383	21,618	89,506	20,778	25,197	7,049	**1,185,531**
Non-current Assets (excl. deferred tax assets and financial assets)	1,628,936	93,801	5,647	145,117	383,946	0	**2,257,447**
Capital expenditure	86,892	15,808	1,739	0	172,948	0	**277,387**

Geographical segments 31.12.2016	Greece	Balkans	Middle East	Eastern Europe	USA	Other regions	Consolidated total
Revenue from external customers	892,077	70,288	152,065	18,864	26,910	3,276	**1,163,480**
Non-current Assets (excl. deferred tax assets and financial assets)	929,397	62,251	8,340	148,230	262,437	389	**1,411,044**
Capital expenditure	115,003	127	2,093	875	50,560	0	**168,658**

6. IMPAIRMENT OF GOODWILL

In the previous year the Group acquired the remaining 66.7% of the construction consortiums EUROIONIA and E-65, with which it would carry out an additional significant construction work on existing construction contracts. Since the cash flow estimate was positive, it recognized goodwill of 9,759. By the end of the previous fiscal year (31/12/2016), due to the fact that the construction of these projects was still in progress and the timing of their completion was not yet visible, the Group did not consider that there is evidence of impairment of this goodwill, as the remaining cash flow expected - (recoverable amount) was higher than the current value. However, on June 30, 2017, as there has been significant progress in the works of the EUROIONIA and the E-65, and the backlog to be executed has decreased substantially, it considered that there were significant signs of impairment of this goodwill.

For the purpose of calculating the recoverable amount, a comparison was conducted of the value of use and the fair value less disposal costs. The value of use was determined on the basis of the remaining cash flows for the completion of the project and it was less than the fair value minus the disposal costs resulting from the percentage of completion rate. As a result, the Group's management proceeded to impairment, which was calculated based on the fair value less disposal costs. The result of the above impairment amount of 6.576 was recognized in 'Other income / (expenses)' of the statement of income for the period (note 37).

It is noted that after the impairment, the remaining goodwill amounted to 3,138, the impairment of which will be reconsidered with the progress of the remaining work of the projects concerned.

(Amounts in thousands Euro, unless otherwise stated)

7. INTANGIBLE ASSETS

The account of intangible fixed assets on 31 December 2017, in the accompanying financial statements, is analyzed as follows:

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2017	**65,568**	**11,928**	**433**	**3,140**	**81,069**
Additions	13,057	0	571	788	**14,416**
Cost of borrowing	0	0	0	0	**0**
Additions due to acquisition of subsidiaries - cost	989,252	0	3,090	0	**992,342**
Additions due to acquisition of subsidiaries – accumulated amortization	(226,127)	0	(2,053)	0	**(228,179)**
Change in acquisition cost due to variation in consolidation percentage/Sales	0	0	0	0	**0**
Transfer from / (to) other asset account	0	0	0	0	**0**
Transfer from tangible assets cost	0	0	0	398	**398**
Transfer from tangible assets amortization	0	0	0	0	**0**
Acquisition cost of sold – written off assets	(1,132)	0	(9)	0	**(1,140)**
Accumulated amortization of sold – written off assets	1,131	0	9	0	**1,140**
Decrease in amortization due to variation in consolidation percentage/Sales	0	0	0	0	**0**
(Impairments)/reversal of impairment of acquisition cost	(2,340)	0	0	0	**(2,340)**
(Impairments)/ reversal of impairment of accumulated amortization	(1,563)	0	0	0	**(1,563)**
Other changes of acquisition cost/Foreign exchange differences	(1,120)	0	(47)	0	**(1,167)**
Other changes in amortization	247	0	46	0	**293**
(Amortization for the year)	(8,136)	(8,202)	(300)	(123)	**(16,761)**
Net Book Value 31.12.2017	**828,839**	**3,726**	**1,740**	**4,203**	**838,508**
Cost 1.1.2017	83,800	88,021	3,194	3,622	178,637
Accumulated Amortization 1.1.2017	(18,232)	(76,093)	(2,761)	(482)	(97,568)
Net Book Value 1.1.2017	**65,568**	**11,928**	**433**	**3,140**	**81,069**
Cost 31.12.2017	1,081,517	88,021	6,799	4,808	1,181,146
Accumulated Amortization 31.12.2017	(252,679)	(84,295)	(5,059)	(605)	(342,638)
Net Book Value 31.12.2017	**828,839**	**3,726**	**1,740**	**4,203**	**838,508**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 1.1.2016	**73,670**	**21,482**	**475**	**2,479**	**98,105**
Additions	72	0	150	540	**761**
Cost of borrowing	0	0	0	0	**0**
Change in acquisition cost due to variation in consolidation percentage/Sales	0	0	0	0	**0**
Transfer from / (to) other asset account	(7)	0	0	7	**0**
Transfer from tangible assets cost	202	0	0	663	**865**
Transfer from tangible assets amortization	(4)	0	0	10	**6**
Acquisition cost of sold – written off assets	(1,520)	0	(14)	(448)	**(1,982)**
Accumulated amortization of sold – written off assets	0	0	14	73	**88**
Decrease in amortization due to variation in consolidation percentage/Sales	0	0	0	0	**0**
(Impairments)/reversal of impairment of acquisition cost	(860)	0	0	0	**(860)**
(Impairments)/ reversal of impairment of accumulated amortization	(2,585)	0	0	0	**(2,585)**
Other changes of acquisition cost/Foreign exchange differences	326	0	14	0	**340**
Other changes in amortization	(73)	0	(14)	0	**(87)**
(Amortization for the year)	(3,654)	(9,554)	(192)	(185)	**(13,584)**
Net Book Value 31.12.2016	**65,568**	**11,928**	**433**	**3,140**	**81,069**
Cost 1.1.2016	85,588	88,021	3,045	2,859	179,512
Accumulated Amortization 1.1.2016	(11,918)	(66,539)	(2,570)	(380)	(81,409)
Net Book Value 1.1.2016	**73,670**	**21,482**	**475**	**2,479**	**98,105**
Cost 31.12.2016	83,800	88,021	3,194	3,622	178,638
Accumulated Amortization 31.12.2016	(18,232)	(76,093)	(2,761)	(482)	(97,569)
Net Book Value 31.12.2016	**65,568**	**11,928**	**433**	**3,140**	**81,069**

The amortization for the years 2017 and 2016 has been recognized in Cost of sales by 16,516 (12,055 in 2016), Administrative and distribution expenses by 206 (563 in 2016), R&D expenses by 15 (10 in 2016), Other Income / (expenses) by 0 (860 in 2016) and Inventory by 24 (96 in 2016).

The account Concessions and Other Rights includes the recognition of purchased rights for the exploitation of quarries and magnesite quarries, with a net book value of 27,458 (28,004 in 2016) with an initial agreed duration of 50 years.

In the account “Sales / Deletions" is included impairment losses of 970 arising upon the impairment test to the intangible concession right to use parking station concession, of the subsidiary CAR STATION PL. PLATANOU KIFISIAS SA. The recoverable value of 6.167 was derived from an independent valuer study using the expected cash flow discount method, with a weighted average cost of capital ranging between 8.6% and 11%. The impairment loss has been recognized in "Other income / (expenses)" of the statement of income for the period (Note 37).
Additionally, for the subsidiary IOLKOS SA the fair value was assessed of the net assets by 1,094 lower and therefore an impairment loss was recorded on intangible right concession exploitation of multiplex event area of 592. This amount is also included in the "Sales / Deletions". The fair value of net assets arises from a valuation by an independent valuer weighing the Company's equity and expected cash flows. The impairment loss has been recognized in "Other income / (expenses)" of the statement of income for the period (Note 37).
In the year ended December 31, 2017 it was recognized an impairment loss of 2,340 in the licenses of subsidiaries’ two wind parks in Greece and Bulgaria, which were recognized in the consolidated statement of financial position. This loss was charged to the statement of income statement "Other income / (expenses)" (see Note 37). The management of the Group carried out an impairment test for power production parks from RES that had relevant indications. For the audit, the recoverable value is determined in accordance with the value in use calculation. This calculation uses cash flow forecasts, based on budgets, which have been approved by management and cover the remaining useful life of the park, which is 25 years from the beginning of the production process.

The change in "Concessions and Rights" includes the effect of extending the useful life of wind farms from 20 to 25 years, which took place during the year 2017, resulting in a reduction in depreciation costs of € 128 in relation to the depreciation cost that would have arisen if the useful life extension had not occurred (see Note 3 (j). This effect will be declining in the coming years, as the oldest parks of the Group will approach their originally defined twenty-year life, and from the time of expiration of their initially defined useful life and for the additional five years of its expansion, it will turn into negative.

Furthermore, in the year 2016 the subsidiary of the Group, TERNA SA, conducted an impairment test in a quarry given the fact that the demand for its products was at minimum level and the estimated time horizon for the quarry’s return to normal operation status was not anticipated any soon. From the estimation of the fail value for the existing licenses according to the report of a specialized metallurgist, the Group recognized an impairment loss of 2,793 in the other income / (expenses) of the year’s results.

From the impairment test carried out in IOLKOS SA for the year 2016, an impairment loss of 652 was estimated and recorded in other income / (expenses) of the income statement. The method used by an independent appraiser to estimate the property in question is the Revenue Capitalization Method. As a discount factor was used an interest rate of 8.50-10.50%, and a yield at maturity of 8%.

Also, the account Concessions and Other Rights includes paid rights for installation of wind parks, with a net book value of 22,725 (26,969 in 2016).

Research and development expenses mainly refer to research expenses made in the magnesite quarries.

(Amounts in thousands Euro, unless otherwise stated)

The Company's intangible assets, with a book value of 106 (33 in 2016), relate to software with a cost of 446 (363 in 2016) and accumulated amortization of 339 (330 in 2016). The amortization of year 2017 amounting to 9 (9 in 2016), has been recorded in Administrative and distribution expenses.

Rights from Concession Contracts

The account Concessions and rights includes the net book value of concession rights amounting to 778,507 (10,439 in 2016). The increase of the net book value is due to the acquisition of the companies NEA ODOS SA and CENTRAL GREECE MOTORWAY SA.

The rights from concession contracts on 31.12.2017 are as follows:

COMPANY	CONCESSION	CONSOLIDATION %	COST 31.12.2017	NET BOOK VALUE 31.12.2017	CONCESSION PERIOD	NOTES
NEA ODOS SA	Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida	100.00%	582,879	350,953	20	In operation
CENTRAL GREECE MOTORWAY SA	Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches	100.00%	419,117	419,117	20	In operation
IOLKOS SA	Tsalapata preserved pottery Center in Volos	100.00%	1,251	355	36	In operation
HERON PARKING SA	Car park station in Volos	100.00%	2,915	2,238	38	In operation
PARKING STATION PLATANOU SQ. KIFISIA S.A.	Parking station in Kifisia Square	100.00%	8,017	5,743	20	In operation
PARKING STATION SAROKOU SQ. CORFU S.A.	Parking station in Corfu	100.00%	101	101	-	Termination of development
TOTAL			**1,014,280**	**778,507**		

The rights from concession contracts on 31.12.2016 are as follows:

COMPANY	CONCESSION	CONSOLIDATION %	COST 31.12.2016	NET BOOK VALUE 31.12.2016	CONCESSION PERIOD	NOTES
IOLKOS SA	Tsalapata preserved pottery Center in Volos	100.00%	1,251	962	37	In operation
HERON PARKING SA	Car park station in Volos	100.00%	2,915	2,297	39	In operation
PARKING STATION PLATANOU SQ. KIFISIA S.A.	Parking station in Kifisia Square	100.00%	8,017	7,079	17	In operation
PARKING STATION SAROKOU SQ. CORFU S.A.	Parking station in Corfu	100.00%	101	101	-	Termination of development
TOTAL			**12,284**	**10,439**		

(Amounts in thousands Euro, unless otherwise stated)

8. TANGIBLE FIXED ASSETS

The account of tangible fixed assets on 31 December 2017, in the accompanying financial statements, is analyzed as follows:

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed assets	Total
Net book value 1.1.2017	**21,871**	**75,222**	**875,028**	**12,424**	**5,726**	**96,921**	**1,087,192**
Additions	40	6,477	165,269	1,658	2,760	64,569	**240,775**
Cost of borrowing	0	0	5,711	0	0	247	**5,958**
Additions due to acquisition of subsidiaries - cost	0	1,701	140	6,008	9,292	1,200	**18,341**
Additions due to acquisition of subsidiaries – accumulated amortization	0	(570)	(105)	(4,287)	(5,545)	0	**(10,508)**
Transfers of cost of constructed fixed assets	0	13,355	59,160	0	0	(72,514)	**(0)**
Transfers of accumulated depreciation of constructed fixed assets	0	0	0	0	0	0	**0**
Transfer (from) / to investment property - cost	0	0	0	0	0	0	**0**
Transfer (from) / to inventory - cost	0	767	0	0	0	0	**767**
Transfer (from) / to investment property - accumulated depreciation	0	0	0	0	0	0	**0**
Transfer (from) / to intangible fixed assets - cost	0	0	0	0	(1)	(398)	**(398)**
Transfer (from) / to intangible fixed assets - accumulated depreciation	0	0	0	0	0	0	**0**
Cost of sold/written off fixed assets	(36)	(63)	(2,909)	(1,199)	(968)	0	**(5,174)**
Accumulated depreciation of sold/written off fixed assets	0	43	2,146	894	610	0	**3,692**
Change of percentage of consolidated company in cost	0	0	0	0	0	0	**0**
Change of participation percentage in accumulated depreciation	0	0	0	0	0	0	**0**
(Impairments) / Impairments Reversal of acquisition cost	(46)	(974)	0	0	0	(884)	**(1,905)**
(Impairments) / Impairments Reversal of accumulated depreciation	0	0	(138)	0	0	0	**(138)**
Provisions for restoration and cleanup works	0	0	968	0	0	0	**968**
Other movements on cost of fixed assets (foreign exchange differences etc)	0	(3,036)	(36,572)	(336)	(494)	(4,921)	**(45,358)**
Other movements in depreciation of fixed assets (foreign exchange differences etc)	0	513	7,969	267	361	0	**9,111**
Depreciation for the year	(280)	(4,512)	(47,562)	(1,848)	(2,854)	0	**(57,057)**

(Amounts in thousands Euro, unless otherwise stated)

Net book value 31.12.2017	**21,550**	**88,923**	**1,029,104**	**13,581**	**8,888**	**84,221**	**1,246,267**
Cost 1.1.2017	24,658	114,772	1,227,146	40,467	27,842	96,921	**1,531,807**
Accumulated Depreciation 1.1.2017	(2,788)	(39,550)	(352,119)	(28,043)	(22,116)	0	**(444,615)**
Net book value 1.1.2017	**21,871**	**75,222**	**875,028**	**12,424**	**5,726**	**96,921**	**1,087,192**
Cost 31.12.2017	24,618	132,999	1,418,914	46,599	38,432	84,221	**1,745,782**
Accumulated Depreciation 31.12.2017	(3,068)	(44,076)	(389,810)	(33,018)	(29,544)	0	**(499,516)**
Net book value 31.12.2017	**21,550**	**88,923**	**1,029,104**	**13,581**	**8,888**	**84,221**	**1,246,267**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Quarries/ Land-Plots	Buildings	Machinery	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed assets	Total
Net book value 1.1.2016	**23,329**	**73,423**	**746,729**	**13,840**	**4,565**	**114,285**	**976,171**
Additions	49	155	81,647	810	2,885	82,351	**167,896**
Cost of borrowing	0	78	2,305	0	0	384	**2,768**
Transfers of cost of constructed fixed assets	0	8,461	92,974	0	19	(101,454)	**0**
Transfers of accumulated depreciation of constructed fixed assets	0	0	0	0	0	0	**0**
Transfer (from) / to investment property - cost	(251)	(1,105)	0	0	0	0	**(1,356)**
Transfer (from) / to investment property - accumulated depreciation	0	322	0	0	0	0	**322**
Transfer (from) / to intangible fixed assets - cost	0	(186)	124	0	0	(803)	**(865)**
Transfer (from) / to intangible fixed assets - accumulated depreciation	0	24	(30)	0	0	0	**(6)**
Cost of sold/written off fixed assets	0	(336)	(1,824)	(640)	(655)	(217)	**(3,672)**
Accumulated depreciation of sold/written off fixed assets	0	91	1,193	402	490	0	**2,176**
Change of percentage of consolidated company in cost	0	0	(77)	0	(119)	0	**(195)**
Change of participation percentage in accumulated depreciation	0	0	77	0	119	0	**195**
(Impairments) / Impairments Reversal of acquisition cost	(980)	0	0	(0)	0	0	**(980)**
(Impairments) / Impairments Reversal of accumulated depreciation	0	(701)	(558)	0	0	0	**(1,259)**
Provisions for restoration and cleanup works	0	0	3,963	0	0	0	**3,963**
Other movements on cost of fixed assets (foreign exchange differences etc)	0	453	5,422	81	149	2,374	**8,479**
Other movements in depreciation of fixed assets (foreign exchange differences etc)	0	(128)	(1,899)	(75)	(97)	0	**(2,200)**
Depreciation for the year	(277)	(5,329)	(55,016)	(1,994)	(1,629)	0	**(64,246)**
Net book value 31.12.2016	**21,871**	**75,221**	**875,028**	**12,424**	**5,726**	**96,921**	**1,087,192**
Cost 1.1.2016	25,840	107,252	1,042,613	40,216	25,563	114,285	**1,355,769**
Accumulated Depreciation 1.1.2016	(2,511)	(33,829)	(295,884)	(26,376)	(20,998)	0	**(379,598)**
Net book value 1.1.2016	**23,329**	**73,423**	**746,729**	**13,840**	**4,565**	**114,285**	**976,171**
Cost 31.12.2016	24,658	114,772	1,227,146	40,467	27,842	96,921	1,531,807
Accumulated Depreciation 31.12.2016	(2,788)	(39,550)	(352,119)	(28,043)	(22,116)	0	(444,615)
Net book value 31.12.2016	**21,871**	**75,222**	**875,028**	**12,424**	**5,726**	**96,921**	**1,087,192**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY	Land/ Plots	Buildings	Machinery	Vehicles	Other	Total
Net book value 1.1.2017	**2,113**	**7,664**	**1**	**0**	**42**	**9,820**
Additions	0	0	0	34	27	**61**
Acquisition cost of sold – written off fixed assets	0	0	0	(1)	0	**(1)**
Accumulated depreciation of sold – written off fixed assets	0	0	0	0	0	**0**
(Depreciation for the year)	0	(390)	0	(3)	(12)	**(405)**
Net book value 31.12.2017	**2,113**	**7,274**	**1**	**(3)**	**57**	**9,475**
Cost 1.1.2017	2,113	12,814	126	36	1,653	**16,742**
Accumulated Depreciation 1.1.2017	0	(5,150)	(125)	(36)	(1,611)	**(6,922)**
Net book value 1.1.2017	**2,113**	**7,664**	**1**	**0**	**42**	**9,820**
Cost 31.12.2017	2,113	12,814	126	68	1,680	16,802
Accumulated Depreciation 31.12.2017	0	(5,540)	(125)	(39)	(1,623)	(7,327)
Net book value 31.12.2017	**2,113**	**7,274**	**1**	**29**	**57**	**9,475**

COMPANY	Land/ Plots	Buildings	Machinery	Vehicles	Other	Total
Net book value 1.1.2016	**2,113**	**8,054**	**1**	**0**	**52**	**10,220**
Additions	0	0	0	0	1	**1**
Acquisition cost of sold – written off fixed assets	0	0	0	0	0	**0**
Accumulated depreciation of sold – written off fixed assets	0	0	0	0	0	**0**
(Depreciation for the year)	0	(390)	0	0	(11)	**(401)**
Net book value 31.12.2016	**2,113**	**7,664**	**1**	**0**	**42**	**9,820**
Cost 1.1.2016	2,113	12,814	126	36	1,652	**16,741**
Accumulated Depreciation 1.1.2016	0	(4,760)	(125)	(36)	(1,600)	**(6,521)**
Net book value 1.1.2016	**2,113**	**8,054**	**1**	**0**	**52**	**10,220**
Cost 31.12.2016	2,113	12,814	126	36	1,653	**16,742**
Accumulated Depreciation 31.12.2016	0	(5,150)	(125)	(36)	(1,611)	**(6,922)**
Net book value 31.12.2016	**2,113**	**7,664**	**1**	**0**	**42**	**9,820**

(Amounts in thousands Euro, unless otherwise stated)

Depreciation of the Group for year 2017 has been recognized in Cost of sales by 54,479 (61,996 in 2016), in Administrative and distribution expenses by 1,979 (1,546 in 2016), in Research and development expenses by 111 (139 in 2016), in Other income/ (expense) by 351 (250 in 2016) and in inventory by 137 (315 in 2016).

Depreciation of the Company amounting to 405 (401 in 2016), is presented in the Statement of comprehensive income 307 (301 in 2016) in Cost of sales and by 98 (100 in 2016) in administrative and distribution expenses.

