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 2018

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

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CONTENTS

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

We

1. George Peristeris, Chairman of the Board of Directors & Chief Executive Officer

2. Apostolos Tamvakakis, Vice Chairman, Independent Non-executive Member of the Board of Directors

3. Constantinos Vavaletskos, Vice Cahirman Executive member

STATE THAT

To the best of our knowledge:

a. The enclosed annual company and consolidated financial statements of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period from January 1^{st} 2018 to December 31^{st} 2018, drawn up in accordance with the applicable accounting standards, reflect in true manner 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 consolidated financial statements taken as s total 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 financial statements taken as a total , including the description of main risks and uncertainties they are facing.

Athens, 23 April 2019

Chairman of the Board &
Chief Executive Officer

Georgios Peristeris

Vice Chairman	Vice Chairman
Apostolos Tamvakakis	Constantinos Vavaletskos

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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 the Audit of the 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) and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31, 2018, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended, including a summary of significant accounting policies and selected explanatory notes to the financial statements.
In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at December 31, 2018, the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated into the Greek Law. Our responsibilities, under those standards are further 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 and its subsidiaries, during the whole period of our audit, in accordance with the International Ethics Standards Board for Accountants "Code of Ethics for Professional Accountants" as incorporated into the Greek Law and we have fulfilled our ethical responsibilities in accordance with current legislation requirements and the aforementioned Code of Ethics. 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 year. These matters and the related risks of material misstatement 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 express 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 € 1,402.7 million for the year ended as at 31st December 2018 and is derived from different operating segments. Each operating segment includes different revenue streams whose recognition involves different level of complexity and judgements by Management.

Revenue from operating segment "Construction Contracts" amount to € 949 million and it 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.

Revenue from construction contracts are recognized in accordance with IFRS 15 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.

Group's disclosures regarding the accounting policies of revenue recognition and Management's judgements and estimates used for revenues and the assessment of the impact of the application of IFRS 15 as well, are included in the notes 2.6.3, 3.2(i), 4.20 and 6 of the financial statements.

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

- Understanding of the internal controls which have been designed by management relating to the revenue recognition of each operating segment.
- Evaluation o of the terms of contracts and budget data used for calculations of revenue recognition from construction contracts.
- Evaluation of assumptions used for revenue recognition from construction contracts and reassessment of the completion rate of the performance obligations 31st December 2018.
- Testing on a sample basis of the actual construction costs recognized during the current year, with the relevant documents.
- Assessment of adequacy of the disclosures included in the notes to financial statement regarding this matter.

Assessment of impairment of non-current assets

As at 31 December 2018, the Group recognized goodwill of € 3,2 million, intangible assets with definite useful life of € 802,7 million and property, plant and equipment of € 1,332.7 million Also, as at 31 December 2018, the Company holds investments in subsidiaries of € 400.3 million and investments in associates and joint ventures amounting to € 4,8 million and € 5,2 million respectively.

In accordance with IFRS, intangible assets with definite useful life, property, plant and equipment and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there are relevant indications. The abovementioned assessment requires significant level of judgement.

The impairment test requires the identification of the recoverable amount of each Cash Generating Unit (CGU) as the higher of the fair value less costs to sell and value in use. Fair value calculation is based on acceptable valuation methods while the assessment of value in use is derived from the discounted cash flow

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

- Evaluation of procedures used by the Management to identify indications of impairment of non-current assets.
- Evaluation of the procedures used by the Management in order to prepare reliable business plans.
- For those CGUs that impairment indications existed, evaluation of: i) the appropriateness of the methods applied for the identification of recoverable amount and ii) the reasonableness of the key assumptions and estimates of future cash flows.
- Review of the mathematical precision of discounted cash flow models.
- For the abovementioned procedures where it was

method based on business plans which include key assumptions and management estimates such as revenue growth, capital and operating costs and discount rates used.

The assessment requires judgement by management regarding the future cash flows of each CGU (relating to variables as revenue growth rate, capital and operating expenditures and the requirements of the relevant legal framework affecting their operation) and the discount rates applied to future cash flows.

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.

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 3.1(ii), 3.2(vi), 4. 9, 7, 8, 9, 11.3, 12 and 13 to financial statements.

deemed appropriate, we used Grant Thornton's specialist.

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

Provisions and contingent liabilities

As at 31 December 2018, the Group and the Company are involved (under their capacity as defendant and plaintiff) in various and complex court cases and arbitration procedures during their normal operations.

The recognition and measurement of provisions and the measurement and disclosure of contingent assets and liabilities related to court cases and arbitration procedures includes significant judgements by Management which take into consideration the estimates of its legal advisors. The estimates relate to the outcome and the possible financial impact of each case to the Group and the company. As a result we considered this area as one of the key audit matters.

The Group 's and Company 's disclosures regarding provisions and contingent liabilities are included in Notes 3.2(xii)), 4.19, 26 and 49 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' letters and discussions with the Management and legal consultants where necessary.

– 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 Information

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

Our opinion on the separate and consolidated financial statements do not cover the other information and we do 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, 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 we conclude, based on our audit, that there is a material misstatement therein, we are required to communicate that matter. We have nothing to report, regarding the aforementioned matter.

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 the IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of 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 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 there is an intention to liquidate the Company or the Group or to cease operations, or there is no realistic alternative but to do so.
The Audit Committee (art. 44 Law 4449/2017) of the Company is responsible for overseeing the Company's and 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 a whole 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, as incorporated into the Greek Law, 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 influence 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, as incorporated into the Greek Law, 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 for one 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 or 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 of the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. 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. Management Report of the Board of Directors

Taking into consideration that Management is responsible for the preparation of the Management Report of the Board of Directors and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B), we note the following:
a. The Management Report of the Board of Directors includes a Corporate Governance Statement that provides the information required by Article 43bb of Codified Law 2190/1920.

b. In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the legal requirements of article 43a and 107A and paragraph 1 (c and d) of Article 43bb of the Codified Law 2190/1920 and the content of the report is consistent with the accompanying financial statements for the year ended December 31, 2018.

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

2. Complementary Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the complementary report to the Company's Audit Committee, in accordance with Article 11 of the European Union (EU) Regulation 537/2014.

3. Non-audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014. The permitted non-audit services that we have provided to the Company and its subsidiaries during the year ended December 31, 2018, are disclosed in note 37 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We have been appointed as joint statutory auditors by the Annual General Meeting of the Company on 28/06/2017. Since then, we have been appointed as joint statutory auditors for a total period of two (2) years based on the decisions of the shareholder's Annual General Meetings.

Athens, 24th April 2019
The Chartered Accountant

Dimitra Pagoni
I.C.P.A. Reg. No 30821

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ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 2018 ON THE CONSOLIDATED COMPANY'S FINANCIAL STATEMENTS

Dear Shareholders,

Pursuant to the provisions of Law 4548/2018 (article 150 par. 1,2,3 and article 149 par. 1) and of Law 3556/2007 article 4 paragraph 2c and the implementing decisions issued thereon 1 /434/03/07/2007 and 7/448 / 11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission, we submit to you for the current fiscal year from 01.01.2018 to 31.12.2018 the annual report of the Board of Directors.

This report contains financial and non-financial information of the Company and its subsidiaries and affiliates for the year 2018 and describes significant events that took place during this period as well as the prospects of the company and the Group and their impact, along with the prospects of the company and the Group. 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 2018 the country's fiscal adjustment period continued, and with the completion of the Adjustment Program, the prospects for acceleration of the economy emerge positive. The Greek economy recorded GDP growth by 1.9% in 2018, while it achieved a partial upgrading of the Greek State's creditworthiness and came out with relative success in the markets through the issuance of successful long-term bond issues, which reflects the restoration of confidence in the potential and prospects of the Greek economy.

Nevertheless, the intense volatility of the international environment and the effects of a series of events taking place, mainly at European Union level, combined with the continuing structural weaknesses of the Greek economy, create a volatile environment.

At the same time, the continuing effort to increase the Fiscal Scales, to the detriment of the Public Investment Program, the lack of elimination of the bureaucracy in the Greek state, and the continuing lag behind in the return of the amounts owed by the Greek State, deprive the market of productive capital by operating negatively to the objective of further development of the Greek economy.
In addition, the cost of financing and the cost of letters of guarantee, although lower than the previous year, remain still very high. At the same time, the limitation of the activity of the Greek Banks abroad and the non-acceptance in several cases of the letters of guarantee of the Greek Banks is an inhibiting factor in the development of the foreign markets.

In this context, GEK TERNA Group continued its investment program in Greece and abroad by raising new Capital Loans in Renewable Energy, in the Concessions Sector, in the industrial sector Magnesite production, as its capital structure remains satisfactory.
Our Group continues to be present in countries outside Greece, despite the difficulties that exist, as a significant part of the turnover of the operating sectors of construction and energy derives from South East Europe. Europe, the Middle East and America.

The main consolidated Financial Figures of 2018 based on the International Financial Reporting Standards as compared to the financial figures of 2017, are as follows:

Turnover from continuing operations to third parties amounted to approximately € 1,402 million, compared with € 1,185 million in 2017,thus a 217 million increase of approximately 18.3%.

Operating profit, including non-cash results from continuing operations (adjusted EBITDA), amounted to 280.8 million in 2018 and in 279.9 million in 2017.

Earnings before tax from continuing activities amounted to EUR 60,8 million compared to EUR 153.4 million in the year 2017, posting a reduction due to the lower operating profit from the Construction Sector and due to the non-recurring profits that arose in 2017 a) from the business combination of NEA ODOS SA and CENTRAL GREECE SA, which resulted in a net positive effect of EUR 14 million (negative goodwill less the result of the valuation of the previous occupied percentages); b) discounting of the redeemed purchase price of approximately € 10 million; and c) gain of fair value valuation of investment property amounting to EUR 14 million approximately.

Earnings after tax and minority interests for Non-controlling interests amounted to € 4.5 million, compared to € 69.8 million in 2017, mainly driven by the lower earnings of the Construction Sector as well as the non-recurring earnings of the profits reported above after taxes amounting to € 34 million which arose in 2017.

The Net Debt of the Group (cash & cash equivalents less debt and excluding blocked deposits) amounted on 31.12.2018 to approximately minus EUR 1,327 million against minus EUR 1,084 million Net Debt on 31.12.2017. The increase in the Net Debt was mainly influenced by the increased investments of the Group energy sector and the Concession sector.

The Group's Total Assets amounted on 31.12.2018 to € 4,010 million compared to € 4,093 million on the 31.12.2017.

The Board of Directors of GEK TERNA, taking into consideration the Group's investment program and company's increased cash needs for working capital, proposes not to distribute a dividend.

B. Significant events for the fiscal year 2018

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 affiliated companies was fulfilled. On April 10, 2018, the last installment of this Bond Loan was paid amounting to € 64.5 million, and the result of this payment was, inter alia, the renegotiation of the paid spread, which stood at 4% for the whole remaining loan and at the same time there were reduced the initial guarantees given.

The Group signed on 02.02.2018, a contract with M.M. Makronisos Marina Ltd totaling € 163.4 million for the construction of two towers of 27-28 floors totaling 115m approximately that will constitute a residential complex consisting of 29 villas with a total area of 16,500 square meters, as well as a shopping mall with luxury shops, dining and entertainment, parking and event venues with a total area of 8,000 square meters, in the context of the Ayia Napa Marina's development.

On 09.02.2018, an Extraordinary General Meeting of Shareholders of subsidiary TERNA ENERGY SA was convened and approved the proposal for the increase of the Company's share capital, with the abolition of the old Shareholders' preference right, by the amount of € 2,850,000 with cash payment and the issue of 9,500,000 common voting shares of a nominal value of € 0.30 each and offer price of € 4.35 per share while the amount of thirty eight million four hundred seventy five thousand (€ 38,475,000) was placed in a special reserve of the Company from the issueance of shares above par.

In implementation of the decision of the 1st Repeat General Meeting of Shareholders of 7th July 2014, which provided the benefit of a right of option to acquire company stocks by management executive, the Nominations & Remunerations Committee met on 12.02.2018, audited the progress of the objectives and concluded that some of the objectives had been achieved and based on that the Company granted on 26.02.2018 through an OTC transaction 1,350,000 shares of its treasury shares, to the beneficiaries. It re-convened on 29.08.2018, and concluded that more objectives were achieved, and thereafter the Company granted an additional 400,000 shares on 27.09.2018 through an OTC transaction.

During the meeting of the Hellenic Capital Market Commission on 21.03.2018, the Prospectus of GEK TERNA Parent Company 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, totaling 120,000,000 euro.

With the completion of the Public Offer on March 29, 2018 and according to the aggregate allocation data generated by the utilization of the Athens Exchange Electronic Book-Building Service, a total of 120,000 common anonymous bonds were disposed of the Company with a nominal value 1,000 euro each, or 100% of its nominal value, and raised capital of 120,000,000 euro. The allocation of the issued bonds is as follows: 78,000 Bonds (65%) of the total issued Bonds were distributed to private Investors and 42,000 Bonds (35%) of the total issued Bonds were distributed 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.

Upon the temporary delivery of the Megalopolis V AHS B Unit and in particular by the signed Interim Receipt Protocol of August 28, 2018, there are recorded between the Customer and the Contractor, by each other receivables of approximately 60 million and for the settlement of these disputes, the envisaged contractual procedure will be followed.

On 14.09.2018 the Association of Persons "TERNA SA" - GMR Airports Limited ", was declared as the Final Contractor 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 relevant legal procedures were initiated to sign the concession contract. It is expected to be ratified by the Greek Parliament.

On 14.12.2018, the construction consortium "VINCI TERNA CONSTRUCTION JV DOO BEOGRAND - STARIGRAD" signed the contract "New Nikola Tesla Airport". The consortium will implement the following projects: a) Terminals, b) External Airspace Service, and c) Outside Traveler Services. The completion time is 5 years, the conventional object amounts to 262 million and the participation percentage of the GEKTERNA Group is 49%.

On 28.12.2018, the Group signed the Modification & Completion of the Contract for Studies and Constructions of the project "Central Greece Motorway E-65", with the award of the execution of the part of Semi-node PATHE - A/K Xiniada, amounting to EUR 305.7 million and a construction period of 36 months.

During the period 01.01.2018 to 31.12.2018, the Group signed, in addition to the above contracts, new contracts and extensions of existing contracts with a total budget of 283 million euro.

The Group through the subsidiary TERNA ENERGY started the commercial operation of three wind farms with a total installed capacity of 51 MW in various regions of Greece (Veria, Kozani, Viotia).

The Group signed on 14.06.2018 through the subsidiary TERNA ENERGY the PPP project "Integrated Waste Management of Peloponnese Region", between the Environmental Peloponnese SA, a member of the TERNA ENERGY Group and the Peloponnese Region. It is the largest waste management project in the country, which implements most of the Peloponnese PESDA (regional waste management plans), while operating alongside with the local recycling projects at the source of municipalities. The amount of the investment amounts to € 168 million, of which € 66 million comes from an NSRF grant. The Agreement provides for the construction and operation of three (3) Waste Treatment Units (WTU) and an equal number of Sanitary Landfill Sites (SLS) in Arcadia, Messinia and Laconia, as well as for two (2) Waste Shipment Stations (WSS) in Corinthia and Argolida, finally resolving the major waste problem in the Peloponnese. The total duration of the contract is 28 years and includes the two-year construction period and the 26-year period of operation.

The company GEK TERNA SA on 21.09.2018 agreed with the company "FERROVIAL S.A" for the acquisition of its participation share in the Concession Companies "NEA ODOS SA" and " CENTRAL GREECE MOTORWAY E SA" and in the Joint Venture under the name "FERROVIAL JOINT VENTURE SA". - GEK TERNA HOLDINGS, REAL ESTATE SA "as follows:
1) for the company " CENTRAL GREECE MOTORWAY SA" percentage of 3.34%
2) for the company "NEA ODOS SA" percentage of 21.41% and
3) for the Joint Venture FERROVIAL SA - GEK TERNA HOLDINGS, REAL ESTATE SA, percentage of 21.4%.

The transaction was subject to approval by the competent authorities. Approval was received until 11.12.2018, when the acquisition of the above Ferrovial holdings' participations was finalized, for an amount of € 85 million.
As a result of this acquisition, the Group holds 100% of these companies.

The Group through its subsidiary TERNA was financed by Greek Credit Institutions with a long-term bond loan amounting to € 127.3 million at an interest rate of 3.75%, through which financed the acquisition of "FERROVIAL SA" participations in the Concession Companies "NEA ODOS SA" and "CENTRAL GREECE MOTORWAY SA "and in the Joint Venture under the name "FERROVIAL JOINT VENTURES SA ". - GEK TERNA HOLDINGS, REAL ESTATE SA were financed and it was also refinanced the existing loan agreement, in which the IRIDIUM's participation interest in the above companies and the Joint Venture were acquired in 2017.

The GEKTERNA Group, in the context of partial divestment in the Real Estate Sector, in the last ten days of December 2018 finalized the sale of his 90% percentage in the subsidiary that owned the Telus Tower complex in Macedonia Square in Sofia, based on the estimated fair value of the specific investment property. This value was estimated at EUR 78.6 million and the price received after the repayment of the company's liabilities amounted to EUR 36 million..

By the decisions of the Board of Directors of the subsidiary companies TERNA SA and TERNA LEYKOLITHI SA of 29.06.2018, it was decided to initiate the merger by absorption of TERNA LEFKOLITHI SA by TERNA SA, in accordance with the provisions of article 54 of Law 4172/2002 and articles 68-77 of C.L. 2190/1920. The definitive completion of the process of the proposed merger is subject to the competent authorities' approval of the relevant legislation.

Construction Segment

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 strong 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 948.9 million compared to EUR 899.5 million in 2017. This figure does not include the intra Group's transactions, which amounts to EUR 64.1 million and concerns the construction of capital goods for our Group.

Earnings before interest, taxes depreciation and amortization , including non-cash results (adjusted EBITDA), amounted to € 32.1 million compared to € 126.2 million in the previous year and decreased by 74.5%. At the same time Earnings before interest and taxes (EBIT) amounted to € 20.1 million compared to € 106.4 million in the previous year. The above amounts do not include profits from intra-Group segment profits.

Construction Sector turnover, 948.9 € million, derives (a) from activities in Greece by 88.23%, (b) from activities in Balkan countries by 5.37% and from activities in Middle East countries by 6.4%.

Debt amounted to EUR 105.2 million compared with EUR 100.4 million in 2017, while Net Debt of the construction sector (cash less debt) amounted to approximately EUR 143.1 million against a net cash position of EUR 234.6 million on 31.12.2017.

The backlog of signed contracts on 31.12.2018 amounted to approximately EUR 1.6 billion.

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

Energy Production Segment

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 the Group TERNA ENERGY SA, as well as in thermo-produced energy, through "HERON Thermoelectric 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 Group has already put into operation 1,011 MW in Greece and abroad. Specifically, the Group has already installed 585.9MW in Greece, 293MW in the US, 102MW in Poland and 30MW in Bulgaria.
It is essential that over the last five years, the Group invests approximately 120 million on average per year.

Sales of energy from renewable sources amounted to € 216.3 million compared to € 173 million in 2017, posting an increase of 25%.

Earnings before interest, taxes, depreciation and amortization including non-current cash results (adjusted EBITDA), amounted to 156.6 million euros, compared to 128.9 million in 2017, posting an increase of 21.5%. At the same time, Earnings before interest and taxes (EBIT) amounted to € 108.8 million against € 90.7 million in 2017.

TERNA ENERGY's investments amounted to € 108 million in 2018. The aforesaid Group's ongoing investment activity creates the conditions for stabilizing strong levels of revenue and profitability over the long term.

b) Electricity production from Thermal Resources – Sale of electric energy
In the sector of production of electricity from thermal energy sources in 2018, the operation of the 435 MW Thermoelectric Power Plant and the 147 MW smaller unit in Viotia continued.

According to the provisions of 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. During 2018, the earnings after taxes which have been incorporated amounted to 2.6 million euro compared to 1.8 million euro in 2017.

Turnover of the electricity trading sector was € 19.7 million, compared to € 13.6 million in the corresponding period of 2017, posting an increase of 45% from 2017. Operating EBITDA of the industry amounted to EUR 1.6 million, compared to EUR 1 million in 2017.

Real Estate segment
The unfavorable economic conditions in the real estate market, which have continued since 2010, have led to a standstill in terms of investment activities in the domestic property market. Abroad, within 2017, a multi-storey shopping center in Sofia was completed, which in 2018 was almost entirely leased. Taking advantage of the existing property demand of specific requirements, the Group decided to sell the shares of the subsidiary company I&B that owned on the specific property.
The sale price for the 90% of the Group's interest, amounted to of EUR 36 million (based on the evaluation at fair value of the investment property, amounting to EUR 78.6 million). From this sale, the Group recognized operating profits of 3 million and earnings from the sale of shares of 5.1 million. It should be noted that a portion of the profit was recorded in the year 2017, when the property was evaluated.

Taking into account the existing economic conditions, the Group examines alternative scenarios for the exploitation of a part of its investments and, where it deems appropriate, continues the investments.

Real Estate Turnover reached 9.2 million, compared with 2.7 million in the corresponding period of 2017.

The increase in the Turnover is due to the increase in rents of the shopping center in Sofia, which was fully operational in 2018. Earnings before interest, taxes depreciation and amortization , including non-cash results (adjusted EBITDA, amounted to EUR 4,2 million, compared to EUR 15.6 million in 2017. Earnings after taxes amounted to EUR - 6.6 million, compared with EUR 2.9 million in 2017. The reduction in EBITDA and Earnings of 2018 compared to 2017, are attributed, on the one hand, to the Profit from the valuation of the aforementioned investment property, whose fair value in 2017 resulted in a profit of EUR 14 million, which is non- recurring in the year 2018, and on the valuation of real estate property at fair value by independent valuators that resulted a decrease in the value of real estate by EUR 5 million.

The ratio of Liabilities to Total Assets in the sector is 74%, a factor quite safe, given the prevailing financial conditions.

Concessions – Self or Jointly Financed Projects

The company GEK TERNA SA on 21.09.2018 agreed with the company "FERROVIAL S.A" for the acquisition of its participation share in the Concession Companies "NEA ODOS SA" and "CENTRAL GREECE MOTORWAY SA" and in the Joint Venture under the name "FERROVIAL JOINT VENTURE SA". - GEK TERNA HOLDINGS, REAL ESTATE SA" as follows:

1) for the company " CENTRAL GREECE MOTORWAY SA" percentage of 33.34%
2) for the company "NEA ODOS SA" percentage of 21.41% and
3) for the Joint Venture FERROVIAL SA - GEK TERNA HOLDINGS, REAL ESTATE SA, percentage of 21.4%.

The transaction was subject to the approval by the competent authorities. Approval was received until 11.12.2018, when the acquisition of the above Ferrovial holdings’ participations was finalized, for an amount of € 85 million with immediate payment.
As a result of this acquisition, the Group holds 100% of these companies.

Moreover, the Group through the subsidiary TERNA ENERGY also participates with a 70% stake in the HELLAS SMARTICKET SA, which has undertaken 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 has been set to 10 years after the construction period. The method of measuring the annual revenues is recognized in accordance with IFRIC 12 Interpretation, based on the invoicing of the cost of construction, maintenance and operation costs, plus an imputed profit, as determined by the total financial asset.

At the expiration of this PPP, there is an obligation of transferring all equipment to OASA at zero price. The Partnership Agreement does not contain any terms of extension, only termination terms. Moreover, there is an obligation to Scheduled Lifecycle Replacement of the equipment during the Management period, if necessary.

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 its duration is 27 years. The construction of the project was initiated during the third quarter of 2017 and construction works, were completed in 2018 and the Epirus Region plant is already in trial mode.

Under the contract, the Epirus waste treatment plant will process 105,000 tn of conventional waste per year, for which AEIFORIKI 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.

When the partnership agreement expires, AEIFORIKI EPIRUS will transfer to the Region of Epirus, in exchange for one Euro, all rights and titles on its assets.

The turnover of the sector that was directly incorporated in the Group financial results amounted to EUR 197 million in 2018, compared to EUR 88.7 million in 2017.

Earnings before interest, taxes depreciation and amortization , including non-cash results (adjusted EBITDA , amounted to EUR 92.9 million in 2018 compared to EUR 12.1 million in 2017. It should be noted that EBITDA of 2017 does not include the nine-month EBITDA of Motorway Concessions due to the consolidation method (which were consolidated as associates until 30.09.2017.) As of 01.10.2017 they are consolidated as subsidiaries.
Earnings before interest and taxes (EBIT) amounted to 49.6 million in 2018, compared with 4.8 million in 2017.

Further the Group activity in the sector of Management and Operation of Car Parking Stations was continued, while the total number of car parking seats attributable to the Group amounted to 2,278.

<u>Industrial Segment</u>
The Group through its subsidiary TERNA MAG is active in the production of quarry products from the extraction and processing of whitewash, i.e. the production of magnesia products, through licenses and mining concessions it holds.

The Management, considering that the demand for magnesia products will be high in the coming years, has already materialized most of a significant investment program totaling to an estimated € 100 million in the privately owned facilities in Mantoudi, Evia, for the extraction and processing of magnesite, for the production of caustic magma CCM, double-caustic magnesia (DBM) and magnesium hydroxide (MDH) products.