The above tangible assets of the Group also include those that have been acquired through financial leasing contracts:

	Machinery	Vehicles	Total
Cost 31.12.2017	24,353	6,428	**30,781**
Accumulated depreciation 31.12.2017	(7,879)	(2,544)	**(10,423)**
Net book value 31.12.2017	**16,474**	**3,884**	**20,358**

	Machinery	Vehicles	Total
Cost 31.12.2016	24,353	6,428	**30,781**
Accumulated depreciation 31.12.2016	(6,943)	(2,174)	**(9,117)**
Net book value 31.12.2016	**17,410**	**4,254**	**21,664**

Mortgage liens of various types amounting to a total of 48,221 have been written on the group's property for security against bond loans.

The account "Technological and mechanical equipment" includes Wind Park wind generators which have been collateralized in favor of banks to secure long-term loans.

The categories "Land-plots", "Buildings and installations" and "Technological and mechanical equipment", include fixed assets with a net book value of 78.460 and 75.283 on 31 December 2017 and 2016 respectively, which concern Installations of Distribution Networks constructed by the Company and as stipulated by contracts with D.E.D.D.I.E., are transferred to D.E.D.D.I.E., at no cost, during the initial operation of each Wind Park. However, ever after their transfer, such installations will continue to serve the purpose for which such were constructed, namely the sale of the produced electric energy to D.E.D.D.I.E. and L.A.G.I.E., remaining at the exclusive use of the Company, and thus the net book value during the transfer date will continue to be depreciated, as previously, until the fulfillment of the 25-year depreciation period of Wind Parks.

The change in "Technological and Mechanical Equipment" includes the effect of extending the useful life of wind farms from 20 to 25 years, which took place during the year 2017, resulting in a decrease of the depreciation cost of € 12,824 in relation to the depreciation that would have arisen if the useful life extension had not occurred (see Note 3 (j). This effect will be declining in the coming years, as the oldest parks of the Group will approach their originally defined twenty-year life, and from the time of expiration of their initially defined useful life and for the additional five years of its expansion, it will turn into negative.

(Amounts in thousands Euro, unless otherwise stated)

During the year 2017 the Group recognized impairment losses in a hotel in Bulgaria of 974 in Other income / (expense) in the income statement based on estimates of independent appraisers and proceeded to deletion of buildings facilities. The valuation was based on the method of discounting expected cash flows and cost of utilization while a discount rate of 7.82% and a return of 7.80% were applied. Other impairments of machines that were recorded in the year are mainly obsolete equipment in the segment industry / quarries due to non-recoverability of their value amounting to 1,068 which was recognized in Other income / (expenses) of the Income statement.
During the year 2016 the Group recognized impairment losses on land and buildings of 1,207 in Other income / (expense) in the income statement based on independent appraisers' estimates and made a deletion of machinery and technical equipment of a specific quarry due to non-recoverability of the amount of value of 1.032 which was recognized in Cost of Sales.

9. INVESTMENT PROPERTY

Investment property on 31 December 2017 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Balance 1 January	**88,230**	**56,215**	**13,540**	**14,529**
Additions for the period	13,658	7,680	0	0
Cost of debt	837	756	0	0
Fair value adjustments	11,694	(8,707)	(730)	(1,003)
Foreign exchange differences	0	0	0	0
Cost of sales	(708)	0	0	0
Transfer from / (to) other asset account	(6)	0	0	0
Transfer from/to inventories	0	31,252	0	0
Transfer from/to fixed assets	0	1,034	0	14
Balance 31 December	**113,705**	**88,230**	**12,810**	**13,540**

During the closing year, in cases of active market there was a valuation of the fair value of the Group's property Greece and Balkans from independent auditors. The respective valuations are presented in the following table.

For the valuation of specific investment property, it was not possible to establish reliable comparable market prices, based on which the definition of fair value could be reliably evidenced. For such cases, the Management, with the assistance of real estate professionals, defined the fair values by taking into account its experience as well as the current general economic environment and conditions.
Company's investment property valuation is performed taking into consideration the high and best use of each asset that is legally permissible and financially possible.

(Amounts in thousands Euro, unless otherwise stated)

From the aggregate valuations conducted for the Group's investment property, a profit of 11,694 (loss of 8,707 for 2016) was incurred (note 37).

The following table presents data concerning the major assumptions taken into consideration for the valuation of the investment properties on 31.12.2017:

Property	Fair Value 31.12.2017	Appraiser	Method	Market value	Interest rate	Inflation	Return	Cost of development
Port of Thessaloniki - Parking spaces	900	CBRE VALUES SA	Capitalization	60 euro per sqm perm month	-	-	10%	-
Metaxourgeio-Apartments and Stores	5,000	CBRE VALUES SA	Real estate market for apartments	1,650-2,600 euro per sqm	-	-	-	-
			Capitalization for shops	2.5-10 euro per sqm perm month	-	-	8.50%	-
Palaia Volos - Mall	5,730	DANOS SA	Capitalization of revenues with cash flow discounting and replacement cost	0.91-5 euro per sqm per month 850-1,100 euro per sqm	8.7%- 9.64%	1.14% - 1.25%	7.5% - 8.5%	-
Oropos –Site plot	252	GEK TERNA GROUP	Real estate market	20,50 euro per sqm	-	-	-	-
Ipiros street (Athens)-transfer right of building factor	140	GEK TERNA GROUP	Real estate market	44 euro per sqm	-	-	-	-
Site plot, Agios Stefanos, Attica	788	CBRE VALUES SA	Real estate market	2,75 euro per sqm per month	-	-	9.75%	-
Monastiriou street, (Thessaloniki) – Site plot	7,818	CBRE VALUES SA	Exploitation/ Real estate market	775-1.550 euro per sqm	4.63%	-	-	300-700 euro per sqm
Lakeside (Ioannina)- Mall	5,370	DANOS SA	Capitalization, replacement cost, with weight factors 90% and 10% respectively	0.5 - 8 euro per sqm 320-800 euro per sqm for the building and 80 euro per sqm for the land	9.63%- 10.53%	0.99% - 1.63%	8% - 9%	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2017	Appraiser	Method	Market value	Interest rate	Inflation	Return	Cost of development
Kos - Land	1,250	Independent Appraiser	Real estate market	28 euro per sqm	-	-	-	-
Building and Plot position of Lezides Aliveri Evoia	1,114	NAI Hellas	Real estate market and capitalization of revenues	Building 2.9-5 euro per sqm, land 4.5-11 euro per sqm, lease of building 1.67 euro per sqm	-	-	12.50%	-
Plot in Posidonia position, Laurio, Attica	13	GEK TERNA Group	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	623	GEK TERNA Group	Real estate market	0.50 euro per sqm	-	-	-	-
3rd Septemvriou street (Athens)-Offices	509	SOLUM Property solutions	Real estate market and capitalization of revenues	1,022 euro per sqm 4.93 euro per sqm per month	-	-	8.50%	-
Bulgaria-Plots for Logistics	1,067	Ampuma(Alpha Bank)	Real estate market	5-26 euro per sqm	-	-	-	-
Bulgaria-Plots (Batac)	641	Ampuma(Alpha Bank)	Real estate market / Exploitation Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots (Svilengrad)	232	Ampuma(Alpha Bank)	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots	5,640	DANOS SA	Real estate market / Exploitation	34.43 euro per sqm	-	-	-	4.30%
Bulgaria-Sofia – Plot	550	GEK TERNA Group	Real estate market	2,218 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	475	Independent Appraiser	Real estate market	2,292 euro per sqm	-	-	-	-
Romania-Plot	837	Independent Appraiser	Real estate market	13.16 euro per sqm	-	-	-	-
Romania-Plot	405	Independent Appraiser	Real estate market	320.19 euro per sqm	-	-	-	-
Romania-Plot	3,350	Jones Lang LaSalle	Real estate market	480 euro per sqm	-	-	-	-
Romania-Plot	2,690	Jones Lang LaSalle	Exploitation	12,5-14 euro per sqm	4.00%	-	8.00%	1,341 euro per sqm

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2017	Appraiser	Method	Market value	Interest rate	Inflation	Return	Cost of development
Bulgaria, Sofia Office and stores' building (under construction)	68,311	Cushman Wakefield	Real estate market	13,5 euro per sqm per month	-	-	8.50%	731.10 euro per sqm
	113,705							

The corresponding information of the major assumptions taken into consideration for the valuation of the investment properties on 31.12.2016, are as follows:

Property	Fair Value 31.12.2016	Appraiser	Method	Market value	Interest rate	Inflation	Return	Cost of develop ment
Port of Thessaloniki - Parking spaces	900	CBRE VALUES SA	Capitalization	60 euro per sqm perm month	-	-	10%	-
Metaxourgeio-Apartments and Stores	5,130	CBRE VALUES SA	Real estate market for apartments	1,800-2,600 euro per sqm	-	-	-	-
			Capitalization for shops	3-10 euro per sqm perm month	-	-	8.50%	-
Palaia Volos -Mall	6,280	DANOS SA	Capitalization of revenues with cash flow discounting and replacement cost	1-5 euro per sqm per month 793-1,041 euro per sqm	8.5%-10.5%	2%	7.50%	-
Oropos –Site plot	252	GEK TERNA GROUP	Real estate market	20.50 euro per sqm	-	-	-	-
Ipiros street (Athens)-transfer right of building factor	140	GEK TERNA GROUP	Real estate market	44 euro per sqm	-	-	-	-
Site plot, Agios Stefanos, Attica	838	CBRE VALUES SA	Real estate market	3 euro per sqm per month	-	-	10%	-
Monastiriou street, (Thessaloniki) – Site plot	8,243	CBRE VALUES SA	Exploitation/ Real estate market	875-1,750 euro per sqm	7.94%	-	-	300-700 euro per sqm
Lakeside (Ioannina)- Mall	8,100	DANOS SA	Capitalization of revenues, Amortized replacement cost	0.5-5.43 euro per sqm per month 324-809 euro per sqm	8.50%-10.50%	2%	8%	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2016	Appraiser	Method	Market value	Interest rate	Inflation	Return	Cost of development
Kos-Plots	855	CBRE VALUES SA	Real estate market	20-25 euro per sqm	-	-	-	-
Building and Plot position of Lezides Aliveri Evoia	1,021	NAI Hellas	Real estate market and capitalization of revenues	1.25 euro per sqm per month 210.08 euro per sqm building 5.51 euro. Per sqm plot	-	-	12.50%	-
Plot in Posidonia position, Laurio, Attica	13	GEK TERNA GROUP	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	623	GEK TERNA GROUP	Real estate market	0.50 euro per sqm	-	-	-	-
3rd Septemvriou street (Athens)-Offices	530	SOLUM Property solutions	Real estate market and capitalization of revenues	1,076 euro per sqm 5.17 euro per sqm per month	-	-	8.50%	-
Bulgaria-Plots for Logistics	1,067	Ampuma(Alpha Bank)	Real estate market	5-26 euro per sqm	-	-	-	-
Bulgaria-Plots (Krivina)	601	Cushman Wakefield	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots (Batac)	641	Ampuma(Alpha Bank)	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots (Svilengrad)	232	Ampuma(Alpha Bank)	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots	5,410	DANOS SA	Real estate market / Exploitation	34.05 euro per sqm	-	-	-	4.50%
Bulgaria-Sofia –Plot	550	GEK TERNA GROUP	Real estate market	2,218 euro per sqm	-	-	-	-
Bulgaria-Sofia –Plot	415	Piraeus Bank	Real estate market	1,904 euro per sqm	-	-	-	-
Romania-Plot	715	ING Bank (Annika Popa)	Real estate market	11.26 euro per sqm	-	-	-	-
Romania-Plot	640	GEK TERNA GROUP	Real estate market	477 euro per sqm	-	-	-	-
Romania-Plot	3,300	Jones Lang LaSalle	Real estate market	470 euro per sqm	-	-	-	-
Romania-Plot	2,610	Jones Lang LaSalle	Exploitation	13-14 euro per sqm	6.50%	-	8.50%	1,311 euro per sqm
Bulgaria, Sofia Office and stores' building (under construction)	39,124	Independent Certified Appraiser (Simeonova-Nenova)	Real estate market / Exploitation	13.02-15.28 euro per sqm per month	-	-	8.25%-9.25%	731.10 euro per sqm
	88,230							

(Amounts in thousands Euro, unless otherwise stated)

The Group received rents from investment property amounting to 1,189 and 1,014 in 2017 and 2016 respectively.

Mortgage liens amounting to a total of 85,774 have been written on the investment properties of the Group's companies for security against bond loans.

10. PARTICIPATION IN SUBSIDIARIES

The accounts and items of the financial statements of significant subsidiaries, in which exist non-controlling interests, are as follows:

	TERNA ENERGY GROUP	TERNA ENERGY GROUP
Geographical area of activity	Greece, Balkans, East. Europe, USA	Greece, Balkans, East. Europe, USA
Business Activity	Production of electricity from wind, hydroelectric and other RES – Construction Services.	Production of electricity from wind, hydroelectric and other RES – Construction Services.
	31.12.2017	**31.12.2016**
Percentage of non-controlling interests	58.62%	58.84%
Dividends of subsidiaries paid to non-controlling interests	407	379
Results corresponding to non-controlling interests	21,772	12,882
Equity corresponding to non-controlling interests	225,893	211,656
Non-current assets	1,211,313	1,045,128
Current assets	391,998	392,483
(Long-term liabilities)	(991,030)	(803,461)
(Short-term liabilities)	(233,532)	(278,920)
Net fixed assets	**378,749**	355,230
Turnover	276,535	225,560
Net Profit	37,120	21,379
Other Comprehensive Income	818	(578)
Total Results	**37,938**	20,801

The above financial accounts are before consolidation entries.

(Amounts in thousands Euro, unless otherwise stated)

Within the fiscal year, the control of the companies NEA ODOS and CENTRAL GREECE MOTORWAY E-65 was acquired. The effect of this transaction on non-controlling interests is presented in more detail in note 42.

11. PARTICIPATIONS IN ASSOCIATES

The movement of participations in associates on 31.12.2017 has as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
Balance 1 January	**5,326**	**5,628**	**2,688**	**9,195**
Additions	2,053	50	2,053	0
Losses from Sales		0	0	0
Valuation losses	0	0	0	(6,507)
Transfer of the value of former subsidiary	0	0	0	0
Withdrawal of associate	0	0	0	0
Results from the application of the equity consolidation method	(2,506)	(352)	0	0
Balance 31 December	**4,873**	**5,326**	**4,741**	**2,688**

The financial data of associates are as follows (100%):

31.12.2017	Assets	Liabilities	Equity	Turnover	Net earnings / (losses)	Other comprehensive income / (expenses)
KEKROPS SA	13,381	6,960	6,421	14	(932)	(138)
Other associates with positive equity	8,745	41	8,704	0	(53)	0
	22,126	**7,001**	**15,125**	**14**	**(985)**	**(138)**
Other associates with negative (debit) equity	149,746	210,764	(61,018)	130	(30,899)	0

The financial accounts of the associate company ATTIKAT SA at the table of 31.12.2017, which are included in the Other associates with negative equity, refer to the most recent financial statements with dates 31/12/2014, as the latest available dates.

31.12.2016	Assets	Liabilities	Equity	Turnover	Net earnings / (losses)	Other comprehensive income / (expenses)
KEKROPS SA	14,967	9,632	5,335	15	(369)	(578)
Other associates with positive equity	8,784	65	8,719	0	(497)	0
	23,751	**9,697**	**14,054**	**15**	**(866)**	**(578)**
Other associates with negative (debit) equity	149,746	210,764	(61,018)	130	(30,899)	0

(Amounts in thousands Euro, unless otherwise stated)

The market value of the company KEKROPS S.A., which is listed on the Athens Exchange, on 31.12.2017 amounted to 5,749 (1,400 on 31.12.2016).

The market value of the company ATTIKAT S.A., which is listed on the Athens Exchange, on 31.12.2017 amounted to 217 (217 on 31.12.2016).

12. INTERESTS IN JOINT VENTURES

The Group holds interests in joint ventures which are consolidated with the Equity method. The movement of participations in joint ventures as of 31.12.2017 is as follows:

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
Balance 1 January	**138,365**	**91,923**	**99,454**	**58,044**
Additions /(liquidations)	0	(53)	0	0
Earnings/(losses) from sale	0	0	0	0
Earnings/(losses) from valuation	0	0	(3,721)	(540)
Capital increases	230	42,070	230	42,070
Capital decreases	(180)	(120)	(180)	(120)
Proportion in the change of equity	6,415	4,545	0	0
Change in participation interest	0	0	0	0
Transfers from/(to) the participations in subsidiaries	(88,463)		(88,463)	0
Reverse entry of Equity in J/V of motorway operation	(6,533)	0	0	0
Elimination of intra-group results / items	0	0	0	0
Balance 31 December	**49,834**	**138,365**	**7,320**	**99,454**

Within the fiscal year, the control of the companies NEA ODOS and CENTRAL GREECE MOTORWAY E-65 was acquired. The consequence of this is the reclassification of these affiliated companies in subsidiaries. The effect of this transaction is further illustrated in note 42.

The accounts and items of the financial statements of these important joint ventures during the year 2017 are as follows:

Joint venture name	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA
Geographical area of activity	Greece	
Business activity	Production of electricity from natural gas	
Importance of the participation for the Group	Secondary due to cash factors	
Interest as of 31.12.17	25.00%	50.00%

(Amounts in thousands Euro, unless otherwise stated)

	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA
	31.12.2017	**31.12.2017**
Non-current assets	169,399	21,818
Cash and cash equivalents	13,047	7,947
Other current assets	37,840	92,366
Total assets	**220,286**	**122,131**
Long-term financial liabilities (apart from trade and other liabilities and provisions)	82,521	0
Other long-term liabilities	15,949	1,915
Short-term financial liabilities (apart from trade and other liabilities and provisions)	12,001	0
Other short-term liabilities	27,186	72,214
Total liabilities	**137,657**	**74,129**
Net fixed assets	**82,629**	**48,002**
Proportion in the net fixed assets before valuation differences at fair value	20,657	24,001
Valuation differences at fair value	0	0
Proportion in the net fixed assets	**20,657**	**24,001**

	1.1-31.12.2017	**1.1-31.12.2017**
Turnover	100.065	260.037
(Depreciation / Amort.)	(11.296)	(3.204)
(Financial expenses)	(9.097)	(422)
Financial income	54	25
(Expense)/Income from income tax	(3.351)	(1.481)
Results from continued operations	(1.393)	2.847
Results from discontinued operations	0	0
Other comprehensive income	0	0
Total Results	**(1.393)**	**2.847**
Share in the results of the Group	(348)	1.424
Share in the other comprehensive results of the Group	0	0
Share in the total comprehensive results of the Group	**(348)**	**1.424**

(Amounts in thousands Euro, unless otherwise stated)

The accounts and items of the financial statements of these important joint ventures during the year 2016 are as follows:

Joint venture name	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA	NEW ODOS SA	CENTRAL GREECE MOTORWAY SA
Geographical area of activity	Greece		Greece	
Business activity	Production of electricity from natural gas		Construction and management of motorways	
Importance of the participation for the Group	Secondary due to cash factors		Secondary due to cash flow factors and supplementary to the construction segment	
Interest as of 31.12.16	25.00%	50.00%	57.19%	33.33%

	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA	NEW ODOS SA	CENTRAL GREECE MOTORWAY SA
	31.12.2016	**31.12.2016**	**31.12.2016**	**31.12.2016**
Non-current assets	178,132	21,599	520,382	439,181
Cash and cash equivalents	5,721	4,300	49,871	28,775
Other current assets	49,416	77,120	112,774	92,353
Total assets	**233,269**	**103,019**	**683,026**	**560,309**
Long-term financial liabilities (apart from trade and other liabilities and provisions)	98,010	0	172,005	551,429
Other long-term liabilities	12,191	2,215	56,905	972
Short-term financial liabilities (apart from trade and other liabilities and provisions)	11,407	0	26,305	26,942
Other short-term liabilities	27,639	56,043	246,380	12,217
Total liabilities	**149,247**	**58,257**	**501,595**	**591,561**
Net fixed assets	**84,022**	**44,762**	**181,431**	**(31,251)**
Proportion in the net fixed assets before valuation differences at fair value	21,006	22,381	103,760	0
Valuation differences at fair value	0	0	0	0
Proportion in the net fixed assets	**21,006**	**22,381**	**103,760**	**0**

(Amounts in thousands Euro, unless otherwise stated)

	1.1-31.12.2016	1.1-31.12.2016	1.1-31.12.2016	1.1-31.12.2016
Turnover	96,225	193,725	355,000	145,494
(Depreciation / Amort.)	(11,512)	(3,517)	(1,767)	(302)
(Financial expenses)	(8,739)	(172)	(17,339)	(1,211)
Financial income	39	33	1,242	0
(Expense)/Income from income tax	(2,583)	(1,881)	7,332	(5,294)
Results from continued operations	(1,586)	4,311	7,396	37,601
Results from discontinued operations	0	0	0	0
Other comprehensive income	(58)	1	320	(10,763)
Total Results	**(1,644)**	**4,312**	**7,716**	**26,838**
Share in the results of the Group	(397)	2,156	4,230	0
Share in the other comprehensive results of the Group	(15)	1	183	0
Share in the total comprehensive results of the Group	**(411)**	**2,156**	**4,413**	**0**

Unless there is a specified note in the above tables of the significant joint ventures, the items represent 100% of the net equity of the joint ventures.

During the comparative period, no dividends were collected from the above joint ventures.

The major items of the Other Joint Ventures (with credit net equity), according to the Group's participation percentages in the net equity of these, are as follows:

	31.12.2017	31.12.2016
Non-current assets	38,792	10,421
Current assets	20,367	6,674
Long-term liabilities	(20,505)	(5,619)
Short-term liabilities	(20,179)	(5,735)
Share in the net fixed assets	**18,475**	**5,741**

	1.1.-31.12.2017	1.1.-31.12.2016
Turnover	5,742	1,816
Results from continued operations	(1,888)	(622)
Results from discontinued operations	0	0
Other comprehensive income	55	26
Total results	**(1,833)**	**(596)**

The financial figures of the joint ventures are based on financial statements compiled according to the IFRS or according to the Greek Accounting Standards (GAS). The ones recorded according to the GAS have been adjusted in order to be in line with the IFRS.

The account of participations in joint ventures include joint ventures with credit net equities as well as differences from valuation at fair value during the acquisition of the respective interests in accordance with the IFRS 3.

The application field of IFRS 5 is irrelevant for all joint ventures.

13. FINANCIAL ASSETS – CONCESSIONS

The Group constructs and operates two contracts:

a) Unified Automatic Fare Collection System
On 29/12/2014, a partnership agreement (PPP) for the study, financing, installation, maintenance and technical management of a Unified Automatic Fare Collection System was signed between the OASA (Athens Transport) Group and the subsidiary Company "HST SA" for the companies of the OASA Group. The total duration of the contract is 12 years and 6 months. The construction and installation was completed in the third quarter of 2017, and during the first half of 2017, the operation started, which is expected to last 10 years and 4 months. There is an overlap of construction and operating periods for 6 months.
The Group constructs and operates two contracts:

The construction, installation and operation of all the equipment of the electronic Ticket, including the gateways to the stations within the boundaries of Attica, is completed in stages. Specifically, during the first half of 2017, the operation for Buses, Trolley, TRAM and Line 1, 2 and 3 of the Metro began, while the Suburban Railway was launched in the third quarter of 2017.

At the expiration of this PPP, there is an obligation of transfer all the equipment to OASA for zero money. The Partnership Agreement has no terms of extension, only terms of termination. In addition, there is an obligation to Scheduled Lifecycle Replacement of the equipment during the Management period, if necessary.

The Group's Management, considering these contractual terms, considered that in this particular case the recognition of a financial receivable, guaranteed by the concessioner is applicable, by recognizing and accounting for the revenue and costs associated with the construction or upgrading services in accordance with IAS 11 , while revenue and costs related to operating services are recognized and accounted for in accordance with IAS 18.

b) **Urban Waste Treatment Plant of the Region of Epirus**
On 21/07/2017 a partnership agreement (PPP) was signed between the EPIRUS REGION and the subsidiary company "AEIFORIKI EPIRUS MONOPROSOPI SPECIAL PURPOSE SOCIETE ANONYME", for the implementation of the project for the urban waste treatment plant of the Region of Epirus. The contract is executed in two periods, the period of project and the service period and is of a duration of 27 years. The construction of the project began in the third quarter of 2017 and construction works are expected to be completed in January 2019, with the start of the service period. A trial period is included in the above period.

(Amounts in thousands Euro, unless otherwise stated)

From the commencement of the construction of the project, the work is carried out within the schedules of the partnership agreement. Under the contract, the Epirus waste treatment plant will process 105,000 tn of conventional waste per year, for which Epirus will receive from the Region of Epirus a default price per ton as a payment for availability. Other revenues for AEIFORIKI EPIRUS will result from the exploitation of secondary products, i.e. from the sale of recyclable materials and the sale of electricity.

The minimum guaranteed quantity of waste guaranteed by the concessor to deliver to the concessionaire is 80,000 tons per year for the total duration of the contract. If the total quantity of conventional waste is less than the minimum guaranteed quantity, then the charge to be calculated will be determined assuming that the amount of waste is equal to the minimum guaranteed.

During the service period, AEIFORIKI EPIRUS is required to perform maintenance work and programmed replacements of the equipment, based on the conventional life cycle replacement schedule. When the partnership agreement expires, AEIFORIKI EPIRUS will transfer to the Region of Epirus (or to a third party designated by the Region of Epirus), in exchange for one Euro, all rights and titles on its assets. The partnership agreement does not contain any terms of extension but only termination terms.

In the year 2017, the Group received financial assistance related to the construction of the infrastructure, which it recognized as a separate financial liability element.

The analysis of the movement of the generated Financial Assets from Concessions as well as the revenue per category are analyzed as follows:

Financial Assets - Concessions	**Unified Automated System for Ticket Collection**	**Installation of civil waste processing Epirus Region**
Beginning balance 01/01/2016	1,723	-
Increases of Financial Item	8,084	-
Reversal of discounting (Effective interest on receivables)	248	-
Ending balance 31/12/2016	**10,055**	**-**
Ending balance 01/01/2017	10,055	-
Increases / decreases of Financial Item	15,233	(3,071)
Reversal of discounting (Effective interest on receivables)	1,174	-
Reclassification in the Liabilities of the Financial Assets of Concessions	-	3,071
Ending balance 31/12/2017	**26,463**	**-**
Analysis of revenues per category 2017		
Income from construction services	38,740	2,929
Income from operation services	9,472	-
Reversal of discounting (Effective interest on receivables)	1,174	-
Total	**49,836**	**2,929**
Analysis of revenues per category 2016		
Income from construction services	12,728	-
Reversal of discounting (Effective interest on receivables)	248	-
Total	**12,977**	**-**

(Amounts in thousands Euro, unless otherwise stated)

14. OTHER LONG-TERM RECEIVABLES

The account “Other long-term receivables” on 31.12.2017 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Loans to joint ventures and other related companies	35,136	87,465	114,005	81,986
Approved but not collected grants	10,441	0	0	0
Given guarantees	3,181	3,266	29	27
Withheld amounts of invoiced receivables	10,139	9,113	0	0
Other long-term receivables	22,519	21,854	0	1
Total	**81,416**	**121,698**	**114,034**	**82,014**

The Company and the Group have participated in the issuance of bond loans of joint ventures and other related companies of the road concessions segment amounting to 22,652 (76,082 during the end of the previous year).

The change in the loans granted in the fiscal year is due to the acquisition of the new concessions of NEA ODOS and CENTRAL GREECE MOTORWAY, which are now Group's subsidiaries and therefore their loans have been eliminated at Group level. These loans bear an interest rate of approximately 7% and are repaid, together with interest, until the end of the relevant concessions.
Within the year 2017, an amount of 10,441 relates to an approved but not received subsidy of the magnesite industry and it was reclassified from "advances and other receivables" to "other long-term receivables" based on GG 4120 / 27.11.2017.

Moreover the item “Other long-term receivables” mainly includes accrued income from agreements concerning sale of electricity from RES, with leasing elements.

15. INVENTORIES

The account “inventories” on 31.12.2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Raw-auxiliary materials	3,914	8,701	0	0
Spare parts of fixed assets	3,888	1,900	0	0
Merchandise and Finished and semi-finished products	19,643	18,354	582	571
Property finished	19,927	20,567	0	0
Property to be developed	5,076	5,925	5,076	5,242
Property under construction	1,917	1,159	0	0
Total	**54,365**	**56,606**	**5,658**	**5,813**

(Amounts in thousands Euro, unless otherwise stated)

The Group during the annual review process of the net realizable value of its inventories, found out, following a relevant study by independent appraisers, impairments on the value of commercial properties in Bulgaria and Greece, which are included in the real estate segment, and it recognized the resulting loss of 1,019 and reversal of loss (474) on Group level, whereas on the Company level there was a loss of 166 (loss of 627 and loss of 246 during the previous year respectively) in the "Other income/(expenses)" in the Statement of Income. Furthermore with regard to the products of the operating segment of industry/mines, following a impairment audit, there was a loss of 1,227 (507 in the previous fiscal year) recognized in the "Other income/(expenses)" in the Statement of comprehensive income.

With the exception of the above case, there was no need for impairment of other obsolete or low turnover inventories on 31/12/2017.

16. TRADE RECEIVABLES

The trade receivables on 31.12.2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Trade receivables	203,210	281,255	8,160	2,992
Accrued income	261	2,197	130	0
Customers – Doubtful and litigious	14,611	5,528	309	309
Notes / Checks Receivable overdue	868	868	0	0
Checks Receivable	5,360	16,506	0	0
Minus: Provisions for doubtful trade receivables	(31,167)	(26,568)	(380)	(380)
Total	**193,143**	**279,786**	**8,219**	**2,921**

The above trade receivables also include trade receivables from the Energy segment amounting to 47,257 (53,743 on 31 December 2016), which are pledged to banks as security against provided long-term and bond loans to finance the construction of Wind Parks.

The maturity of the balances is depicted as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Not in delay	152,562	147,586	8,083	1,032
Delay of 0-6 months	9,433	80,344	207	19
Delay of 6-12 months	12,783	5,152		3
Delay of 12-24 months	12,894	15,542	309	486
Delay of over 24 months	36,638	57,730	0	1,761
Minus: Impairments of receivables	(31,167)	(26,568)	(380)	(380)
Total	**193,143**	**279,786**	**8,219**	**2,921**

(Amounts in thousands Euro, unless otherwise stated)

The amounts which are not in delay, include an amount of € 39.9 million (€ 29.6 million as of 31/12/2016), which concerns amount withheld for good execution (withheld guarantees).

The receivables for which a provision was made for impairment concern almost all receivables with a delay of more than 12 months. In total, the receivables in delay, after the impairments made, include:
(a) receivables from Greek State entities (including LAGIE) and foreign government entities of a total amount of € 5.01 million (€ 30.8 million to 31/12/16),
b) receivables from PPC, UMTS and ATHEX for a total amount of € 1.4 million (€ 8.7 million to 31/12/16)
c) receivables from concessions in which the Group participates and which are consolidated under the equity method of total amount of € 2.5 million (€ 37.8 million to 31/12/16), as well as receivables from other related parties of a total amount of € 6.8 million (€ 19.6 million to 31/12/16), which, taken as a whole, are considered safe collections.
The remaining balances, after impairments, refer to customers of € 13.6 million (€ 35.1 million to 31/12/16) which, according to the Management's estimate, are considered as safe and of secure collection.

Within the framework of the Group's activity, the necessary measures are taken on a case-by-case basis to ensure the recoverability of the receivables.
Lastly, important guarantees for the recoverability of the balances are also the prepayments received on construction contracts, which on 31/12/2017 amounted to € 361.4 million (€ 461.2 million on 31/12/2016).

17. CONSTRUCTION CONTRACTS

The technical works, undertaken by the Group that were under construction on 31.12.2017 are analyzed as follows:

	GROUP		**COMPANY**	
Cumulatively from the beginning of the projects	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cumulative costs	5,536,428	4,774,915	36,906	15,141
Cumulative profit	829,145	637,435	13,334	6,104
Cumulative loss	(229,745)	(180,844)	0	0
Invoices	(6,170,434)	(5,377,417)	(51,225)	(20,868)
	(34,606)	**(145,910)**	**(985)**	**377**
Customer Receivables from construction contracts	151,366	118,251	0	377
Liabilities to construction contracts (long-term)	(6,505)	0	0	0
Liabilities to construction contracts (short-term)	(179,467)	(264,161)	(985)	0
Net receivables from construction contracts	**(34,606)**	**(145,910)**	**(985)**	**377**
Customers' prepayments	361,399	461,219	0	2,077
Withheld amounts from customers of projects	49,975	38,807	0	0

(Amounts in thousands Euro, unless otherwise stated)

The withheld amount from customers is presented by 39,899 in Trade Receivables and by 10,139 in Long-term Receivables.

18. PREPAYMENTS AND OTHER RECEIVABLES

The prepayments and other receivables on the 31st of December 2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Advances to suppliers	132,586	151,610	18	31
Accounts of advances and credits	2,599	2,492	0	0
Prepayment to insurance funds (Social Security Organization of technical works)	5,439	5,321	0	0
VAT refund – offsetting entry	42,935	49,305	52	18
Receivables from other taxes except for income tax	1,874	1,874	1,874	1,874
Accrued income	20,703	14,912		0
Prepaid insurance premiums	6,431	4,860	10	3
Prepaid commissions for letters of guarantee	2,955	4,808	148	268
Prepaid rents	581	876		0
Other deferred expenses	6,484	3,818	0	4
Receivables from j/v, related companies and other associates	12,722	15,882	5,054	5,400
Short-term part of granted long-term loans	225	203	0	0
Receivables from wind park subsidies	1,479	1,479	0	0
Receivables from grants in relation to Motorway Concession projects	23,881	0	0	0
Receivables from grants relating to the investment industrial plan	0	10.441	0	0
Receivables from to indemnities in relation to concession projects	11,159	0	0	0
Receivables from Greek State and Municipalities	3,567	0	0	0
Receivables from insurance indemnities	155	6,925	0	0
Blocked bank deposit accounts	46,545	39,511	945	7
Doubtful – Litigious other receivables	1,119	1,117	0	0
Other receivables – Sundry debtors	6,919	22,485	102	217
Minus: Provisions for doubtful other receivables	(11,790)	(3,900)	(1,000)	(1,000)
	318,568	**334,019**	**7,203**	**6,822**

The Group has recognized on 31st of December 2017 short-term receivables from grants from a public contribution to a concession project and a Wind Park amounting to 25,360 in accordance with existing contracts (11,920 on 31.12.2016), which are expected to be collected with the final approval of the completion of the respective investment plans. The financial year 2016 an amount of € 7,938 was de-recognized from the “Receivables from Grants of Wind Parks” for the Group (Note 27).

(Amounts in thousands Euro, unless otherwise stated)

The account “Receivables from taxes excluding income tax” of the Company and the Group includes withheld dividend tax, from dividends of an amount of 1,360 (1,360 on 31.12.2016). For this tax there are respective earnings for distribution in the fiscal year, defined according to the provisions of the Income Tax Code and the Greek GAAP. However, the results defined according to the requirements of the IFRS, which are implemented by the Company, report lower earnings. The Company presumes that the POL 1129/6.6.2012 is a tax clause and refers to earnings which arise from the implementation of the Income Tax Code and the Greek GAAP and not from those defined according to the IFRS and that it will offset the tax in future distributions. With respect to the specific issue, a relevant question has been submitted to the Ministry of Finance, which has not been answered until the approval date of the financial statements.

The accrued income for the year includes income from produced electric energy of December 2017, amounting to € 16,209 for the Group. The above income was invoiced at the beginning of 2018.

The “Receivables from VAT” is mainly due to the VAT (to be refunded or offset) that derived from the development of new projects of the Group’s subsidiaries mainly in the areas of RES and industrial magnesite.

For the year 2016, the item "Other Receivables - Various Debtors" includes amount of 11,329 which relates to the issuance of loans to companies of the Group's Renewable Energy Operational Sector, whose disbursement had not begun until 31/12/2017. This amount will be recognized when the loan is disbursed, reducing the amount of the loans involved and will be amortized using the effective interest rate method.

19. PROVISION FOR IMPAIRMENT OF RECEIVABLES

The movement of the account provision for impairment of trade and other receivables during the period is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Balance 1.1	**30,468**	**24,640**	**1,380**	**1,451**
Impairments of doubtful receivables	4,061	7,057	0	0
Addition due to acquisition of subsidiaries	9,531	0	0	0
Write-off of customers	(396)	(916)	0	(71)
Transfers	196	(313)	0	0
Recovery of provisions	(900)	0	0	0
Foreign exchange translation differences	(3)	0	0	0
Balance 31.12	**42,957**	**30,468**	**1,380**	**1,380**

The above provisions for 2017 were recognized by in Other income/ (expenses).

(Amounts in thousands Euro, unless otherwise stated)

20. INVESTMENTS AVAILABLE FOR TRADING PURPOSES

The movement of the account "investments available for trading purposes" for the year 2017 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Balance 1.1	**4,807**	**24,074**	**4,807**	**0**
Purchases for the year	500	0	0	4,807
Sales for the year	(1,241)	(17,102)	(738)	0
Profit/(losses) from sales	114	(565)	111	0
Profit/(losses) from valuation at fair	(1,110)	(1,600)	(1,110)	0
Balance 31.12	**3,070**	**4,807**	**3,070**	**4,807**

The investments available for trading purposes refer to shares of a banking institution. The financial assets are valued at fair at the reporting date of the statement of financial position.

21. INVESTMENTS AVAILABLE FOR SALE

Investments available for sale on 31st December 2017, in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Participating interests in companies	47,446	26,760	47,442	26,756
Securities	1,955	1,741	1,955	1,741
Other titles	15	15	0	0
Mutual Funds	171	143	171	143
	49,587	**28,659**	**49,568**	**28,640**
Non-current	**47,461**	**26,775**	**47,442**	**26,756**
Current	**2,126**	**1,884**	**2,126**	**1,884**

The participations in companies refer to participations in non-listed companies with participation percentage less than 20%.

The Group and the Company held on 31.12.2017 shares of banking institutions with a total acquisition value of 2,326 (2,642 at 31.12.2016). On 31.12.2017 the mutual funds and the shares of the Group and the Company were valued at 2,126 in total, 171 και 1,955 respectively (143 and 1,741 at 31.12.2016 respectively) at market prices.

(Amounts in thousands Euro, unless otherwise stated)

Within the year 2017, the Group sold shares of a banking institution for a total consideration of 463 (741 for 2016). The result of the sale was a profit of 146 (loss of 2,926 for 2016) which was recognized in the income statement.

For the year 2017, the participation in a motorway concession was valued at fair value. The valuation was carried out by an independent expert and the valuation gain of 21,117 was recorded through Other comprehensive income in a Available for Sale reserve.

For the year 2016, from the valuation of available-for-sale investments a loss of 14,119 arose for the Group, which was considered final and it was recorded in the Results of the year.

For the Company and the Group a profit arose following a valuation, of 127 in total, loss 431 for participations in companies, profit 559 for shares and 28 for mutual fund shares, which was recognized in Other comprehensive income.

The corresponding amounts as at 31.12.2016 for the Group and the Company amounted to a loss of 1,792 in total, 883 for participation in companies, 901 for shares and 7 for mutual fund shares, which was recorded in Other comprehensive income.
Also for the year 2016 from the valuation of the available-for-sale shares, a loss of 14,119 was recorded for the Group, which was considered as final and was recorded in the Results for the year (Note 38).

22. CASH AND CASH EQUIVALENTS

The cash and cash equivalents on 31 December 2017 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cash in hand	4,252	168	29	29
Sight Deposits	564,037	536,812	10,603	4,742
Term Deposits	73,938	84,023	366	0
Total	**642,227**	**621,003**	**10,998**	**4,771**

Term deposits have a usual duration of 3 months and their carrying interest rates ranged during the year between 0.5%-1.2% (0.6-2.1% for the previous year).

Cash Inventory includes amounts for reimbursement from subsidiaries of the Group amounting to 24,594 (87,051 for 2016), relating to subsidies received due to the cancellation of the construction of certain wind farms or the expiration of time limits for the decisions for the affiliation of others, which have not been canceled.

In addition, the Group maintains blocked deposits amounting to € 46,545, which are held in certain bank accounts for the servicing of its short-term operating and financial liabilities. These reserved deposits are classified under the heading "Prepayments and other receivables".

(Amounts in thousands Euro, unless otherwise stated)

23. LONG-TERM LOANS AND FINANCE LEASES

The long-term loans and liabilities from finance leases on 31st December 2017, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Liabilities from finance leases	16,770	21,182	0	0
Minus: Short-term portion	(5,078)	(4,711)	0	0
Long-term loans	1,597,051	948,091	239,769	198,591
Minus: Short-term portion	(364,477)	(120,560)	(126,553)	(1,176)
Long term part	**1,244,266**	**844,002**	**113,216**	**197,415**

The repayment period of long-term loans is analyzed in the following table:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Up to 1 Year	364,477	120,560	126,553	1,176
Between 2 - 5 Years	481,331	485,797	107,216	182,035
Over 5 Years	751,243	341,734	6,000	15,380

The repayment period of liabilities from finance leases is analyzed in the following table:

	GROUP	
	31.12.2017	**31.12.2016**
Up to 1 Year	5,078	4,711
Between 2 - 5 Years	11,692	16,271
Over 5 Years	0	200

<u>A. Long-term Loans</u>

Long term debt is by 84.3% in euro (76.58% at the end of the previous year), by 3.80% in PLN (6.56% at the end of the previous year) and by 9.27% in USD (16.50% at the end of the previous year), and represents approximately 92.51% of the Group's total debt (94.52% at the end of the previous year). The long term debt mainly covers financing needs for the investments of construction and energy segments of the Group.