From this investment program for equipment and new installations, investments totaling approximately 42 million have been realized up to 31.12.2018. The remaining investments for fixed equipment will be completed by 31.12.2019.

The Turnover of the sector amounted to 11.3 million compared to 7.9 million in the period of 2017. Earnings before interest, taxes depreciation and amortization, including non-cash results (adjusted EBITDA), amounted to minus 2.6 million compared to minus 2.5 million in the corresponding period of 2017.
Earnings before interest and taxes (EBIT) amounted to minus 4.8 million versus minus 4.3 million in 2017.

Holdings Sector

Earnings after taxes for fiscal year 2018 amounted to minus 10.8 million versus 15.3 million in 2017. The difference is mainly due to the existence of earnings in the year 2017, which are non-recurring, thus from the acquisition of shares of the company IRIDIUM, the discounting of the credited consideration of the acquisition as well as the offsetting of intra-group credit interest in the particular sector due to the consolidation for the largest time period of the motorway concessions, with equity method.

C. Significant Events after the end of the period 01.01 – 31.12.2018

On 05.02.2019, the Concession company under the name "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A." was established, which on 21.02.2019 signed the Concession Agreement with the Greek State. The Concession Agreement has been filed for approval in the Parliament by the Greek State and once it is ratified the starting date of the Concession will be released. In the Concession Company participates the 100% subsidiary of the Group, TERNA SA, with GMR Airports Limited with 90% and 10% percentages respectively. It is noted that after the CCD and according to the concession agreement, participation percentages will be set at: TERNA 32,46% and GMR Airports Limited 21,64%, as well as the Greek State at 45,9%.

On 08.03.2019, the subsidiary of GEK TERNA Group TERNA SA,, forming a joint venture with J&P AVAX (J&P AVAX – TERNA JV-MEDITERRANEAN CITY OF DREAMS) and with participation stake of 40%, signed an agreement valued at EUR 270 million with the company ICR CYPRUS RESORT DEVELOPMENT CO LIMITED concerning the construction of a thematic park and casino of a total area of 96,000 m2 and with a timetable of 30 months in terms of completion.

The Group through its subsidiary TERNA ENERGY announced that concluded the agreement to acquire a wind park in Texas, USA, with a nominal capacity of 200MW, valued at USD 310 million, which has been already operating for 15 months.

D. Risk Factors 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, the liquidity risk, the special risks of the Greek market, as well as the wind and weather conditions.

In order to encounter the financial risks, the Group has a risk management program that aims to minimize the sensitivity of the financial results of the group that emerges from the inability to predict 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.

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 receivables in relation to either the broader public sector or the private clients with large financial capabilities both domestically and abroad, are being monitored in a special manner and the Management assesses on a constant basis the credibility of its clients, the size of each of them, regardless of type meaning public or private client, in relation to any impact that above might have on the Group's financial performance. In this manner, the Management takes all necessary actions in order to minimize any such effect on the Group.
It is noted though, that payments coming from the Public Sector and its related entities are characterized by significant delays.

The credit risk regarding the cash reserves as well as the other receivables is deemed as limited given that the counterparties are Banking institutions of high capital adequacy, the Greek State or the entities of the broader Public Sector and also very dynamic corporate groups.

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 changes in the exchange rate of other currencies against the euro. This type of risk may emerge from the exchange rate of euro against other foreign currencies as well as from net investments in foreign entities. In order to manage this type of risk, the risk management department of the group systematically monitors the changes of the exchange rates and ensures that such changes do not have any negative impact on its cash reserves.

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. On 31.12.2018, from the total financial assets and liabilities of the Group, amounts of 184.247 and 518.360 respectively are held in foreign currency. A change of +/- 10% exchange rates would result in the +/- (52.946) recognition in Total Comprehensive Income and equity.

Interest rate risk
The Group's policy is to minimize its exposure to interest rate risk as regards to long-term financing. The 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. In order to minimize the particular risk as well as any volatility of the financial expenses, the Group has entered into Interest Rate Swaps with regard to a part of its long-term 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 as working capital. The Group continues the policy of refinancing its debt on a long-term basis so that these loans are aligned in the best possible manner with the long-term nature of its revenues. 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 31.12.2018, 45.45 % of total Group loans were based on floating interest rate (fixed spread) and the remainder 54.55 % were based on fixed interest rate.

(Amounts in thousands Euro, unless otherwise stated)

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% (2017 : +/- 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.

	31.12.2018		**31.12.2017**	
	20%	**(20%)**	**20%**	**(20%)**
Results of the year after tax- Group	(218)	218	(267.6)	267.6
Results of the year after tax - Company	86	(86)	(190)	190

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

<u>Analysis of Market Risk</u>

With regard to its financial assets, the Group is not exposed to any market risk.

<u>Liquidity Risk</u>

The Group's liquidity is deemed as satisfactory, since apart from the existing cash reserves, the cash flows generated from the Concessions of motorways and the wind parks in operation are continuous.

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.

<u>Risks due to the current economic conditions prevailing in Greece</u>

The continuous efforts to boost the country's Fiscal Performance to the expense of Public Investments Program, the still high levels of bureaucracy in various areas of Greek civil life as well as the continuous gap that exists with regard to the repayment of Greek State's obligations towards the private sector, have made the market deprived of productive capital and have also made difficult to rationalize a series of important actions needed in the market, thus leading to a higher production cost.

The limited lifting of the capital controls concerning payments abroad is additional factor that generates higher costs.

The continuous delays observed in the payments of the broader Public Sector entities towards the private sector and the consequent financial difficulties affect the conventional behavior of these entities with which our Group interacts, and as result they affect our financial performance and generate greater anxiety for the future.

The full realization of the impact deriving from the above conditions affects negatively the liquidity position and the results of the Group, at least with interest expenses incurred, and at the same time this impact cannot be predicted with accuracy.

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 activity of the Group in the Construction Sector might be negatively affected from the continuous reduction of the Public Investments Program in Greece as well as from the ambiguity of various decisions taken by institutional bodies and the Greek justice, which in turn have to release their final decisions with regard to the implementation of large scale public investments. The backlog of construction contracts is not necessarily indication 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 construction backlogs of the Group may become volatile due to the delays observed in the implementation of the construction projects, or/and the collection of receivables or even the inability to fulfill the contractual obligations.

Our Company, its subsidiaries TERNA and TERNA ENERGY as well as almost all Hellenic Construction Companies and a significant number of foreign companies were audited by the Hellenic Competition Commission (HCC) on its own initiative, regarding actions thereof, which could be considered as leading to violation of the respective rules.

Further, our Company and its above subsidiaries, pursuant to article 25a of Law 3959/2011 and the decision with no. 628/2016 of HCC (Plenary Session) and following considerable concern, submitted, on the grounds of an apparent corporate interest and in order beneficial provisions of article 25A and 14 par. 2 case (id)(ee) of Law 3959/2011 and the decision with no. 628/2016 of HCC, regarding the terms, conditions and procedure for resolving disputes in cases of horizontal partnerships in violation of Article 1 of Law 3959/2011 and/or Article 101 of the Treaty on the Functioning of the European Union, request to be subject to the prescribed disputes settlement procedures, ie in a consensual resolution process.

On 03.08.2017, the decision with no. 642/9.3.2017 of the HCC was served to the Company and its subsidiaries TERNA and TERNA ENERGY, whereby a. It was ascertained that no legal violations of Art. 1 of Law 3959/2011 for the Company and TERNA ENERGY were established and no fine and/or penalty is imposed and b. a fine of Euro 18,612 is imposed on the subsidiary company TERNA SA for violation of article 1 of Law 3959/2011 and article 101 of TFEU (for the period from 11.05.2005 to 04.01.2007 and from 04.06.2011 to 26.11.2012). The settlement procedure for the subsidiary TERNA was finalized and the amount of the fine amounted to Euro 18,612, which was paid in full within 2018. It is noted that according to the provisions of art. 44 par. 3 of Law 3959/2011, as in force, full payment of the fine results, among other things, in total exemption from any other administrative sanctions, which undoubtedly includes the administrative exclusion from ongoing and future tendering procedures of article 74 of Law 4412/2016 for the award of public contracts for a reasonable period of time with a maximum exclusion period.

Furthermore, in article 73 of Law 4412/2016, the provisions of Article 57 of Directive 2014/24 were incorporated in Greek law, providing for the grounds for exclusion from participation in the public procurement process. The grounds for exclusion, which include as reason the conclusion of agreement with other entities to distort competition have been established by the Community legislator as potential (optional) and is left to the National Legislator's discretion, whether such (National Legislator) shall render such mandatory for the awarding authority or not. Within the frame of the abovementioned discretion, the Greek Legislator opted not to require awarding authorities to provide that their respective tenders, the optional grounds for exclusion; as a result, provision of such grounds for exclusion remains with each awarding authority.Also, by adding of paragraph 10 in article 73, the Greek legislator inserted in the provisions of article 73, which determine the conditions and procedure for the exclusion of an economic operator from a particular tender procedure (by decision of the body which conducts such), a provision, which determines the period of time during which application of the compulsory grounds for exclusion and the potential (respectively) grounds for exclusion is considered (3 years from the date of the relevant event), provided though that the exclusion period has not been set by an irrevocable decision. Based on the wording of that paragraph, <u>the three-year period</u> within which examination of the potential grounds <u>commences from the time of infringement (consequently, according to the above provisions, the respective period for TERNA has lapsed as from 26.11.2015</u>). The above statement, on a common acceptance and understanding basis, was also reflected in the European Single Procurement Document (ESPD) in the tender procedures.
On October 2018, decision with no. C-124/17 of the CJEU was issued, which is alleged to rule that, in case sanctions have been imposed by a decision of the competent Competition Authority, the exclusion period of three years from the procedures for the award of public contracts commences on the date of the decision imposing the sanctions.
The above development created new facts and relevant consideration, in clear distinction between situations, which the authorities and economic operators reasonably supported in relation to the timing/commencement of the above ground for exclusion ,as explained above, and the related statements in the ESPD. At the level of court rulings of the Supreme Court, the above critical issue has not yet been definitively settled; the Group, in view of its interest and the protection of its shareholders and the retail investors, monitors and participates in court proceedings for pending tenders, in which TERNA SA has participated either before or after the issuance of the CJEU decision.

Regardless of the above, we need to note that there is no automatic ground for exclusion from tender procedures, but the awarding authority ought to, according to the provisions of article 73 par.7 of Law 4412/2016 to request the candidate to provide evidence, showing that the measures he has adopted are adequate to prove his credibility, and should such be considered to be sufficient, the above ground is lifted; otherwise the candidate is excluded and in case such is also declared as temporary contractor, his offer is rejected and the participation letter of guarantee is forfeited.

Needless to note that the Group and its companies, as well as TERNA, have voluntarily adopted a series of compliance and remedial measures, which are constantly evolving and updated, which demonstrates their credibility and solvency as defined in article 73 par. 7 of Law 4412/2016.

b) The business activity in the Greek energy sector is negatively affected by the significant delays and omissions of the pertinent bodies that are actively engaged in the country's energy issues.
c) 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.

(Amounts in thousands Euro, unless otherwise stated)

d) The Group through the subsidiary TERNA ENERGY is partially exposed to short-term fluctuations of wind and hydrological data, something that does not affect the long-term efficiency of his works, while the l 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. Alternative Performance Measures ("APMs")

The Group uses Alternative Performance Measures in decision making regarding its financial, operational and strategic planning as well as for the evaluation and publication of its performance. These APMs serve to better understand the financial and operating results of the Group and its financial position. Alternative indicators should always be taken into account in conjunction with the financial results prepared in accordance with IFRSs and under no circumstances replace them.
When prescribing the Group's performance, the following indicators are been used :

– *"Net debt / (Surplus)"* is an index used by Management in order to assess the cash flow of an operating segment at every point in time. It is defined as the total liabilities from loans and leasing contracts minus Cash and cash equivalents (with the exception of the amounts of grants to be rebated (Note 19), less restricted deposits (they are included in the item "Prepayments and Other receivables (Note 19).

The reconciliation of Net debt / Surplus with the items of the Financial Statements is presented below

	GROUP	
	1.1-31.12.2018	**1.1-31.12.2017**
Long-term loans	1,567,788	1,232,574
Liabilities from finance leases	6,547	11,692
Short term loans	125,421	112,484
Long term liabilities payable during the next financial year	150,910	369,555
Minus: Cash and cash equivalents	(532,242)	(642,227)
Net Debt (Surplus)	**1,327,424**	**1,084,078**

It should be noted that the above calculations do not include the restricted deposits amounting to 63,908 (46,545 for 31.12.2017). These amounts are classified in the statement of financial position under "Prepayments and other receivables" (note 19).

- 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.

(Amounts in thousands Euro, unless otherwise stated)

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	
	1.1-31.12.2018	**1.1-31.12.2017**
Gross Profit	**237,419**	**235,149**
Administrative and distribution expenses	(65,287)	(46,125)
Research and development expenses	(1,591)	(1,548)
Other income / (expenses) determinants of the EBIT (note 38)	(4,053)	20,956
EBIT	**166,488**	**208,432**
Net depreciation and amortization	103,615	65,532
EBITDA	**270,103**	**273,964**
Non cash adjustments	10,696	5,928
Adjusted EBITDA	**280,799**	**279,892**

The Non cash adjustments in the above analysis concern Provisions for staff indemnities of 2,598 (2,199 in 2017), Impairments of investment property of 4,770 (3,730 in 2017) and expenses for stock option 3,328 (0 in 2017).

- The ratio **Bank Debt to Total Capital Employed**. The Total Capital Employed is defined as the sum of the total equity, the bank debt, the securities issued in the context of the tax equity investment (Note 24 to the attached financial statements), the repayment of which follows the repayment of primary debt of the corresponding Wind Farms and is performed only to the extent that the required return from their operation is met, the state grants minus the amount of cash and cash equivalents which are not subject to any limitation in use or to any commitment.

At the end of FYs 2018 and 2017, the aforementioned ratio was as follows:

	GROUP	
	1.1-31.12.2018	**1.1-31.12.2017**
Total liabilities on loans and finance leases	1,850,666	1.726.305
Total equity	728,998	768,155
Equity investments treated as financial liabilities	160,390	159,370
Grants	162,000	164,211
Less:		
Cash	523,242	642,227
Restricted deposits	63,908	45,545
Grants to be rebated	(3,024)	(25,067)
Cash and deposits	584,126	662,705
Employed Funds	**2,317,928**	**2,155,336**
Liabilities on loans and leases / Total Employee Funds	**79,84%**	**80,09%**

F. Report concerning Payments 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 107,389 thousand during the financial year ended on 31.12.2018.

G. Non-Financial Information Report

Introduction

This Non-Financial statement relates to the fiscal year ended on the 31st of December 2018. The Statement has been prepared in accordance with the provisions of the Law 4403/2016 and includes information on the performance of the GEK Terna Group of Companies related to the following areas, as outlined in Section 7 “Non-Financial Statement” of Circular 62784/2017:

- Anti-corruption issues
- Supply Chain issues
- Respect for human rights
- Social and labor issues
- Environmental issues

The statement presents information on the main risks related to the above areas and the Group's activities, the due diligence policies as well as other policies applied by the Group for each of the above areas. For a better understanding of the Group's performance, the results of these policies are referenced and relevant non-financial performance indicators are listed. In addition, a brief description of the Group's business model is provided.
The requirements of the Global Reporting Initiative (GRI) standards, version 2016, were taken into account for selecting the non-financial indicators.

Business model

GEK TERNA Group is one of the leading business Groups in Greece with additional operations in Central and Southeast Europe, USA and the Middle East.

The Group’s expertise spans from infrastructure, energy production and supply, concessions, waste management and mining activities to real estate development & management.

With a total number of more than 5,000 employees globally, the Group has invested more than €2 billion in the last years, fully supporting the Greek economy and the country’s financial system, and continuously maintaining all the Group's assets in Greek banks.

The current construction backlog of the Group settles at the high level of €1,6 billion (Dec. 2018), while the total installed capacity of the energy plants that the Group owns or participates in, exceeds 1,800 MW.

GEK TERNA (www.gekterna.com) is listed in the Athens Stock Exchange (FTSE / Athex Large Cap).

Construction

GEK TERNA Group, through its 100% subsidiary **TERNA S.A.**, is actively involved in the construction sector for almost 50 years**. TERNA** (www.terna.gr) has implemented a broad spectrum of public and private projects of considerable budget and of complex know-how, such as the construction of railway and highway networks, high - quality office buildings, hospitals, museums, resorts, hydro-electric plants, dams, harbors, industrial facilities, power plants etc.

Renewable Energy Sources

In the Renewable Energy Sources Sector, GEK TERNA's activities are under **TERNA ENERGY S.A**. (www.terna-energy.com), a pioneer player in the development of the RES Industry in Europe, with a strong portfolio of technologies and geographical exposure across Europe, the USA and the MENA region.

The Group's total installed capacity accounts for 1,232 MW. The Group has installations of 607 MW in Greece, 493 MW in the USA, and 132 MW in S.E. Europe. At the same time, the Group has RES installations currently under construction or ready for construction with a capacity of 280 MW in Greece and abroad. Overall, the Company operates, is constructing or has full licensing of 1,512 MW of RES installations in Europe and the US. The Company targets to reach 2GW of RES projects in operation in the near future through a significant CAPEX scale plan.

TERNA ENERGY is listed in the Athens Stock Exchange (FTSE / Athex Large Cap).

Thermal Energy

GEK TERNA GROUP is also involved in thermal energy production through its participation in HERON S.A., having partnered with two international leading energy players, ENGIE and Qatar Petroleum.

HERON S.A. (www.heron.gr) operates in the sectors of electric energy production and supply. It owns two thermal power plants with an installed capacity of 147 MW and 435 MW (HERON I and HERON II respectively), in Viotia, Greece.

Concessions - PPPs

In the concessions sector, The Group displays an impressive dynamic through its involvement in the financing, management and commercial exploitation of concession projects. GEK TERNA controls the road concessions of "Ionia Odos" and "Central Greece Motorway" by 100% while it also participates in "Olympia Odos" concession with a percentage of 17%. Furthermore, it has constructed and participates in the operation of car parks.

Moreover, the Group participates in PPP projects such as the Solid Waste Treatment plant of the Epirus Region, the construction of which was completed in 2018, is in commercial operation and the concession is for 25 years, the PPP project for the construction and operation, again for 25 years, of the solid waste treatment plants of the Peloponnese Region as well as the implementation of the automated ticket collection system for the Athens urban transport organization.

Mining

The Group is also involved in mining activities through TERNA MAG S.A., (www.ternamag.com), a mining and commercial company based in North Eboia, Greece, specializing in magnesia production. GEK TERNA GROUP is realizing a €100 million investment plan for quarrying activities in Mantoudi, Eboia, Greece.

Real Estate

GEK TERNA is also engaged in real estate development and management with a broad portfolio in Greece, Bulgaria and Romania, including business centers, logistic centers, industrial parks, entertainment parks, residential properties, commercial properties, hotels, parking stations etc.

Anti-corruption
Major risks and risk management

The Group recognizes as a risk in the performance of its business and operational activities and operations, the occurrence of corruption incidents, such as bribery in the course of concluding contracts. Potential occurrence of such incidents may have negative impacts for the Group, both at a financial level (e.g. fines), at an operating level (e.g. interruption of business) as well as at the level of weakening the Group's reputation and disrupting its relationship with the various groups of stakeholders with whom it interacts.
In order to identify risks related to corruption, bribery and regulatory compliance, the Group applies a specific process that takes into account various parameters such as the type of activity, the geographical location, the parties involved, etc.

Due diligence and other policies

The Group's Management is committed to zero tolerance of corruption, bribery and extortion, and as such aims to prevent such phenomena in all aspects of its operation. To this end, the Group acts through the development of policies and procedures as well as through the development of control mechanisms and by remaining compliant with these policies.

The Code of Conduct of the Group reflects the fundamental principles, beliefs, corporate culture, business ethics and voluntary moral commitments that characterize it. Issues related to corruption and bribery, fighting against these issues and inappropriate behavior are at the core of the Code.

The Code comprises the basic framework of principles and values that must characterize the professional behavior of all the people of the Group. It concerns employees and management and extends to partners, subcontractors and suppliers. The implementation of the Code extends to Group companies, concerns all subsidiaries and all sectors of activity in all countries of operations and is taken into account in the partnerships and joint ventures in which it participates. To monitor the implementation of the Code of Conduct, a Regulatory Compliance Committee has been established, which reports directly to the Board of Directors.

In addition, the Group maintains a program of internal audits led by the Compliance Officer for the implementation of the Code of Conduct, while staff training is conducted on a yearly basis to raise awareness and constantly inform them of corruption issues and ways for combating these issues.

Employees of the Group are required to inform GEK TERNA of any deviations or concerns about potential deviations in the implementation of the Code, which are perceived by them, by means of a written, printed letter to the Regulatory Compliance Officer.

The objective of the Group is to strengthen and improve the procedures for preventing and combating potential risks of corruption, compliance with relevant legislation and intensification of relevant controls.

Furthermore, the Group is in the process of certification according to the ISO 37001 Anti-Bribery Standards and ISO 19600 for Regulatory Compliance, which is expected to be completed within 2019.

Results of the above policies and non-financial performance indicators
GRI 205-3

No confirmed incident of corruption came to the attention of the Group's Management either through complaints or through the audits that the Group performs in the context of preventing and combating corruption incidents.

Supply Chain

Major risks and risk management

In the construction sector of the Group, most of the expenses relate to the procurement of materials, the purchase of construction and transport equipment, as well as collaborations with subcontractors. Consequently, a potential change in the construction activity may bring about a direct proportional change in demand to suppliers. Accordingly, the achievement of the Group's profitability in construction works, directly affects the rate of renewal of the construction equipment, which the Group is supplied with for the completion of its projects. In the field of electricity generation, the cooperation with suppliers mainly concerns high technology companies outside Greece.

Regarding human rights in the Group's supply chain, the Group identifies as a risk the occurrence of violation of international standards or legislation related to human rights, labor, social, environmental, governance and corruption issues within its suppliers that do nor respect international standards and sustainable development practices, neither adopt common policies and values with the Group. The occurrence of such incidents may have significant negative impacts to the Group, on a financial level (e.g. fines), operational (e.g. disruption of supply chain, discontinuing of long-term strategic partnerships, interruption of projects) as well as on a non-financial level (e.g. impact on the reputation of the Group and / or the environment by not implementing good environmental practices) and social impacts related to human and labor rights (such as uninsured workers child labor, etc.).

In addition, the Group recognizes potential risks to local communities from not supporting local and national suppliers such as loss of social cohesion and lack of economic growth.

Due Diligence and other policies

Terms of cooperation with suppliers

The Group seeks to promote and ensure the protection of human rights and to improve the labor, environmental and other relevant standards of its suppliers, by communicating to them the minimum requirements and following a series of practices that ensure the desired outcome in each cooperation which it establishes. Since 2017, the Group has published a Code of Conduct, which is the basic framework of principles and values that must characterize, among others, the suppliers, subcontractors and associates of the Group.

The Group adheres to:

• the relevant insurance and labor laws.

• the Health and Safety at work regulatory framework.

• the principles of human rights protection.

• Internal Policies, Procedures, Standards and Management Systems.

In this respect, the necessary terms for cooperation with any supplier are the strict compliance with the basic standards, the full compliance with the Health and Safety regulatory framework and adhering to the Group's Code of Conduct.

Selection of domestic suppliers

The GEK TERNA Group chooses to support the regions in which it operates and to stimulate local economies, contributing decisively to strengthening social cohesion and further developing them by selecting to cooperate with local suppliers as well as through the social programs it applies in each area of operation.

Results of the above policies and non-financial performance indicators

In 2018, the value of procurements from Greek suppliers (approximately 4,350 suppliers) for all Group activities amounted to approximately €549 million.

Categorization of suppliers by range*

	Procurement cost	Percentage of the total	Number of suppliers	Percentage of the total
National suppliers	697,837	61%	5,675	90%
International suppliers	432,510	38%	603	10%
Affiliated Companies	11,118	1%	25	0%
Total	**1,141,465**	**100%**	**6,303**	**100%**

** Amounts are expressed in thousands €*

Categorization of suppliers, of companies established in Greece, by range*

	Procurement cost	Percentage of the total	Number of suppliers	Percentage of the total
National suppliers	498,424	55%	4,187	89%
International suppliers	391,135	43%	493	10%
Affiliated Companies	11,118	1%	25	1%
Total	**900,677**	**100%**	**4,705**	**100%**

** Amounts are expressed in thousands €*

Respect for Human Rights

Major risks and risk management

The Group recognizes the risks associated with human rights, both within the working environment of its own operations, as well as within its supply chain, such as the potential discrimination of employees due to race, religion, gender, nationality, age etc., the violation of the privacy of employees and other stakeholders, as well as forced and child labor. Potential violation of human rights may have negative impacts to the Group such as the imposition of fines or penalties, as well as negative impacts to its employees, the Group's reputation and / or the trust of its stakeholders.

Due Diligence and other policies

The responsible behavior of the Group towards the prevention of the occurrence of human rights violations and the policies it implements for the protection of these rights lead to the prevention and the treatment of such incidents, if and when they occur, throughout its activities.