Within the year 2017, the amount of 113,1 million euro (85.5 in 2016) was repaid for long-term bank debts, whereas the amount of 238,2million euro (318.3 in 2016) was collected from new bank loans.

The average effective interest rate paid for the long-term debt during the closing year settled at 5.14% (5.60% in the previous financial year).

It is noted that total loans include non-recourse debt of 962,50 million (compared to 549,20 on 31/12/2016), while the amounts of loans to the parent company (recourse debt) amounted to 747.04 million (compared to 452.3 in 31/12/2016).

Finally, it should be noted that on 31 December 2017, there were loans amounting to 184,5 million which due to the non-sustaining of the ratios, they were reclassified to Short-term Liabilities and specifically under the item "Long-term liabilities payable in the next fiscal year. It is noted that during the period 1.1.2018 and the date of approval of the financial statements for the year 2017, the management of the Group has taken all necessary actions in order to eliminate the reasons for non-compliance for all the aforementioned loans. As a result of these operations, the Company signed on 01.12.2017 a Joint Venture Secured Bond Loan Program of € 193.95 million with Greek Credit Institutions for the purpose of refinancing existing loans to Group companies. The basic terms of this Bond Loan are a borrowing cost of 4.5% - 5.5% depending on the interest rates and a repayment period up to 2023.
On January 30, 2018, the total amount of 193.95 million Euros was covered by the Hellenic Credit Institutions and the purpose for which the refinancing of the existing borrowing of the parent company Group companies. The lifting of the non-compliance took place on 31/1/2018, therefore this amount was reclassified to long-term loans.

For the year 2016, the Group had the obligation to keep certain financial ratios relating to bond loans. In the Group, under the agreement for the signing of a syndicated loan of 197.8m. refinancing of part of the existing loans and financing of investments in concession companies was granted by the banks waiver from the observance of the financial ratios for 31/12/16 until the final signing and implementation of the syndicated loan or 31/1/2018.

Finally, on 31 December 2016, there were loans of 43,073 which, due to non-observance of the indices, were reclassified to Short Term Liabilities, namely the item "Long-term liabilities payable for the next financial year".

B. Financial Leasing contracts

During the closing financial year the Group paid the amount of 4.456 (4,983 in previous year) for lease payments and interest on existing financial leasing agreements with an average effective interest rate of 5,00% (5.00% in 2016).

During the present year, the Group did not entered into new leasing agreements (1,085 during the previous year).

The remaining balance of the financial leasing contracts, with the accrued interest, at the end of the period amounted to 16.770 (21,182 at the end of previous year), from which 5.078 are due within the following 12 months (4,711 at the end of previous year).

C. Loan guarantees

For the guarantee of certain Group's loans:

➢ Wind parks' generators have been pledged,

➢ Insurance contracts, receivables from sales to L.A.G.I.E. or D.E.D.D.I.E. as well as from construction services have been forfeited to lending banks,

➢ Lien mortgages of various series have been written on the real estate of some of the Group's companies amounting to 133.995 (99,069 during the end of the previous year) and,

(Amounts in thousands Euro, unless otherwise stated)

- Shares of subsidiary companies with a nominal value of 131.784 (75,602 during the end of the previous year) have been provided by the parent company as collateral.

The following table presents the changes of the long-term loans and financial leases during the year:

	2017		
	Long-term debt	Liabilities from Leasing	**Total liabilities from Financial Activities**
Balance 1/1	**948,091**	**21,182**	**969,273**
Disbursements/(payments) of capital	125,090	(4,457)	120,634
Payments of interest	(68,426)	(938)	(69,364)
Loans from new subsidiaries	558,409	45	558,453
Forex differences	(22,712)	0	(22,712)
Loan's interest on financial results	56,599	938	57,537
Other interest on loan (capitalized etc.)	0	0	0
Transfers	0	0	0
Balance 31/12	**1,597,052**	**16,770**	**1,613,821**

	2016		
	Long-term debt	Liabilities from Leasing	**Total liabilities from Financial Activities**
Balance 1/1	**636,986**	**25,265**	**662,251**
Disbursements/(payments) of capital	232,818	(4,983)	227,835
Payments of interest	(42,856)	(1,307)	(44,163)
Loans from new subsidiaries	0	0	0
Forex differences	4,373	0	4,373
Loan's interest on financial results	37,985	1,122	39,107
Other interest on loan (capitalized etc.)	848	0	848
Transfers	77,936	1,085	79,021
Balance 31/12	**948,091**	**21,182**	**969,273**

24. LIABILITIES FROM FINANCIAL INSTRUMENTS

In the USA, TERNA ENERGY Group, in order to make optimal use of the tax benefits provided by local law, entered in 2012 in a transaction in which the counterparty paid the amount of € 49,693 to acquire the right to receive, mainly cash and tax losses (Tax equity investment). The audit is based on a contractual agreement with MetLife, which injects capital as a Tax Equity Investor (TEI) and is fully consolidated. According to the agreement between the two parties, the TEI contributed capital in exchange for 50% of the membership interests, the contractual rights of which stipulate that the TEI will receive 99% of the tax losses and a certain percentage of the net cash flows until it reaches the return on its invested capital as defined in the contract.

During the year 2017, construction was completed and the Fluvanna I Wind Park, with a total capacity of 155.4 MW, located in the state of Texas, USA was set in operation. Under the new tax law in the USA, which entered into force on 22/12/2017, this wind farm is eligible to depreciate for tax purposes almost all of its construction costs within its operating year, namely in the year 2017. As a result of the aforementioned tax treatment of the construction cost of the project, significant tax losses will be incurred in the year 2017. Furthermore, in addition to the tax losses incurred during the first year of operation, the wind farm is eligible to assume additional tax benefits associated with the annual energy production of the park (Production Tax Credits - PTCs).

On 28/12/2017, the group entered into a transaction in which Goldman Sachs Bank paid the amount of € 127,882 (including issuance fees) to acquire 50% of the membership interests, the contractual rights of which stipulate that the TEI will receive, in the first place, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna I Wind Farm, with a limited amount of tax equity investment. For the year 2017, TEI will receive 70% of the tax benefits, and from the 2018 year and until it achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

The relevant membership interests of these contracts with TEIs have been recognized as a financial liability in accordance with IAS 32. There are no contractual obligations of the parent company TERNA ENERGY and its subsidiaries to provide any form of financial assistance in case of financial difficulty or any form of failure to meet the obligations of Terna Energy USA Holding Corporation, including contractual obligations to the TEI.

The main features of these transactions are:

- Irrespective of the shareholding held by the counterparties, the TERNA ENERGY SA maintains control over the management of wind farms and therefore are fully consolidated in the Group's financial statements.
- Counterparties receive a significant portion of the profits, tax losses and PTCs generated by wind farms until they achieve a predetermined (at the start of investment) rate of return.
- Counterparties remain shareholders in wind farms until they have achieved a predetermined return on their investment.
- When the return on the investment of the counterparties reaches the predetermined level, the Group has the option to redeem the counterparty's rights in the return on the investment.
- The return on the investment of the counterparties depends solely on the performance of wind farms. Although the TERNA ENERGY GROUP undertakes to operate these parks in the best possible way and to take all appropriate measures for their smooth operation, it is not obliged to pay cash to the counterparties beyond what is required to achieve the predetermined return on their investment.

(Amounts in thousands Euro, unless otherwise stated)

The Group, based on the substance of these transactions, classifies the initial investment of the counterparty as a "financial liability" in the consolidated statement of financial position.

Other Financial Liabilities (long-term and short-term) at 31 December 2017 and 31 December 2016 in the accompanying financial statements are analyzed as follows:

	GROUP	
	31-12-2017	**31-12-2016**
Financial liabilities	111,708	44,567
Deferred income	22,555	-
Long-term part	**134,263**	**44,567**
Long-term financial liabilities payable in the following year	25,107	3,987
Short-term part	**25,107**	**3,987**
Total	**159,370**	**48,554**

The movement of the Other Financial Liabilities in the Statement of Financial Position is analyzed as follows:

Financial liabilities	**GROUP**	
	31-12-2017	**31-12-2016**
Balance 1 January	**48,554**	**49,388**
Receipts from TEI	127,882	-
Distribution of cash to TEI	(2,915)	(5,337)
Value of tax benefits	(26,312)	-
Interest of the period (Note 31)	2,796	2,820
Foreign exchange differences	(13,190)	1,683
Balance 31 December	**136,815**	**48,554**

Deferred income	**GROUP**	
	31/12/2017	**31/12/2016**
Balance 1 January	**-**	**-**
Value of tax benefits	26,623	-
Amortization of benefits	(2,662)	-
Foreign exchange differences	(1,406)	
Balance 31 December	**22,555**	**-**

The financial liability is measured at amortized cost using the effective interest rate method. This obligation is reduced by the cash distribution received by the TEI, depending on the terms of the contract and the value of the tax benefits.

The value of the tax benefits is recognized in the income statement, namely, the value of the tax losses attributed to the TEI is recognized in Other income (Note 30) of the year, using the straight-line amortization method during the term of the contract. PTCs, which are associated with the annual wind power generation, are recognized for each year based on actual production in the interest of turnover.

(Amounts in thousands Euro, unless otherwise stated)

25. PROVISION FOR STAFF INDEMNITIES

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee's wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programs are usually not funded.

The liabilities for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the consolidated net earnings for the financial year ended on the 31st of December, 2017 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of financial position for the year ended on 31st December 2017.

The expense for staff indemnities which was recognized by the Group in Income Statement and was recorded in Cost of sales by 2.095, in Administrative and distribution expenses by 106 and in financial expenses by 43 (2,296, 387 and 54 during the previous year, respectively), and by the Company in Administrative and distribution expenses (during the present and previous year), is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Current service cost	1,116	2,083	5	10
Financial cost	46	58	1	1
Effect of cut-backs or settlements	1,084	663	0	0
Recognition of actuarial (profits) / losses	(342)	(82)	(3)	(6)
	1,904	**2,722**	**3**	**5**

The movement of the relevant provision in the Statement of financial position is as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Balance 1.1	**8,392**	**8,085**	**77**	**72**
Provision recognized in Net earnings	2245	2,737	6	11
Provision recognized in Other Total Income	(342)	(82)	(3)	(6)
Provision recognized in inventories	2	67	0	0
Addition due to acquisition of subsidiaries	857	0	0	0
Foreign exchange translation differences	(618)	86	0	0
Compensation payments	(2,723)	(2,501)	0	0
Transfers	(33)	0	0	0
Balance 31.12	**7,780**	**8,392**	**80**	**77**

(Amounts in thousands Euro, unless otherwise stated)

The main actuarial assumptions for the financial years 2017 and 2016 are as follows:

	2017	2016
Discount rate (based on the yields of the E.C.B. bonds)	1.5%	1.5%
Mortality: Greek mortality table	MT_EAE2012P	MT_EAE2012P
Future salaries increases	1.25%	1.25%
Movement of salaried workers (departure under their own will)	1%	1%
Movement of day-waged workers (departure under their own will)	1%	1%
Movement of salaried workers (laid-off)	6%	6%
Movement of day-waged workers (laid-off)	6%	6%

The following table presents the sensitivity of the liability concerning the rendering of benefits to personnel in cases of changes occurring in certain actuarial assumptions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Discount Rate	1.00%	2.00%	1.50%	1.50%
Future Salaries Increases	1.25%	1.25%	1.00%	1.00%
Effect on the net earnings / (losses) 2017	(224)	205	110	(105)

26. OTHER PROVISIONS

The movement of the relevant provision in the Statement of financial position for 2017 and 2016 is as follows:

	Provisions for environmental restoration	Other provisions	Total
Balance 1.1.2017	**12,906**	**29,962**	**42,868**
Provision recognized in net earnings	91	892	**983**
Provision recognized in fixed assets	968	0	**968**
Addition due to acquisition of subsidiaries	0	7,141	**7,141**
Utilized provisions	0	(1,466)	**(1,466)**
Interest on provisions recognized in net earnings	599	0	**599**
Transfer from / (to) other account	0	(17,133)	**(17,133)**
Non utilized provisions recognized in net earnings	0	(35)	**(35)**
Foreign exchange differences	(42)	(218)	**(260)**
Balance 31.12.2017	**14,522**	**19,143**	**33,665**

(Amounts in thousands Euro, unless otherwise stated)

	Provisions for environmental restoration	Other provisions	Total
Balance 1.1.2016	**8,578**	**13,134**	**21,712**
Provision recognized in net earnings	0	22,923	**22,923**
Provision recognized in fixed assets	3,963	0	**3,963**
Utilized provisions	0	0	**0**
Interest on provisions recognized in net earnings	445	0	**445**
Transfer from / (to) other account	0	313	**313**
Non utilized provisions recognized in net earnings	0	(6,304)	**(6,304)**
Foreign exchange differences	(80)	(104)	**(184)**
Balance 31.12.2016	**12,906**	**29,962**	**42,868**

In the account of "Provisions for environmental rehabilitation" there are recognized provisions which are formed by the Group's energy segment companies, as well as some of the industry segment aiming at covering the rehabilitation expenses of the environment, where electricity production and quarries' exploitation units are established, after the completion of the exploitation, which lasts for 20-30 years, according to the received licenses by the State. The above provision of 14.522 (12,906 on 31.12.2016) represents the required expenditure for the equipment's dismantling and the formulation of the places where there are installed, utilizing the current technology and materials.

The item "Other provisions" in the above table is analyzed as follows:

	GROUP	
	31.12.2017	**31.12.2016**
Tax provisions with regard to unaudited financial years	3,460	2,845
Provisions for doubtful receivables	0	0
Provisions for litigation cases	3,467	1,313
Provisions for granted guarantees	1,762	3,043
Provision for heavy maintenance of motorways	5,597	
Other provisions	4,857	22,761
	19,143	**29,962**

In the year 2017, the Group extended the useful life of the wind farms from 20 to 25 years, resulting in a reduction in the provision for the restoration of the natural landscape by € 119 compared to the forecast that would have arisen if the expansion of the beneficial life had not taken place (see Note 3 (w)). This effect will be declining in the coming years, as the oldest parks of the Group will approach their originally defined twenty-year life, and from the time of expiration of their originally defined useful life and for the additional five years of its expansion, effect will turn into negative.

On 24/02/2017, our Company and its subsidiaries TERNA and TERNA Energy, were informed of the Settlement Initiative by ECC. As already discussed, an irrevocable statement was made regarding commitment and affiliation to the Dispute Settlement Procedure. This statement does not give rise to any risk of breaches in our Company and our subsidiary TERNA Energy.

(Amounts in thousands Euro, unless otherwise stated)

Moreover, since at the date of the financial statements' approval, the overall settlement procedures had not been finalized, which as mentioned above are being covered by full confidentiality, as well as the exact determination of the dispute amount, our subsidiary TERNA as well as the Group proceeded to the recognition of an adequate provision which burdened the results for the year 2017. We consider that the relevant charge, according to the data known so far, does not exceed the amount of €19 million.

On August 3, 2017, the Company and its subsidiaries TERNA and TERNA ENERGY were notified to the Company. 642/2017 Decision of the ESA under which a. it should be noted that there are no legal violations of Art. 1 of L.3559 / 2011 for the Company and TERNA ENERGY and no fine and / or penalty is imposed and b. a fine of 18,612 was imposed on the subsidiary company TERNA SA for breach of no. 1 of Law 3959/2011 and no. 101 TFEU (for the period from 11.5.2005 to 4.1.2007 and from 4.6.2011 to 26.11.*2012).* The settlement procedure for the subsidiary TERNA was finalized and the amount of the fine amounted to 18,612. It should be noted that this subsidiary and the Group for this fine have already included in the Financial Statements of the year 2016 a provision of 19,000 (see note 25 of the Financial Statements of 31/12/2016).

In the year 2016, the Group recognized a total provision of 3,043 for each case where "ETVAK CONSULTING AND MEDIATION SERVICES FOR DEVELOPMENT AND IMPLEMENTATION OF PROPERTY SOCIETE ANONYME" is unable to repay a loan equivalent from ALPHA BANK SA under the Memorandum of Understanding of 5/8/2013. In the year 2017, the Group repays the loan from this guarantee. The Group intends to exhaust all its legal rights to collect any amount paid.

27. GRANTS

The movement of grants in the Statement of financial position for 2017 and 2016 is as follows:

	2017	**2016**
Balance as at 1.1	**180,324**	**257,660**
De-recognition of non collected grants	0	(7,938)
Receipts of grants	0	0
Approved but not yet received grants	0	0
Approved and collected grants to be returned	(1,320)	(60,102)
Transfer of grants to fixed assets (IFRIC 12)	0	0
Foreign exchange differences	(6,639)	1,824
Amortization of grants on fixed assets recognized in net results	(8,125)	(11,046)
Amortization of grants on fixed assets recognized in inventories	(29)	(74)
Balance as at 31.12	**164,211**	**180,324**

(Amounts in thousands Euro, unless otherwise stated)

Grants refer to those provided by the State for the development of wind parks, industrial / trade zones, car park stations and industrial development. The grants are amortized in accordance to the granted assets' depreciation or utilization rates.

The amount of the approved but not collected grants for the Group is included in the "Advances and other receivables". These grants were recognized according to the certainty that the Management has concerning the fact that all conditions for the collection of the grants are fulfilled and therefore the respective amounts will be received upon the final approval of the completion of the relevant investments.

The amount of € 1,479 that concerns approved and non-received grants for the Group is included in "Prepayments and other receivables" (Note 14). Such grants were recognized based on the Group Management's certainty that all the requirements to receive such are regularly met and eventually the amounts will be received with the completion of the relevant investments.

During 2017, following an audit by the Ministry of Development and Competitiveness, grants amounting to € 1,320 were returned with regard to the collected grants of two wind parks and one photovoltaic farm of the Group.

The line item "Transfer of period's proportion to the results" refers to the effect of extending the useful life of wind farms from 20 to 25 years, which took place during the year 2017, resulting in a decrease in the income of depreciation by € 2,017 in relation to the income that would have arisen if the useful life extension had not taken place (see Note 3 (j)).

In the year 2016, due to the cancellation of certain wind farms' construction or the time expiry of decisions for inclusion of others whose construction has not been cancelled, subsidies were de-recognized amounting to €68,040 (out of which €60,102 had been collected in previous years). The amount of € 60,102 was reclassified in the account "accrued and other short-term liabilities", whereas the amount of € 7,938 was de-recognized from the account "Grants" as well as from the account "Prepayments and Other Receivables" (note 18).

28. SUPPLIERS

The suppliers on 31st December 2017, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Suppliers	240,078	229,366	7,052	5,424
Checks and notes payable	3,161	8,922	0	0
	243,239	**238,288**	**7,052**	**5,424**

29. ACCRUED AND OTHER LIABILITIES

The account "Accrued and other liabilities" (long and short term) on 31st December 2017 in the accompanying financial statements, is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

Other long-term liabilities

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Collected advances from customers relating to construction agreements	233,479	307,020	0	0
Liabilities from construction agreements	6,505	0	0	0
Withheld amounts and guarantees to suppliers	27,023	18,402		
Long-term amounts payable due to acquisitions of companies	11,993	0	11,993	0
Guarantees of leased property	377	393	109	108
Liabilities of Concession Financial Items	3,071	0	0	0
Secondary loan to Ferrovial	27,733	0	0	0
Other long-term liabilities	10,402	729	0	0
	320,583	**326,544**	**12,102**	**108**

The balance of 31/12/2017 of the account “Collected advances from customers relating to construction agreements” concerns an advance payment from the client for the energy project of PTOLEMAIDA.
The other long-term liabilities of 2017 include guarantees of suppliers and subcontractors as well as other withheld amounts.
Other long-term liabilities of 2017 include commitments of 9,529 relating to the long-term part of the settlement with the Competition Commission. The issue of the Secondary Loan to other shareholders of motorway concession companies resulted from the acquisition of the subsidiary companies NEA ODOS SA and CENTRAL GREECE AUTOMOBILE SA.

Accrued and other short-term liabilities

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Liabilities from taxes-duties	33,902	14,540	1,195	763
Social security funds	4,202	3,153	92	27
Dividends payable	1,230	1,546	1	1
Liabilities against joint ventures, associates and other related companies	5.001	14,520	2,787	842
Customer prepayments	134,968	156,251	1	2,077
Accrued expenses and deferred income and other transitory accounts	23,484	16,618	7,674	66
Personnel fees payable	3,591	4,824	104	25
Approved and collected grants to be returned	25,067	88,872	0	0
Sundry Creditors	11,712	4,113	2	1,142
	243,157	**304,437**	**11,856**	**4,943**

(Amounts in thousands Euro, unless otherwise stated)

Of the long-term liabilities, an amount of 233,479 concerns customer advances for construction works, the certification and offsetting of which will be implemented after 31.12.2018 (307,020 on 31.12.2016).

The “Subsidies to be reimbursed” include amounts of received subsidies to be reimbursed due to the cancellation or expiration of time-limits of the decisions qualifying certain wind farms and, in addition, include interest accrued on the aforementioned subsidies. Within the year 2017, subsidies were reimbursed for a total amount of € 63,777.