Respect of international standards and principles

The Group applies international human rights principles and respects national and local operating frameworks in the countries in which it operates. The Universal Declaration of Human Rights, the UN Global Compact and the high corporate values advocated by the Group, form a rigorous operating framework with respect for human rights throughout the range of its activities.

The Group protects every person's right to education and freedom of speech as well as any other human rights that may be violated as a result or in the context of its operations and implements audit procedures that ensure that there is no violation of fundamental human rights. Moreover, the decisions taken by the Group are not related to any kind of discrimination regarding gender, nationality, language, religion, political beliefs, disabilities, sexual orientation of the employee or other elements of diversity.

Control mechanisms

The Human Resources Division of the Group ensures compliance with the law regarding the age limits of employees, overtime work, minimum wages, protection of diversity within its broader scope of action so that there is no violation of fundamental human and labor rights. The Recruitment Policy along with the relevant procedures, among others, ensure the above.

Results of the above policies and non-financial performance indicators
GRI 406-1

Throughout the years of GEK TERNA Group's operation no cases of violation and / or infringement of human rights and no incidents of discrimination based on race, religion, sex, age, disability, nationality, political beliefs, etc., have been reported, including incidents of harassment, within its operations.

Social and Labor Issues

Major risks and risk management

The Group identifies the risk of the violation of labor rights on issues relating, among other, to equal opportunities, remuneration, education and the appropriate health and safety conditions.

Particularly, for health and safety issues, the Group seeks to minimize the likelihood of occurrence of an accident at work through the continuous identification of risks, the risk assessment and the implementation of the necessary control measures, as well as the commitment it undertakes to ensure health and safety of workers in all workplaces and areas of operations. By applying specific occupational risk assessment studies, the potential health and safety risks for each job have been identified. A potential occurrence of a work related accident may result in negative impacts both at an operational (e.g. interruption of work) and financial level (e.g. fines, indemnities and other penalties), while at the same time having a negative impact to the human capital of the Group.

In addition, the Group identifies potential social and environmental risks for the local communities when implementing its operations and towards this direction impact assessments are carried out to assess the potential environmental and social impacts of any scheduled operation, prior to the beginning, including among others, the assessment of potential impacts on human rights and the health of the citizens in the areas of operation, as well as the engagement with the local communities and local authorities on issues that could potentially degrade the environment and the quality of life of citizens.

Due Diligence and other policies
GEK TERNA Group actively participates, supports and values the investment to its people as a top priority, providing the necessary resources to promote continuous improvement of the working environment, through continuous training, skills development, protection of their labor rights, access to equal opportunities and support of employee diversity.
The Group consciously acts for the provision of a balanced and secure work environment that rewards innovation, contributes to the realization of its vision, broadens international prospects and contributes to business success and excellence. The Group has formed a working environment that places the employee at the center, follows specific processes for the employee's development and is distinguished for its corporate culture and ethical values.

Equal opportunities at work
The Group manages the issues of human resources impartially and ensures that each employee is treated fairly, based on merit as well as on his / her skills and performance.

In particular, the Group's policy imposes equal pay for men and women for the same job position and leaves no room for discrimination or preferential treatment at the level of pay or benefits on the basis of gender or other characteristics of the employee.

Due to the nature of the GEK TERNA Group's activity, the workforce is mainly composed of male employees. However, the Group's consistent policy is to increase the representation of women in its companies. One step towards this direction is to record and monitor the distribution of women by geographical area of activity, by age and by level. This way, it is intended to increase the proportion of women in the total number of employees.

Compensation and Benefits
The GEK TERNA Group complies with the applicable legislation in the areas where it operates. All employees of the Group are covered by the current social security regulatory framework.

Employee wages and benefits are determined by a specific internal policy that guarantees transparency and meritocracy. Within this framework, the Group operates with criteria and evaluation indicators regarding the severity of the job, the responsibilities of each post, the educational background, the experience, the skills, the ability to achieve the objectives and the level of performance of employees.

The Group, having examined the cost of living in the countries in which it operates, offers higher wages than the minimum wage laid down in the relevant legislative framework. In the overwhelming majority, employees of the Group are paid with salaries that exceed the minimum wage. In particular, the remuneration of the Group’s workers in the 'workers' category' in Greece is on average 25% higher than the one foreseen in the collective agreement.

Additional benefits such as corporate travel vehicle, laptop, company mobile phone connection, etc. are provided according to the needs and requirements of the jobs.

Training and Education
The Group recognizes the decisive contribution of human resources to the achievement of its goals. The high level of its employees’ professionalism, the scientific and technical knowledge they possess and the dedication they exhibit in the exercise of their profession create an added value in their services.

For GEK TERNA Group, the achievement of corporate goals and strategies requires thorough training of its human resources. Maintaining the prestige of the Group in Greece and establishing its position abroad are both based on the interpersonal skills and the high know-how of its executives.

Through education opportunities, the Group strengthens the culture and the team spirit while promoting innovation. The Group applies specialized education and training programs, which are related to the subject of the position, its strategic planning and the needs of the human resources. Internal trainings are carried out on a yearly basis by supervisors, specialized colleagues, as well as training by specialist external bodies.

Health and Safety
The GEK TERNA Group’s strategy incorporates the non-negotiable principle of ensuring health and safety at work. This principle is a prerequisite for every Group business operation and equally applies to employees, subcontractors and its partner network.

Health and Safety Policy Objectives
Safeguarding Health and Safety is a priority for the Group which continually improves the strategic framework within which health and safety issues of all stakeholders are managed.
The Group complies with the provisions of applicable national, European and international legislation and, through a strict Health and Safety Management System that it maintains, aims at the early identification and minimization of risks related to all its operations. The Health and Safety Policy applies to the entire Group and all those directly or indirectly related to its operations.

Strengthening the Health and Safety Policy and securing zero accidents are objectives related to:

- the implementation of an internationally certified Health and Safety Management System,
- full compliance with the legal and other national, community and international conventions, directives and provisions relating to Health and Safety,
- the implementation, monitoring, evaluation and improvement of Health and Safety actions,

- the identification of occupational hazards and the development of an integrated prevention methodology,
- the prevention of injuries, illnesses and adverse health and safety incidents,
- the provision of appropriate, adequate training on health and safety,
- the immediate investigation of each accident / incident to evaluate the factors that led to it and the undertaking of preventative measures,
- the integration of technologies, good practices and operational procedures that guarantee safety conditions for employees, subcontractors and third parties.

The Group's commitment to health and safety issues is demonstrated by the implementation of the certified Health and Safety Management System in line with the requirements of OHSAS 18001: 2007 and the new International Standard ISO 45001.

Health and Safety Framework at Work
Given that Health and Safety are a primary concern for the GEK TERNA Group, education and corporate culture in relation to these issues serve the adoption of a responsible attitude. The Group systematically informs its staff, subcontractors and visitors about the general principles regarding occupational hazards and their prevention as well as the protection of health and safety of all.

Apart from training, the integration of the basic principles of Health and Safety into the working culture supports the elimination of accidents at work and occupational diseases, which makes the strengthening of this culture a priority for the Group.

Health and Safety oriented Partnerships
Ensuring a work environment without accidents requires the compliance with the policies and management systems of all the parties involved. Contractors and partners, suppliers and all stakeholders have to fully comply with the requirements set by the Group in terms of Health and Safety.

Local Community
The modern infrastructure and energy projects of the Group promote Sustainable Development, contributing to the social welfare and the promotion of Greece internationally.

The multiple benefits of the Group's business activity are translated into thousands of jobs, the strengthening of the national economy and the GDP through payment of taxes and insurance contributions, the strengthening of local communities through partnerships with local suppliers and service providers as well as the improvement of the investment reputation of our country abroad and to institutional investors. The indirect positive impacts of the Group's activities are associated with transportation safety, upgrading of the urban infrastructures, access to places of art and culture, improvement of citizens' quality of life and the preservation and protection of the natural environment.

Each activity has an environmental footprint to the areas where construction works are carried out. The Group's concern is that this footprint is the minimum possible as well as manageable, in order for the environment to be protected and the complete environmental rehabilitation and restoration to be achieved, after completion of each work.

Results of the above policies and non-financial performance indicators
Social Contribution
In 2018 the Group maintained its partnerships and multiplied the significant value it creates through a wide network of collaborations and synergies. True to its vision of strengthening the Greek economy, the Group continues to stimulate local communities, focusing mainly on the following areas of social support:

(Amounts in thousands Euro, unless otherwise stated)

1. Infrastructure

The GEK TERNA Group and its subsidiaries significantly support the regions of Greece and implement a series of actions that have a direct, visible and substantial impact.

In 2018, the Group undertook the implementation of infrastructure projects and the completion of interventions to improve the day-to-day lives of residents in areas affected by extreme weather events and the areas where the Group operates, worth €540,000.

2. Employment

The Group considers supporting the employment of young people and creating professional prospects as being very important. In this context, the Group financially supports distinguished postgraduate students on a regular basis, and each year the Group also offers internship opportunities to young people within the company.

3. In-kind Assistance, Financial Aid and Donations

The Group's sponsorships and donations primarily focus on programs for education, training, arts and sports. Sponsorships are targeted to the entire country. Improving the quality of life and creating new opportunities are the main motivations of the Group for supporting solidarity actions.

In 2018, the companies of the GEK TERNA Group carried out a significant program of social support and distribution of economic value, which through sponsorships, donations and infrastructure projects exceeded €1.5 million.

The Group's social contribution for 2018 included among others:

- Free construction of infrastructure projects and interventions to improve the daily life of the local citizens in our hosted areas,
- Targeted actions in schools as well as sponsorship programs for sports and cultural organizations, in areas where we operate in Greece and abroad,
- Programs to support youth entrepreneurship and grant scholarships to young people, support of scientific research programs, conferences etc.,
- Financial support to non-governmental organizations and government agencies that focus their efforts on improving the quality of life of vulnerable social groups (ELIZA, Doctors Without Borders) as well as targeted donations to the Greek Police and the Fire Brigade,
- Support of cultural initiatives.

GRI 102-8: Information on employees

GREECE

Number of employees by employment contract	2018			2017		
	Men	Women	Total	Men	Women	Total
Permanent contract	1,996	724	2,720	2,352	680	3,032
Fixed term or temporary contract	42	33	75	9	4	13
Free lancers	436	98	534	466	113	579
TOTAL	2,474	855	3,329	2,827	797	3,624

(Amounts in thousands Euro, unless otherwise stated)

Number of employees by employment type	2018			2017		
	Men	Women	Total	Men	Women	Total
Full time	2,019	713	2,732	2,352	671	3,023
Part time	19	44	63	9	13	22
TOTAL	2,038	757	2,795	2,361	684	3,045

FOREIGN COUNTRIES*

Number of employees by employment contract	2018			2017		
	Men	Women	Total	Men	Women	Total
Permanent contract	1,641	127	1,768	1,810	126	1,936
Fixed term or temporary contract	8	2	10	11	10	21
TOTAL	1,649	129	1,778	1,821	136	1,957

Number of employees by employment type	2018			2017		
	Men	Women	Total	Men	Women	Total
Full time	1,646	125	1,771	1,818	133	1,951
Part time	3	4	7	3	3	6
TOTAL	1,649	129	1,778	1,821	136	1,957

**Reporting data from foreign countries include: Cyprus, Albania, Servia, Bulgaria, Romania, North Macedonia, Bahrein, Saudi Arabia, Qatar, United Arabic Emirates, Iraq, and U.S.A.*

102-41: Collective Bargaining Agreements
GREECE*

	2018			2017		
	Men	Women	Total	Men	Women	Total
Number of employees covered by collective bargaining agreement	2,038	757	2,795	2,361	684	3,045
Number of employees not covered by collective bargaining agreement	0	0	0	0	0	0
Percentage of employees covered by collective bargaining agreement	100%	100%	100%	100%	100%	100%

**Data on Employees covered by collective bargaining agreement regarding the foreign countries of operations will be reported on the Sustainable Development Report 2018*

(Amounts in thousands Euro, unless otherwise stated)

GRI 401-1: New employee hires and employee turnover

GREECE*

Number of new employee hires	<30 years old				30-50 years old			>50 years old		
	Men	Women	Total		Men	Women	Total	Men	Women	Total
2018	83	32	**115**		226	60	**286**	82	9	**91**
2017	102	28	**130**		254	61	**315**	59	5	**64**

FOREIGN COUNTRIES**

New employee hires rate	2018								
	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of new employee hires	18	2	**20**	376	16	**392**	37	5	**42**
Total number of employees	270	24	**294**	1,242	95	**1,337**	137	10	**147**
New employee hires rate (%)	**7%**	**8%**	**7%**	**30%**	**17%**	**29%**	**27%**	**50%**	**29%**

(Amounts in thousands Euro, unless otherwise stated)

New employee hires rate	2017								
	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of new employee hires	25	1	26	64	2	66	11	1	12
Total number of employees	389	30	419	1,278	98	1,376	154	8	162
New employee hires rate (%)	6%	3%	6%	5%	2%	5%	7%	13%	7%

** Only the absolute number of new hires and turnovers for the years 2018 and 2017 is reported for Greece. More information on new hires and turnover rates will be included in the 2018 Sustainable Development Report..*
***Reporting data from foreign countries include: Cyprus, Albania, Servia, Bulgaria, Romania, North Macedonia, Bahrein, Saudi Arabia, Qatar, United Arabic Emirates, Iraq, and U.S.A.*

(Amounts in thousands Euro, unless otherwise stated)

GREECE

Number of employee turnover	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
2018	64	10	**74**	278	33	**311**	147	6	**153**
2017	78	19	**97**	398	42	**440**	270	5	**275**

FOREIGN COUNTRIES*

Turnover rate	2018								
	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employee turnover	140	2	**142**	410	19	**429**	53	3	**56**
Total number of employees	270	24	**294**	1,242	95	**1,337**	137	10	**147**
Turnover rate (%)	**52%**	**8%**	**48%**	**33%**	**20%**	**32%**	**39%**	**30%**	**38%**

(Amounts in thousands Euro, unless otherwise stated)

Turnover rate	2017								
	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employee turnover	358	3	361	676	8	684	41	2	43
Total number of employees	389	30	419	1,278	98	1,376	154	8	162
Turnover rate (%)	92%	10%	86%	53%	8%	50%	27%	25%	27%

**Reporting data from foreign countries include: Cyprus, Albania, Servia, Bulgaria, Romania, North Macedonia, Bahrein, Saudi Arabia, Qatar, United Arabic Emirates, Iraq, and U.S.A.*

(Amounts in thousands Euro, unless otherwise stated)

GRI 403-2: Employee Health and Safety Indicators

	2018						2017					
	a) Employees			b) All workers (except employees) whose work, or workplace, is controlled by the organization			a) Employees			b) All workers (except employees) whose work, or workplace, is controlled by the organization		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of injuries in the reporting period	8	1	9	15	0	15	35	0	35	42	0	42
Total number of lost days in the reporting period	249	30	279	n/a			844	0	844	n/a		
Total number of work related fatalities in the reporting period	0	0	0	0	0	0	0	0	0	0	0	0

GEK TERNA GROUP – Greece and Foreign Countries*

Minor (first-aid level) injuries are not included in the calculation of Total number of injuries in the reporting period.
In calculating lost days, "days" express the scheduled work days. Lost days count begins the day after the accident.
** Reported employees Health and Safety indicators do not include TERNA Energy.*

(Amounts in thousands Euro, unless otherwise stated)

GRI 404-1: Average hours of training per year per employee

GREECE

By function		2018			2017		
		Men	Women	Total	Men	Women	Total
Average hours of training	Administrative staff	9.4	5.6	7.2	9.9	3.4	6.1
	Technicians	10.8	0.0	10.6	10.2	0.0	10.1
	Workers – other employees	6.2	0.0	6.2	19.8	0.0	19.8
TOTAL		8.9	5.6	7.4	12.6	3.4	8.4

FOREIGN COUNTRIES*

By level		2018			2017		
		Men	Women	Total	Men	Women	Total
Average hours of training	Senior Management	0.8	0.0	0.8	0.0	0.0	0.0
	Middle Management	4.7	10.5	5.0	3.3	0.0	3.3
	Other employees	2.1	1.2	2.0	1.7	0.7	1.6
TOTAL		2.1	1.4	2.1	1.7	0.7	1.6

(Amounts in thousands Euro, unless otherwise stated)

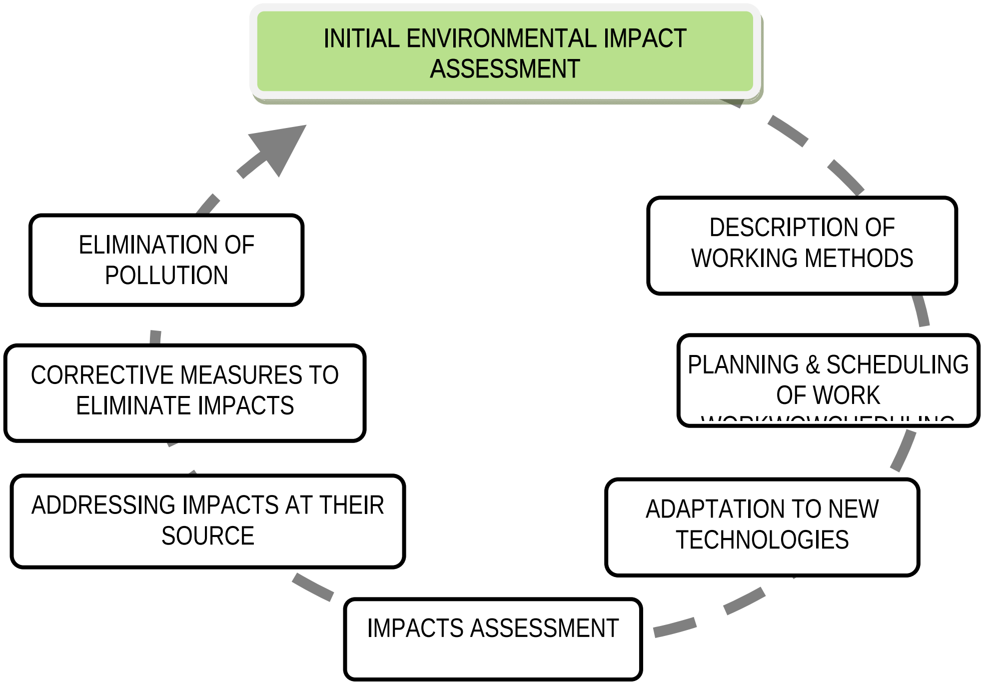
By function		2018			2017		
		Men	Women	Total	Men	Women	Total
Average hours of training	Administrative staff	2.4	2.6	2.4	1.6	1.4	1.5
	Technicians	1.9	0.0	1.9	1.9	0.0	1.9
	Workers – other employees	2.3	0.9	2.1	1.7	0.6	1.6
TOTAL		2.2	1.4	2.1	1.7	0.7	1.6

**Reporting data from foreign countries include: Cyprus, Albania, Servia, Bulgaria, Romania, North Macedonia, Bahrein, Saudi Arabia, Qatar, Iraq, and U.S.A. Average training hours have been calculated on the employees who participated in the training and not on the total number of employees.*

Environmental Management

Major risks and risk management

The Group identifies and prioritizes the environmental risks associated with its activities which may cause negative impacts both on the Group's stakeholders (e.g. local communities) as well as on the wider natural environment. The strategy of mitigating the environmental impacts is based on the following cycle:



In addition, the Group identifies the risks related to Climate Change, which to some extent determines the Group's business strategy, through the strategic development of renewable energy projects and the adoption of mitigation measures of its environmental footprint. Such risks may considerably affect the Group's business model (e.g. need for immediate independence from conventional energy sources, increased operating costs to adopt new environment friendly technologies, regulatory sanctions due to increased requirements).

Due Diligence and other policies

Environmental protection is an integral part of the Group's business strategy and is expressed through the Group's policies, strategic and business decisions and actions. By adopting a responsible behavior, GEK TERNA Group is constantly aiming to reduce the environmental footprint of its activities through responsible resource management as well as the adoption of a broader responsible environmental behavior concerning all of its operations and the life cycle of its products.

Adaptation to Climate Change

Climate change adaptation constitutes a necessity, not a luxury, and therefore the Group focuses on the transition to a less fossil fuel dependent economy that will ensure sustainable cities and societies. The GEK TERNA Group has the expertise and willingness to utilize climate change related challenges in favor of Sustainable Development and the Green Economy.

Although climate change affects almost all of the Group's activities, the related business opportunities created, can contribute towards both the Group's economic growth and the mitigation of potential negative impacts.

The Group responds to climate change related challenges and creates value from its operation, through the construction of pumped storage projects that will secure the country's energy system while enabling the clean energy storage, the development of waste treatment plants using cutting-edge technologies and the construction of innovative projects and new highways of international standards.

Environmental Strategy
The Group's environmental strategy includes provisions for:

- the compliance with legal and other regulatory requirements,
- the implementation and upgrade of the Environmental Management System,
- the prevention of environmental impacts and the utilization of new technologies,
- the training of employees on environmental issues and the engagement with stakeholders,
- the integrated management of the environmental footprint (natural resources, energy, materials use, waste) for all of the Group’s its activities,
- the synergies to combat climate change and foster an environmental culture.

As a result, the Group acts in a targeted manner, adopting measures that evidently lead to the mitigation of its overall environmental footprint.

Applying an up to date and integrated Environmental Management System, the Group monitors the environmental impacts of its activities and is able to take the necessary measures in a timely manner, to mitigate its environmental footprint and to constantly improve its performance.

Inspections for the Protection of the Environment
The GEK TERNA Group conducts annual audits to all of its operations, in order to fulfill the requirements arising from external certifications, internal systems and legal and other regulatory frameworks.

Internal audits aim to the:

- Evaluation of the responsiveness to the requirements of the current legislation,
- Evaluation of the responsiveness to the Group's customer requirements,
- Evaluation of the Group companies’ compliance with the system requirements,
- Evaluation of the responsiveness to the requirements of the international standard ISO 14001:2015,
- Identification of points that need improvement and reinforcement,
- Improvement of the implementation of the Management Systems and the Risk Management Systems.

Environmental Training
The proper information and systematic training of the Group's employees are preconditions for the prevention and mitigation of the environmental impacts. In pursuing the development of a corporate culture on environmental issues and the improvement of the overall environmental footprint, the Group plans environmental trainings on an annual basis.

The training subjects meet both the needs and requirements of the projects undertaken by the Group, as well as the roles and tasks of the employees. For reasons of balance and proper operation of the Group, full information is also provided to site visitors.

The delivery of the training is undertaken by the Environment Directorate as well as by external bodies. A detailed training file is kept on all sites and main offices.

Responsible Energy Management
The Group's activities, focusing on energy production from RES and the creation of a decentralized system of power generating units, ensure the access to clean energy, improve the security of energy supply and efficiency, and therefore reduce the adverse impacts of fossil fuel combustion to the environment.

With regard to its operation, the Group recognizes that being able to assess its energy demand and mitigate the energy consumption of its operations presupposes the systematic recording and monitoring of energy consumption throughout its operations.

The Group's goal for 2019 is to continue integrating even more operational units and companies in the process of data collection, while further expanding its methodological approach on data collection.

Monitoring and Mitigation of Air Emissions
GEK TERNA Group is actively involved in the production of energy from RES, which significantly reduces carbon dioxide emissions and through its subsidiary, TERNA ENERGY, contributes to the reduction of emissions of gases released into the environment. The Group systematically monitors emissions from its operations as an integral part of its environmental policy.

At the same time, the Group captures and communicates the impact of its activities through its electronic and printed media (CSR report, website, press releases, etc.) to all interested parties.

Biodiversity protection
The Group recognizes that through its business activities it has an impact on biodiversity, and therefore undertakes initiatives that are directly related to biodiversity protection. Part of its activities (motorways, wind farms and hydroelectric projects) takes place in areas adjacent to protected areas or areas characterized by high biodiversity value.

Biodiversity preservation and protection requires planning and integrated management, exploitation of the optimum scientific knowledge and available know-how, while being included in all Environmental Impact Assessments, using application criteria that can go beyond the legislative requirements.

In the context of biodiversity protection, the Group:

- thoroughly examines the protected areas and the biodiversity of the ecosystems adjacent to its activities,
- implements the approved environmental terms of each project with reverence,
- provides training to employees and visitors on the conservation and proper management of biodiversity,
- recognizes that its activities may have negative impacts on the environment and manages potential impacts in an integrated and effective way,
- applies environmental restoration practices where necessary,
- recognizes climate change as a major threat to biodiversity.

Results of the above policies and non-financial performance indicators*

- The Group applies the ISO 14001 certified Environmental Management System to most of its subsidiaries: TERNA, TERNA S.A. ABU DHABI, TERNA ENERGY, TERNA MAG, Nea Odos, CENTRAL GREECE MOTORWAY, HERON, GEK SERVICES, ILIOCHORA

(Amounts in thousands Euro, unless otherwise stated)

- Through its business activity, and as the largest Greek RES producer with more than 1,200 MW of installed capacity, the Group generated 2,714,864 MWh in 2018, preventing the release of 1,989,263 tonnes of carbon dioxide (CO_2) in the atmosphere.