30. SHORT-TERM LOANS

The Group’s short-term loans refer mainly to revolving bank loans having duration between one and three months depending on the needs. The amounts withdrawn are used partly to cover the liquidity needs of the Group either during the construction period of technical works or during the construction period of installments of the Group’s energy segment or during the development period of the investments in the mining of magnesite.

Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices, or are converted to long-term as regards to wind parks, other energy projects and investments in the mining of magnesite.

The largest part of the Group’s loans is issued in euro and the weighted average interest rate for such during the year settled at 5.43% (6.25% during 2016).

The following table describes the movement of long-term loans and finance leases in use:

	2017	2016
	Short Term Loan	Short Term Loan
Balances 1/1	**54.975**	**119.938**
Capital disbursements / (payments)	44.269	4.498
Interest payments	(5.545)	(11.534)
Subsidiary Loan Loans	13.233	0
Transactions of Disputes	(712)	(73)
Interest on loan in financial results	4.891	8.283
Other interest on the loan (capitalized, etc.)	1.374	2.604
Transport	0	(68.740)
Balances 31/12	**112.484**	**54.975**

31. DERIVATIVE FINANCIAL INSTRUMENTS

The Group, in the context of managing and minimizing its financial risks, has entered into interest rate swap agreements.

(Amounts in thousands Euro, unless otherwise stated)

Interest rate swaps aim at hedging the risk from the negative fluctuation of future cash outflows that stem from interest on loan agreements that have been signed under the context of the activities mainly for the segment of and electricity production from RES and motorway concessions following their full consolidation for the first time in 2017 in Greece and the U.S.A.
Taking into account the purpose of such derivatives, namely the hedging of cash flows, hedge accounting has been used and their fair value was calculated.

Information regarding the derivatives is displayed below:

			GROUP	
LIABILITY	**Nominal Value**		**Liability Fair Value**	**Liability Fair Value**
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
For hedging purposes				
Interest rate swaps:	€ 7,537	€ 7,537	271	426
Interest rate swaps:	€ 9,000	€ 9,000	401	574
Interest rate swaps:	€ 5,772	€ 5.772	169	256
Interest rate swaps:	€ 17,000	€ 17.000	1,345	1.755
Interest rate swaps:	€ 9,000	€ 9,000	0	330
Interest rate swaps:	€ 15,400	€ 15,400	847	1.069
Interest rate swaps:	€ 11,160	€ 11,160	51	164
Interest rate swaps:	€103,650	€103,650	536	1.114
Interest rate swaps:	€ 6,563	€ 6,563	382	506
Interest rate swaps:	€ 30,000	0	339	0
Interest rate swaps:	€ 20,000	0	202	0
Interest rate swaps CENTRAL GREECE MOTORWAY	€ 322,960	0	175,828	0
Interest rate swaps NEA ROAD	€ 73,409	0	20,604	0
			4,543	**6,194**
For trading purposes				
Options (collar)	0	0		95
			200,975	**6,289**

			GROUP	
ASSET	**Nominal Value**		**Asset Fair Value**	**Asset Fair Value**
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Interest rate swaps:	$25,000	$25,000	312	307
Options (collar):	0	0	200	
Options (swaption)	0	0	798	0
			1.310	**307**
For trading purposes				
Options (collar)	-	-	0	1,219
			1.310	**1,526**
Embedded derivative				
Embedded derivative according to the concession agreement	-	-	180.781	0
			182.091	**1,526**

The Group's policy aims at the minimization of its exposure against the cash flow risk relating to interest rates with regard to its long-term financing. In this context, the Group applies a hedging accounting and the result of the valuation is recognized in the item "Income/expenses from cash flow hedging" in the statement of other comprehensive income.

In September 2016, the Group entered into two derivatives, one collar derivative on the trading date of 23.09.2016 and one swaption derivative. For the collar derivative the effective date will be on 1/1/2018 whereas for the swaption the effective date will be on 31/12/2022.

The Group has entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through its subsidiary Fluvanna Wind Energy LLCs. This particular subsidiary constructs and will operate a wind park of 150 MW-capacity in West Texas of the United States.

The Group examined all the elements and requirements of IAS 39 in order to use the cash flow hedging accounting. The requirements of the standard were met within the first quarter of 2018 and as a result cash flow hedging accounting will be used from that date and onwards while until 31.12.2017 any change in the fair value of the derivatives was recognized in the income statement.

In the current fiscal year and in combination with the things mentioned in note 42 of the 31.12.2017 financial statements, recognized receivables, derivatives liabilities (interest rate swaps) and recognition of embedded derivative are presented in accordance with the signing of the concession agreement between the companies CENTRAL GREECE MOTORWAY S.A. with the Greek State.
According to article 25 of the concession agreement, as of January 1, 2016, the State undertakes to provide operation support on Central Greece Motorway SA to cover its expenses to the extent that they are not covered by its own revenues.
The calculation period is defined as each successive six-month period (beginning January 1 and July 1 of each year) and the operation support for each calculation period will be the difference between the sum of the eligible project costs and the distributable base yield net of the net revenues of that period .
At the latest twenty (20) days before the end of each calculation period, Central Greece Motorway SA will submit to the State a support notice for the same calculation period. By submitting the support notice, the Company is entitled in each calculation period to withdraw without conditions and limitations from the Reservoir account on the immediately following business day from the deposit of payments by the State, and thereafter, any amount corresponding to the amounts described in the support notice, up to the amount of the positive balance of the Reservoir account. The deposit of Payments by the State will be conducted five (5) days before the end of each calculation period as specified in the Concession Agreement.
The support notice includes the following three distinct parts:
i.) a part corresponding to the eligible project costs
ii.) a portion corresponding to the distributed base yield,
iii.) a part corresponding to the additional interest rate margin.
In the eligible project costs are mainly included the following categories: movements of debt reserve and heavy maintenance, operating expenses, debt service, the sum of which are deducted from direct revenues in order to calculate the amount of support. The distributable base yield as well as the additional interest rate margin are included as additional support amounts. In the category debt service are included, but not limited to, payments resulting from the six-month clearing of hedging instruments' liabilities (exchange rate swaps).

The Company recognized the fair value of interest rate swaps (liability) on the transition date and 31 December 2016 and recognized respectively a derivative financial item (receivable), namely, the part of the operation support covering future payments of interest rate swaps.
The Company, in accordance with paragraph 10 of IAS 39, considered the contractual liability of the Greek State for the operation support as a hybrid financial instrument that includes an embedded derivative (the part of the operation support that covers the payments of the interest rate swaps) and one non-derivative main contract (the remaining part of the operation support). Subsequently, the Company separated the embedded derivative from the main contract and it accounts for it as a derivative (receivable) in accordance with IAS 39 since:

i) the embedded derivative meets the definition of derivative in accordance with paragraph 9 of IAS 39:

a. its value that changes according to the changes of a fixed interest rate, namely it changes according to the liquidation of the interest rate swap, which depends on defined and non-defined interest rates,

b. the amounts of the operation support, are not conditional and are independent of any initial net investment,

c. operation support as a whole is settled at future dates, in every six-month period until the end of the concession.

(ii) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and the risks of the main contract:

a. Based on the Company's financial models, direct revenue (toll revenue) does not cover all operating costs, thus the derivatives payments will almost certainly be covered by operation support, which reflects the different risks,

b. The value of the embedded derivative is influenced by interest rate swaps while the operating costs are recognized as incurred,

c. The embedded derivative accompanying the total hybrid financial instrument cannot be transferred independently of the total, thus it cannot be considered as a separate financial instrument.

iii.) the hybrid (composite) instrument is not measured at fair value with recognition of changes in results since it includes operating expenses recognized when incurred.

The fair value of the financial receivable reflects future payments on interest rate swaps. The Company for the discounting of the future flows has taken into account the following:

i) Future outflows as derived from the Company's financial model, which has been approved by all parties (Lenders, State, Company),

ii.) State’s credit risk as embodied in the Greek government bond’s yield curve with multiple maturities. More specifically, each future flow was discounted at the appropriate reference period (transition date, comparative period and current period) at the appropriate Greek government bond rate. Additionally, the discount on the transition date and the comparative period was made, based on the assumptions in force at each reference date,

iii.) Possible time difference between derivative payments and operation support receipt. The clearing and payment of financial interest rate swaps is carried out at the end of each six-month period up to the end of the concession. Accordingly, the operation support’s calculation period is carried out on a six-month basis. In addition, under the Concession Agreement (see above) the submission of the Support Notice is made twenty (20) days before, while the availability of the amounts is made five (5) days from each calculation period, respectively. Any actual difference has been deemed not to be significant for discounted purposes.

This financial receivable has been classified in the fair value hierarchy at level 3.

(Amounts in thousands Euro, unless otherwise stated)

Given all the above, the Company has conventionally transferred the risk arising from the liability of interest rate swaps to the State. At the transition date and on 31 December 2016, a derivative financial receivable was recognized by the State of € 154,947,878.37 and amount of € 155,105,969.44 respectively. The fair value of this derivative at 31 December 2017 is € 180,780,403.58. At each reporting date, the Company re-examines the financial receivable for impairment's indication. The Company assessed that there is no evidence of impairment on the transition date, on 31 December 2017.

32. SHARE CAPITAL – EARNINGS PER SHARE

On 31.12.2017, the Group directly owned, through the parent company 5,203,114 and indirectly through its subsidiaries 1,305,040, a total of 6,508,154 own shares with of total acquisition value 19,338. During 2017 fiscal year, the number of the parent company's own shares increased further through the purchase of 1,191,764 shares and 104,856 shares through a subsidiary.
The weighted average number of outstanding shares for the purpose of earnings per share calculation amounted to 97,549,510 on 31.12.2017 (99,138,861 on 31.12.2016).
Earnings per share amounted to € 0.7157 (earnings per share of € 0.3456 on 31.12.2016) on 31.12.2017 and were calculated based on the profits attributable to the owners of the parent 69,816 (profits of 34,262 on 31.12.2016).

33. RESERVES

The Reserves account is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Fair value reserve of assets available for sale	24,232	3,361	11,663	(3,519)
Fair value reserve from hedging derivatives	5.643	1,369	0	0
Contribution to Associates and JV's Other Income	(25,309)	(26,524)	0	0
Part of the mandatorily convertible into shares bond loan	0	649	0	0
Tax-exempt reserves	198,864	195,501	0	0
Statutory reserve	28,676	28,018	7,007	7,007
Other reserves	11.829	(3,046)	49,879	53,825
	243.935	**199,327**	**68,549**	**57,313**

The increase in the fair value reserve for available-for-sale assets is mainly due to the first time valuation of Olympia Odos at fair value (see note 45)
Also, the increase in Other Reserves is due to the reclassification of the redemption gain of CENTRAL GREECE MOTORCYCLE to 01/10/2017. In particular, it relates to part of the profit that reverses a loss recognized through Other comprehensive income in the years that the company consolidated under the equity method.

Tax exempt reserves in case of distribution or capitalization will be taxed according to the current tax rate.

(Amounts in thousands Euro, unless otherwise stated)

34. INCOME TAX

According to Greek tax legislation, the tax rate corresponded to 29% for the years 2017 and 2016. The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are the non-tax exemption of specific expenses, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by L. 4172/2013, the capability of companies to create tax-exempt discounts and tax-exempt reserves, and the aforementioned increase of the tax rate through calculations of deferred income tax.

(a) Income tax expense

Income tax in the total comprehensive income statement is analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Current tax	28.166	68,652	1,168	215
Provision for tax audit differences	1.569	880	0	0
Adjustments of tax of previous years	(41)	(36)	0	14
	29.694	**69,496**	**1,168**	**229**
Deferred tax expense	28.969	(21,696)	1,768	(590)
Total expense/(income)	**58.663**	**47,800**	**2,936**	**(361)**

A reconciliation of income tax and the accounting profit multiplied by the applicable tax rate is as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Earnings/(loss) before tax	**153.450**	**93,619**	**712**	**(17,310)**
Nominal tax rate	**29%**	**29%**	**29%**	**29%**
Income tax expense/(income) based on the nominal tax rate	**44.500**	**27,150**	**206**	**(5,020)**
Complementary property tax	0	0	0	0
Deemed taxation method	0	0	0	0
Expenses not included in the calculation of tax	12,609	19,057	2.730	4,644
Effect of differences of tax rate	0	(2,019)	0	0
Adjustments of tax of previous years and additional taxes	(41)	(36)	0	14
Difference in taxation of foreign companies	(11,357)	5,129	0	0
Write-off/(Offsetting) of tax losses	8,191	(6,181)	0	2

(Amounts in thousands Euro, unless otherwise stated)

Provision for tax audit differences	1,569	880	0	0
Taxable differences of previous years for which no deferred tax has been recognized	(63)	3,710	0	0
Effect of net temporary tax differences for which no deferred tax has been recognized	1,346	1,612	0	0
Effect of elimination of deferred tax receivable	3,162	2	0	0
Effect of the participation in the net results of associates and joint ventures	(1,205)	(1,543)	0	0
Results recognized directly in the Other Compreh. Income or the Equity	(49)	39	0	0
Tax-exempt results	0	0	0	0
Actual Tax expense	**58.663**	**47,800**	**2,936**	**(360)**

Due to POL 1154/2017, POL 1191/2017, POL 1192/2017, POL 1194/2017 και POL. 1208/2017 of the Governor's of the Independent Public Revenue Authority, provided guidance on the uniform application of what was accepted from the decisions StE 1738/2017, StE 2932/2017, StE 2934/2017 και StE 2935/2017 of the Council of State, as well as the no. 268/2017 Opinion of the State Legal Council. From the aforementioned decisions a five-year limitation period - on the basis of the general rule – is occurred, for the fiscal years of 2012 onwards, as well as for the fiscal years that the Code of Tax Procedure – CTP (from 2014 onwards), except for the specific exceptions specified in the relevant provisions of CTP.

Consequently, and in accordance with the foregoing in POL. 1192/2017, the right of the State to charge a tax up to and including the fiscal year 2011 is time-barred unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply.

During the preparation date of the accompanying financial statements, the tax un-audited fiscal years of the Group's companies, including financial year 2016, are as follows:

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTIONS SEGMENT - SUBSIDIARIES			
TERNA SA	Greece	Full	2012-2017
J/V EUROIONIA	Greece	Full	2012-2017
J/V CENTRAL GREECE MOTORWAY E-65	Greece	Full	2012-2017
ILIOHORA SA	Greece	Full	2012-2017
TERNA OVERSEAS LTD	Cyprus	Full	2012-2017
TERNA QATAR LLC *	Qatar	Full	2012-2017
TERNA BAHRAIN HOLDING WLL	Bahrain	Full	-
TERNA CONTRACTING CO WLL	Bahrain	Full	-
TERNA VENTURES WLL	Bahrain	Full	-
TERNA SAUDI ARABIA LTD	Saudi Arabia	Full	2012-2017
J/V/ GEK TERNA - TERAN ENERGY (INSTALLATION AND OPERATION ATS)	Greece	Full	2015-2017
CONSTRUCTIONS SEGMENT - JOINT VENTURES			
J/V TOMI ABETE-ILIOHORA SA	Greece		2012-2017
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece		2012-2017
J/V ILIOCHORA-KASTAT CONSTRUCTIONS (Koumpila-Louloudi project)	Greece		2012-2017

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
J/V TERNA-KARAYIANNIS-KARAYIANNIS-ILIOCHORA	Greece		2012-2017
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece		2012-2017
J/V TERNA - IMPEGILOSPA (TRAM)	Greece		2012-2017
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece		2012-2017
J/V ATHANASIADIS - TERNA (THESSAL. CAR PARK.)	Greece		2012-2017
J/V TERNA SA - AKTOR SA-J&P-AVAX SA (LAND OF CONCERT HALL)	Greece		2012-2017
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece		2012-2017
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece		2012-2017
J/V TERNA – PANTECHNIKI (OAKA SUR. AREAS)	Greece		2012-2017
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall)	Greece		2012-2017
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece		2012-2017
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece		2012-2017
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece		2012-2017
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece		2012-2017
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece		2012-2017
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece		2012-2017
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece		2012-2017
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece		2012-2017
J/V TERNA SA-AKTOR ATE J&P AVAX–TREIS GEFYRES	Greece		2012-2017
J/V METKA-TERNA	Greece		2012-2017
J/V APION KLEOS	Greece		2012-2017
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece		2012-2017
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece		2012-2017
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece		2012-2017
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece		2012-2017
J/V AKTOR-TERNA (Patras Port)	Greece		2012-2017
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece		2012-2017
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece		2012-2017
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece		2013-2017
J/V AKTOR ATE – TERNA SA (Thriasio B’)	Greece		2013-2017
J/V AKTOR SA – J&P AVAX – TERNA SA (Tithorea Domokos)	Greece		2014-2017
J/V AKTOR SA – J&P AVAX – TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece		2014-2017
J/V AKTOR SA – TERNA SA (Thriasio B’ ERGOSE)	Greece		2014-2017
J/V AKTOR SA – TERNA SA (Joint Venture ERGOSE AD 751)	Greece		2015-2017
J/V TERNA GCC WAC	Qatar		
J/V TERNA-Al OMAIER	Saudi Arabia		
J/V TERNA-CGCE (AMAS 1)	Bahrain		
J/V RENCO-TERNA (Construction of compressor stations TAP in Greece and Albania)	Greece		2016-2017
J/V J&P AVAX SA – TERNA SA – AKTORS SA – INTRAKAT (Temenos)	Greece		2016-2017
J/V TERNA - CGCE (AMAS 2)	Bahrain		2016-2017

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT - ASSOCIATES			
ATTIKAT ATE	Greece	Equity	2012-2017
RES ENERGY SEGMENT - SUBSIDIARIES			
TERNA ENERGY SA	Greece	Full	2012-2017
IWECO HONOS LASITHIOU CRETE SA	Greece	Full	2012-2017
ENERGIAKI SERVOUNIOU SA	Greece	Full	2012-2017
TERNA ENERGY EVROU SA	Greece	Full	2012-2017
PPC RENEWABLES - TERNA ENERGY SA	Greece	Full	2012-2017
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	Full	2012-2017
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	Full	2012-2017
ENERGIAKI DERVENOCHORION S.A.	Greece	Full	2012-2017
AIOLIKI MALEA LAKONIAS S.A.	Greece	Full	2012-2017
ENERGIAKI FERRON EVROU S.A.	Greece	Full	2012-2017
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	Full	2012-2017
ENERGIAKI PELOPONNISOU S.A.	Greece	Full	2012-2017
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	Full	2012-2017
AIOLIKI ILIOKASTROU S.A	Greece	Full	2012-2017
EUROWIND S.A.	Greece	Full	2012-2017
ENERGEIAKI XIROVOUNIOU S.A.	Greece	Full	2012-2017
DELTA AXIOU ENERGEIAKI S.A	Greece	Full	2012-2017
TERNA ENERGY SEA WIND PARKS S.A.	Greece	Full	2012-2017
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	Full	2012-2017
VATHICHORI ENVIRONMENTAL S.A.	Greece	Full	2012-2017
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	Full	2012-2017
CHRISOUPOLI ENERGY Ltd	Greece	Full	2012-2017
LAGADAS ENERGY SA	Greece	Full	2012-2017
DOMOKOS ENERGY SA	Greece	Full	2012-2017
DIRFIS ENERGY SA	Greece	Full	2012-2017
FILOTAS ENERGY SA	Greece	Full	2012-2017
MALESINA ENERGY SA	Greece	Full	2012-2017
ORCHOMENOS ENERGY Ltd	Greece	Full	2012-2017
ALISTRATI ENERGY Ltd	Greece	Full	2012-2017
TERNA ENERGY AI-GIORGIS SA	Greece	Full	2012-2017
TERNA ENERGY AMARINTHOU SA	Greece	Full	2012-2017
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	Full	2012-2017
TERNA ILIAKI VIOTIAS SA	Greece	Full	2012-2017
VATHICHORI TWO ENERGY SA	Greece	Full	2012-2017
TERNA AIOLIKI XEROVOUNIOU SA	Greece	Full	2012-2017
TERNA ILIAKI ILIOKASTROU SA	Greece	Full	2012-2017
TEPNA ILIAKI PANORAMATOS SA.	Greece	Full	2012-2017

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
AIOLIKI KARYSTIAS EVIAS SA	Greece	Full	2012-2017
GEOTHERMIKI ENERGY ANAPTYXIAKI SA	Greece	Full	2012-2017
TERNA ILIAKI PELLOPONISSOU SA.	Greece	Full	2012-2017
TERNA ENERGY OVERSEAS LTD	Cyprus	Full	2012-2017
EOLOS POLSKA sp.z.o.o.	Poland	Full	2012-2017
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	Full	2012-2017
HAOS INVEST 1 EAD	Bulgaria	Full	2012-2017
VALE PLUS LTD	Cyprus	Full	2012-2017
GALLETTE LTD	Cyprus	Full	2012-2017
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	Full	2012-2017
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	Full	2012-2017
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	Full	2012-2017
COLD SPRINGS WINDFARM LLC	USA	Full	2012-2017
DESERT MEADOW WINDFARM LLC	USA	Full	2012-2017
HAMMETTHILL WINDFARM LLC	USA	Full	2012-2017
MAINLINE WINDFARM LLC	USA	Full	2012-2017
RYEGRASS WINDFARM, LLC	USA	Full	2012-2017
TWO PONDS WINDFARM, LLC	USA	Full	2012-2017
MOUNTAIN AIR WIND, LLC	USA	Full	2012-2017
EOLOS NORTH sp.z.o.o.	Poland	Full	2012-2017
EOLOS EAST sp.z.o.o.	Poland	Full	2012-2017
AIOLIKI PASTRA ATTIKIS SA	Greece	Full	2012-2017
JP GREEN sp.z.o.o.	Poland	Full	2015-2017
WIRON sp.z.o.o.	Poland	Full	2015-2017
BALLADYNA sp.z.o.o.	Poland	Full	2015-2017
TERNA ENERGY SA & Co AIOLIKI POLYKASTROU G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGIAKI DYSTION EVIAS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO AIOLIKI EASTERN GREECE G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO AIOLIKI MARMARIOU EVIAS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGIAKI STYRON EVIAS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & CO ENERGIAKI KAFIREOS EVIAS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA & Co AIOLIKI PROVATA TRAIANOUPOLEOS G.P.	Greece	Full	2012-2017
TERNA ENERGY SA VECTOR WIND PARKS GREECE-WIND PARK TROULOS G.P.	Greece	Full	2012-2017
MOUNTAIN AIR PROJECTS LLC	USA	Full	2016-2017
MOUNTAIN AIR INVESTMENTS LLC	USA	Full	2016-2017
MOUNTAIN AIR ALTERNATIVES LLC	USA	Full	2016-2017
MOUNTAIN AIR RESOURCES LLC	USA	Full	2016-2017

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
MOUNTAIN AIR HOLDINGS LLC	USA	Full	2016-2017
FLUVANNA WIND ENERGY LLC	USA	Full	2016-2017
FLUVANNA HOLDINGS LLC	USA	Full	2016-2017
FLUVANNA INVESTMENTS LLC	USA	Full	2016-2017
TERNA DEN LLC	USA	Full	2016-2017
TERNA RENEWABLE ENERGY PROJECTS LLC	USA	Full	2016-2017
AEGIS LLC	USA	Full	2016-2017
MOHAVE VALLEY ENERGY LLC	USA	Full	2016-2017
RES ENERGY SEGMENT – JOINT VENTURES			
TERNA ENERGY SA – MEL MACEDONIAN PAPER MILLS SA & CO CO-PRODUCTION GP	Greece		2012-2017
TERNA ENERGY AVETE & SIA LP	Greece		2012-2017
RES ENERGY SEGMENT – RELATED COMPANIES (ASSOCIATES)			
CYCLADES RES ENERGY CENTER SA	Greece	Equity	2012-2017
EN.ER.MEL S.A.	Greece	Equity	2012-2017
ELECTRICITY TRADING SEGMENT - SUBSIDIARIES			
GP ENERGY LTD	Bulgaria	Full	2012-2017
TETRA DOOEL SKOPJE	FYROM	Full	2015-2017
PROENTRA D.O.O BEOGRAD	Serbia	Full	2015-2017
OPTIMUS ENERGY SA	Greece	Full	2017
THERMAL ENERGY SEGMENT - JOINT VENTURES			
HERON THERMOELECTRIC S.A.	Greece	Equity	2012-2017
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	Equity	2012-2017
REAL ESTATE SEGMENT - SUBSIDIARIES			
IOANNINON ENTERTAINMENT DEVELOPMENT S.A.	Greece	Full	2012-2017
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	Full	2012-2017
VIPA THESSALONIKI S.A.	Greece	Full	2012-2017
GEK SERVICES SA	Greece	Full	2012-2017
ICON EOOD	Bulgaria	Full	2012-2017
ICON BOROVEC EOOD	Bulgaria	Full	2012-2017
DOMUS DEVELOPMENT EOOD	Bulgaria	Full	2012-2017
I&B REAL ESTATE EAD	Bulgaria	Full	2016-2017
SC GEK ROM SRL	Romania	Full	2012-2017
HERMES DEVELOPMENT SRL	Romania	Full	2012-2017
HIGHLIGHT SRL	Romania	Full	2012-2017
MANTOUDI BUSINESS PARK S.A.	Greece	Full	2014-2017

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
REAL ESTATE SEGMENT - JOINT VENTURES AND RELATED COMPANIES (ASSOCIATES)			
KEKROPS S.A.	Greece	Equity	2012-2017
GEKA S.A.	Greece	Equity	2012-2017
GAIA INVESTMENT SA	Greece	Equity	2012-2017
GLS EOOD	Bulgaria	Equity	2012-2017
CONCESSIONS SEGMENT - SUBSIDIARIES			
IOLKOS S.A.	Greece	Full	2012-2017
HIRON CAR PARK S.A.	Greece	Full	2012-2017
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	Full	2012-2017
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	Full	2012-2017
HELLAS SMARTICKET SA	Greece	Full	2016-2017
WASTE CYCLO SA	Greece	Full	2014-2017
PERIVALLONTIKI PELOPONNISOU SA	Greece	Full	2016-2017
AEIFORIKI EPIRUS MAEES	Greece	Full	2017
NEA ODOS SA	Greece	Full	2012-2017
CENTRAL GREECE MOTORWAY SA	Greece	Full	2012-2017
CONCESSIONS SEGMENT - JOINT VENTURES			
PARKING OUIL SA	Greece	Equity	2012-2017
ATHENS CAR PARK S.A.	Greece	Equity	2012-2017
THESSALONIKI / NIKIS CAR PARK S.A.	Greece	Equity	2012-2017
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	Equity	2012-2017
POLIS PARK S.A.	Greece	Equity	2012-2017
SMYRNI PARK S.A.	Greece	Equity	2012-2017
HELLINIKON ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	Equity	2012-2017
METROPOLITAN ATHENS PARK SA	Greece	Equity	2012-2017
QUARRIES - INDUSTRIAL SEGMENT - SUBSIDIARIES			
VIOMEK ABETE	Greece	Full	2012-2017
STROTIRES AEBE	Greece	Full	2012-2017
TERNA MAG SA	Greece	Full	2012-2017
EUROPEAN AGENCIES OF METALS SA	Greece	Full	2012-2017
VRONDIS QUARRY PRODUCTS SA	Greece	Full	2012-2017
CEMENT PRODUCTION AND EXPORT FZC	Libya	Full	2012-2017
MALCEM CONSTRUCTION MATERIALS LTD	Malta	Full	2012-2017

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	CONSOLIDATION METHOD	TAX UNAUDITED YEARS
SEGMENT OF HOLDINGS – SUBSIDIARIES			
QE ENERGY EUROPE LTD	Cyprus	Full	2012-2017
TERNA ENERGY UK PLC	United Kingdom	Full	????
TERNA ENERGY USA HOLDING CORPORATION	USA	Full	2012-2017
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	Full	2012-2017
TERNA ENERGY TRADING LTD	Cyprus	Full	2012-2017
TERNA ENERGY FINANCE SPSA	Greece	Full	2016-2017
TERNA ENERGY TRADING SHPK	Albania	Full	2017

On December 22, 2017, the new tax law, which came into force on the 1st of January 2018, was signed in the US, and it incorporates changes that may affect the funding mechanism for renewable energy projects. These include provisions to prevent multinationals and international financial institutions from engaging in practices aimed at lowering their tax liabilities in the US by transferring deductible tax expenses from their subsidiaries outside the US to their parent companies which are resident and taxed in USA. Therefore, some international financial institutions that finance renewable energy projects in return for the tax benefits deriving from these projects face difficulties in calculating their future tax liabilities. Consequently, they are not in a position to accurately calculate the benefit from the tax benefits they will receive in the future by participating in the financing of renewable energy projects, resulting in being under a continuous assessment on whether or not to participate in such projects in the future.

On 31/12/2017, the Group had already received funding for its projects already set in operation in the US. Also, for future projects, it aims at new partnerships with international financial institutions that may not be affected by changes in the law, resulting thus in active participation in the financing of renewable energy projects.

With the new tax law, the tax losses that companies in the US are about to accumulate from 1/1/2018 will be reduced, hence reducing the rate of netting of tax losses generated by the 2018 and forth, with taxable profits from 100% to 80%. Until the 31st of December 2017, the Group's subsidiaries in the United States have accumulated a significant amount of tax losses that can be used for the next 20 years from the time they were established, without losing their ability to set off them against possible future taxable profits, based on the changes that the law applies.

The new tax law reduced the corporate tax rate from 35% to 21%. It should be noted that the financing mechanism of the Group's projects in the USA is based on the distribution of most of the tax results of its projects for the following years to the tax equity investors, with the result that the Group's subsidiaries, as of 31/12/2017, do not expect taxable profits for the following years, and for this reason they have not proceeded to the creation of a deferred tax asset on accumulated tax losses. Therefore, the change in the tax rate has no impact on the Group's financial statements for the year 2017 and is not expected to have any impact on future tax (deferred and current) receivables of the Group's subsidiaries in the United States. "

(b) Deferred tax

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax basis of the assets and liabilities.

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Net deferred tax asset / (liability)	**45,867**	**59,587**	**(6,555)**	**1,384**
Opening Balance	**59,587**	**38,373**	**1,384**	**273**
Effect of discontinued operations/acquisitions of entities	22,985	0	0	0
(Expense)/Income recognized in net earnings	(28,969)	21,698	(1,742)	591
(Expense)/Income recognized in Other comprehensive income	(7,774)	(324)	(6,162)	518
Foreign Exchange Translation Differences	(11)	1	0	0
(Expense) / Income recognized directly in the equity	49	(161)	0	0
Other movements	0	0	(35)	2
Closing Balance	45,867	**59,587**	**(6,555)**	**1,384**

The deferred taxes (assets and liabilities) of 2017 and 2016 are analyzed as follows:

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**
	31.12.2017	**31.12.2016**	**1.1 – 31.12.2017**	**1.1 – 31.12.2017**	**1.1 – 31.12.2017**
Deferred tax asset					
Expense for issuing capital	279	227	3	0	49
Provision for staff indemnities	1,064	900	292	(128)	0
Valuation of derivatives	5,729	1,606	5,664	(1,541)	0
Recognized tax losses	364,912	7,415	357,497	0	0
Other provisions	(4,681)	4,879	(9,560)	0	0
Provisions for doubtful receivables	8,597	6,341	2,256	0	0
Discontinued operations	0	0	0	0	0
Impairment of inventories	2,093	1,585	508	0	0
Differences from amortized cost method in loan liabilities	2,177	1,352	825	0	0
Other	974	988	(14)	0	0
Deferred tax liability					
Investment property valuation	(231)	2,685	(2,916)	0	0
Recognition of finance leases	87	74	13	0	0
Valuation of investments	(5,376)	(1,867)	2,596	(6,105)	0
Recognition of revenue based on the percentage of	38,164	64,484	(26,320)	0	0

(Amounts in thousands Euro, unless otherwise stated)

completion					
Depreciation differences	(360,621)	15,454	(376,075)	0	0
Intangible assets differences	5,330	5,786	(456)	0	0
Tangible assets differences	(5,662)	(14,742)	9,080	0	0
Recognition of assets from concession contracts	(1,.901)	(6,291)	(10,610)	0	0
Companies' acquisitions and sales	9,933	(31,289)	41,222	0	0
Deferred tax on net earnings/ other comprehensive income			**(5,995)**	**(7,774)**	**49**
Net deferred income tax asset / (liability)	**45,867**	**59,587**			

GROUP	**Statement of financial position**		**Net earnings (Debit)/Credit**		**Other comprehensive income (Debit)/Credit**
	31.12.2016	**31.12.2015**	**1.1 – 31.12.2016**		**1.1 – 31.12.2016**
Deferred tax asset					
Expense for issuing capital	227	3.270	(3.044)	(159)	1
Provision for staff indemnities	900	841	83	(24)	0
Valuation of derivatives	1.606	1.213	(64)	457	0
Recognized tax losses	7.415	8.516	(1.101)	0	0
Other provisions	4.879	10.294	(5.416)	0	1
Provisions for doubtful receivables	6.341	4.574	1.767	0	0
Discontinued operations	0	0	0	0	0
Impairment of inventories	1.585	2.860	(1.275)	0	0
Differences from amortized cost method in loan liabilities	1.352	(323)	1.675	0	0
Other	988	998	152	0	(162)
Deferred tax liability					
Investment property valuation	2.685	2.806	(121)	0	0
Recognition of finance leases	74	130	(56)	0	0
Valuation of investments	(1.867)	(2.407)	1.297	(757)	0
Recognition of revenue based on the percentage of completion	64.484	34.531	29.953	0	0
Depreciation differences	15.454	(3.001)	18.455	0	0
Intangible assets differences	5.786	2.483	3.303	0	0
Tangible assets differences	(14.742)	(11.958)	(2.784)	0	0
Recognition of Assets from Concessions	(6.291)	0	(6.291)	0	0
Companies' acquisitions and sales	(31.289)	(16.454)	(14.835)	0	0
Deferred tax on net earnings/ other comprehensive income			**21.698**	**(324)**	**(160)**
Net deferred income tax asset / (liability)		**38.373**			

(Amounts in thousands Euro, unless otherwise stated)

COMPANY	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2017	**31.12.2016**	**1.1 – 31.12.2017**	**1.1 – 31.12.2017**
Deferred tax asset				
Provision for staff indemnities	23	22	2	(1)
Valuation of investments	(7.785)	(1,623)	0	(6.162)
Impairment of inventories	120	71	49	0
Income recognition according to IAS 11	286	(34)	320	0
Recognized tax losses	1.321	844	477	0
Valuation differences commercial portfolio	319	778	319	0
Other Provisions	802		24	0
Deferred tax liability				
Expensing of intangible fixed assets	(203)	(127)	(76)	0
Fixed asset valuation differences	406	406	0	0
Expense for issuing capital	203	203	0	0
Accrued income	(2.891)		(2.891)	
Valuation of investment property	844	844	0	0
Deferred tax on net earnings / other comprehensive income			**(1.776)**	**(6.163)**
Net deferred income tax asset / (liability)	**(6.555)**	**1,384**		

COMPANY	**Statement of financial position**		**Net earnings (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**
	31.12.2016	**31.12.2015**	**1.1 – 31.12.2016**	**1.1 – 31.12.2016**
Deferred tax asset				
Provision for staff indemnities	22	21	(1)	2
Valuation of investments	(1,623)	(2,262)	123	516
Impairment of inventories	71	0	71	0
Income recognition according to IAS 11	(34)	478	(512)	0
Recognized tax losses	844	0	844	0
Other Provisions	778	726	52	0
Deferred tax liability				
Expensing of intangible fixed assets	(127)	(51)	(76)	0
Fixed asset valuation differences	406	406	0	0
Expense for issuing capital	203	201	0	2
Valuation of investment property	844	755	89	0
Deferred tax on net earnings / other comprehensive income			**591**	**520**
Net deferred income tax asset / (liability)	**1,384**	**273**		

(Amounts in thousands Euro, unless otherwise stated)

35. COST OF SALES - ADMINISTRATIVE AND DISTRIBUTION EXPENSES - RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales during the year 2017 in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Inventory cost-construction materials	314,033	263,168	348	503
Employee remuneration	68,920	93,735	909	97
Sub-contractors	278,250	301,506	1,574	978
Fees of civil engineers, technical consultants and other third parties	86,008	74,459	7,421	1,366
Other third-party expenses	8,871	10,288	188	192
Taxes-duties	8,991	8,934	108	99
Provisions	5,770	(1,593)	0	16
Transportation expenses	918	1,009	8	2
Lab audit expenses	802	1,550	18	0
Impairments of fixed assets	3	1,032	0	0
Depreciation	70,995	74,051	304	301
Litigation and other indemnities	176	731	0	0
Expenses concerning litigation cases	108	351	0	0
Operating leases	35,884	38,372	182	11
Insurance premiums	6,234	6,769	10	8
Transportation expenses	11,887	24,616	5	2
Repairs-Maintenance expenses	22,736	21,174	15	0
Auditors’ fees	308	212	0	0
Commissions and expenses	21,713	23,674	2,247	2,584
Net financial cost of projects	487	1,612	0	0
Net financial expenses and other supplies	87	0	0	0
Other	7,201	4,929	164	7
Total	**950,382**	**950,579**	**13,501**	**6,166**

The administrative and distribution costs during 2017 in the accompanying financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Employee remuneration	11,279	9,801	506	529
Fees of civil engineers, technical consultants and other third parties	16,594	12,883	571	252
Other third-party expenses	1,271	1,146	16	12
Travel expenses	704	735	31	11
Subscriptions and contributions	1,401	641	58	69
Promotion and advertising expenses	2,638	1,710	74	4
Depreciation	2,185	2,108	109	109
Impairments of fixed assets	0	0	0	0
Provisions	0	78	0	0
Repairs - Maintenance	595	378	60	2
Insurance Premiums	350	276	10	15
Auditors' fees	1,438	947	85	67
Remuneration of BoD	537	794	319	75
Operating leases	1,391	1,307	68	73
Taxes - Duties	1,761	1,841	250	300
Transport expenses	1,538	679	4	0
Expenses concerning litigation cases	22	17	0	0
Other	2,421	1,532	8	4
Total	**46,125**	**36,873**	**2,169**	**1,522**

The Research and Development expenses during 2017 in the accompanying financial statements are analyzed as follows:

	GROUP	
	1.1-31.12.2017	**1.1-31.12.2016**
Employee remuneration	175	118
Fees of civil engineers, technical consultants and other third parties	973	1,228
Other third party expenses	0	0
Depreciation	126	149
Taxes - Duties	11	3
Transportation expenses	18	13
Travel expenses	189	132
Insurance Premiums	10	13
Other	46	26
Total	**1,548**	**1,682**

(Amounts in thousands Euro, unless otherwise stated)

36. AUDITORS' FEES

	GROUP		COMPANY	
	1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Total	**1,746**	**1,159**	**85**	**67**

From the above fees for the Group, an amount of 1,438 (947 in 2016) has been recognized in Administrative expenses and an amount of 307 (212 in 2016) in Cost of sales. The respective fees for the Company have been recognized in Administrative expenses.
For the year ended December 31, 2017, the Group's statutory auditor's fees amount to 185 in respect of permitted non-audit services (excluding statutory audit and tax compliance report).

37. OTHER INCOME/(EXPENSES)

The analysis of the other income/ (expenses) as of 31.12.2017 is presented in the following table:

	GROUP		COMPANY	
	1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Results determining the EBIT:				
Amortization of grants on fixed assets	8,125	11,046	0	0
Other services	1,234	405	0	0
Income from rents	1,167	199	5	0
Indemnities from concession projects	6,971	0	0	0
Charge of expenses	65	645	0	29
Interest on overdue obligations	(7)	258	(3)	0
Subsidies on expenses	1,909	150	0	0
Gains / (losses) from sale of fixed assets and inventories	348	678	(1)	0
Income from legal indemnities	0	135	0	103
Expenses related to insurance indemnities	(130)	0	0	0
Income from insurance indemnities	2,497	1,113	1	1
Gains from elimination of liabilities	203	1,266	0	0
Other income	1,587	1,870	50	5
Collapse of guarantees of penal clauses	825	313	0	0
Valuation of Investment Properties	11,694	(8,707)	(730)	(1,003)
Taxes – duties	723	(1,578)	(14)	(62)
Depreciation not included in the cost	(351)	(1,110)	0	0
Operational support of concession	(13,082)	0	0	0
Other expenses	(2,822)	(1,251)	(2)	(4)
	20,956	**5,432**	**(694)**	**(931)**

(Amounts in thousands Euro, unless otherwise stated)

Results determining the EBIT:				
Foreign exchange differences on payments	1,308	674	0	0
Foreign exchange differences on valuation	(9,310)	841	0	0
Impairments of fixed assets	(5,946)	(4,651)	0	0
Goodwill impairment	(6,576)	0	0	0
Recovery of impairments / Impairments of inventories	(1,772)	4,636	(166)	(247)
Other impairments and provisions	(474)	(15,745)	0	0
Recovery of impairments (Impairments / Write offs) of receivables	(3,982)	(7,262)	0	0
	(26,754)	**(21,507)**	**(166)**	**(247)**
Total other income / (expenses)	**(5,798)**	**(16,075)**	**(860)**	**(1,178)**

38. PROFIT / (LOSSES) FROM SALE OF PARTICIPATIONS

Company and Group recognized profit from selling commercial portfolio and Available for Sale amounting at 216 and 264 respectively.
In March 2016, the Company, in accordance with the provisions of the agreement with the investment firm YORK CAPITAL MANAGEMENT, exchanged a portion of the loan amounting to 650 with 0.16% of the share capital of TERNA ENERGY SA (171,498 shares). From this exchange, it made a profit of 631. This transaction repaid for the convertible loan with the investment firm YORK CAPITAL MANAGEMENT. The Company also made a profit of 18 from the sale of a related company to its subsidiary.
The Group, for the year 2016, recognized losses of an amount of 565 from the sale of the shares for trading purposes and losses of an amount of 2,926 from the sale of shares available for sale.