Energy consumption

Source	Consumption		Unit
	2018	2017	
Total electricity consumption within the organization	58,607,525	76,514,875	kWh
Diesel (Vehicles + Machinery)	228,463	658,177	GJ

GRI 305-1: Direct (Scope 1) GHG emissions

Direct (Scope 1) GHG emissions (t CO_2)		
	2018	2017
TOTAL	610,967	490,960

GRI 306-2: Waste by type and method of disposal

Total Weight of Hazardous Waste			
Method of Disposal	Weight		Unit
	2018	2017	
Recycling	125.6	99.5	t
Reusing	26.6	6.1	t
Recovery, including energy recovery	15.8	435.2	t
Storage on the organization premises***	151.1	0	t
Total Weight of Non-Hazardous Waste			
Method of Disposal	Weight		Unit
	2018	2017	
Recycling	1,031	1,533	t
For landfill restoration	33,939**	0	t
Landfill	96	279	t
Storage on the organization premises***	15,839	0	t
Management through licensed entities	6,157	102,613	t

*Reported data for 2018 characterized by significant deviations from the previous year, because in 2017 the construction of major motorways was under way.** The reported amount relates to the restoration of the Templon and Lefkimis landfills in Corfu.*** Storage on the organization premises of hazardous and non-hazardous waste is due to the temporary storage of waste, till the moment that l a sufficient volume of waste has been collected, in order to become manageable by the licensed operators.*

H. Outlook and Prospects

As it is derived from the analysis of the separate business segments, the prospects of the Group, despite the considerable issues and problems of the broader economic environment, appear to be positive.
The diversification of the Group's business activities offers a more effective allocation of risk implying at the same time lower dependence of profitability on certain business segments.

In 2019, GEKTERNA will continue to implement its strategy for continuous growth in the Greek and international markets in the RES, Concession and Construction sector. The objective is to maintain its leading position in the Greek market and to seek its sustainable development in the foreign markets in order to achieve a satisfactory dispersion of the business risk and maintain the return on its capital at a satisfactory level. The prospects for achieving the 2019 targets are positive given that:

<u>In the Energy Sector:</u>
The fourth quarter of 2019 is expected to complete and launch the new FLUVANNA II with 158 MW in Texas, USA.
In 2019, it plans to launch wind farms in various regions of Greece, with a total capacity of 151MW, while exploring the implementation of new RES investments with a total capacity of 200MW.
If the imminent delays / omissions of the relevant government agencies are lifted, the Group intends to launch further investments worth up to 1.2 billion euros.

<u>In the Concessions Sector:</u>
In 2019, the construction of the new Kasteli Airport will commence, which will be completed in 2023, when its exploitation will commence.

<u>In the Construction sector:</u>
The construction backlog amounting to EUR 1.6 billion on 31.12.2018 which will be increased with the awarding of new projects, including the project for the construction of Kasteli Airport of 480 million euros, to be ratified by the Greek Parliament,.

Admittedly, despite the above positive outlook, the Management is aware that external factors such as political developments that are the cause of important decisions, especially in pre-election periods, may adversely affect the operation of the market and cause further delays in the implementation of the Group's investment program in GREECE. To address this and in order to mitigate its negative impact on the Group's financial results, the Management continues to examine the expansion of the Group's operations abroad, continuously monitors developments in the Greek economy, discusses and co-operates with financiers and specialists analysts of international markets and, in direct, continuous and systematic cooperation with the relevant Managing Directors of the Group, designs and implements measures in order to address any identified risk.

As a result of the above strategy, the Company maintains satisfactory capital adequacy, profitability and liquidity at the reporting date of the Annual Consolidated Financial Statements, and continues to be fully consistent with its obligations to suppliers, government, insurance companies and other creditors and successfully implements its investment program.

I. Treasury Shares

On 31.12.2017, GEK TERNA SA owned, directly and indirectly via its subsidiaries, a total of 6,508,154 own shares, which represent 6.2927% of the share capital.

On February 26, 2018, the Company, in order to implement the decision of the 1st Repeated General Meeting of Shareholders dated 07.07.2014, granted to seven (7) Directors, upon 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.

The Company informed the investment community that, following the purchase of own shares on 15.06.2018, the total of the Company's own shares directly and indirectly through the shares held by its Subsidiaries amounted to more than 5%, the direct participation amounted to 3,867,114 treasury shares, namely 3.7391% and the total number of treasury shares directly and indirectly to 5,172,154, i.e. 5.0010%.

On September 27, 2018, the Company, in order to implement the decision of the 1st Repetitive General Meeting of Shareholders dated 07.07.2014, granted to seven (7) Managing Directors of the Company, against the exercise of stock options, a total of 400,000 own shares representing 0.3868% of the paid up share capital, for a total consideration of € 228,000.00.

Following the aforementioned transaction, the own shares held by the Company directly and indirectly fell within the 5% limit and the number of treasury shares immediately after the transaction of 27.09.2018 decreased to 3,533,898, or 3.4169%.
The number of treasury shares held by subsidiaries remained unchanged.
The total number of treasury shares directly and indirectly after the transaction of 27.09.2018 amounted to 4,838,938, i.e. 4.6788%.

On 31 December 2018, the Company held directly 3,828,652 treasury shares, i.e. 3.7019%, with an acquisition value of 10,158,848 million euros.

The subsidiary company TERNA SA holds a total of 688,205 shares, i.e. 0.6654%. The subsidiary company ILIOCHORA SA owns 616,835 own shares, i.e. 0.5964%.

On 31.12.2018 GEK TERNA SA held directly and indirectly through its subsidiaries a total of 5,133,692 own shares, i.e. 4.9638% of the share capital.

J. Transactions with Related Parties

Below the Company's and Group's transactions and balances with its related parties are presented for the period 01.01-31.12.2018:

(Amounts in thousands Euro, unless otherwise stated)

Sales-Inflows of the Company

(amounts in euros)	Participation type	Total	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	**14,007,896.47**	235,269.86	183,878.32	480,768.44	0.00	1,098,209.85	12,009,770.00	0.00
TERNA ENERGY SA	Subsidiary	**24,550,958.51**	0.00	99,216.28	172,249.20	24,279,493.03	0.00	0.00	0.00
CHIRON CAR PARK S.A	Subsidiary	**130,491.75**	0.00	36,000.00	0.00	94,491.75	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**1,113,465.44**	0.00	78,000.00	0.00	0.00	4,620.00	1,030,845.44	0.00
MONASTIRIOU SA	Subsidiary	**175,466.66**	0.00	0.00	0.00	0.00	175,466.66	0.00	0.00
GEK SERVICES SA	Subsidiary	**24,203.44**	0.00	0.00	0.00	8,411.44	15,792.00	0.00	0.00
ILIOHORA SA	Subsidiary	**39,388.25**	0.00	0.00	38,880.00	508.25	0.00	0.00	0.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**19,425.10**	0.00	0.00	0.00	0.00	19,425.10	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**338,091.67**	0.00	0.00	0.00	0.00	138,091.67	250,000.00	0.00
VIPATHE	Subsidiary	**157,920.00**	0.00	0.00	0.00	0.00	157,920.00	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**221,089.49**	0.00	0.00	0.00	0.00	221,089.49	0.00	0.00
TERNA MAG SA	Subsidiary	**6,817.54**	0.00	500.00	0.00	0.00	6,317.54	0.00	0.00
NEA ODOS SA	Subsidiary	**32,380,134.07**	1,099,682.40	0.00	0.00	0.00	5,741,158.57	25,539,293.10	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**3,073,453.14**	1,123,886.45	0.00	0.00	0.00	65,840.00	1,883,726.69	0.00
J/V EUROIONIA	Subsidiary	**31,181,950.07**	0.00	2,000.00	0.00	0.00	0.00	31,179,950.07	0.00
J/V CENTRAL GREECE MOTORWAY E-65	Subsidiary	**4,578,867.73**	0.00	0.00	0.00	0.00	0.00	4,578,867.73	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**21,154.25**	0.00	0.00	0.00	0.00	0.00	21,154.25	0.00
J/V CINTRA-GEK-IRIDIUM HELLAS TOLLS	Subsidiary	**14,616.66**	0.00	0.00	1,200.00	0.00	13,416.66	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**27,000.00**	0.00	27,000.00	0.00	0.00	0.00	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**897,299.63**	0.00	0.00	1,200.00	0.00	51,669.50	844,430.13	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**41,882.63**	41,882.63	0.00	0.00	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**37,000.00**	37,000.00	0.00	0.00	0.00	0.00	0.00	0.00
		113,088,572.50	**2,537,721.34**	**426,594.60**	**694,297.64**	**24,382,904.47**	**7,709,017.04**	**77,338,037.41**	**0.00**

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	**13,614,734.04**	506,754.19	13,107,979.85	0.00	0.00
TERNA ENERGY SA	Subsidiary	**13,101,365.87**	137,899.07	0.00	12,963,466.80	0.00
CHIRON CAR PARK S.A	Subsidiary	**3,720.00**	3,720.00	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**581,460.00**	36,840.00	544,620.00	0.00	0.00
MONASTIRIOU SA	Subsidiary	**4,175,466.66**	0.00	4,175,466.66	0.00	0.00
GEK SERVICES SA	Subsidiary	**376,040.00**	248.00	375,792.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**43,636.32**	43,636.32	0.00	0.00	0.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**356,447.80**	0.00	356,447.80	0.00	0.00
ICON BOROVETS EOOD	Subsidiary	**2,701,186.03**	0.00	2,701,186.03	0.00	0.00

(Amounts in thousands Euro, unless otherwise stated)

VIPATHE	Subsidiary	**3,757,920.00**	0.00	3,757,920.00	0.00	0.00
ICON EOOD (BULGARIA)	Subsidiary	**4,624,025.31**	0.00	4,624,025.31	0.00	0.00
TERNA MAG SA	Subsidiary	**110,167.56**	0.00	110,167.56	0.00	0.00
NEA ODOS SA	Subsidiary	**90,038,408.58**	0.00	90,038,408.58	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**121,644.66**	0.00	121,644.66	0.00	0.00
J/V CINTRA-GEK-IRIDIUM HELLAS TOLLS	Subsidiary	**3,202,082.09**	6,165.63	0.00	3,195,916.46	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	**60,000.00**	0.00	0.00	0.00	60,000.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**162,725.49**	3,522.40	159,203.09	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**45,880.00**	45,880.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**42,600.00**	42,600.00	0.00	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00	0.00
		137,157,529.73	**832,845.61**	**120,105,300.86**	**16,159,383.26**	60,000.00

Purchases - Company's Outflows

(amounts in euro)	Participation type	Total	Purchases of goods	Revenues from Consulting services	Purchases of administrative services	Lease expenses	Interest expenses	Granted Loans	Share capital increases
TERNA SA	Subsidiary	**50,575,574.04**	0.00	377,690.00	44,216.30	0.00	2,360,969.06	47,792,698.68	0.00
TERNA ENERGY SA	Subsidiary	**183,536.62**	0.00	0.00	161,925.82	21,610.80	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**1,076,464.54**	0.00	0.00	0.00	0.00	45,619.10	1,030,845.44	0.00
IOANNINON S.A.	Subsidiary	**839,999.00**	0.00	0.00	0.00	0.00	0.00	540,000.00	299,999.00
MONASTIRIOU SA	Subsidiary	**4.000.000,00**	0,00	0,00	0,00	0,00	0,00	4.000.000,00	0,00
GEK SERVICES SA	Subsidiary	**360.000,00**	0,00	0,00	0,00	0,00	0,00	360.000,00	0,00
VIPATHE	Subsidiary	**3.600.000,00**	0,00	0,00	0,00	0,00	0,00	3.600.000,00	0,00
NEA ODOS SA	Subsidiary	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
CENTRAL GREECE MOTORWAY SA	Subsidiary	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
KIFISIA PLATANOU SQ. CAR PARK SA	Subsidiary	**345,000.00**	0.00	0.00	0.00	0.00	0.00	0.00	345,000.00
ICON EOOD	Subsidiary	**30,386.07**	0.00	0.00	0.00	0.00	0.00	0.00	30,386.07
ICON BOROVETS EOOD	Subsidiary	0.00	0.00	0,00	0.00	0.00	0,00	0.00	0,00
ROM GEK CONSTRUCTION SRL	Subsidiary	**3,000,000.00**	0.00	0.00	0.00	0.00	0.00	0.00	3,000,000.00
TERNA – Bulgarian Branch	Subsidiary	**5,069.37**	0.00	0.00	0.00	0.00	5,069.37	0.00	0.00
J/V EUROIONIA	Subsidiary	**31,777,315.41**	0.00	0.00	0.00	0.00	597,365.34	31,179,950.07	0.00
J/V CENTRAL GREECE MOTORWAY E-65	Subsidiary	**4,661,711.58**	0.00	0.00	0.00	0.00	82,843.85	4,578,867.73	0.00
EUROPEAN AGENCIES OF METALS SA	Subsidiary	**21,259.50**	0.00	0.00	0.00	0.00	105.25	21,154.25	0.00
Construction Joint Ventures	Subsidiary	**190.42**	171.82	0.00	18.60	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**954,582.08**	153,783.02	800,000.00	0.00	0.00	799.06	0.00	0.00
ATHENS CAR PARK SA	Joint Venture	**29,970.00**	0.00	0.00	0.00	0.00	0.00	0.00	29,970.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**0.00**	0.00	0.00	0,00	0.00	0,00	**0.00**	0.00
KEKROPS SA	Associate	**1,271.55**	0.00	0.00	1,271.55	0.00	0.00	0.00	0.00
		101,462,330.18	**153,954.84**	**1,177,690.00**	**207,432.27**	**21,610.80**	**3,092,771.03**	**93,103,516.17**	**3,705,355.07**

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	**125,292,908.57**	433,757.97	124,859,150.60	0.00	0.00
TERNA ENERGY SA	Subsidiary	**140,924.20**	140,924.20	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**528,476.80**	0.00	528,476.80	0.00	0.00
MONASTIRIOU TECHNICAL DEVELOMENT SA	Subsidiary	**52.01**	52.01	0.00	0.00	0.00

(Amounts in thousands Euro, unless otherwise stated)

ICON EOOD	Subsidiary	**0.00**	0.00	0.00	0.00	0.00
ROM GEK CONSTRUCTION SRL	Subsidiary	**0.00**	0.00	0.00	0.00	0.00
TERNA – Bulgarian Branch	Subsidiary	**113,451.04**	0.00	113,451.04	0.00	0.00
NEA ODOS SA	Subsidiary	**723,616.39**	0.00	723,616.39	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**26,206.96**	0.00	26,206.96	0.00	0.00
J/V IMPREGILO SPA-TERNA SA	Joint Entities	**18.60**	18.60	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**19,768.28**	19,768.28	0.00	0.00	0.00
KEKROPS SA	Associate	**3,226.76**	3,226.76	0.00	0.00	0.00
		126,848,649.61	**597,747.82**	**126,250,901.79**	**0.00**	**0.00**

Below, the transactions and the balances between the Group and the related parties are presented for the period 01.01-31.12.2018:

Sales - Inflows of the Group

(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	**1,366,936.33**	0.00	1,318,508.07	0.00	44,928.26	3,500.00	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**1,452,524.39**	0.00	0.00	0.00	71,882.63	0.00	0.00	1,380,641.76	0.00
AG. NIKOLAOS PIRAEUS CA 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
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**52,869.50**	0.00	0.00	0.00	0.00	1,200.00	0.00	51,669.50	0.00
		3,343,971.27	**444,641.05**	**1,318,508.07**	**0.00**	**143,810.89**	**4,700.00**	**0.00**	**1,432,311.26**	**0.00**

Receivables of the Group

(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	**1,032,787.39**	1,032,787.39	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**14,276,381.27**	83,080.00	14,193,301.27	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	**60,000.00**	0.00	0.00	0.00	60,000.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**162,725.49**	3,522.40	159,203.09	0.00	0.00
ATTIKAT SA	Associate	**32,439.32**	0.00	32,439.32	0.00	0.00
		15,569,913.47	**1,124,969.79**	**14,384,943.68**	**0.00**	**60,000.00**

(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	**9,878,029.57**	9,878,029.57	0.00	0.00	0.00
KEKROPS SA	Associate	**1,271.55**	1,271.55	0.00	0.00	0.00
		9,879,301.12	**9,879,301.12**	**0.00**	**0.00**	**0.00**

Liabilities of the Group

(amounts in euro)	Participation type	Total	From Purchases and Advances	From Loans and Interest
HERON THERMOELECTRIC S.A.	Joint Venture	**5,019,524.38**	5,019,524.38	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	**3,226.76**	3,226.76	0.00
		5,035,027.59	**5,035,027.59**	**0.00**

The remuneration of members of the Board of Directors and senior executives of the Group and the Company for 2018 as well as the relative balances on 31.12.2018, has as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Remuneration for services rendered	3,290	2,790	112	130
Remuneration to employees	345	375	44	44
Remuneration for participation in the BoD's meetings	1,042	566	455	272
	4,677	**3,731**	**611**	**446**
Liabilities	366	694	10	54
Receivables	58	5	0	0

CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Code

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.

These practices are briefly outlined in the Company's Corporate Governance Code (CGC), which is the basis and reference point of the Group's integrated governance system. By implementing the CGC and the individual thematic regulations, the Management ensures the efficient management and utilization of the company's resources and promotes corporate responsibility as a core value of the Group's growth path.

The individual thematic regulations and operating instructions of the company are:

1) Company's Internal Regulation (CIR). It includes all the measures, rules and instructions adopted by the Administration, in addition to the mandatory provisions and / or regulations imposed by the competent institutions and the respective Authorities.
2) Code of conduct
3) Audit Committee Charter
4) Internal Audit Activity Charter
5) General Data Protection Regulation
6) Corporate Responsibility Report
7) Anti-bribery management system.

Any new relevant provision, measure, rule, etc is incorporated into the CIR, in order to maintain the required completeness and to adapt directly to the changing conditions of the company's economic, social and business environment.

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 .

2. 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:

(Amounts in thousands Euro, unless otherwise stated)

- 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 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.

On September 1, 2018, the President of the Board, Nikolaos Kampas, abruptly deceased.
At the meeting held on October 31, 2018, the Board of Directors elected Mr. Georgios Peristeris, the Managing Director, as Chairman of the BoD or the remainder of his term of office.

During the exercise of their duties and the Board meetings in 2018, 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 2018.
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 THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER WAS REPRESENTED	NUMBER OF MEETINGS IN WHICH THE MEMBER WAS ABSENT AND NOT REPRESENTED
Nikolaos Kampas	13	13	-	-
Konstantinos Vavaletskos	18	16	1	1
Michael Gourzis	18	18	-	-
Aggelos Benopoulos	18	18	-	-
Georgios Peristeris	18	17	1	-
Dimitrios Antonakos	18	17	1	-
Emmanuel Vrailas	18	17	1	-
Emmanuel Moustakas	18	17	1	-
Georgios Perdikaris	18	14	4	-
Apostolos Tamvakakis	18	18	-	-
Gagik Apkarian	18	18	-	-
Spyridon Kapralos	18	14	3	1

During the meetings and the proceedings of the Board of Directors, the Members were supported by the Secretary, Mrs. Dimitra Chatziarsenniou, who, by the decision of the Board of Directors, dated 31.01.2018, replaced the Vice-Chairman of the Board until that date, Mr. Angelos Benopoulos, as the Company's Secretary.

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.

During the year 2018, the Committee convened eight (8) times.

The Code of Corporate Governance, which was approved by the Board of Directors of the Company on 18.03.2011 and has been in operation since then, provided in Article 2.3.1 a three-member committee.

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

At its meeting on 27.09.2017, 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 are independent. Chairman of the Committee is an independent, non-executive member.
The full composition of the Nominations and Remunerations Committee is now as follows:

Apostolos Tamvakakis – independent non-executive member of the Board of Directors and Chairman of the Committee,
Angelos Benopoulos – Executive member of the BoD,
Georgios Perdikaris - non-executive member of the Board of Directors, and
Gagik Apkarian - independent non-executive member of the Board of Directors

Following the above 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.

Implementing the decision of the 1st Repetitive General Meeting of Shareholders on the 7th of July 2014, the Nominations & Remunerations Committee met on 12.02.2018, checked the progress of the objectives set and concluded that some of the objectives had been achieved, and consequently, the Company granted on May 26, 2018 through an OTC transaction 1,350,000 shares of its own shares to the beneficiaries. It re-convened on 29.08.2018 and concluded that other objectives were also achieved, and thereafter the Company granted an additional 400,000 shares on 27.09.2018 through an over-the-counter transaction.

In addition, at its meeting on 06.06.2018, it proposed to the Board of Directors the establishment of a share option plan for the company's Directors for the five-year period 2019-2023 up to the limit of 2,000,000 shares, through the issuance of new shares or with the disposal of treasury shares. This proposal was submitted for approval to the Ordinary General Meeting of Shareholders dated 27.06.2018.

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 2018, 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 19.12.2018 and suggested to the Board of Directors the following payment:

a) to the independent, non-executive member, Mr. Apostolos Tamvakakis: a compensation of € 40,000 as a member of the BoD, a compensation of € 30,000 as a chairman of the Audit Committee, a compensation of € 10,000 as a Chairman of the Board of Directors and, as a member of the Strategic Planning Committee, a compensation of € 10,000, i.e. an annual compensation of € 90,000.
b) to the independent non-executive member, Mr. Gagik Apkarian: a compensation of 40,000 € as a member of the Board of Directors, 10,000 € as a member of the Strategic Planning Committee and 10.000 € as a member of the Strategic Planning Committee, i.e. a total annual compensation of 60,000 €, plus the coverage of his travel expenses of going abroad, back and forth, and his accommodation in Athens up to € 20,000.
c) to the Independent, non-executive member, Mr. Spyridon Kapralos: a compensation of 40,000 € as a member of the BoD, 10,000 € as a member of the Audit Committee and 10,000 € as a member of the Strategic Planning Committee, i.e. a total annual compensation of 60.000 €.
d) to the member of the Audit Committee, Mr. Angelos Tagmatarchis, an annual compensation of 50,000 €.
e) to the Chairman & Managing Director, Mr. George Peristeris, an annual total compensation of 200,000 € for his participation in the Board of Directors of GEK TERNA.

These amounts are within the limits set by the General Meeting and are in line with their qualifications and their contribution to the Company.

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 28.06.2017 formed an Investment Committee with the following members:

Konstantinos Vavaletskos	Executive member
Emmanuel Vrailas	Executive member
Emmanuel Moustakas	Executive 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 29.08.2018 its proposal for the acquisition by the Company of minority participation stake of FERROVIAL SA 24,5%) on a weighted average portion to each of the concession companies of the motorways "NEA ODOS" and ''CENTRAL GREECE MOTORWAY".

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 28.06.2017, a new Audit Committee, consisting of the independent non-executive member of the Board of Directors Mr. Apostolos Tamvakakis, Mr. Nikolaos Kambas, non-executive member of the Board of Directors and Mr. Aggelos Tagmatarchis, 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. Tagmatarchis 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 Vice-President, ,Mr. Apostolos Tamvakakis, in his capacity as a Chairman of the Audit Committee, proposed to the Board of Directors the expansion of the Audit Committee by the addition of a new Member. The addition of a new Member is in line with international best practices of Corporate Governance, which, as far as the Audit Committee is concerned, require that it be made up of as many independent, non-executive members as possible. He also referred to article 4.1 of the Corporate Governance Code, which provides for at least three members. At its meeting on 27.06.2018, the Board of Directors elected by its Members the independent non-executive member, Mr. Spyridon Kapralos, as a new member of the Audit Committee, who, with his knowledge and experience, will promote the work of the Audit Committee. His election will be put to the approval of the next General Assembly.

Since September 2018, the members of the Audit Committee have been three, since the deceased Nikolaos Kambas, has not yet been replaced.

The Audit Committee convened eleven (11) times during 2018, 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 29.05.2014, 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 2018 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.

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	16,063,132	15.531%
Georgios Peristeris	14,675,724	14.190%
Reggeborgh Invest B.V.	11,291,494	10.918%
Nikolaos Kambas	6,271,826	6.064%

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, 2018 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 1/503/13.03.2009 of the Hellenic Capital Market Commission, until June 27, 2020, at a minimum purchase price of thirty cents (0.30 euros) and a maximum price of thirty (30) Euros per share and authorized the Board of Directors for the implementation of that decision.

On 26.02.2018, the respective rights were exercised for the acquisition of a total of 1,350,000 shares and, on 27.09.2018, rights were exercised for the acquisition of a total of 400,000 shares of own shares held by the Company in implementation of the decision of the 1st Repetitive General Assembly.