39. GAINS/(LOSSES) FROM VALUATION OF INTERESTS

The amount of losses from the valuation of interests for the Group and the Company on 31.12.2017 is analyzed below:

	GROUP		**COMPANY**	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Gain / (Loss) from valuation of trading portfolio (note 20)	(1,110)	1,600	(1,110)	0
Loss due to impairment of joint venture	0	0	0	0
Reclassification of non-recoverable loss from investments available for sale (note 21)	0	14,119	0	0
Valuation of other investments	(2)	0	0	0
Profit from the acquisition of HELLAS TOLLS	0	0	947	0
Loss from valuation of interests in subsidiaries	0	0	(8,100)	20,810
Loss from valuation of interests in associates	0	0	0	6,507
Loss from valuation of interests in joint ventures	0	0	(3,721)	540
	(1,112)	**15,719**	**(11,985)**	**27,857**

(Amounts in thousands Euro, unless otherwise stated)

The Management of the Group and the Company monitors annually and evaluates regularly the value of participations in subsidiaries, affiliates and joint ventures. This valuation is measured by measuring the fair value of Equity, in combination with the expected value of use of these companies. In cases where a part of their value is deemed as irrecoverable, it makes impairments that are recognized through the results. During the financial year 2017, the Company realized impairment losses from participation that are mainly related to the real estate operating segment and concessions of car parking stations, as it considers the possibility of reversing the losses included in the net positions of these companies to be very small. Also, during 2017, the acquisition of a 33.33% stake in the joint venture HELLAS TOLLS generated a profit of 947 (see note 42).

40. FINANCIAL INCOME/(EXPENSES)

The financial income / (expenses) during the year 2017, in the accompanying financial statements, are analyzed as follows:

	GROUP		**COMPANY**	
	1,1-31,12,2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Interest on sight accounts	2,724	2,602	1	25
Interest on term accounts	457	158	0	0
Interest on loans	5,150	5,112	5,509	4,353
Profit from valuation of interest swaps	12,608	1,069	0	0
Income – Trade Receivables	10,567	0	10,128	0
Other financial income	1175	292	0	0
	32,681	**9,233**	**15,638**	**4,378**
Interest on short-term loans and guarantees	(4,891)	(8,283)	0	(2,636)
Interest on long-term loans	(56,599)	(37,985)	(12,189)	(6,182)
Interest and expenses of trade and other short-term liabilities	(176)	0	(159)	0
Interests on financial leasing contracts	(938)	(1,122)	0	0
Interest on grants to be returned	0	(1,820)	0	0
Bank commissions and expenses	(6,690)	(6,887)	(177)	(75)
Discounting of provisions	(733)	(498)	0	0
Expenses from interest rate swap contracts	(9,062)	(3,253)	0	0
	(79,089)	**(59,848)**	**(12,525)**	**(8,893)**
Total net	**(46,408)**	**(50,615)**	**3,113**	**(4,515)**

(Amounts in thousands Euro, unless otherwise stated)

41. PERSONNEL COST

Expenses for employee remuneration during the year 2017 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Wages and related employee benefits	62,344	85,434	1,131	498
Social security fund contributions	15,828	15,536	278	117
Provision for employee indemnities	2,245	2,737	6	11
Total	**80,417**	**103,707**	**1,415**	**626**

At the end of the period, the Company had 15 employees and the Group 1,902 (excluding Joint Ventures and Foreign Companies). At the end of the previous fiscal year, from 1/1 to 31/12/2016, the Company had 14 employees and the Group 1,787 (excluding joint ventures and foreign companies).

42. ACQUISITION OF COMPANIES

NEW ROAD SA

On October 1, 2017, the parent company acquired 21.40% of the share capital of NEA ODOS SA through the acquisition of the share held by the Spanish Iridium Group in this company and the sub debt with a nominal value of 25,598. As a result of this acquisition, the percentage of participation in NEW ROAD SA on 1.10.2017 amounted to 78.59%, acquiring full control and therefore the method of equity consolidation changes to the full consolidation method.

NEW ROAD SA already provides the Group with motorway services. This investment will further strengthen the Group's financial performance and provide additional benefits.

The cash consideration for this acquisition amounted to 43,846 of which paid 29,848 cash and the remaining 13,998 would be paid as follows:
- The amount of 1,350 will be paid in 2018
- The remaining amount will be paid in installments in the years 2024-2028.

The relative costs are insignificant and therefore are not analyzed further.

Information on net assets acquired and goodwill has as follows:

Fair price value	24,997
Fair value of minority interests	49,907
Fair value of previous % GEK TERNA	133,310
	208,214
Less: Fair value of net identifiable assets	(233,100)
Negative Goodwill (Acquisition Profit)	**(24,886)**

(Amounts in thousands Euro, unless otherwise stated)

The goodwill (24,886) that arose from the transaction is recorded in the income statement in the line "Profit from the acquisition of a subsidiary”.

The finalization of the amount of the resulting goodwill is expected to be completed within 12 months of the acquisition date of NEW ROAD SA.

The fair value of the assets and liabilities acquired in October 2017 for NEW ROAD SA are presented in the following table:

	Fair value at acquisition
Intangible assets (construction contract)	352,328
Tangible assets	6,513
Other long-term receivables	307
Deferred tax receivable	28,465
inventories	584
Commercial receivables	5,209
Prepayments % other receivables	26,056
Cash & cash equivalents	108,231
Long-term loans	(144,968)
Loans from Financial Leases	(18)
Obligations from derivatives	(22,225)
Provision for staff compensations	(683)
Other provisions	(5,946)
Other long-term liabilities	(38,879)
Short-term loans	(10,040)
Long-term liabilities payable in the next financial year	(20,280)
Suppliers	(28,427)
Accrued and other short-term liabilities	(23,128)
Net assets	**233,100**

The techniques used for the fair value measurement of the acquired significant assets and liabilities are the same as those used by the Group.

At the acquisition date, the Group held 57.19% of the company NEW ROAD SA. When determining the previous percentage, the following result was obtained for the Group:

Value in the Group on 30/09/2017	149,631
Fair value of acquired Equity	233,100
Acquisition rate	57,19%
	133,310
Valuation profit from the percentage retained by the Group	**16,321**

The impairment loss is recognized in the income statement.

(Amounts in thousands Euro, unless otherwise stated)

CENTRAL GREECE MOTORWAY SA

On 1 October 2017, the parent company of the Group acquired 33.33% of the share capital of CENTRAL GREECE MOTORWAY SA through the acquisition of the share held by the Spanish Iridium Group in that company and second-class loans of a par value of 923. As a result of this acquisition, the percentage of participation in CENTRAL GREECE MOTORWAY SA on 1.10.2017 amounted to 66.66%, acquiring full control the consolidation method changes from the equity method to the full consolidation method.

The E-65 already provides Motorway Services to the Group. This investment will further strengthen the Group's financial performance and provide additional benefits.

The cash consideration for the acquisition amounted to 22,219 of which paid 11,216 cash and the remaining 11,003 would be paid as follows:
- The remainder will be paid in installments in the years 2024-2028

Information on net assets acquired and goodwill has as follows:

Fair price value	21,665
Fair value of minority interests	24,838
Fair value of previous % GEK TERNA	24,831
	71,334
Less: Fair value of net identifiable assets	(74,500)
Negative Goodwill (Acquisition Profit)	**(3,166)**

The goodwill (3.166) that arose from the transaction was recorded in the income statement in the line "Profit from the acquisition of a subsidiary".
The finalization of the resulting goodwill is expected to be completed within 12 months of the acquisition date of the E-65.

The fair value of the assets and liabilities acquired in October 2017 for the company E-65 SA is presented in the following table:

	Fair value at acquisition
Intangible assets (construction contract)	411,835
Tangible assets	1,320
Derivatives assets	174,530
Deferred tax receivable	15,396
inventories	222
Commercial receivables	1,012
Prepayments % other receivables	53,287
Cash & cash equivalents	21,332
Long-term loans	(366,265)
Obligations from derivatives	(179,684)
Provision for staff compensations	(174)
Other provisions	(1,195)

(Amounts in thousands Euro, unless otherwise stated)

Deferred tax liability	(20,870)
Short-term loans	(3,193)
Long-term liabilities payable for the next financial year	(74)
Suppliers	(19,197)
Accrued and other short-term liabilities	(13,484)
Income tax payable	(297)
Net assets	**74,500**

The techniques used for the fair value measurement of the acquired significant assets and liabilities are the same as those used by the Group.
The finalization of the amount of the resulting goodwill is expected to be completed within 12 months of the acquisition date of CENTRAL GREECE MOTORWAY SA.
At the acquisition date, the Group held 33.33% of the company E-65 SA. When determining the previous percentage, the following result was obtained for the Group:

Value in the Group on 30/09/2017	898
Fair value of acquired Equity	74,500
Acquisition rate	33,33%
	24,831
Valuation profit from the percentage retained by the Group	**(23,933)**

From the above valuation gain, an amount of 22,007 was recorded in the statement of other comprehensive income due to the fact that the pre-existing effect was due to a valuation of interest rate swaps which had been recorded in previous years in the statement of other comprehensive income. The remaining amount of 1.926 was recognized in the income statement.

HELLAS TOLLS

On 1 October 2017, the Group acquired 33.33% of the HELLAS TOLLS joint venture by the Spanish Iridium group for a zero price in the context of the total purchase and purchase of the shares and secondary loans of the two motorway companies, NEW ROAD SA and E- 65. Thus, the Group's shareholdings in the HELLAS TOLLS Construction Consortium amounted to 66.66% on 30/9/2017 and is consolidated proportionally as a joint venture.
The construction consortium HELLAS TOLLS already provides to the Group tolling facilities.
This investment will further strengthen the Group's financial performance and provide additional benefits.
The relative costs are insignificant and therefore are not analyzed further
Information on net assets acquired and goodwill has as follows:

Fair price value	0,00
Fair value of minority interests	1,894
Fair value of previous % GEK TERNA	947
	2,841
Less: Fair value of net identifiable assets	2,841
Negative Goodwill (Acquisition Profit)	**0**

(Amounts in thousands Euro, unless otherwise stated)

The goodwill that arose was recorded in the profit and loss statement of the subsidiary

The finalization of the amount of the resulting goodwill is expected to be completed within 12 months of the acquisition date of HELLAS TOLLS.

The fair value of the assets and liabilities acquired in October 2017 for HELLAS TOLLS are presented in the following table:

	Fair Value at acquisition
Commercial receivables	8.587
Receivables from construction contracts	1.279
Other receivables	51
Cash & cash equivalents	2.557
Deferred tax liability	(27)
Suppliers	(2.087)
Accrued and other short-term liabilities	(7.518)
Income tax payable	
Net assets	**2.841**

he techniques used for the fair value measurement of the acquired significant assets and liabilities are the same as those used by the Group

On the date of acquisition, the Group held 33.33% of HELLAS TOLLS. The following result for the Group resulted in the measurement of the previous percentage:

Value in the Group on 30/09/2017	0
Fair value of acquired Equity	2,841
Acquisition rate	33,33%
Valuation profit from the percentage retained by the Group	**947**

The profit of the resulting valuation is recognized in the income statement in the profit from the acquisition of a subsidiary

The statement of Comprehensive Income was affected from the aforementioned transactions as follows:

	Net position	Full consolidation	Total
NEW ROAD SA	8.565	-	8.565
E-65	5.092	22.007	27.099
HELLAS TOLLS	947	-	947
Total	**14.604**	**22.007**	**36.611**

In connection with the above, we present a table below, showing the effect of minority interests of subsidiaries on equity as follows :

(Amounts in thousands Euro, unless otherwise stated)

	NEW ROAD SA	CENTRAL GREECE MOTORWAY S.A.	Total
% of Minority Interest	21.41%	33.34%	
Fair Value of Equity at the acquisition date	233,100	74,500	307,600
Minority Interests on 30.9.2017	**49,907**	**24,838**	**74,745**
Minus: Minority proportion from subordinated loan that remains in the group	(25,926)	(924)	-26,850
Balance of Minority Interests in Equity (a)	**23,981**	**23,914**	**47,895**

Effect of subsidiary's Minority Interests from shares increase (b)	**510**
Effect on Minority Interests from granting of free shares (c)	**1,777**
Effect on Minority Interests from establishment of a subsidiary (d)	**117**
Total (a)+(b)+(c)+(d)	**50,299**

43. TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period ending on 31.12.2017 and 31.12.2016, as well as the balances of receivables and liabilities which have derived from such transactions on 31.12.2017 and 31.12.2016 are as follows:

Year 31.12.2017	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	86,369	17,660	99,478	126,981
Joint Ventures	4,941	8,201	14,750	3,345	325	549	1,316	24
Associates	829	2,053	32	7	829	2,053	32	2

Year 31.12.2016	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	15,990	4,159	11,027	79,833
Joint Ventures	573,909	3,196	106,455	19,769	6,232	179	55,824	930
Associates	52	1	790	7	52	1	790	2

(Amounts in thousands Euro, unless otherwise stated)

The transactions with related parties take place with the same terms that hold for transactions with third parties.

Within the year, the Company paid amounts of 3,227 (55,003 in 2016) and 230 (42,010 in 2016) and 2,053 (0 για το 2016) for the share capital increase of subsidiaries,joint ventures and affiliated respectively, while it owes to subsidiaries for the increase of their share capital amounts of 3,030 (335 respectively in 2016). It also granted loans of 100 (50 in 2016) to subsidiaries and 150 (27,008 in 2016) to joint ventures, while it received loans of 44,000 (51,000 in 2016) from its subsidiaries. Also, during the year, it repaid 8,000 loans to its subsidiaries while 798 loans from its relatives were repaid. The amounts are not included in the above tables.

Also, within the fiscal year, the Company received dividends of 6,496 (14,169 in 2016) from subsidiaries and 0 (21 in 2016) from joint ventures and the amount attributable to the Company 6,496 (14,169 in 2016) has been collected. Similarly, for 2017 the Company received from repayments of share capital of a subsidiary 15,724 and from joint ventures and 180 and the amount attributable to the Company of 15,724 has been collected. The amounts are not included in the above tables.

Transactions and remuneration of the Board of Directors members and senior executives: The remuneration of the Board of Directors members and senior executives of the Group and Company, recognized for the periods ended on 31.12.2017 and 31.12.2016, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2017 and 31.12.2016 are as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2017	**1.1-31.12.2016**	**1.1-31.12.2017**	**1.1-31.12.2016**
Remuneration for services rendered	2,790	2,127	130	133
Remuneration of employees	375	41	44	20
Remuneration for participation in Board meetings	566	770	272	52
	3,731	**2,938**	**446**	**205**
Liabilities	694	731	54	12
Receivables	5	58	0	0

44. AIMS AND POLICIES OF RISK MANAGEMENT

The Group is exposed to financial risks such as market risk (volatility in exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The risk management plan aims to eliminate the negative effect of these risks on financial results of the group as these effects are the results of the uncertainty in financial markets and the changes in costs and sales.

The risk management policy is undertaken by the treasury of the Group.

The procedure implemented is as follows:

- Evaluation of risks related to Group's activities and operations.
- Planning of the methodology and choice of the necessary financial products for the limitation of risk.
- Execution/application, in accordance with the approved procedure by the management, of the risk management plan.

The financial instruments of the Group are mainly deposits in banks, short-term financial products of high liquidity traded in the money market, trade debtors and creditors, loans to and from subsidiaries, associates and joint ventures, shares, dividends payable, liabilities arising from leasing and derivatives.

MARKET RISK

The Group is exposed to the risk emanating from changes in the fair value of financial assets "available for sale" which may affect the Financial Statements.

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk that results from the fact that the fair value of future cash flows of a financial instrument will be subject to fluctuations due to changes in exchange rates. This type of risk may result, for the Group, from foreign exchange differences at the valuation and conversion into the Group's currency (Euro) of financial assets, mainly financial receivables and financial liabilities, related to transactions that are carried out in a currency other than the operating currency of the Group's entities. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations. The Group operates through branches and companies in Greece, the Middle East, the Balkans, in Poland, the U.S.A. and thus it may be exposed to foreign exchange risk.

The Group's current foreign activities concern construction projects, real estate development and the development of production of electricity from renewable energy resources.

As regards to the construction projects in the Balkans: the contractual receivables, liabilities to basic suppliers (cement, iron products, asphalt, cobble, skids etc.) and sub-contractors are realized in euro and thus the exposure to foreign exchange risk is limited. Moreover, the Bulgarian lev (BGN) has a fixed exchange rate against the euro.

The development of real estate in the Balkans is mainly realized by the Group's construction companies and thus it is exposed to the same foreign exchange risk as the aforementioned construction companies. From the perspective of sales (and receivables), such are realized mainly in euro, and thus the exposure to foreign exchange risk is limited.

As regards to the construction projects in the Middle East: the contractual receivables, liabilities to basic suppliers (concrete, iron products, asphalt, cobble, skids etc.) and sub-contractors are realized in local currencies, which are pegged to the US dollar (USD) and thus there is exposure to foreign exchange from change in the USD exchange rate.

The electricity production from renewable energy sources activity is performed in Bulgaria, Poland, and in the U.S.A. The contractual receivables, liabilities are realized in local currencies and therefore there is exposure to foreign exchange from the fluctuations of the exchange rate of USD dollar, and the Polish Zloty against Euro.
The following table presents the financial assets and liabilities in foreign currency:

(Amounts in thousands Euro, unless otherwise stated)

	2017											
(amounts in euro)	**RON**	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Financial assets	325	590	311	18,920	25,827	30,894	2,268	1,643	37,271	2,876	12,735	5,761
Financial liabilities	(593)	(1,233)	(8)	(5,236)	(18,697)	(12,921)	(13)	(1,366)	(45,513)	(2,016)	(22,835)	(468)
Total current	**(268)**	**(643)**	**303**	**13,684**	**7,130**	**17,973**	**2,255**	**277**	**(8,242)**	**860**	**(10,100)**	**5,293**
Financial assets	3	0	0	423	158	7,670	4	0	26,072	0	3	10
Financial liabilities	0	(360)	0	(12,727)	(46)	(3,319)	0	0	(286,188)	0	(37,009)	0
Total non-current	**3**	**(360)**	**0**	**(12,304)**	**112**	**4,351**	**4**	**0**	**(260,116)**	**0**	**(37,006)**	**10**

	2016											
(amounts in euro)	**RON**	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Financial assets	382	501	1,208	31,948	52,669	25,374	8,053	2,813	52,814	7,737	14,006	16,364
Financial liabilities	(454)	(1,316)	(198)	(11,942)	(20,498)	(20,938)	(26)	(2,573)	(23,631)	(8)	(17,514)	(6,165)
Total current	**(72)**	**(815)**	**1,010**	**20,006**	**32,171**	**4,436**	**8,027**	**240**	**29,183**	**7,729**	**(3,508)**	**10,199**
Financial assets	3	0	0	806	585	8,733	0	0	24,249	0	3	49
Financial liabilities	0	0	0	(13,779)	(10)	(3,571)	0	0	(217,987)	0	(47,698)	0
Total non-current	**3**	**0**	**0**	**(12,973)**	**575**	**5,162**	**0**	**0**	**(193,738)**	**0**	**(47,695)**	**49**

The following table presents the sensitivity of Net Earnings as well as Other comprehensive income to fluctuations of exchange rates through their effect on financial assets and liabilities. For the BGN currency we did not examine the sensitivity as it maintains a stable exchange rate against the euro. For all other currencies, we examined the sensitivity to a +/- 10% change.

The table presents the effects of the +10% change. The effects of the -10% change is represented by the opposite amount.

	2017											
	RON	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Effect on Net earnings	0	0	0	0	0	0	0	3	321	0	71	0
Effect on other comprehensive income	(2,010)	416	264	(1,803)	(1,830)	1,998	(113)	79	(31,223)	(181)	(6,778)	(5,540)

	2016											
	RON	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Effect on Net earnings	0	0	0	0	37	0	0	0	418	0	255	0
Effect on other comprehensive income	(2,000)	396	269	(1,127)	(901)	1,612	(689)	(36)	(20,118)	506	(8,060)	(4,857)

(Amounts in thousands Euro, unless otherwise stated)

To manage this category of risk, the Group's Management and financial department makes sure that the largest possible part of receivables (income) and liabilities (expenses) are realized in euro or in currencies pegged to the euro (i.e. the Bulgarian lev, BGN) or in the same currency in order to be matched against each other.

SENSITIVITY ANALYSIS OF INTEREST RATE RISK

The policy of the Group is to minimize its exposure to the interest rate risk of long-term financing. On 31/12/2017, 47.77% of the Group's total loans are accrued at a floating rate (fixed spread) and the remaining 52.23% is settled at a fixed interest rate. In addition, 35.71%, € 616,431 (18.93%, € 189,884 at the end of the previous year) of long-term borrowings are covered by cash flow hedges from changes in interest rates.

The following table presents the sensitivity of Net earnings for the period towards a reasonable change in interest rates (on receivables and liabilities) amounting to +/-20% (2016: +/-20%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2017		**2016**	
	+20%	-20%	+20%	-20%
Net earnings after income tax (from interest bearing liabilities)	(190)	190	(281,4)	281,4
Net earnings after income tax (from interest earning assets)	120,8	(120,8)	199,8	(199,8)

The Group is not exposed to other interest rate risks or price risk of securities whose price is traded on a financial market.

ANALYSIS OF CREDIT RISK
The credit risk exposure of the Group is limited to financial assets which are as follows:

	2017	**2016**
Receivables from derivatives	1,310	1,529
Investments available for sale (mutual fund shares)	170	143
Cash and equivalents	642,227	621,003
Loans and receivables	546,966	620,133
Total	**1,190,673**	**1,242,808**

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases that is deemed necessary external reports related to current or potential customers are used. The Group's policy is to co-operate only with trustworthy customers.
The Group is not exposed to significant credit risk from customers' receivables. This is attributed to the fact that one the hand to the Group's policy which is focused on the cooperation with reliable clients and on the other to the activities' nature of the Group.

(Amounts in thousands Euro, unless otherwise stated)

Especially the whole amount of receivables refers to the broader public segment in Greece and abroad or to clients with significant financial position. Despite that these receivables as well are under special monitoring and if it is required necessary adjustments will be made.

The credit risk for the cash and the other receivables is considered negligible given that the counterparties are reliable banks with high quality capital structure, the Greek State and the broader public sector and powerful groups.

The management of the Group assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality.

ANALYSIS OF LIQUIDITY RISK

The Group manages its liquidity needs by closely monitoring its long-term financial liabilities and the daily payments. The liquidity needs are monitored in different time-zones daily and weekly as well as in a rolling 30 day period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

The company maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs is disbursed from time-deposits of the Group. The maturity of financial liabilities at the 31st of December 2017 is analyzed as follows:

	0 to 12 months	**2 to 5 years**	**Over 5 years**
Long-term Debt	364.477	481.331	751.243
Liabilities from financial instruments	25.107	76.298	57.965
Liabilities from finance leases	5.078	11.692	0
Liabilities from derivatives	22.257	89.670	97.931
Short-term Debt	118.592	0	0
Suppliers	243.239	0	0
Other liabilities	243.157	58.994	0
Total	**1.021.907**	**717.985**	**907.139**

The respective maturity of financial liabilities for 31st December 2016 was as follows:

	0 to 12 months	**2 to 5 years**	**Over 5 years**
Long-term Debt	164,557	604,678	445,149
Liabilities from financial instruments	3,987	13,434	31,133
Liabilities from finance leases	5,679	17,708	205
Liabilities from derivatives	0	2,777	3,512
Short-term Debt	65,663	0	0
Suppliers	238,288	0	0
Other liabilities	130,458	44,567	0
Total	**608,632**	**683,164**	**479,999**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the balance sheet date.

(Amounts in thousands Euro, unless otherwise stated)

45. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities during the date of the financial statements may be categorized as follows:

	2017	2016
Non-current assets		
Financial assets from concessions – Loans and receivables	26,463	10,055
Other Long-term Assets - Loans and receivables	80,341	120,595
Financial assets at fair value - Investments available for sale	47,461	26,775
Financial assets at fair value - Derivatives	182,091	1,526
Total	**336,356**	**158,951**
Current assets		
Financial assets at fair value – Investments available for sale	2,126	1,884
Financial assets at fair value – Investments held for trading purposes	3,069	4,807
Loans and receivables - Trade receivables	193,143	279,786
Loans and receivables - Trade receivables from construction contracts	151,366	118,251
Loans and receivables - Prepayments and other receivables	95,653	101,501
Cash and cash equivalents	642,227	621,003
Total	**1,087,584**	**1,127,232**

	2017	2016
Non-current liabilities		
Loans - Financial liabilities at amortized cost	1,221,097	827,531
Loans from financial leases - Financial liabilities at amortized cost	11,692	16,470
Derivatives - Financial liabilities at fair value	200,975	6,289
Liabilities from financial instruments – financial liabilities at amortized cost	134,263	44,567
Trade liabilities - Financial liabilities at amortized cost	49,796	19,524
Total	**1,617,823**	**914,381**
Current liabilities		
Loans - Financial liabilities at amortized cost	482,039	180,247
Suppliers - Financial liabilities at amortized cost	243,239	238,288
Liabilities from financial instruments – financial liabilities at amortized cost	25,107	3,987
Accrued and other liabilities - Financial liabilities at amortized cost	56,334	41,586
Total	**806,719**	**464,108**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The hierarchy of financial assets and liabilities measured at fair value is as follows:

(Amounts in thousands Euro, unless otherwise stated)

- Level 1: Market prices in an active market
- Level 2: Prices from valuation models which are based on observable data of the market
- Level 3: Prices from valuation models which are not based on observable data of the market

The financial items that are valued at fair value on 31.12.2017 to the above mentioned levels of hierarchy are as follows:

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	47,461	0	20,686
Listed shares (investments available for sale)	1	1,956	146	530
Listed shares (investments held for trading purposes)	1	3,069	110	(1,110)
Mutual Funds (investments available for sale)	2	170	0	28
Receivables from embedded derivatives and other derivatives	3	180,780	(11,490)	0
Receivables from cash flow hedging derivatives (IRS) and other derivatives	2	1.311	12	0
Liabilities from cash flow hedging derivatives (IRS) and other derivatives	2	(200,975)	0	6,093

The respective amounts on 31.12.2016 were as follows:

Financial instrument	Hierarchy Level	Fair value of the financial asset/(liability)	Change in net earnings/(losses)	Changes in Other comprehensive Income/(expenses)
Unlisted shares (investments available for sale)	3	26,760	0	(901)
Listed shares (investments available for sale)	1	1,741	(14,119)	(901)
Listed shares (investments held for trading purposes)	1	4,807	(2,165)	0
Mutual Funds (investments available for sale)	2	143	0	(7)
Receivables from cash flow hedging derivatives (IRS) and other derivatives	2	1,526	0	432
Liabilities from cash flow hedging derivatives (IRS) and other derivatives	2	(6,289)	0	(1,305)

Derivative financial instruments are classified in level 2, since the fair value measurement is made by reference to the market interest rate curves.

(Amounts in thousands Euro, unless otherwise stated)

	31/12/2017		
	LEVEL 1	**LEVEL 2**	**LEVEL 3**
Starting balances	**6,691**	**(4,763)**	**26,760**
Impact of shares quoted on the stock market (available-for-sale investments)			
- (Sale) or purchase	(462)	0	0
- Profit / (Loss) from sale	146	0	0
- Valuation effect	530	0	0
Listed shares (Investments held for commercial purposes)			
- (Sale) or purchase	(738)	0	0
- Profit / (Loss) from sale	110	0	0
- Valuation effect	(1,110)	0	0
Non-listed shares (available for sale)			
- (Sale) or purchase	0	0	15
- Profit / (Loss) from sale	0	0	0
- Valuation effect	0	0	20,686
Impact of mutual fund shares			
- (Sale) or purchase	0	0	0
- Profit / (Loss) from sale			
- Valuation effect	28	0	0
Impact of Cash Flow Hedging Derivatives			
- Impact of full consolidation of concessions	0	(179,684)	174,507
- Collection of an amount stemming from an embedded derivative based on the concession contract (note ...)	0	0	(5,536)
- Impact of embedded derivative valuation	0	0	11,809
- Loss from sale	0	0	0
- Profit from sale	0	0	0
- Impact from IRS valuation	0	(15,217)	0
Closing balances	**5,195**	**(199,664)**	**228,241**

	31/12/2016		
	LEVEL 1	**LEVEL 2**	**LEVEL 3**
Starting balances	**22,982**	**(3,890)**	**27,661**
Impact of shares quoted on the stock market (available-for-sale investments)			
- (Sale) or purchase	0	0	0
- Profit / (Loss) from sale	0	0	0
- Valuation effect	(14,119)	0	0
Listed shares (Investments held for commercial purposes)			
- (Sale) or purchase	0	0	0
- Profit / (Loss) from sale	0	0	0
- Valuation effect	(2,165)	0	0
Non-listed shares (available for sale)			
- (Sale) or purchase	0	0	0
- Profit / (Loss) from sale	0	0	0

(Amounts in thousands Euro, unless otherwise stated)

- Valuation effect	0	0	(901)
Impact of mutual fund shares			
- (Sale) or purchase	0	0	0
- Profit / (Loss) from sale	0	0	0
- Valuation effect	(7)		0
Impact of Cash Flow Hedging Derivatives			
- Impact of full consolidation of concessions	0	0	0
- Collection of an amount stemming from an embedded derivative based on the concession contract (note ...)	0	0	0
- Impact of embedded derivative valuation			
- Loss from sale	0	0	0
- Profit from sale	0	0	0
- Impact from IRS valuation	0	(873)	0
Closing balances	**6,691**	**(4,763)**	**26,760**

The investments of Level 3, as mentioned in note 21 of the financial statements, refer to participations in non-listed shares with a holding of less than 20%. These investments are analyzed as follows:

	Fair value of investment 31.12.2017	**Fair value calculation method**	**Other Information**
Receivables from embedded derivatives	180,780	Discount of future cash flows	The following data was used for the discounting: - Estimated flows for the period 2018 - 2038 241 million euro. - Average interest rates for the period 2018-2038 3.93% - Average Discount Factor for the period 2018 - 2038 0.66
REBIKAT SA	526	Equity method at fair values	Fair value of equity on 31.12.2017
ABIES SA	411	Equity method at fair values	Fair value of equity on 31.12.2017
EUROTERRA SA	6,965	Equity method at fair values	Fair value of equity on 31.12.2017
EUROSAK SA	1,253	Equity method at fair values	Fair value of equity on 31.12.2017
OLYMPIA ROAD	38,117	Dividend yield prepayment method	Cost of Capital 9.7% -12.9% borrowing cost 5.2%
OTHER INVESTMENTS	189	Equity method at fair values	Fair value of equity on 31.12.2017
TOTAL	**228,241**		

(Amounts in thousands Euro, unless otherwise stated)

For companies EUROTERRA, REBIKAT, ABIES and EUROSAK, which are investment property companies, their valuation was based on IFRS with regards to net accounting positions. Given that real estate is measured at fair value and accounts for the bulk of the net assets of the companies, the net position of the companies is the same as their fair value.

For OLYMPIA ROAD SA (Concession Company) due to the fact that, as of 31/12/16, it remained under a construction period and all the toll stations were not operational, the operating result could not be reliably predicted. Therefore, there was no reasonable basis for estimating the fair value, and the acquisition cost was taken as fair value. The participation in this company amounted to 17%, i.e. € 17,000,000.

During 2017, the motorway was put into circulation with all toll stations running. The Group considers that, given the present circumstances, it may have sufficient data in order to estimate fair value by discounting the expected dividend yield and proceed to the relative fair value measurement.

Level 2 investments concern investments in hedge funds and hedging derivatives. These investments are analyzed as follows:

	Fair value of investment 31.12.2017	**Fair value calculation method**	**Other Information**
Receivables/ (Obligations) from Interest Rate Swap Derivatives (IRS)	(199.664)	Valuation by credit institutions: BBVA, EUROBANK, FORTIS, NOVO, PIRAEUS, STANTANDER combined with an internal valuation using interest rate curves	
TOTAL	**(199,664)**		

Level 1 investments are equity investments. These investments are analyzed as follows:

	Fair value of investment 31.12.2017	**Fair value calculation method**	**Method data**
Shares of mutual funds	170	Closing price 31.12.2017	-
Shares of Attica Bank	1,956	Closing price of ASE 31.12.2017	-
Piraeus Bank shares	3,069	Closing price of ASE 31.12.2017	-
TOTAL	**5,195**		

46. POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of GEK TERNA Group regarding the management of its capital are as follows:

- To ensure the ability of the Group to continue its activity (going-concern) and
- To secure a satisfactory return for its shareholders by pricing products and services according to their level of risk.

(Amounts in thousands Euro, unless otherwise stated)

The Group defines the level of capital in proportion to the risk of its activities, it monitors the developments of the economic environment and their effect on the risk characteristics, and it manages the capital structure (relation of debt to equity) with the adjustment of the amount and maturity of debt, the issue of new shares or the return of capital to shareholders, with the adjustment of the dividend and the sale of individual or a group of assets.

For this purpose, the Group monitors its capital based on the leverage ratio which is defined as: *Adjusted Net Debt / Adjusted Equity*, where *Adjusted Net Debt* is defined as Liabilities from loans, financial leases and liabilities from financial instruments minus Cash equivalents, as such appear in the Statement of Financial Position, while *Adjusted Equity* is defined as Equity plus Grants.

The ratio at the end of 2017 and 2016 was as follows:

	2017	**2016**
Interest bearing debt	1,726,305	1,024,248
Liabilities from financial instruments	159,370	48,554
Minus:		
Cash and Cash equivalents	(642,227)	(621,003)
Adjusted Net Debt	**1,243,448**	**451,799**
Equity	768,155	598,505
Grants	164,211	180,324
Adjusted Equity	**932,366**	**778,829**
Leverage ratio	**74,98%**	**58,01%**

47. CONTINGENT LIABILITIES AND ASSETS

1. Tax Compliance Report

For the fiscal years 2011-2012-2013, the parent company and its Greek subsidiaries are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 82 par. 5 of L. 2238/1994 (Min. Dec. 1159/26/7/2011), whereas for the years 2014 and 2015 they are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2014 (Min. Dec. 1124/22/6/2015). The finalization of the tax audit from the Ministry of Finance is pending for all the above fiscal years.

Consequently, and in accordance with the foregoing in POL. 1192/2017, the right of the State to charge a tax up to and including the fiscal year 2011 is time-barred unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply.

For the fiscal year 2016, the parent company and its Greek subsidiaries which fulfill the conditions of article 1 of Min. Dec. 1124/22/6/2015 are subject to the tax audit by Certified Auditors Accountants as defined by the provisions of article 65A, par. 1, Law 4174/2013 (Min. Dec. 1124/22/6/2015). This audit is underway and the relevant tax certificate is expected to be issued following the publication of the financial statements for the year 2017.

The tax un-audited fiscal years of the other consolidated companies are referred to in Note 34 of the annual Financial Statements of 31/12/2017.

The Group's tax liabilities for these years have not become definitive and therefore additional contingencies may arise when the relevant tax audits are carried out.

The Group's provision for tax unaudited fiscal years estimating the actual facts of the risk of tax offenses amounts to 3,460 and the Company amounts to 0.

Subsidiaries that are loss-making for consecutive years do not pose any risk of a tax burden.

The Group's Management estimates that the taxes that may arise from the audit of the Group's subsidiaries by the tax authorities will not have a material effect on the financial statements as the Company has made sufficient provision.

2. Commitments from construction contracts
The backlog of the construction contracts of the Group amounts to € 1,600 million on 31/12/2017. Under these commitments, the Group has issued good execution letters of guarantee at an amount of EUR 1,374 million, compared with € 1,538 million in 2016.

3. Court cases
The Company and its consolidated companies are involved (in their capacity as defendant and plaintiff) in various court cases in the context of their normal operation. In particular, in the case of legal proceedings against the Group for accidents at work that occurred during the execution of construction works, it is noted that the Group is insured against accidents at work and therefore no significant burden is expected to arise from the possible negative outcome of such court cases

The Group forms provisions in the financial statements for outstanding legal affairs when it is probable that an outflow of resources will be required to settle the obligation and that this amount can be reliably estimated. In this context, the Group has recognized as of 31/12/2017 provisions of 3,467 EUR million for litigations (see note 26).
The Management, as well as the legal advisors, consider that, besides the above-mentioned provisions, pending cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company or the results of their operation, beyond the already established provision for litigations .

Client claims against Consortium in which the Company participates and the counterpart claim of the Consortium
There are pending litigations in the SIEMENS A.G. - AKTOR SA - TERNA SA Consortium (hereinafter referred to as "Consortium"), contractor of the project "Renovation of a railway line and manufacture of signaling electrification, - telecommunication in the part of Piraeus - Athens - Three bridges - SKA - Acharnes / Three bridges - Ano Liossia (connection to GYYT - Korinthos "(AS 994), with OSE SA, in which the Group participates with 37.5%.
In particular, OSE SA is bringing an action against the Consortium in which it also claims payment of EUR 18.5 million (excluding VAT) for the disputed 66th (negative) final account of the above project, which allegedly OSE SA does not respond and does not correspond to a specific contractual provision. The hearing of the above treatment was set for 6/12/2018.

Against the 66th negative final account, there is pending appeal of the Consortium against the OSE SA in relation to the recognition of the illegality of the 66th negative final account (for the reasons stated therein) and the payment of the expenses/fees made for additional studies that arose after the change of the first environmental study. 06/12/2018 was also set as the date on which this action was be discussed. The assessment of the Legal Advisers with regards to the outcome of these legal disputes is positive for the Consortium, given that no. 1038/2017 decision of the Supreme Court in the appeal of the contractor consortium against OSE SA for the annulment of the rejection decision no. 1137/2013 of the Piraeus Appeal Court (which concerns the Final Measurement of the said project), which accepted the appeal and referred for re-hearing to the Five-member Court of Appeal of Piraeus. Following a relevant call to resume the debate, the case was adjudicated on 17/5/2018. As a result of the referral for a new hearing, the appeal of the sponsor consortium will in essence be judged on the grounds that the no. 1137/2013 Decision, which was annulled, was dismissed as inadmissible.

TERNA ENERGY AI GIORGIS SA

Lawsuit against the Company SILVER SUN SHIPPING SA, headquartered in Panama with offices in Greece for the payment of € 18,514 for tort, i.e., for the restoration of damage and loss of profits of the Company due to culpable damage. According to the lawyers' assessment, a positive decision is expected. Similarly, the Company has filed a lawsuit against the insurer under the name UK PROTECTION & INDEMNITY CLUB (UK P & I CLUB), seeking an order that the defendant Insurance Agency pays the Company-member named SILVER SUN SHIPPING SA, the amount of € 18,514. Already, on March 13, 2018, the Decision no. 1291/2018 on the first action was published, which partially upheld the claim and awarded the applicant an amount of € 12,034 legitably from the beginning of 2017. The plaintiff will appeal against that decision.

48. EVENTS AFTER THE BALANCE SHEET DATE

On 9 February 2018, an Extraordinary General Assembly of Shareholders was held and the following decisions were taken:

It approved the proposal for the increase of the share capital of the Company by abolishing the pre-emptive right of the old Shareholders, by the amount of € 2,850,000, by cash payment, through the issuance of 9,500,000 common voting shares of nominal value € 0.30 each and a disposal price of € 4.35 per share. The amount of thirty eight million, four hundred and seventy five thousand euro (€ 38.475.000) was approved to be credited to a special reserve of the Company from the issuance of shares above par.

On March 30, 2018, the Extraordinary General Assembly of Shareholders approved the Board of Directors' recommendation for the increase of the Company's share capital by the amount of € 25,062,165.92 through the capitalization of part of the special reserve from the issuance of shares above par with the increase of the nominal of the share value from € 0.30 to € 0.52 and a simultaneous reduction of the share capital by the amount of € 25.062.165,92 with a corresponding reduction in the nominal value of each share from € 0.52 to € 0.30 and the return of the amount of the reduction, € 0.22 per share, to the Shareholders.

At the meeting of the Hellenic Capital Market Commission on March 21, 2018, the Company's Prospectus was approved for the public offering by cash payment and the admission to trading on the Athens Stock Exchange of up to 120,000 common anonymous bonds, amounting to a total amount of 120,000,000 million euros. After the end of the vesting period, the above issue was fully covered. The issue price of the Bonds amounts to € 1,000 each, ie 100% of its nominal value. The final bond yield was set at 3.95% and is stable for the seven-year period. The repayment of the Bond Loan will take place in seven years from its issuance.

With the completion of the Public Offer on March 29, 2017, and according to the aggregate allocation data generated by the use of the Electronic Book Building of the Athens Stock Exchange, a total of 120.000 common anonymous bonds of the Company were allocated with a nominal value € 1,000 each and funds were raised of € 120.000.000. The allocation of the Bonds is as follows: 78,000 Bonds (65% of the total Bonds issued) were allocated to individual investors and 42,000 Bonds (35% of the total issued Bonds) were allocated to Special Investors.

The characteristics of this bond loan are as follows:
(a) The bond yield is 3.85% and is stable over the duration of the loan.
(b) Interest is calculated on six-month basis.
(c) The loan period is five (5) years with a prepayment option after two (2) years and the time of its repayment will be implemented at the end of the five (5) years after the elapse of the five (5) years.

THE CHAIRMAN OF THE BOARD

NIKOLAOS KAMPAS

THE CHIEF EXECUTIVE OFFICER

GEORGIOS PERISTERIS

THE CHIEF FINANCIAL OFFICER

CHRISTOS ZARIBAS

THE CHIEF ACCOUNTANT

NIKOLAOS VALMAS

The annual financial statements of the Group and Company, as well as the financial statements of the consolidated companies, the Audit Report by the Certified Auditor and the Reports by the Board of Directors for the year ended on 31st December 2017, have been posted on the Company's website. http://www.gekterna.com .