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,

2018 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, the 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, 23 April 2019

On behalf of the Board of Directors,

George Peristeris

Chairman of the Board of Directors
& Chief Executive Officer

ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2018 (1 January - 31 December 2018)

In accordance with the International Financial Reporting Standards as adopted by the European Union

The accompanying Financial Statements were approved by the Board of Directors of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS on 23 April 2019 and have been published by being posted on the internet at the website www.gekterna.com where such will remain at the disposal of the investment community for at least 5 years from their issue and publication as well as on the Athens Stock Exchange's website. The Annual Financial Statements of the consolidated subsidiaries, as provided by the Hellenic Capital Market Commission decision 8/754 / 14.04.2006, are available on the Internet at

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STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	31.12 2018	31.12 2017*	31.12 2018	31.12 2017*
ASSETS					
Non-current assets					
Intangible fixed assets	8	802,665	838,508	130	106
Tangible fixed assets	9	1,332,693	1,246,267	9,085	9,475
Goodwill	7	3,183	3,183	0	0
Investment property	10	41,030	113,705	11,290	12,810
Participations in subsidiaries	5, 11	0	0	400,308	346,137
Participations in associates	5, 12	4,572	4,873	4,800	4,741
Participations in joint ventures	5, 13	51,443	49,834	5,159	7,320
Financial Assets - Concessions	14	36,930	26,463	0	0
Investments available for sale	20	48,135	47,461	48,049	47,442
Other long-term assets	15	88,629	81,416	139,015	114,034
Receivables from derivatives	31	154,607	182,091	0	0
Deferred Tax Assets	34	80,196	86,193	0	0
Total non-current assets		**2,644,083**	**2,679,994**	**617,836**	**542,065**
Current assets					
Inventories	16	52,756	54,365	4,929	5,658
Trade receivables	17	294,435	193,143	2,150	8,219
Receivables from construction contracts	18	209,263	151,366	311	0
Advances and other receivables	19	229,665	318,568	41,263	7,203
Income tax receivables	19	37,822	48,897	915	2,219
Financial assets at fair value through profit & loss	21	1,264	3,070	1,264	3,070
Investments Available for Sale	21	0	2,126	0	2,126
Short-term part of receivables from derivatives	31	17,318	0	0	0
Cash and cash equivalents	6, 22	523,242	642,227	48,323	10,998
Total current assets		**1,365,765**	**1,413,761**	**99,155**	**39,493**
TOTAL ASSETS		**4,009,848**	**4,093,755**	**716,991**	**581,558**
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	375,193	243,935	104,587	68,549
Retained earnings		(329,173)	(195,288)	(69,557)	(32,560)
Total		**486,254**	**488,881**	**296,755**	**297,714**
Non-controlling interests	44	242,744	279,274	0	0
Total equity		**728,998**	**768,155**	**296,755**	**297,714**

(Amounts in thousands Euro, unless otherwise stated)

Non-current liabilities					
Long-term loans	6, 23	1,567,788	1,232,574	372,848	113,216
Loans from finance leases	6, 23	6,547	11,692	0	0
Equity investments equivalent to financial liabilities	24	138,103	134,263	0	0
Other long-term liabilities	29	93,609	320,583	12,991	12,102
Other provisions	26	43,886	33,665	0	0
Provisions for staff leaving indemnities	25	8,572	7,780	137	81
Grants	27	162,000	164,211	0	0
Liabilities from derivatives	31	177,531	200,975	0	0
Deferred tax liabilities	34	45,956	40,326	5,494	6,555
Total non-current liabilities		**2,243,992**	**2,146,069**	**391,470**	**131,954**
Current liabilities					
Suppliers	28	285,927	243,239	1,376	7,052
Short term loans	6, 30	125,421	112,484	0	0
Long term liabilities payable during the next financial year	6, 23	150,910	369,555	15,701	126,553
Liabilities from contracts with customers	18	301,053	314,435	84	986
Equity interests having a substance of financial liability	24	22,287	25,107	0	0
Accrued and other short term liabilities	29	121,991	108,189	10,112	16,359
Short-term part of liabilities from derivatives	31	21,311	0	0	0
Income tax payable	34	7,958	6,522	1,493	940
Total current liabilities		**1,036,858**	**1,179,531**	**28,766**	**151,890**
Total Liabilities		**3,280,850**	**3,325,600**	**420,236**	**283,844**
TOTAL EQUITY AND LIABILITIES		**4,009,848**	**4,093,755**	**716,991**	**581,558**

* The Group and the Company did not adjust the comparative amounts of 2017 when applying IFRS 9 and IFRS 15 and recognized their overall effect on the balance "Retained earnings" on 01.01.2018 (note 2.6.3). For comparability purposes, reclassifications of the funds described in note 2.6.3.

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

STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
	Note	1.1 – 31.12	1.1 – 31.12	1.1 – 31.12	1.1 – 31.12
Profit and Loss		**2018**	**2017***	**2018**	**2017***
Continued operations					
Revenues	6, 35	1,402,700	1,185,531	7,433	17,672
Cost of sales	36	(1,165,281)	(950,382)	(4,581)	(13,501)
Gross profit		**237,419**	**235,149**	**2,852**	**4,171**
Administrative and distribution expenses	36	(65,287)	(46,125)	(7,730)	(2,169)
Research and development expenses	36	(1,591)	(1,548)	0	0
Other income/(expenses)	38	(5,240)	(5,797)	(3,158)	(860)
Net financial income/(expenses)	42	(108,314)	(46,408)	(6,159)	3,113
Profit / (loss) from sale of participations and securities	39	5,074	264	(380)	216
Profit / (loss) from valuation of participations and securities	40	(3,227)	(1,112)	(9,394)	(11,985)
Income / (losses) from participations and other securities		1,002	1,730	25,380	8,226
Profit from acquisition of subsidiary	44	0	14,604	0	0
Profit / (loss) from the consolidation of associates under the equity method	12	(72)	(2,455)	0	0
Profit / (loss) from the consolidation of joint ventures under the equity method	13	1,051	5,148	0	0
EARNINGS BEFORE TAXES	6	**60,815**	**153,450**	**1,411**	**712**
Income tax	6, 34	(24,974)	(58,663)	(2,270)	(2,936)
Net Earnings/(losses) after taxes	6	**35,841**	**94,787**	**(859)**	**(2,224)**
Other Comprehensive Income/(Expenses)					
a) Other Comprehensive Income/(expenses) which are transferred to Income Statement of subsequent periods					
Valuation of investments in securities	21	0	21,244	0	21,244
Proportion in Other comprehensive income of joint ventures	13	(27)	1,267	0	0
Proportion in Other comprehensive income of associates	12	0	(52)	0	0
Valuation of cash flow hedging contracts	31	3,263	6,093	0	0
Translation differences from incorporation of foreign entities		(1,072)	(289)	0	0
Share capital expenses		0	(60)	0	0
Various other comprehensive income	44	0	22,008	0	0
Tax corresponding to the above results	34	(7,839)	(7,774)	180	(6,161)
		(5,675)	**42,437**	**180**	**15,083**
b) Other Comprehensive Income/(expenses) which are not transferred to Income Statement in subsequent periods					
Valuation of investments in other securities		607	0	607	0

(Amounts in thousands Euro, unless otherwise stated)

Actuarial gains/(losses) on defined benefit pension plan	25	(453)	348	(39)	3
Proportion in Other comprehensive income of associates	12	(4)			
Proportion in Other comprehensive income of joint ventures	13	(298)	0	0	0
Net Other Comprehensive Income		**(5,823)**	**42,785**	**748**	**15,086**
TOTAL COMPREHENSIVE INCOME		**30,018**	**137,572**	**(111)**	**12,862**
Net earnings/(losses) attributed to:					
Owners of the parent from continued operations,	32	4,466	69,816		
Non-controlling interests from continued operations		31,375	24,971		
Total comprehensive income/(losses) attributed to:					
Owners of the parent from continued operations		231	111,266		
Non-controlling interests from continued operations		29,787	26,306		
Basic Earnings/(losses) per share (in Euro)	32	0.04552	0.71570		
Diluted Earnings/(losses) per share (in Euro)	32	0.04552	0.71570		

* The Group and the Company did not adjust the comparative amounts of 2017 when applying IFRS 9 and IFRS 15 and recognized their overall effect on the balance "Retained earnings" (note 2.6.3).

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

STATEMENT OF CASH FLOWS

	Note	GROUP 1.1 – 31.12 2018	GROUP 1.1 – 31.12 2017	COMPANY 1.1 – 31.12 2018	COMPANY 1.1 – 31.12 2017
Cash flows from operating activities					
Profit before tax	6	**60,815**	**153,450**	**1,411**	**712**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 8, 9	111,721	73,657	429	414
Fixed assets grants amortization	6, 27	(8,106)	(8,125)	0	0
Provisions		16,541	2,582	24	6
Impairments/Impairment reversals		5,764	17,940	8,050	11,987
Other non-cash expenses/revenue		(2,194)	(14)	0	0
Interest and related revenue		(9,988)	(18,713)	(9,229)	(15,639)
Interest and other financial expenses		126,609	77,729	15,388	12,567
Results from derivatives		(8,307)	(12,608)	0	0
Results from associates and joint ventures		(979)	(2,693)	0	0
Results from participations and securities		(2,314)	(777)	(22,182)	(7,331)
Results from investment property		5,927	(11,694)	1,520	731
Results from fixed assets		(318)	(1,240)	0	0
Foreign exchange differences		(1,811)	9,507	0	0
Cost of stock options exercise		3,328	0	3,328	0
Operating profit before changes in working capital		**296,688**	**279,001**	**(1,262)**	**3,447**
(Increase)/Decrease in:					
Inventories		(3,919)	3	(896)	(11)
Investment property as main activity		(1,204)	(14,538)	0	0
Trade receivables		(33,543)	(13,541)	4,240	(5,468)
Prepayments and other short term receivables		106,984	48,783	(20,307)	140
Increase/(Decrease) in:					
Suppliers		(63,543)	24,799	(5,968)	975
Accruals and other short term liabilities		(221,350)	(137,096)	(6,198)	(21,854)
Collection / (rebate) of grants	8, 29	49,685	(63,777)	0	0
Other long-term receivables and liabilities		(27,399)	(41,156)	1,794	22,130
Income tax payments		(5,957)	(74,862)	(1,633)	2,125
Net cash flows from operating activities		**96,442**	**7,616**	**(30,231)**	**1,484**
Cash flows from investing activities					
(Purchases) / Sales of fixed assets		(212,281)	(259,992)	(62)	(143)
(Purchases) / Sales of investment property		0	0	0	0
Interest and related income received		3,599	3,187	241	1
(Purchases) / sales of participations and securities		(85,865)	(1,210)	(83,081)	(1,082)
(Payments)/Receipts for acquisition / loss of control in subsidiaries		36,137	(21,662)	0	(21,662)
Receipts of Dividends and Earnings		998	1,730	12,808	8,226

(Amounts in thousands Euro, unless otherwise stated)

Initial cash reserves of companies which were purchased or in which the proportional share of consolidation was decreased		939	129,563	(1,879)	747
Returns/(Receipts) of Loans		0	(19,550)	9,265	(19,281)
Net cash flows for investing activities		**(256,473)**	**(167,934)**	**(62,708)**	**(33,194)**
Cash flows from financing activities					
Receipts/(payments) from increase/(decrease) of share capital of subsidiaries		23,954	(3,322)	(2,332)	12,496
Purchase of own shares		(1,686)	(4,280)	(1,686)	(3,850)
Net change of short-term loans	30	23,458	44,270	0	0
Net change of long-term loans	23	130,921	125,089	148,539	36,500
Payments for financial leases	23	(4,853)	(4,456)	0	0
Dividends paid		(4,059)	(6,675)	0	0
Interest and other financial expenses paid		(100,403)	(74,909)	(14,257)	(7,209)
Receipts / (Payments) from derivatives used for risk hedging		(22,296)	(11,283)	0	0
Receipts from equity investments equivalent to financial liabilities	24	0	127,882	0	0
Payments for equity investments equivalent to financial liabilities		(6,157)	(4,598)	0	0
Net cash flows from financing activities		**38,879**	**187,718**	**130,264**	**37,937**
Effect of foreign exchange differences in cash		2,167	(6,176)	0	0
Net increase /(decrease) of cash and cash equivalents from continued operations		**(118,985)**	**21,224**	**37,325**	**6,227**
Net increase /(decrease) of cash and cash equivalents from discontinued operations		**0**	**0**	**0**	**0**
Cash and cash equivalents at the beginning of the year from continued operations	6	642,227	621,003	10,998	4,771
Cash and cash equivalents at the end of the year from continued operations	**6**	**523,242**	**642,227**	**48,323**	**10,998**

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

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

COMPANY	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 31.12.2017	**58,951**	**202,774**	**68,549**	**(32,560)**	**297,714**
Change in accounting policy (note 2.6.3)	0	0	(393)	7	**(387)**
Restated balances 1/1/2018	**58,951**	**202,774**	**68,156**	**(32,553)**	**297,327**
Total comprehensive income for the year	0	0	748	(859)	**(111)**
Purchase of treasury shares	0	0	(1,686)	0	**(1,686)**
Allocation of treasury shares	0	0	4,325	0	**4,325**
Termination in consolidation of joint entity	0	0	0	(3,101)	**(3,101)**
Formation of reserves / Transfers	0	0	33,044	(33,044)	**0**
31st December 2018	**58,951**	**202,774**	**104,587**	**(69,557)**	**296,755**

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**
Purchase of treasury shares	0	0	(3,850)	0	**(3,850)**
31st December 2017	**58,951**	**202,774**	**68,549**	**(32,560)**	**297,714**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
Balance 31.12.2017	**58,951**	**381,283**	**243,935**	**(195,288)**	**488,881**	**279,274**	**768,155**
Change in accounting policy (note 2.6.3)	**0**	**0**	**(393)**	**(4,468)**	**(4,861)**	**0**	**(4,861)**
Restated balances 1/1/2018	**58,951**	**381,283**	**243,542**	**(199,756)**	**484,020**	**279,274**	**763,294**
Total comprehensive income for the year	0	0	(4,234)	4,466	**231**	29,786	**30,018**
Share capital issuance	0	0	0	0	**0**	0	**0**
Dividends	0	0	0	0	**0**	(2,897)	(2,897)
Purchase of treasury shares	0	0	(1,686)	0	**(1,686)**	0	**(1,686)**
Allocation of treasury shares	0	0	4,325	0	**4,325**	0	**4,325**
Distribution of reserves	0	0	0	0	**0**	(36,768)	**(36,768)**
Change in interest of consolidated subsidiary	0	0	0	1,231	**1,231**	(64,521)	**(63,290)**
Termination in consolidation of joint entity	0	0	0	0	**0**	(3,456)	**(3,456)**
Share capital increase of subsidiary	0	0	0	0	**0**	41,325	**41,325**
Formation of reserves	0	0	188,548	(188,548)	**0**	0	**0**
Transfers / other movements	0	0	(55,302)	53,434	**(1,868)**	0	**(1,868)**
31st December 2018	**58,951**	**381,283**	**375,193**	**(329,173)**	**486,254**	**242,743**	**728,998**

(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	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 shares	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 in consolidation of subsidiary	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**

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 10.02.2004 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 03.12.2004 with decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/03.12.2004. 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 by 25,386,322.56 euro. Thus the share capital amounted 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 06.12.2013 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 standed 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 06.12.2013 of the A' Repetitive Extraordinary General Assembly of the Company's shareholders and the decision of the Board of Directors on 27.03.2015, 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 29.06.2015, 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. Following the aforementioned decision, 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 to 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 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.
The Group's operations focus on the following operating segments:

- **Constructions:** almost exclusively, technical construction contracts.
- **Electric energy from RES:** production of electric energy arising from wind farms, solar and hydropower and biomass.
- **Thermal energy and trading in electric energy**: production of electric energy through fuels and g natural gas and trading in electric energy.
- **Industry:** refers to the production of quarry products and the exploitation of magnesite quarries.
- **Real Estate**: acquisition, development and exploitation of real estate as well as investments for the purposes of acquisition of surplus value from the increase in the real estate items prices.
- **Concessions:** construction and operation of infrastructure (eg motorways), other public interest projects (Unified Automatic Collection System and municipal waste treatment plant) and other facilities (eg parking stations, etc.) in exchange for provision of long-term exploitation services to the public.
- **Holdings:** supporting the Group's activities.

On 31.12.2018, the total number of the Group's headcount worldwide was 5.107, while on 31.12.2017 it was worldwide 5.581 people. On 31.12.2018, the Company's headcount was 17, while on 31.12.2017 it was 15.

GEK TERNA companies included in the consolidated financial statements and their unaudited FYs are analytically recorded Note 5 to the Financial Statements.

The attached separate and consolidated Financial Statements as of 31 December 2018 were approved by the Board of Directors on 23/04/2019 and are subject to the final approval of the General Meeting of Shareholders. The Financial Statements in question are available to the investing public at the Company’s premises (Athens, 85 Mesogeion Ave.) and the Company's website on the Internet.

2. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for Financial Statements Presentation

The Company’s consolidated and separate Financial Statements as of 31.12.2018 covering the financial year starting on January 1st until December 31st 2018, have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until 31.12.2018. The Group applies all the International Accounting Standards, International Financial Reporting Standards and their Interpretations, which apply to the Group’s activities. The relevant accounting policies, a summary of which is presented below in Note 4, have been applied consistently in all periods presented.

Going concern
The Group's management estimates that the Company and its subsidiaries hold sufficient resources, which ensure their operation as "Going Concern" in the foreseeable future.

2.2 Basis of measurement
The accompanying separate and consolidated financial statements as of December 31st 2018, have been prepared according to the principle of historical cost, apart from investment property, financial derivatives and financial assets measured at fair value through profit or loss.

2.3 Presentation currency
The presentation currency is Euro (the currency of the Group's parent domicile) and all the amounts are presented in thousand Euro unless otherwise mentioned.

2.4 Comparability
Comparative figures recorded in the Group's and the Company's Financial Position as of 31.12.2017 have been restated in order to present certain reclassifications of items, in the context of the application of IFRS 15.
These reclassifications were performed for presentation purposes and had no impact on equity, non-controlling interests, turnover, profits after tax and cash flows of the Group and the Company (see Note 2.6.3).

2.5 Use of estimates
The preparation of the financial statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Opinions, assumptions and Management estimates affect the valuation of several asset and liability items, the amounts recognized during the financial year regarding specific income and expenses as well as the presented estimates on contingent liabilities.

The assumptions and estimates are assessed on a continuous basis according to historic experience and other factors, including expectations on future event outcomes that are considered as reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may deviate from the accounting calculations.

The aspects requiring the highest degree of judgment as well as the aspects mostly affecting the consolidated Financial Statements are presented in Note 3 to the Financial Statements.

2.6 New Standards, Interpretations and Amendments to Standards
The accounting principles applied for the preparation of the financial statements are the same as those applied for the preparation of the annual financial statements of the Group and the Company for FY ended as at 31 December 2017, apart from the adoption of several new accounting standards, whose application was mandatory in the European Union for FYs beginning as at January 1st, 2018 (see Noted 2.6.1 and 2.6.2).

2.6.1. New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union
The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01.01.2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01.01.2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group has examined the effect of the new Standard on the consolidated Financial Statements. Analytical reference is presented in Note 2.6.3.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01.01.2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group has examined the effect of the new Standard on the consolidated Financial Statements. Analytical reference is presented in Note 2.6.3.

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01.01.2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group has examined the effect of the new Standard on the consolidated Financial Statements. Analytical reference is presented in Note 2.6.3.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01.01.2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the consolidated Financial Statements.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01.01.2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments do not affect the consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01.01.2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01.01.2018 are the following: **IFRS 1:** Deletion of short-term exemptions for first-time adopters, **IAS 28:** Measuring an associate or joint venture at fair value. The amendments do not affect the consolidated Financial Statements.

- **Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods starting on or after 01.01.2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the consolidated Financial Statements.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01.01.2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The amendments do not affect the Consolidated Financial Statements.

2.6.2. New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01.01.2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease contract.

IFRS 16 replaces the effective accounting treatment of leases under IAS 17 "Leases", IFRIC 4 "Determination of lease agreements", SIC 15 "Operating leases - Incentives" and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The new Standard requires lessees to recognize more leases in their financial statements, since it introduces a new uniform model for the presentation of all leases in the financial statements of financial entities.

The Standard provides exemptions for short-term leases of fixed assets and leases of low-value fixed assets. The accounting treatment of leases for lessors remains the same as that applied under the effective model, that is to say, the lessors will continue to classify their leases into operating and finance leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Standard has been adopted by the European Union with effective date on 1 January 2019, with earlier adoption is permitted.

The Group intends to adopt IFRS 16 for the first time on 1 January 2019, applying the modified retrospective approach. Based on this approach, the Group will recognize a liability measured at its present value, as arising from discounting the remaining leases through the incremental borrowing cost effective on the date of the Standard's initial application. Furthermore, it will recognize a right to use an asset by measuring that right at an amount equal to the corresponding liability that will be recognized, adjusted for any lease payments immediately effective prior to the date of first application. Comparative information will not be reworded, and no effect is expected to arise following the application of the new Standard on Equity under the first time adoption.
Moreover, the Group has decided to adopt the exemption provided in the Standard with respect to determination of leases, and, in particular, the applicable practices under IFRS 16, according to which the Entity does not need to reassess whether a contract is or contains a lease at the first transition date.
This practically means that IFRS 16 will be applied to contracts that have already been recognized as leases under the application of IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement contains a Lease".
Finally, the Group will also make use of exemptions to the Standard in respect of short-term leases and low value fixed assets leases. With respect to the discount rate, the Group has decided to apply a single discount rate to every category of leases with similar characteristics and depending on the residual duration of every lease.

Management is in the process of assessing the full impact of the Standard. Adoption of IFRS 16 is expected to have the following significant results for the Group:

(i) As at the reporting date, the Group holds operating leases in respect of land, buildings, equipment and machinery and vehicles. The Standard will mainly affect the accounting treatment of the Group's operating leases. In particular, when adopting IFRS 16, liabilities arising from operating leases - which, in accordance with IAS 17, should be disclosed in the Notes to the financial statements - will be presented as assets (rights to use) and liabilities from leases in the statement of financial position. The increase in the lease obligations will lead to a corresponding increase in the Group's net borrowings. Estimates indicate that the rights to use to be recognized on 01.01.2019 is expected to amount to approximately 29.5 million, with a corresponding increase to be recorded in lease liabilities.

(ii) The nature of the expenses associated with these leases is also to be changed, since following the application of IFRS 16, operating cost of lease is depreciated at amortized cost for the rights-related assets and interest expense on the arising liabilities. This will lead to an improvement in "Operating Profit before Financial and Investment Activities, Depreciation and Amortization". The decrease in expenses from expenses from fir FY 2019 is expected to stand approximately at 5.0 million.

(iii) No effect is expected to arise in the statement of changes in equity under the first implementation since the Group will recognize an equal liability.

(iv) In the statement of cash flows, the component relating to repayment of lease payments will reduce the cash flows from financing activities and will no longer be included in net cash flows from operating activities. Only interest payments will continue to be included in net cash flows from operating activities.

(v) The conclusion reached by the Group is that no significant effect regarding the effective finance leases will be recognized in the Statement of Financial Position.

IFRS 16 has not made any significant changes to the accounting for lessors, and therefore the Group does not expect any changes for leases where they are acting as a lessor.

- **Amendments to IFRS 9: "Prepayment Features with Negative Performance Compensation" (effective for annual periods starting on or after 01.01.2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative performance at fair value through profit or loss as the "negative performance" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest.

Under the amendments, companies are allowed to measure particular prepayable financial assets with negative performance at amortized cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01.01.2019.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01.01.2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides additional requirements

to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2019.

- **Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01.01.2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union..

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01.01.2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01.01.2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01.01.2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01.01.2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: “Definition of a Business” (effective for annual periods starting on or after 01.01.2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: “Definition of Material” (effective for annual periods starting on or after 01.01.2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01.01.2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds.

(Amounts in thousands Euro, unless otherwise stated)

A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.6.3. Effect on the Financial Statements as of 31.12.2018 from the application of IFRS 9 and IFRS 15

As a result of changes in accounting policies, described above, the published Statement of Financial Position of the Group and the Company as at 31.12.2017 as it was previously published should be reworded for comparability purposes. More specifically, the comparative figures of the Group and Company Financial Position of 31.12.2017 have been restated by the effect of IFRS 15 in order to present certain reclassifications. These reclassifications were made for presentation purposes and had no impact on equity, non-controlling interests, turnover, earnings after taxes and cash flows of the Group and the Company.

Furthermore, with respect to IFRS 9, the Group and the Company have applied the new Standard from 01.01.2018 retrospectively, without reviewing comparative information from previous years. Therefore, the adjustments arising from the new classification of financial assets and the new impairment regulations are not recorded do in the Statement of Financial Position as of 31.12.2017 but were recognized in the Statement of Financial Position as of 01.01.2018.

On the date of the initial application of IFRS 9, all existing hedging relationships of the Group can be classified as continuing and, therefore, the application of the new Standard does not affect the financial statements. The Group's risk management policies comply with the provisions of the new standard and hedge accounting continues to apply. The Group and the Company did not opt to apply hedge accounting on 01.01.2018 according to the new standard. Therefore, they will continue to apply their present hedge accounting policy, although they will consider starting hedge accounting in accordance with provisions of IFRS 9 when a new hedging relationship arises.

The effect of changes due to the application of IFRS 9 on the Group and the Company is recorded as follows:

	Resettlement Reserve		Retained Earnings	
	Group	Company	Group	Company
Balance at 31.12.2017 IAS 39	**243.935**	**68.549**	**(195.288)**	**(32.560)**
Reclassification of Reserves	(393)	(393)	393	393
Effect of consolidation related to the equity method	0	0	(1.222)	0
Impact of impairment of long-term loans (General approach)	0	0	(124)	0
Impact of impairment on other short-term receivables (General Approach)	0	0	(94)	(94)
Impact of Impairment of Construction Contracts (Simplified Approach))	0	0	65	0
Impact of impairment of trade receivables (simplified approach	0	0	(2.278)	(292)
Impact of impairment Other financial claims (simplified approach)	0	0	(1.207)	0
Adjustments to Retained Earnings from the adoption of IFRS 9 on 1 January 2018	**(393)**	**(393)**	**(4.468)**	**7**
Revalued balance 1/1/2018 - IFRS 9	**243.542**	**68.156**	**(199.756)**	**(32.553)**

(Amounts in thousands Euro, unless otherwise stated)

The Group and the Company did not proceed into any restatement of the comparative amounts of 2017 during the adoption of IFRS 9 and IFRS 15, and recognized their entire effect in the item of "retained earnings". For comparability purposes, reclassifications were made in the comparative amounts of the Statement of Financial Position of 31.12.2017. The following table summarizes the reclassifications and adjustments made for each item of the Statement of Financial Position as of 31.12.2017 and 01.01.2018.

	PUBLISHED 31.12.2017	RECLASSIFICATIONS IFRS 15	RESTATED 31.12.17	RECLASSIFICATIONS IFRS 9	ADJUSTMENTS IFRS 9	RESTATED 01.01.2018
ASSETS						
Non-current assets						
Goodwill	3.183		3.183			3.183
Intangible fixed assets	838.508		838.508			838.508
Tangible fixed assets	1.246.267		1.246.267			1.246.267
Investment property	113.705		113.705			113.705
Participations in subsidiaries	0		0			0
Participations in associates	4.873		4.873			4.873
Participations in joint ventures	49.834		49.834		(1.222)	48.612
Other equity investments	47.461		47.461			47.461
Receivables from derivatives	182.091		182.091			182.091
Financial Assets - Concessions	26.463		26.463			26.463
Other long-term assets	81.416		81.416		(124)	81.292
Deferred Tax Assets	86.193		86.193			86.193
Total non-current assets	**2.679.994**	**0**	**2.679.994**	**0**	**(1.346)**	**2.678.648**
Current assets						
Inventories	54.365		54.365			54.365
Trade receivables	193.143		193.143		(2.279)	190.864
Non-invoiced revenues from contracts with customers		151.366	151.366		65	151.431
Receivables from construction contracts	151.366	(151.366)	0			0
Advances and other receivables	318.568		318.568		(1.301)	317.267
Income tax receivables	48.897		48.897			48.897
Financial assets at fair value through profit or loss	3.069		3.069	2.126		5.195
Investments Available for Sale	2.126		2.126	(2.126)		(0)
Cash and cash equivalents	642.227		642.227			642.227
Total current assets	**1.413.761**	**0**	**1.413.761**	**0**	**(3.515)**	**1.410.246**
Investments held for trading purposes	0					0
Investments Available for Sale						
TOTAL ASSETS	**4.093.755**	**0**	**4.093.755**	**0**	**(4.861)**	**4.088.894**
EQUITY AND LIABILITIES						
Share capital	58.951		58.951			58.951
Share premium account	381.283		381.283			381.283
Reserves	243.935		243.935	(393)		243.542
Profit / (loss) carried forward	(195.288)		(195.288)	393	(4.861)	(199.756)
	488.881	**0**	**488.881**	**0**	**(4.861)**	**484.020**
Non-controlling interests	279.274		279.274			279.274
Total equity	**768.155**	**0**	**768.155**	**0**	**(4.861)**	**763.294**

(Amounts in thousands Euro, unless otherwise stated)

	PUBLISHED 31.12.2017	RECLASSIFICATIONS IFRS 15	RESTATED 31.12.17	RECLASSIFICATIONS IFRS 9	ADJUSTMENTS IFRS 9	RESTATED 01.01.2018
Non-current liabilities						
Long-term loans	1.232.574		1.232.574			1.232.574
Loans from finance leases	11.692		11.692			11.692
Provisions for staff leaving indemnities	7.780		7.780			7.780
Other provisions	33.665		33.665			33.665
Grants	164.211		164.211			164.211
Liabilities from derivatives	200.975		200.975			200.975
Other long-term liabilities	320.583		320.583			320.583
Equity investments equivalent to financial liabilities	134.263		134.263			134.263
Deferred tax liabilities	40.326		40.326			40.326
Total non-current liabilities	**2.146.069**	**0**	**2.146.069**	**0**	**0**	**2.146.069**
Current liabilities						
Suppliers	243.239		243.239			243.239
Short term loans	112.484		112.484			112.484
Long term liabilities payable during the next financial year	369.555		369.555			369.555
Equity investments equivalent to financial liabilities	25.107		25.107			25.107
Liabilities from contracts with customers		314.435	314.435			314.435
Liabilities from construction contracts	179.467	(179.467)	0			0
Accrued and other short term liabilities	243.157	(134.968)	108.189			108.189
Short-term part of liabilities from derivatives	0		0			0
Income tax payable	6.522		6.522			6.522
Total current liabilities	**1.179.531**	**0**	**1.179.531**	**0**	**0**	**1.179.531**
Total Liabilities	**3.325.600**	**0**	**3.325.600**	**0**	**0**	**3.330.247**
TOTAL EQUITY AND LIABILITIES	**4.093.755**	**0**	**4.093.755**	**0**	**(4.861)**	**4.088.894**

Company

	PUBLISHED 31.12.2017	RECLASSIFICATIONS IFRS 15	RESTATED 31.12.17	RECLASSIFICATIONS IFRS 9	ADJUSTMENTS IFRS 9	RESTATED 01.01.2018
ASSETS						
Non-current assets						
Goodwill			-			-
Intangible fixed assets	106		106			106
Tangible fixed assets	9.475		9.475			9.475
Investment property	12.810		12.810			12.810
Participations in subsidiaries	346.137		346.137			346.137
Participations in associates	4.741		4.741			4.741
Other Equity Investments	7.320		7.320			7.320
Other investments	47.442		47.442			47.442

(Amounts in thousands Euro, unless otherwise stated)

	PUBLISHED 31.12.2017	RECLASSIFICATIONS IFRS 15	RESTATED 31.12.17	RECLASSIFICATIONS IFRS 9	ADJUSTMENTS IFRS 9	RESTATED 01.01.2018
Receivables from derivatives			0			0
Financial Assets - Concessions			0			0
Other long-term assets	114.034		114.034			114.034
Deferred Tax Assets	0		0			0
Total non-current assets	**542.065**	**0**	**542.065**	**0**	**0**	**542.065**
Current assets						
Inventories	5.658		5.658			5.658
Trade receivables	8.219		8.219		(292)	7.927
Non-invoiced revenues from contracts with customers		0	0			0
Receivables from construction contracts	0	0	0			0
Advances and other receivables	7.203		7.203		(94)	7.109
Income tax receivables	2.219		2.219			2.219
Financial assets at fair value through profit or loss	3.070		3.070	2.126		5.196
Investments Available for Sale	2.126		2.126	(2.126)		(0)
Cash and cash equivalents	10.998		10.998			10.998
Total current assets	**39.493**	**0**	**39.493**	**0**	**(387)**	**39.107**
Non-Current assets held for sale	0					0
TOTAL ASSETS	**581.558**	**0**	**581.558**	**0**	**(387)**	**581.172**
EQUITY AND LIABILITIES						
Share capital	58.951		58.951			58.951
Share premium account	202.774		202.774			202.774
Reserves	68.549		68.549	(393)		68.156
Profit / (loss) carried forward	(32.560)		(32.560)	393	(387)	(32.553)
	297.714	**0**	**297.714**	**0**	**(387)**	**297.328**
Non-controlling interests						0
Total equity	**297.714**	**0**	**297.714**	**0**	**(387)**	**297.328**
Non-current liabilities						
Long-term loans	113.216		113.216			113.216
Provisions for staff leaving indemnities	81		81			81
Other long-term liabilities	12.102		12.102			12.102
Deferred tax liabilities	6.555		6.555			6.555
Total non-current liabilities	**131.954**	**0**	**131.954**	**0**	**0**	**131.954**
Current liabilities						
Suppliers	7.052		7.052			7.052
Long term liabilities payable during the next financial year	126.553		126.553			126.553
Liabilities from contracts with customers		986	986			986
Liabilities from construction contracts	985	(985)	0			0
Accrued and other short term liabilities	16.360	(1)	16.359			16.359
Short-term part of liabilities from derivatives			0			0

(Amounts in thousands Euro, unless otherwise stated)

	PUBLISHED 31.12.2017	RECLASSIFICATIONS IFRS 15	RESTATED 31.12.17	RECLASSIFICATIONS IFRS 9	ADJUSTMENTS IFRS 9	RESTATED 01.01.2018
Income tax payable	940		940			940
Total current liabilities	**151.890**	**0**	**151.890**	**0**	**0**	**151.890**
Total Liabilities	**283.844**	**0**	**283.844**	**0**	**0**	**283.844**
TOTAL EQUITY AND LIABILITIES	**581.558**	**0**	**581.558**	**0**	**(387)**	**581.172**

There were no changes in the Statement of Comprehensive Income and in the Statement of Cash Flows, from the above effects.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

Preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgments, estimates and assumptions which affect assets and liabilities, contingent receivables and liabilities disclosures as well as revenue and expenses during the presented periods.

In particular, amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that can not be known with certainty at the time of preparation of the financial statements and therefore actual results may differ from what has been estimated. An accounting estimate is considered significant when it is material to the financial position and income statement of the Group and requires the most difficult, subjective or complex judgments of the Management.

Estimates and judgments of the Management are based on past experience and other factors, including expectations for future events that judged to be reasonable in the circumstances. Estimates and judgments are continually reassessed on the basis of all the available data and information.

Key estimates and evaluations referring to data whose development could affect the financial statements items in the upcoming 12 months are the following:

3.1 Significant judgments of the Management

Key judgments carried out by the Management, applied while implementing the Group and the Company accounting policies, (besides the judgments associated with estimates, outlined in Note 3.2) which have the most significant impact on the financial statements mainly relate to the following:

i) Recognition of Deferred Tax Assets

The extent to which deferred tax assets are recognized for unused tax losses is based on the judgment regarding the extent to which it is probable that sufficient taxable profits will be offset with these tax losses. . In order to determine the amount of a deferred tax asset for recognition, significant judgments and estimates are required from the Group's Management, based on future tax profits combined with future tax strategies to be pursued (for further information please refer to Note 34).

ii) Impairment of non-financial assets
Non-financial assets are tested for impairment whenever events or changes in the effective conditions demonstrate that their book value may not be recoverable in accordance with the accounting policy described in Note 4.9).

iii) Evaluation of contracts containing lease data
In the context of electricity sale contracts, signed by the Group with an electric energy provider company, the Group undertakes the obligation to sell all the electricity generated at a particular premises. Under the provisions of IFRIC 4 *"Determining whether a contract includes a lease",* the Group examines the sale of electricity contracts in order to assess whether they include lease items to recognize the related proceeds in accordance with IAS 17 "Leases". Lease terms are considered to be included in a contract when all production of a particular wind farm is sold to the provider and the contractual price is neither fixed nor represents the current market price at the time of production. The estimate of income from rentals recognized under the straight-line method depends on the future production of the wind farm according to its capacity and wind measurements. When applying the provisions of IAS 17 in respite of classification of leases, there are instances when a transaction is not always conclusive. In such cases, the management applies its judgment to determine whether a lease transfers substantially all the risks and rewards of ownership from the lessee to the lessor.

3.2 Uncertainty of estimates and assumptions
Specific amounts that are included or affect the Financial Statements and the related disclosures are estimated through requirement to make assumptions about values or conditions that can not be known with certainty at the Financial Statements preparation date. An accounting estimate is considered significant when it is material to the financial position and results of the Group and requires most difficult, subjective or complex management judgments. The Group assesses such estimates on an ongoing basis, based on historical results and experience, while meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as projections retrograding potential changes in the future.

i) Recognition of revenue from construction contracts
Managing the revenue and costs of a construction contract, depends on whether the final result from the execution of the contract work can be reliably estimated (and is expected to bring profit to the manufacturer, or the result from execution is loss-making). When the outcome of a construction contract can be reliably estimated, then the revenue and expense of the contract are recognized over the life of the contract, respectively, as revenue and expense. The Group uses the completion stage to determine the appropriate amount of income and expense which he will recognize in a specific period. Specifically, based on the IFRS 15 input method, the manufacturing cost at each reference date, is compared to the total budgeted cost to be determined at the integration rate. The completion stage is measured on the basis of the contractual costs incurred by the reference date in relation to the total estimated cost of each project. The Group therefore makes significant estimates regarding the gross result with which the executed construction contract will be executed (total budgeted cost of the construction contract)

ii) Useful lives of depreciated assets
In order to calculate depreciation, in every reporting period, the Group examines the useful life and residual value of tangible and intangible assets in the light of technological, institutional and economic developments as well as the experience arising from their exploitation. As at 31.12.2018, the Management estimates that useful lives represent the expected usefulness of assets.

It is to be noted that within the previous year (2017), the Group decided to extend the useful life of the Wind Farms from 20 to 25 years, based on new assessments arising under evaluating the conditions that have been generated during the operation and - in general - the technological development of wind turbines. This change was based on careful analysis of Group data as well as studies and industrial practices, according to which the economic life of separate wind turbines or wind power plants as a whole can safely be redefined to 25-30 years, without significant changes in their operational and maintenance strategy. The Group Management believes that extending the useful life performed within the previous fiscal year will facilitate fair presentation of financial statements by adjusting depreciation time closer to the real conditions. This change in accounting estimates resulted in a decrease in depreciation cost for FY 2017 by € 12.824 k compared to the depreciation that would have arisen if the useful life extension had not been performed. This effect will be declining in the forthcoming years, since the Group's oldest wind farms will approach their originally defined twenty-year life. However, from the time of expiry of their originally defined useful life and for additional five years of its expansion, the aforementioned effect will turn into negative.

iii) Revaluation of Investment Property

In order to measure the value of its investment property, in cases, when active market prices are available, the Group determines the fair value based on the valuation reports prepared by independent valuers. If no objective data is available, in particle due to economic conditions, the Management measures such values based on its past experience, taking into account the available data.

iv) Fair value measurement

The Management uses valuation techniques to determine the fair value of financial instruments (when no active market prices are available) and non-financial assets. This procedure involves making estimates and assumptions about the price that market participants would pay to acquire these financial instruments. The Management bases its assumptions on observable data, but this is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience and taking into account available information. Estimated fair values may differ from the actual values that would be made in the ordinary course of trade at the reporting date of the financial statements (further information in Note 47).

The Group uses derivative financial instruments to manage a range of risks including risks related to interest rates and commodity prices. For the purpose of establishing an effective hedging relationship, the Group requires both to declare its hedging strategy and to assess that the hedge will be effective throughout the hedging instrument. Additional information on the use of derivatives is provided in Note 31

v) Inventory

To facilitate valuation of inventories, the Group estimates, based on statistical valuation reports and market conditions, the expected selling prices and the costs of processing and disposing them, per inventory category.

vi) Estimates when calculating value in use of Cash Generating Units (CGU)

The Group conducts a related impairment test of investments in subsidiaries and associates whenever there is evidence of impairment in accordance with the provisions of IAS 36. If it is established that there are reasons for impairment, it is necessary to calculate value in use and fair value less costs to sell regarding every CGU.

Recoverable amounts of CGUs are determined for impairment tests purposes, based on the value in use calculation, which requires making estimates. For the purpose of calculating value in use, estimated cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money as well as the risks associated with particular CGU.

vii) Provision for personnel compensation

Based on IAS 19, the Group, makes estimates of the assumptions underlying the actuarial valuation of provision for personnel compensation.
The provision amount for personnel compensation is based on an actuarial study. The actuary's study includes specific assumptions on discount rate, employees' remuneration increase rate, consumer price index increase and the expected remaining working life. The assumptions used are imbedded with significant uncertainty and the Group's Management continuously reassesses these assumptions (for further information please refer to Note 25).

viii) Provision for income tax

The provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities and includes the current income tax for every financial year and a provision for additional taxes that might emerge in tax audits.
The Group's companies are subject to various income taxation legislations. To determine the total provision for income tax, as presented in the Statement of Financial Position, significant estimates are required. For specific transactions and calculations, the final tax determination is uncertain. The Group recognizes liabilities for the forecasted tax issues based on calculations as to the extent to which additional tax will arise. In cases where the final tax amount differs from what had been initially recognized, the differences affect the provisions for income tax and deferred tax for the period when it had been determined (for further information please refer to Note 34).

ix) Provisions for rehabilitation of environment

The Group makes provision for its related obligations to dismantle the technical equipment of wind farms and other productive facilities and restoration of the environment resulting from the applicable environmental legislation or from binding practices of the Group. Provision for rehabilitation of environment reflects the present value (based on the appropriate discount rate) of the rehabilitation obligation less the estimated recoverable amount of the materials, estimated to be disposed of and sold (further information is recorded in Note 4.19 and 4.26).

x) Provision for rehabilitation or maintenance obligation under the Concession Agreement

The concession agreement 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 condition before delivering it to the concessionaire at the end of the concession period. Calculating the amount to be considered as a provision for rehabilitation or maintenance obligation is a complex procedure, relying on judgment that have to do with the cost and timing of such project implementation as well as the actual costs that may differ from the projected costs.

xi) Equity instruments having a substance of financial liability

The Group has issued equity interests in the United States in the context of the Tax Equity Investment plan, whose payments depend on the future returns of specific investments (wind farms) of the Group. This financial liability is measured at amortized cost, applying the effective interest method. Calculation of the effective interest rate is based on the management's estimates of future cash flows of those investments over their expected life. (see Notes 4.13.5 and 24)

xii) Contingent liabilities and receivables
The existence of contingent liabilities and receivables requires the management to make assumptions and judgments on on-going basis about the probability that future events will occur or not occur as well as the possible consequences that these events may have on the Company's and the Group's operations. Determining contingencies and requirements is a complex process that includes 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. When additional information becomes available, the Group's Management reviews the facts on which it may also be led to review its estimates (see Note 49).

xiii) Provisions for expected credit losses from receivables from clients
The Group and the Company apply the simplified approach under the provisions of IFRS 9 for calculation of expected credit losses. Under the aforementioned approach, provision for impairment is measured at an amount equal to the expected lifetime loss for the receivables from customers and the contractual assets. The Group and the Company have made provisions for bad debts in order to adequately cover the loss that can be reliably estimated and arises from these receivables. At every reporting period date, the provision that has been made is adjusted and potential changes are recognized in the income statement (further information is presented in Notes 15, 17 and 18).

xiv) Acquisition of a company or business
Determination of fair value and useful life of acquired tangible and intangible assets in cases when use of estimates is required. Future events could cause changes to the assumptions used by the Group, which could have an impact on the Group’s income statement and equity.

xv) 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.

4. SUMMARY OF KEY ACCOUNTING PRINCIPLES

4.1 Basis for consolidation
The key accounting policies adopted under the preparation of the accompanying consolidated and separate financial statements are as follows:

The accompanying consolidated financial statements include the financial statements of GEK TERNA and its subsidiaries as at 31.12.2018. The date of preparation of the financial statements of the subsidiaries coincides with that of the parent.

Intra-group transactions and balances have been eliminated in the accompanying consolidated financial statements. Where required, the accounting policies of subsidiaries have been amended to ensure consistency with the accounting policies adopted by the Group. Note 5 provides a complete list of consolidated subsidiaries in line with the participating interest, held by the Group.

Subsidiaries are consolidated from the date the Group acquires control over them and cease to be consolidated at the date of termination of this control.

Non-controlling interests constitute the component of equity of a subsidiary not directly or indirectly attributable to the parent. Losses relating to non-controlling interests (minority interests) of a subsidiary may exceed the rights of non-controlling interests in the subsidiary's equity. Gains or losses and each component of other comprehensive income are accounted for both by the owners of the parent and the non-controlling interests, even if as a result, such non-controlling interests present deficit.

(a) Subsidiaries

Subsidiaries are all the companies, which the Parent has the power to control directly or indirectly through other subsidiaries and they are fully consolidated (full consolidation). The Company has and exercises control through its ownership of the majority of the subsidiaries' voting rights. In order to define the control, the following conditions are examined, as defined in IFRS 10:

i. The parent company has authority over the investee, since it can direct the related (operational and financial) activities. This is achieved through appointing the majority of the members of the Board of Directors and the directors of the subsidiary by the Management of the parent.
ii. The parent company holds rights with variable returns from its investment in the subsidiary. Other non-controlled investments are greatly dispersed and therefore can not materially influence decision-making.
iii. The parent company may exercise its authority over the subsidiary to influence the amount of its profits. This is the result of decision-making on affiliate matters through controlling decision-making bodies (Board of Directors and Directors).

Changes in a parent's ownership interest in a subsidiary

In case of changes in a parent's ownership interest in a subsidiary, it is examined whether the changes result in a loss of control or not.

- Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity.
- In case the parents' ownership interest changes in such a way that there is loss of control, then the parent shall record the necessary accounting entries and recognize the result from the sale (derecognition of the assets, goodwill and liabilities of the subsidiary as of the date of loss of control, derecognition of the book value of non-controlling interests, determination of the result from the sale).
- When determining the sale result, any amount previously recognized in other comprehensive income in respect of that company is accounted for using the same method as would be applied by the Group in the event of direct sale of its assets or liabilities. That is to say, the amounts previously recognized in other comprehensive income are reclassified to the income statement. Following loss of control of a subsidiary, any investment in the former subsidiary is recognized according to the provisions of IFRS 9.

Investments in subsidiaries in the separate financial statements

Investments of the parent in its consolidated subsidiaries are measured at cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

(b) Joint arrangements

The Group applies IFRS 11 to all its joint arrangements. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Jointly controlled entities are incorporated using the proportionate consolidation method in Company (if it is a joint operation) or the equity method (if it is a joint venture) in Group.

Joint operations: Joint operations are accounted for using the proportional consolidation method. In particular, the Group recognizes in the consolidated financial statements: (i) its assets (including its share in any of its assets it holds jointly), (ii) its liabilities (including its share of any jointly held liabilities), (iii) its share in the proceeds of the sale from disposal of joint venture, and (iv) its expenses (including its share in any jointly incurred expenses). Essentially, these are, mostly, tax joint operations, which are do not constitute a separate entity within the framework of the IFRS. Their assets and liabilities are incorporate according to the effective proportions in the financial statements of the Company or the equity method (if it is a consortium) to the Group.

Joint ventures: Joint ventures are accounted for using the equity method, under which participating interests in joint ventures are initially recognized at cost and subsequently readjusted in compliance with the Group's share of the profits (or losses) and other comprehensive income of the joint ventures. Under the joint venture model, joint venture schemes are the ones in which members have rights over the net assets of the investments and are liable up to the extent of their contribution to the capital of the company. If the Group's participating interest in joint venture losses exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has entered into commitments or has made payments on behalf of the joint venture. Allocation of operating results and other comprehensive results is proportional to the participating interest.

Unrealized gains on transactions between the Group and joint ventures are eliminated according to the Group's interest in joint ventures. Unrealized losses are also eliminated unless there is evidence of the transaction for impairment of the asset transferred.

Consolidation takes into account the percentage held by the Group and is effective as at consolidation date. The structure of the business scheme is the key and determining factor in determining accounting control. The accounting policies of jointly controlled entities have been differentiated where deemed necessary to be consistent with those adopted and applied by the Group. The date of preparation of the financial statements of jointly controlled entities coincides with that of the parent Company.

Investments in jointly controlled operations in the separate financial statements

Investments of the parent in joint operations are included in the separate financial statements in proportion. In particular, assets and liabilities are proportionally incorporated in the Company's financial statements.

Investments in joint ventures in the separate financial statements

Investments of the parent in joint ventures are measured at cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

(c) Associates

Associates are entities over which the Group exercises significant influence, but does not exercise control. The Group's investments in associates are accounted for using the equity method. The assumptions used by the Group suggest that holding participating interest of between 20% and 50% of a company's voting rights implies a significant influence over the investee unless it can be clearly demonstrated that this is not the case.

Investments in associates are initially recognized at cost and then consolidated using the equity method. According to this method, investments in associates are recognized at cost plus any changes in the Group's participating interest after the initial acquisition date, excluding any provisions for impairment of those participating interests.

Consolidated statement of comprehensive income includes the proportion of the Group in the total income of associates. If the Group's participating interest in an Associate's loss exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has settled liabilities or made payments on the part of the affiliate and, in general, settled the payments arising from shareholding. If the associate subsequently produces profits, the investor starts recognizing its share of profits only if its share of profits equals the share of losses it had not recognized.

Unrealized gains on transactions between the Group and associates are eliminated according to the Group's participating interest in associates. Unrealized losses are eliminated unless the transaction provides evidence of impairment of the transferred asset.

Accounting policies followed by associates do not differ from those used by the Group and the date of preparation of the financial statements of associates is the same as that of the parent.

Investments in associates in the separate financial statements
Investments of the parent in consolidated associates are measured at cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

4.2 Business combinations
Subsidiaries are fully consolidated (full consolidation) applying the acquisition method from the date when control over them has been acquired and cease to be consolidated from the date when such control is no longer effective. The acquisition of a subsidiary by the Group is accounted for using the acquisition method. As at the acquisition date, the acquirer recognizes the goodwill arising on the acquisition transaction as the excess between:

- the aggregation of (i) the transferred consideration, measured at fair value; (ii) the amount of any non-controlling interests in the acquiree (measured at fair value or the proportion of non-controlling interests in its net identifiable assets (iii) in a business combination that is completed in stages, the fair value at the date of acquisition of the acquirer's shareholding previously acquired in the acquiree, less
- the net fair value of the acquiree's identifiable assets and liabilities as at the acquisition date,

Goodwill is tested for potential impairment on annual basis and the balance between its carrying amount and recoverable amount is recognized as an impairment loss, burdening the income statement for the period.
The costs arising under acquisition of investments in subsidiaries (eg fees of consultants, lawyers, accountants, appraisers and other professional and advisory fees) are recognized as expenses and burden the income statement for the period when they are incurred.
Otherwise, when the acquiree acquires participating interest, in which, at the acquisition date, net value of assets and assumed liabilities exceeds the transferred consideration, then the issue is classified as a market opportunity. Following the necessary reviews, the excess arising from the above balance is recognized as profit in the income statement for the period.

4.3 Foreign currency translation

Functional and reporting currency
The consolidated financial statements are presented in Euro, which is the functional currency and the Group's and Parent Company's reporting currency.

Transactions in Foreign Currency
Foreign currency transactions are converted into the functional currency by using the exchange rates applicable on the date when the said transactions were performed.
The monetary assets and liabilities which are denominated in foreign currency are converted into the Group's functional currency on the Statement of Financial Position reporting date using the prevailing exchange rate on that day. Any gains or losses due to translation differences that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the Statement of Financial Position reporting date, are recognized in the Income Statement.

The non-monetary assets which are denominated in foreign currency and which are measured at fair value are converted into the Group's functional currency using the prevailing exchange rate on the date of their fair value measurement. The FX translation differences from non-monetary items measured at fair value are considered as part of the fair value and thus are recorded in the same account as the fair value differences. In the case where currency risk is effectively hedged for nonmonetary assets that are valued as available for sale, the part of the change in their fair value which is attributed to currency fluctuations is recognized in the Income Statement for the reporting period.
Gains or losses deriving from transactions in foreign currency as well as from the end of period valuation of monetary assets, denominated in foreign currency, which meet the criteria for cash flow hedges are recognized in other comprehensive income and cumulatively in equity.

Foreign operations
The functional currency of the Group's foreign subsidiaries is the official currency of the country in which every subsidiary operates. For the preparation of consolidated financial statements, assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments due to business combinations, are translated into Euro at the exchange rates effective at the Statement of Financial Position reporting sate. Revenue and expenses are translated into the presentation currency of the Group based on the average exchange rates for the reported period. Any differences arising from this procedure are charged / (credited) to the balance sheet of foreign currency subsidiaries' transition balance sheet reserves, equity, and recognized in other comprehensive income in the Statement of Comprehensive Income. Upon the disposal, write off or derecognition of a foreign subsidiary, the above reserves are transferred to profit or loss for the period.

4.4 Operating segments

The Company's BoD is the main corporate body responsible for business decision-making. The BoD reviews all of the internal financial reports in order to assess the Company's and Group's performance and resolve upon the allocation of resources. The Management has set the operating segments based on the said internal reports. The BoD uses different criteria in order to assess the Group's activities which vary according to the nature of each segment, taking into consideration the risks involved and their cash requirements.

GEK TERNA's operating segments are defined as the segments in which the Group operates and on which the Group's management information systems are based (please refer to Note 6).

4.5 Goodwill

Goodwill arises from acquisition of subsidiaries and associates or acquisition of control in a company. Goodwill is recognized as the balance between acquisition cost and fair value of assets, liabilities and contingent liabilities of the acquiree as at the acquisition date. In the case of a subsidiary's acquisition, goodwill is recorded as a separate asset, while in the case of an associate's acquisition, goodwill is included in the value of the Group's investments in associates.
As at the acquisition date (or at the date of the completion of the relative consideration allocation), acquired goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from that business combination. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that a potential impairment may have been incurred (see Note 4.9 regarding the procedures used to review goodwill impairment).

If a segment of a cash-generating unit, to which goodwill has been allocated, is disposed of, then the goodwill attributable to the disposed segment is included in the carrying amount of that segment to facilitate determination of gains or losses. The value of goodwill attributable to the disposed segment is determined based on the relative values of the disposed segment and the remaining segment of the cash-generating unit.

4.6 Intangible assets

The intangible assets of the Group concern

i) Rights to use quarries and mines and operational development costs of land ,
ii) land plots characterized as forestry, where Wind Parks are located,
iii) licensees acquired for Wind Parks
iv) the right acquired under the concession contracts concluded with the State
v) providers invoicing rights arising from concessions and PPPs (see note 4.15) and
vi) acquired software programs

Upon initial recognition, the intangible assets acquired separately are recorded at cost. Intangible assets acquired as part of business combinations are recognized at fair value at the acquisition date.
Following initial recognition, the intangible assets are measured at cost less accumulated amortization and any impairment loss. Amortization is recorded based on the straight-line method during the useful life of the said assets. The Group's intangible assets have a definite useful life.
The period and method of amortization is redefined at least at the end of every reporting period.
Changes in the expected useful life of each intangible asset are accounted for as a change in accounting estimates.

Methods of amortization and useful lives of the Group's intangible assets can be summarized as follows:

Category	**Methods of amortization**	**Useful life in years**
Software	Fixed	3
Generation and energy units installation and operation licenses	Fixed	25
Rights to use quarries and mines	Fixed	50

Expenses incurred under Operational Development of Quarries –Mines Land Plots Exploitation	Fixed	50
Concessions (rights arising from concession arrangements)		
NEA ODOS, CENTRAL GREECE MOTORWAY, IOLKOS S.A., HEIRON PARKING, PARKING LOT AT PLATANOU SQUARE KIFISIAS S.A., PARKING LOT AT SAROKOU SQUARE KERKYRAS S.A.	Note 4.15	Based on concession period (20-38)

Amortization of concession arrangements rights obtained, is made based on the execution rate of the specific construction contracts.
Gains or losses arising from the write-off due to disposal of an intangible asset are calculated as the difference between the net proceeds of the divestment and the current value of the asset and are recognized in profit or loss for the period.

(a) Software
The maintenance of software programs is recognized as an expense when the expense is realized. In the contrary, the costs incurred for improving or prolonging the return of software programs beyond their initial technical specifications, or respectively the costs incurred for the modification of the software, are incorporated in the acquisition cost of the intangible asset, only if they can be measured reliably.

(b) Forestry plots use rights
The value of the land use rights of the forestry land where the Wind Farms are installed includes the acquisition cost of these items less the amount of accumulated depreciation and any impairment of their value.

(c) Generation and energy units installation and operation licenses
Various types of licenses held by the Group enable it to construct energy units or generate the right to produce and sell energy. Effective market conditions provide the required indications regarding the recoverable amount of these licenses.
Upon acquisition, the Group recognizes these licenses as intangible assets at fair value and then measures them applying the cost model, according to which the asset is measured at cost (which is the acquisition fair value) less accumulated depreciation and any accumulated provisions for impairment. Amortization is carried out on a straight-line basis over the useful life of those assets, which is 25 years for electricity generation from renewable energy sources. Regarding the impairment tests (please refer to Note 4.9.).

(**d) Rights to use quarries and mines**
The value of the rights-of-use regarding quarries and mines includes the acquisition cost of these assets less the accumulated depreciation and any potential impairment.

(e) Concessions
Tin the capacity of concessionary companies, the Group's companies recognize an intangible asset and revenue to the extent they acquire the right to charge the users of utilities. Revenue recognition is based on the percentage of completion method. Furthermore, the intangible asset in question is subject to depreciation based on the time of the concession and impairment test, while revenue from the users of the infrastructure are recognized on an accrual basis to the extent they cover the operating costs of the Company. The potentially arising additional component is recorded as a reduction of the intangible asset.

(Amounts in thousands Euro, unless otherwise stated)

(f) Expenses incurred under Operational Development of Quarries –Mines Land Plots Exploitation
Such expenses concern query-mining operation development costs and mainly include procedures in respect of galleries surfacing costs, galleries opening coats and extracting sterile soil costs. During the operational development phase (before production starts), galleries surfacing costs are usually capitalized as part of the amortized cost of queries development and construction. Amortization of operating expenses incurred for development of mineral-ore extraction areas is calculated using the percentage recovery method of commercially recoverable mine. Amortization – expenses of capitalized operating costs arising from development of mines- queries include the costs of minerals mining and extraction costs. Operating costs arising from development of mines - queries are capitalized if, and only if, the following conditions are met:

- the Group will receive future economic benefits (improvement of access to mines) associated with the galleries surfacing activity.
- the Group can utilize the segment of the mine, the access to which has been improved, and
- the cost of the galleries surfacing activity associated with this segment can be measured reliably.

The asset arising from the galleries surfacing activity is added to the cost of the mine and is therefore valued at cost less accumulated depreciation and potential impairment.

4.7 Tangible asset

Tangible fixed assets are recognized in the financial statements at cost, less accumulated depreciation and any potential impairment losses. The acquisition cost includes all direct costs stemming from the acquisition of the assets.
Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the degree that the said expenses increase the future financial gains anticipated from the use of the fixed asset and their cost can be measured reliably.
The cost of repair and maintenance works is recognized in the Income Statement when the said works are realized.

Tangible assets are written off when they are sold or withdrawn or when no further economic benefits are expected from their continued use. Profit or loss arising from the write-off of tangible fixed assets are included in the income statement for the year in which the asset is written off.
Assets under construction include fixed assets and are carried at cost. Assets under construction are not depreciated until the fixed asset is settled and put into operation.
Depreciation of tangible fixed assets (excluding land, which is not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Property, plant and equipment	**Useful life (in years)**
Building and technical works	8 - 30
Machinery and technical installations	3 - 25
Vehicles	5 - 12
Furniture and fixtures	3 - 12

The useful life of the tangible fixed assets are re-assessed at least at the end of every FY. In this context, in FY 2017, it was decided to extend the Wind Park useful life from 20 to 25 years (please refer to Note 3.2 (ii)).

When the book values of the tangible fixed assets are higher than their recoverable value, then the difference (impairment) is recognized directly as an expense in the Income Statement(note 4.9). Upon sale of tangible assets, the differences between the sale price and their book value are recognized as profits or losses in the Income Statement.

Interest accrued on loans specifically or generally issued in order to finance the construction of tangible fixed assets is capitalized in the year when tangible assets are incurred when the recognition criteria are met (please refer to Note 4.8).

4.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which will require considerable time until the asset is ready for the suggested use or disposal, form part of the acquisition cost of that asset until the asset it ready for the suggested use or disposal. In other cases, the borrowing costs burden profit or loss of the period when incurred.

4.9 Impairment of non-current assets (intangible, goodwill and tangible assets/investments in consolidated companies)

In respect of tangible and intangible fixed assets subject to amortization/depreciation, an impairment test is performed when events or changes in circumstances indicate that their carrying amount may no longer be recoverable. When the net book value of tangible and intangible fixed assets exceeds their recoverable amount, then the excess amount relates to an impairment loss and is recognized directly as an expense in the income statement. Respectively, the non-financial assets that are subject to impairment testing (if indicated) are assets measured at cost of acquisition or equity method (investments in subsidiaries, associates and joint operations). The recoverable amount of investments in subsidiaries and associates is determined in the same way as that in respect of other non-financial assets.

For the purpose of impairment testing, assets are grouped to the lowest level for which cash flows can be separately identified. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and value in use. For the purpose of calculating value in use, Management estimates the future cash flows from the asset or cash-generating unit and chooses the appropriate discount rate to calculate the present value of future cash flows.

An impairment loss is recognized for the amount where the book value of an asset or a Cash Generating Unit. Discounting factors are determined individually for each Cash Generating Unit and reflect the corresponding risk data that has been determined by the Management for each of them.
Further assumptions are made that prevail in the market e.g. the energy market. The period considered by the management exceeds five years, a period that is encouraged by IAS 36, especially as for renewable energy units and the motorway concession companies , even a longer period will be judged to be quite satisfactory.

Impairment losses of Cash Generating units first reduce the book value of goodwill allocated to them. The residual impairment losses are charged pro rata to the other assets of the particular Cash Generating Unit. With the exception of goodwill, all assets are subsequently reviewed for indications that their previously recognized impairment loss is no longer effective.
Besides Goodwill, the Group do not possess non amortized non-current assets with indefinivitive useful life.

An impairment loss is reversed if the recoverable value of a Cash Generating unit exceeds its book value.
In such a case, the increased book value of the asset will not exceed the book value that would have been determined (net depreciation), if no impairment loss had been recognized, in the asset in previous years.

4.10 Investment property

Investment property relates to investments in properties which are held (either through acquisitions or through development) by the Group, either to generate rent from its lease or for the increase in its value (increased capital) or for both purposes and are not held: a) to be used for production or distribution of raw materials / services or for administrative purposes; and b) for the sale as part of the company's ordinary activities.

Investment property is initially valued at purchase cost including transaction expenses. Subsequently, it is measured at fair value. Independent appraisers with adequate experience in the location and in the nature of investment properties measure the fair value..

The book value recognized in the Group's Financial Statements reflects the market conditions on the date of the reporting date of the Statement Financial Position. Every profit or loss derived from the fair value revaluations of the investment is recognized in the Income Statement for the period in which it has been recognized. Repairs and maintenance are recognized as expenses in the period in which they are incurred. Significant subsequent expenses are capitalized when they increase the useful life of the property and its production capacity or reduce their operating costs.

Property transfers from investment property to fixed assets take place only when there is a change in the use of the said property which is proven by the Group's own use of the property or by the Group's commencement to develop this property for sale.

An investment property is derecognized (eliminated from the Statement of Financial Position) when it is sold, it is permanently retired or when the investment is not expected to generate future economic benefits from its sale. The profits or losses from the retirement or sale of investment properties are derived from the difference of the net proceeds from the sale and the book value of the asset and are recognized in the Income Statement for the period in which the asset was sold or withdrawn.
Constructed or developed investment property items are monitored, as well as completed items, at fair value.

4.11 Inventory

Inventory items include constructed or real estate property items kept for sale, idle mines and quarries materials, building materials, spare parts and raw and auxiliary materials. Inventories are measured at the lower amount between the cost and net realizable value. The cost of raw materials, semi-finished and finished products is determined applying the weighted average cost method.

The cost of finished and semi-finished products includes all the costs incurred in order to bring the products to their current state, condition and processing stage and contains raw materials, labor, general industrial expenses and other costs directly affecting acquisition 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.

Appropriate provisions are formed for devalued inventory, if necessary. Impairment of inventory in net realizable value and other losses from inventory are recognized in profit or loss for the period in which they are incurred.

4.12 Cash available

Cash and cash equivalents include cash in hand, sight deposits, term deposits, bank overdrafts and other highly liquid investments that are directly convertible into particular amounts of cash equivalents which are not subject to significant value change risk.

The Group considers term deposits and other highly liquid investments less than three months maturity as cash available, as well as time deposits over three months maturity for which it has the right to early liquidation without loss of capital.

For the purposes of preparing the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash in hand, bank deposits as well as cash equivalents as defined above.

The Group's restricted deposits, irrespective of the nature of their commitment, are not included in the cash and cash equivalents but are classified in the item "Prepayments and other receivables" (please refer to Note 19).

4.13 Financial instruments

4.13.1 Recognition and derecognition

Financial assets and financial liabilities are recognized in the Statement of Financial Position when and only when the Group becomes a party to the financial instrument.
The Group ceases to recognize a financial asset when and only when the contractual rights to the cash flows of the financial asset expire or when the financial asset is transferred and the substance substantially transfers all the risks and benefits associated with the specific financial asset. A financial liability is derecognized from the Statement of Financial Position when, and only when, it is repaid - that is, when the commitment set out in the contract is fulfilled, canceled or expires.

4.13.2 Classification and initial recognition of financial assets

With the exception of trade receivables that do not include a significant finance item and are measured at the transaction price in accordance with IFRS 15, other financial assets are initially measured at fair value by adding the relevant transaction cost except in the case of financial assets measured at fair value through profit or loss.
Financial assets, except those defined as effective hedging instruments, are classified into the following categories:

- Financial assets at amortized cost,
- Financial assets at fair value through profit & loss, and
- Financial assets at fair value through other comprehensive income without recycling cumulative profit and losses on derecognition (equity instruments)

Classification of every asset is defined according to:

- the Group's business model regarding management of financial assets, and
- the characteristics of their conventional cash flows.

All income and expenses related to financial assets recognized in the Income Statement are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables included in operating results.

Subsequent measurement of financial assets

Financial assets at amortized cost
A financial asset is measured at amortized cost when the following conditions are met:

i. financial asset management business model includes holding the asset for the purposes of collecting contractual cash flows,
ii. contractual cash flows of the financial asset consist exclusively of repayment of capital and interest on the outstanding balance ("SPPI" criterion).

Following the initial recognition, these financial assets are measured at amortized cost using the effective interest method. In cases where the discount effect is not significant, the discount is omitted.
The amortized cost measured category includes non-derivative financial assets such as loans and receivables with fixed or pre-determined payments that are not traded on an active market, as well as cash and cash equivalents, trade and other receivables.

Financial assets measured at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value.
Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments.

Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets classified at fair value through total income (equity interests)
In accordance with the relevant provisions of IFRS 9, at initial recognition, the Group may irrevocably choose to disclose to other profit or loss directly in equity the subsequent changes in the fair value of an equity investment that is not for trading.

Profits and loss from these financial assets are never recycled to the income statement. Dividends are recognized as other income in the income statement when the payment entitlement has been proved, unless the Group benefits from such income as a recovery of part of the cost of the financial asset, then such profit is recognized in the statement of comprehensive income. Equity interests designated at fair value through total income are not subject to an impairment test. This option is effective for each security separately.

The Group has chosen to classify investments in this category (please refer to Note 20).

Available for sale financial assets according to the provisions IAS 39 (comparative FY 2017)
Assets available for sale include non-derivative financial assets, which are either classified as available for sale or they do not meet the criteria IAS 39 to be classified in any other financial assets category. All the financial assets available for sale are measured at fair value, only when their fair value can be reliably estimated, and changes in their fair value are recognized in other comprehensive income of the Statement of Comprehensive Income and cumulatively in a special reserves account in equity.

Available-for-sale equity interests portfolios are those for which there is no set-in time horizon and can be liquidated according to liquidity needs, changes in interest rates or prices. In the event of impairment, the amount of cumulative losses transferred from equity and recognized in profit or loss is the difference between the acquisition cost and the fair value less any impairment loss previously recognized.

When assets available for sale are sold or impaired, accumulated profits or losses, which had been recognized in equity, are reclassified and recognized in the Income Statement. The current value of the aforementioned investments traded in organized stock markets derives from the closing price on the balance sheet date. The fair value of investments not listed in the stock market is derived by using generally accepted valuation techniques. These techniques are based on similar transactions in comparable investments, reference to market multiples based on the market capitalization of investments with similar characteristics, discounted cash flow analysis and other financial valuation models.

Interest income from the available for sale portfolio is recognized in the Income Statement using the effective interest rate method. Dividends from assets available for sale are recognized in the Income Statement when the Group has the right to the dividends. Foreign currency differences are recognized in the Income Statement of the period.

4.13.3 Impairment of financial assets

Adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment of IAS 39 for recognition of realized losses by recognizing the expected credit losses. Impairment is defined in IFRS 9 as an Expected Credit Loss (ECL), which is the difference between the contractual cash flows attributable to the holder of a particular financial asset and the cash flows expected to be recovered, i.e. cash deficit arising from default events, discounted approximately at the initial effective interest rate of the asset.

The Group and the Company recognize provisions for impairment for expected credit losses for all financial assets except those measured at fair value through profit or loss. The objective of the IFRS 9 impairment provisions is to recognize the expected credit losses over the life of a financial instrument whose credit risk has increased since initial recognition, regardless of whether the assessment is made at a collective or individual level, using all the information that can be collected on the basis of both historical and present data, as well as data relating to reasonable future estimates of the financial position of customers and the economic environment.

To facilitate implementation of this approach, a distinction is made among:

- financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date (Stage 1) and for which the expected credit loss is recognized for the following 12 months,
- financial assets whose credit risk has deteriorated significantly since initial recognition and which have no low credit risk (Stage 2). For these financial assets, the expected credit loss is recognized up to their maturity.
- financial assets for which there is objective evidence of impairment at the reporting date (Stage 3) and for which the expected credit loss is recognized up to maturity.

Impairment of financial assets according to the provisions IAS 39 (comparative FY 2017)

In the previous FY, impairment of financial assets was reviewed in the light of the provisions of IAS 39. In accordance with the provisions of this Standard, financial assets subject to impairment testing (if relevant) are elements of Assets valued at cost of acquisition or equity method (participations in subsidiaries and associates), assets valued at amortized cost (long-term receivables) and available-for-sale investments.

In the case of financial instruments at fair value (debt, equity and available-for-sale), the decrease in fair value of the component recognized in other comprehensive income and cumulatively in equity is transferred to profit or loss for the period. The amount of the impairment loss is equal to the difference between the acquisition cost of the asset and its fair value. Subsequent reversal of an impairment loss on an security may not be carried out through the results. On the other hand, if at a later date the fair value of a debit security increases and is related to objective events that occurred after the provision was formed, the reversal of the impairment provision is recognized through the income statement. The recoverable amount of investments in subsidiaries and associates is determined in the same way as for non-financial assets.
The recoverable / receivable value of other financial assets for the purpose of carrying out the related impairment testing is generally determined on the basis of the present value of the estimated future cash flows discounted either based on the original discount rate of the asset or group of assets, current return on a similar financial asset. The resulting impairment losses are recognized in the results of the reporting period.

Trade receivables, other receivables and receivables from contracts with customers
The Group and the Company apply the simplified approach of IFRS 9 to trade and other receivables. The Group and the Company apply the simplified approach of IFRS 9 to trade and other receivables as well as to receivables from on construction contracts and receivables from leases, estimating the expected credit losses over the life of the above items. In this case, the expected credit losses represent the expected shortfalls in the contractual cash flows, taking into account the possibility of default at any point during the life of the financial instrument.
In calculating the expected credit losses, the Group uses a provisioning table by grouping the above financial instruments based on the nature and maturity of the balances and taking into account available historical data in relation to the debtors, adjusted for future factors in relation to the debtors and the economic environment. Further analysis is presented in Note 17 and 18.

4.13.4 Classification and measurement of financial liabilities

As the accounting requirements for financial liabilities remained broadly similar to those set in IAS 39, the Group's accounting policies regarding financial liabilities were not affected by the adoption of IFRS 9.
The Group's financial liabilities include mainly borrowings, suppliers and other liabilities, as well as derivative financial instruments. They include additional financial liabilities recognized in US Wind Farms in the form of equity investments having a substance of financial liabilities for Tax Equity Investments. Financial liabilities are initially recognized at cost, which is the fair value of the consideration received outside borrowing costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, with the exception of derivatives that are subsequently measured at fair value with changes recognized in profit or loss (except derivatives that are hedging instruments, see Note 4.13.6).

Financial liabilities are classified as short-term liabilities unless the Group has the unconditional right to transfer the settlement of the financial liability for at least 12 months after the financial statements reporting date.

In particular:

i) Loan liabilities

The Group's loan liabilities are initially recognized at cost, which reflects the fair value of the amounts payable minus the relative costs directly attributable to them, where they are significant. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account issuing expenses and the difference between the initial amount and the maturity. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired through the amortization process.

Loan commitments with early repayment option

In the case of bond loans issued by the Group, which are entitled to early repayment, the management assesses whether this option is closely related to the bond loan. The Option is described as directly related when (a) its exercise price resembles the unamortized cost of the bond at each date on which the option can be exercised; or (b) the exercise price of the option compensates the lender with a similar amount with the present value of the unpaid interest on the remaining maturity of the bond loan.

When the option is designated as directly related to the bond loan, it is recognized in combination with the bond as a combined debt instrument, which is measured at amortized cost based on the effective interest rate. In particular, the aforementioned composite instrument is initially recognized at fair value plus any direct transaction costs. For the determination of the effective interest rate, the expected cash flows and the estimated duration of the instrument shall be determined taking into account the early repayment right, where:

- If it is initially estimated that the option will be exercised, the estimated cash flows will include capital and interest payments, as at the exercise date, and the exercise price of the option; or
- If the option is not expected to be exercised then the estimated cash flows will include capital and interest payments for the entire contractual period.

In the next year the assessment of the probability of exercising the option may change. This will affect the expected cash flows and the estimated useful life of the financial instrument. The alterations arising from these changes are calculated by discounting the revised flows based on the original effective interest rate and any effect occurring for the net book value is recognized in the income statement of the relevant reporting period.

ii) Trade and other liabilities

Balance from suppliers and other liabilities is initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

Trade and other short-term liabilities are not interest-bearing accounts and are usually settled on the basis of the agreed credits.

iii) Equity instruments having a substance of financial liabilities

The Group, through TERNA ENERGY Group, has entered into agreements with "Tax Equity Investors" investors in the USA. According to these agreements, the cash flows and tax benefits generated by wind farms are distributed conventionally amongst investors (tax equity investors, hereinafter "TEI") and the Group. Tax benefits include Production Tax Credits (PTCs) and accelerated depreciation. In fact, based on these figures, TEIs acquire a form of participation in the scheme by paying cash and agreeing on the expected return (estimated internal degree of return) that they will achieve during the period in which wind farms produce these tax benefits. Expected return is calculated based on the total expected benefit that Tax Equity Investors will receive and includes the value of PTCs of distributed taxable income or loss and cash proceeds.

Control and management of these wind farms according to the provisions of IFRS 10 falls within the responsibility of the Group and is fully consolidated in its financial statements using the full consolidation method. The initial investment of TEIs is initially recognized at fair value in the account “Equity instruments having a substance of financial liabilities” and then measured at amortized cost. This financial liability is reduced by the value of tax benefits and tax distributions to Tax Equity Investors, such as these distributions are conventionally defined during the period in which the TEI is to achieve its expected return. The value of accelerated depreciation is recognized as "Amortization of tax benefits" on a pro-rata basis according to the estimated period of the investor's stay in the investment scheme. The value of the "PTCs" transferred to the investor is recognized when they are generated by the project, in return for turnover. The financial liability is increased by a financial expense determined by the balance of liabilities and the effective interest rate resulting from the discounted total cash inflows (TEI initial investment) and expected outflows (distribution of cash flows and tax benefits to the TEI) over the contract duration, as calculated on the date of payment of the initial investment by TEI.

There are no contractual obligations of the Group, through TERNA ENERGY Group to provide any form of financial assistance in case of financial difficulty or any form of failure to fulfill the obligations of TERNA ENERGY USA Holding Corporation, including contractual obligations to the TEI. The main features of these transactions are as follows:

- Irrespective of the shareholding held by the counterparties, the TERNA ENERGY SA maintains control over the management of wind farms, according to the provisions of IFRS 10, and therefore are fully consolidated in the Group's financial statements under full consolidated method.
- Counterparties receive a significant portion of the profits, tax losses and PTCs generated by wind farms, as well as a part of cash flow, until they achieve a predetermined (at the start of investment) rate of a non-guarantee 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 non-guarantee return on their investment.

After the date when TEI has achieved its contractually agreed performance and if the Group decides not to acquire the rights of TEI, TEI still maintains an insignificant percentage of the wind farm's return for the remaining contractual maturity.

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

4.13.5 Derivative financial instruments and hedge accounting

At the date of the initial application of IFRS 9, all existing hedging relationships of the Group can be classified as continuing and therefore the application of the new Standard has no impact on the financial statements. The Group's risk management policies are in line with the provisions of the new standard and hedge accounting continues to apply.

In the context of risk management, the Group uses:

- derivative financial instruments for the exchange of interest rates to hedge the risks associated with the future fluctuation of variable loan interest rates,
- derivative financial instruments to hedge the risk of change in electricity prices (options, forward contracts for the sale of electricity)
- derivative financial instruments to hedge the risks associated with the future fluctuation of variable income.

These derivative financial instruments are initially recognized at their fair value at the date of the contract and are subsequently measured at their fair value. Changes in the fair value of financial derivative instruments are recognized at each reporting date either in the Statement of Comprehensive Income or in other comprehensive income, depending on whether the derivative financial instrument meets the requirements of hedge accounting and, if so, according to the nature of the hedging object.

On the transaction date, the Group records the relationship between the hedging instrument and the hedging item, as well as the risk management objective and hedging transaction strategy. The Group also records both when creating the hedging transaction and then whether the tools used in these changes are effective in offsetting fluctuations in the cash flows of hedging items.
Derivative financial products are measured at fair value at the reporting date and the changes are recognized in profit or loss. The fair value of these derivatives is determined primarily on a market value and is confirmed by the counterparty credit institutions. Exceptions are derivatives that act as hedging instruments in cash flow hedges, for which special accounting is required. A hedging relationship is appropriate for hedge accounting when all the following criteria are met:

- the hedging relationship includes only eligible hedging instruments and eligible hedged items.
- at the inception of the hedging relationship there is a formal determination and documentation of the hedging relationship and the entity's risk management objective and its hedging strategy. The documentation includes the determination of the hedging instrument, the hedged item, the nature of the hedged risk, and the manner in which the entity will assess whether the hedging relationship meets the effectiveness requirements (including an analysis of the sources of inefficiency of the hedge and how determination of the hedging factor).
- The hedging relationship covers all the following efficiency requirements: (a) there is an financial relationship between the hedged item and the hedging instrument, (b) the effect of the credit risk does not override the changes in value arising from this financial relationship, and (c)), the hedging factor of the hedging relationship is the same resulting from the amount of hedged item actually hedged by the entity and the amount of the hedging instrument the entity actually uses the entity to offset this amount of hedging item.

Hedge of future cash flows

The part of changes in fair value that is attributable to effective risk hedging is recognized in equity.
Any gain or loss arising from changes in fair value attributable to non-effective risk hedging is recognized directly in the statement of comprehensive income in the item "Net financial income/(expenses)".

Cumulative amounts in equity are recycled through the Statement of Comprehensive Income to the income statement in the periods in which the hedged item affects the result (when the hedged transaction is taking place).

Hedge accountancy is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the hedge accountancy criteria. The cumulative amount of profit or losses recognized directly in equity until that date remains in the reserve until the hedged item affects the Statement of Comprehensive Income. In the event that a hedged transaction is no longer expected to be realized, the net accumulated profits or losses entered in the reserves are immediately transferred to the Statement of Comprehensive Income.

4.13.6 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is shown in the Statement of Financial Position only if there is the present legal right to offset the recognized amounts and intends to clear them on a net basis or to require the asset and settle the liability simultaneously.

4.14 Receivables on Embedded Derivatives

The Group, for the operation of the concession company CENTRAL GREECE MOTORWAY, recognizes a receivable for an embedded derivative within the context of the operation of concessions. Specifically, according to article 25 of the Concession Agreement, as of 1 January 2016, the State has undertaken to provide Operating Support on CENTRAL GREECE MOTORWAY (hereinafter referred to as "E-65") to cover its eligible costs in each Calculation Period, to the extent that these costs are not covered by own revenues. The Calculation Period is defined as each successive six-month period (starting January 1st and July 1st of each year) and the Operating Support for each Calculation Period is the difference between the sum of the eligible project costs and the distributable base performance minus the net revenue of that period. At the latest twenty (20) days before the end of each calculation period, E-65 submits to the State the Support Notice for the same calculation period. Upon the submission of the Support Notification, the Company is entitled in each calculation period to undertake, unconditionally and without limitations, from the Recipient an Account, from the next business day, regarding the payments by the State, and hence, any amount corresponding to the amounts described in the Support Notification up to the amount of the Beneficiary's balance. Payments by the State will be deposited five (5) days before the end of each Calculation Period, as defined in the Concession Agreement.

The Support Notification includes the following three distinct parts: (a) a part corresponding to the eligible project costs; (b) a part corresponding to the distributable base performance; and (c) a part corresponding to the additional interest margin, if applicable. Eligible project costs include, but are not limited to, the following categories: debt servicing account reserve and heavy maintenance movements, operating costs, debt servicing, all of which are deducted from direct income in order to calculate the amount of support. Both the distributable base performance and the additional interest margin are included as additional support amounts. Debt servicing includes, but is not limited to, payments resulting from the six-month clearing of the liabilities of hedging instruments (exchange rate swaps).

In accordance with paragraphs 10 and 11 of IAS 39 (where the receivable from the embedded derivative was initially recognized) and paragraphs 4.31, 4.3.3 and 4.3.4 of IFRS 9, it is determined to be a synthetic component of a hybrid (synthetic) of a financial instrument that also includes a non-derivative master contract resulting in some of the cash flows of the synthetic instrument ranging in the same way as a stand-alone derivative.

The embedded derivative affects some or all cash flows that would otherwise have to be adjusted based on 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 master contract and treated as a derivative (receivable) only if the following conditions are met:
i. The embedded derivative meets the definition of the derivative,
ii. the economic characteristics and risks of the embedded derivative are not closely linked to the financial characteristics and risks of the main contract,
iii. the hybrid (synthetic) 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 principal contract, if it is a financial instrument, shall be accounted for in accordance with this Standard and other appropriate IASs, if it is not a financial instrument.
The Group has assessed the above requirements of IFRS 9 and has considered the Greek State's contingent liability for Operating Support as a hybrid financial instrument that includes an embedded derivative (the Operating Support Part covering the payments of interest rate swaps) and a non-derivative contract (the remaining part of the Operating Support). It then separates the embedded derivative from the master contract and treats it as a derivative (receivable). See, detailed Note XX of the financial statements.

4.15 Service concession agreements

Under the terms of the contracts, the operator acts as a service provider. The operator constructs or upgrades an infrastructure (manufacturing 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 Group companies recognize both an intangible asset from the concession and a financial asset (bifurcated model) or recognize a financial asset only.

Intangible Assets

Group companies operating as concessionaires recognize an intangible asset and an income to the extent that they acquire the right to charge the users of utilities. Revenue recognition is based on the integration rate method. Furthermore, the intangible asset is amortized on the basis of the time of the concession and an impairment test, while the revenues from the infrastructure users are recognized on the accrual basis.
For more information on the concession of right, see Note 8.

Financial asset (Financial contribution of the State)

Group companies that act as concessionaires recognize a financial asset as they have an unconditional contractual right to receive cash or other financial asset from the grantor for the construction services.

In the case of concessions, the concessionaire has an unconditional right to receive cash if the concessioner contractually guarantees to pay to the concessionaire:

(i) specific or fixed amounts, or
(ii) the deficit which may arise between the amounts received by the users of the public service and the specific or fixed amount provided for in the Concession Agreement.

The Group recognizes the Financial Contribution of the State as a financial asset under the provisions of IFRIC 12 "Agreements for the Grant of a Service Provider".
In particular, the Group recognizes a financial asset receivable and income based on the rate of completion method and the asset is measured at amortized cost less any impairment losses. More information can be found in Note 14.

4.16 Employee benefits

Short-term benefits: Short-term benefits to personnel (except for termination of employment benefits) in cash and in kind are recognized as an expense when considered accrued. Any unpaid amount is recognized as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excess as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Group's liabilities for retirement benefits cover both defined contribution plans and defined benefit plans.

The defined contribution plan's accrued cost is recognized as an expense in the financial year where it relates. Pension plans adopted by the Group are partly financed through payments to insurance companies or state social security funds.

(a) Defined Contribution Plan
Defined contribution plans pertain to contribution payment to Social Security Organizations and therefore, the Group does not have any legal obligation in case the Fund is incapable of paying a pension to the insured person. The employer's obligation is limited to paying the employer's contributions to the Funds. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as expenses in the income statement.

(b) Defined Benefit Plan (non-funded)
Under Laws 2112/20 and 4093/2012, the Company must pay compensation upon retirement or termination to its employees. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is usually based on years of service of the employee until retirement.

The liability recognized in the Statement of financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. Regarding FY 2017, the selected rate follows the tendency of iBoxx AA Corporate Overall 10+ EUR indices, which is regarded as consistent with the provisions of IAS 19, i.e. is based on bonds corresponding to the currency and the estimated term relative to employee benefits as well as appropriate for long-term provisions.

A defined benefit plan establishes, based on various parameters, such as age, years of service and salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise of the current and past service cost, the relative financial cost, the actuarial gains or losses and any possible additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting for defined benefit plans, including:

i) recognition of actuarial gains / losses in other comprehensive income and their permanent exclusion from the Income Statement,
ii) non-recognition of the expected returns on the plan investment in the Income Statement but recognition of the relative interest on net liability / (asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
iii) recognition of past service cost in the Income Statement at the earliest between the plan modification date or when the relative restructuring or terminal provision are recognized,
iv) other changes include new disclosures, such as quantitative sensitivity analysis.

(c) Equity settled payments
The Group provides remuneration to its employees in the forms of equity instruments. In particular, such kind of remuneration is based on a stock option approved by the General Meeting of shareholders and includes call options regarding the Company's treasury shares.

These remunerations are settled through disposal of treasury shares by the Company provided that employees meet certain vesting conditions and exercise their options. The total amount of expenses during the vesting period is determined based on fair value of the plan during the period when the options are distributed. Non-market conditions are included in the assumptions for determining the number of options expected to be exercised.

In each reporting period, the Group reassesses its estimations for the number of rights to be executed. Subsequently it recognizes the impact of reassessment of initial estimations, if any, in profit and loss statement with proper adjustment in equity.

As at 31.12.2018, no active plan regarding disposal of the Group and the Company shares is effective (see Note 33).

4.17 Leases

Finance 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.

Operating leases
Leases where the lessee maintains all the risks and benefits of owning the asset are recognized as operating lease payments. The operating lease payments are recognized as an expense in the Income Statement on a constant basis during the lease term.
The Group as a lessor
The Group receives rents from the operating leases of its investment property items. Income from rentals is recognized gradually over the lease term.

4.18 Government grants

Government grants related to grants for assets are recognized at fair value when there is reasonable assurance that the grant will be received and that all the relevant conditions attached will be met.
Grants refer to tangible assets, are recognized when there is certainty that the grant will be collected and all relevant prequalifications will be met.
These grants are recognized as deferred income, which is recognized in the profits or loss of each reporting period in equal instalments based on the useful life of the asset after deducting all related depreciation expenses.
Grants relating to expenses are recorded in transit accounts and recognized in the income statement over the period necessary to balance the expenses they are intended to compensate
The Group, concerning the grant for concession contracts of motorways, recognized the total of public financial contribution, approved through the concession agreement, in total as financial asset reducing the value of intangible asset, that had been created through the same concession agreement, and is amortized at the same period and with a way similar to the transfer in profit and loss statement of the book value of the intangible asset.

4.19 Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has present legal or imputed liabilities as a result of past events; their settlement is possible through resources' outflow and the exact liability amount can be reliably estimated. The provisions are reviewed on the date of the Financial Statements and are adjusted accordingly to reflect the present value of the expense expected for the settlement of the liability. Restructuring provisions are identified only if there is a detailed restructuring plan and if Management has informed the affected parties on the plan's key points. When the effect of the time value of money is significant, the provision is calculated as the present value of the expenses expected to be incurred in order to settle this liability.

If it is no longer probable that an outflow will be required in order to settle a liability for which a provision has been formed, then it is reversed.
In cases where the outflow due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognized in the financial statements. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is minimal.
Potential inflows from economic benefits for the Group which do not meet the criteria of an asset are considered a contingent asset and are disclosed when the inflow of the economic benefits is probable.

Provisions for motorways heavy maintenance

Regarding provisions of the concessions, and, in particular, provision for the obligation to restore or maintain the motorway under the concession, the Group has contractual obligations it has to fulfill as a condition for obtaining the licenses to (a) maintain the infrastructure at a defined level or (b) restore the infrastructure to a defined condition before delivering it to the concessionaire upon termination of the service concession agreement. These contractual obligations that pertain to maintaining or restoring infrastructure are recognized and measured using the best possible estimates of the costs that would be required to settle the present obligation at the financial statements reporting date if obligation for maintenance and restoration arises within the year at the operational stage. Construction or upgrading services are charged to contractual revenue and expenses.

Provisions for rehabilitation of natural landscape

In the restoration of natural landscapes, the Group recognizes the provisions made by the entities mostly of the Group's energy sector for the decommissioning of wind turbines from Wind Farms and the restoration of the surrounding area. Decommissioning and remediation provisions reflect the present value at the reporting date of the estimated cost less the estimated residual value of the recoverable materials. Provisions are reviewed at each reporting date in the Statement of Financial Position and they are adjusted to reflect the present value of the expense that is expected to be disbursed for the disposal of the decommissioning and remediation obligation. The related provision is recognized in an increase in the acquisition cost of wind turbines and is depreciated on a straight-line basis over the 25-year term of the energy contract. The amortization and disposal of the capitalized decommissioning and restoration costs is included in the Statement of Comprehensive Income together with depreciation of Wind Farms. Any changes in estimates with respect to the estimated cost or the discount rate are added or deducted respectively in the cost of the asset. The effect of discounting the estimated cost is recognized in profit or loss as an expense.

Furthermore, these provisions include certain provisions of the Group's industrial entities in order to cover the costs of rehabilitation of the natural landscape where the power plants and quarry operators are installed at the end of the holding, which lasts 20- 30 years, according to the licenses received by the state.

4.20 Revenue

IFRS 15 established the core principle by applying the following steps for identifying revenue from contracts with customers:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at the amount by which an entity expects to have in exchange for the transfer of the goods or services to a counterparty. When awarding a contract, account shall be taken of the additional costs and the direct costs required to complete the contract. Income is defined as the amount that an entity expects to be entitled to in exchange for the goods or services it has transferred to a customer. If the promised consideration in a contract includes a variable amount, the entity estimates the consideration amount that would be entitled to the transfer of the promised goods or services to customer.

The consideration amount may vary due to discounts, price subsidies, refunds, credits, price reductions, incentives, additional performance benefits, penalties or other similar items. Promising consideration may also change if the entity's entitlement to the consideration depends on the occurrence or non-occurrence of a future event. For example, a consideration amount will be variable if the product has been sold with a refund or if a fixed amount promise has been given as an additional performance benefit to achieve a specific milestone.

The volatility associated with the consideration promised by a customer may be expressly stated in the contract. An entity shall measure the amount of the variable consideration using one of the following methods, whichever method it considers best suited to the amount of consideration to which it will be entitled to:

(a) Estimated value - the estimated value is equal to the sum of the probability-weighted amounts in a range of possible consideration amounts. Estimated value is an appropriate estimate of the variable amount if the entity has a large number of contracts with similar characteristics.

(b) Potential amount - the most probable amount is the only most probable amount in a range of possible consideration amounts (i.e., the only likely outcome of the contract). The most probable amount is an appropriate estimate of the variable amount if the contract has only two possible outcomes (for example, the entity provides additional performance or not).

The Group and the Company recognize income when it satisfies the performance of the contractual obligation by transferring the goods or services on the basis of this obligation. Acquisition of control by the client occurs when it has the ability to direct the use and to derive virtually all the economic benefits from this good or service. Control is passed over a period or at a specific time. Revenue from the sale of goods is recognized when the goods are transferred to the customer, usually upon delivery to the customer, and there is no obligation that could affect the acceptance of the good by the customer.

Commitments for implementation performed over time

The Group recognizes revenue for a performance obligation that is performed over time only if it can reasonably measure its performance in full compliance with the obligation. The Group is not in a position to reasonably measure progress in meeting a performance obligation when it does not have the reliable information required to apply the appropriate method of measuring progress. In some cases (eg during the initial stages of a contract), the entity may not be able to reasonably measure the outcome of a performance obligation, but at least expects to recover the costs incurred to meet it. In such cases, an entity shall recognize revenue only on the extent of the cost incurred until it is able to reasonably measure the outcome of the execution obligation.

Income from of services is recognized in the accounting period in which the services are provided and measured according to the nature of the services to be provided. The receivable from client is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the client.

A conventional asset is recognized when the Group or the Company has satisfied its liabilities to the counterparty before it pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the right of the Group or the Company to issue an invoice. The contractual obligation is recognized when the Group or the Company receives a consideration from the counterparty as an advance or when it reserves the right to a price which is postponed before the performance of the contractual obligations and the transfer of the goods or services. The contractual obligation is derecognized when the contract obligations are met and the income is recorded in the income statement.

Commitments for implementation performed at a specific time

When an implementation commitment is not met over time (as outlined above), then the entity enforces the implementation commitment at a particular time. In determining when the client acquires control of a promising asset and the entity performs an implementation commitment, the entity examines the requirements for the acquisition control, as analytically recorded in IFRS 15.

The main categories of income recognized from implementation commitments fulfilled over time for the Group are as follows:

(i) Revenue from contracts with customers related to construction operations

It relates to revenue from contracts with customers and results from implementation commitments that are fulfilled over time. Subsidiaries and joint ventures engaged in the implementation of constructions recognize revenue from construction contracts in their tax records on the basis of customer invoices resulting from relevant sectional project implementation certifications issued by accredited engineers and responsive to the work carried out until the closing date. For the purpose of complying with IFRS, the proceeds from the construction activity are accounted for in the accompanying financial statements progressively during construction, based on the imput method of measurement in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers".

The imput method recognizes revenue based on the entity's efforts or inflows towards fulfilling an implementation commitment (for example, the resources consumed, the hours worked, the costs incurred the time spent or the hours of operation of the machines consumed) in relation to the total expected inputs to fulfill this implementation commitment.

(ii) Sale of goods

Revenue from the sale of goods, after deduction of sales discounts, sales incentives and related VAT are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer.

(iii) Income from car stations

It relates to revenue from contracts with clients and results from execution commitments that are fulfilled over time. This revenue comes from the concessions for the operation of car stations. Receipts are recognized as revenue.

(iv) Revenue from sale of Electric Energy

It relates to revenue from contracts with customers and results from implementation commitments that are fulfilled over time. Revenues from the Sale of Electric Energy are accounted for in their intended use.

In the preparation of the financial statements, revenues accrued unbilled, revenues from electricity purchased by LAGIE or another client not yet priced are considered. In addition, the expected collections from energy production under energy sales contracts that, according to IFRIC 4, include lease receivables are recognized in income on a straight-line basis over the life of the contract to the extent that those receivables relate to the lease. An energy sales contract is considered to contain lease terms when it concerns all the energy produced by a specific plant in the Group and the unit price per unit is neither stable over the lifetime of the contract nor represents the market price at the date production.

For wind farms operating in the USA and selling electricity to specific US energy markets (ERCOT) at spot prices, revenue from the sale of electricity is recognized on the basis of the amount of electricity delivered at market prices for transactions on where all the revenue recognition criteria are met. In order to reduce its exposure to changes in energy prices in these markets. The Group, in order to reduce its exposure to changes in energy prices in these markets, uses the derivative instruments described in Note 4.13.6 above. The proceeds from the liquidation of these derivatives are included in the proceeds from the sale of electricity. For derivatives that do not meet the cash flow hedge accounting criteria but which are nonetheless used to reduce exposure to the risk of a change in earnings, the Turnover also includes unrealized gains/losses from valuation.

Renewable Energy Credits ("RECs") and/or Green Certificates form an economic benefit achieved through the operation of a wind farm. RECs are generated by the wind power generation of wind farms and can be sold either through REC's organized markets or directly to individual buyers under contracts. RECs held for sale are generally classified as inventories that are recognized at fair value. Revenue from the sale of RECs is recognized in the Turnover.

(v) Revenue from tax benefits

The value of tax benefits is recognized in the income statement. The value of tax losses attributable to Tax Equity Investor is recognized in other income of FY, on proportional basis in compliance withy the estimated period, during which the investor remains in the investment scheme, while the value of Production Tax Credits (PTCs) associated with its annual energy production wind farm is recognized for each use on the basis of actual production for the benefit of turnover.

(vi) Revenue from Motorways Concession Arrangements

Revenue is classified into two sub-categories, i.e.:
(a) Revenue from construction of concession projects; and
(b) Revenue from exploitation of concession projects.

According to the concession arrangements, the Group's companies have undertaken research, construction, financing, operation, maintenance and exploitation of the projects "Ionia Odos Motorway from Antirio to Ioannina, PATHE Athens (Metamorfosis Motorway) - Maliakos (Skarfia) PATHE Schimatari - Chalkida "and " Central Greece Motorway (E65) "

Under IFRIC 12 "Service Concession Arrangements", revenue from construction arrangements is recognized in accordance with the imput method of measurement as defined in IFRS 15 and analyzed in (i) above.

Revenue from exploitation of concession arrangements is recognized on the basis of intangible asset and financial asset model and applies to:
(a) Revenue from toll collection through manual or electronic toll payment systems; and
(b) Revenue from rental of Car Service Stations (SEA) or other premises.

As defined in Note 14, under the intangible asset model, the Group recognizes revenue to the extent it acquires the right to charge the users of utilities. The Group recognizes the amount received or receivable option on the part of the operator at its fair value, which is considered to be the payments received from the infrastructure users, based on the accrual principle. The relevant concession arrangements include all rights and obligations in relation to the infrastructure and rendered services.

(vii) Revenue form construction and disposal of real estate

The revenue in question orexins to revenue from contracts with clients and arises from implementation commitments settled over time. The Group's real estate property items under construction are recorded as inventory. From the amount of the performed sales, supported by a statutory document or a notarial sales agreement (as the relevant risks under the Company's guarantee liabilities are covered by insurance), the consideration attributable to the respective cost incurred by the end of the same year regarding the relative constriction of the sold building or part thereof, is recognized in every year revenue, based on the percent of completion method

(viii) Income from rentals

The income in question pertains to revenue from contracts with customers and arises from implementation commitments that are fulfilled over time. Rental income (operating leases) is recognized using the straight-line method according to the terms of the lease.

(ix) Dividends

Dividends are accounted for when the right of recovery is finalized by the shareholders by decision of the General Meeting of Shareholders.

(x) Interests

Interest income is recognized on an accrual basis.

(xi) Revenue from concession contracts
At the construction stage, revenue is recognized based on the integration rate, in accordance with the Group's accounting policy for recognizing revenue from construction contracts.
During the operating phase, the revenue is recognized in the period in which the related services are provided by the Group. In the case that a concession agreement includes revenue for more than one service, the consideration is allocated to the different services based on the relative fair values of the services provided.

4.21 Income Tax

Income taxes charges for the year consists of current taxes, deferred taxes and tax differences from previous years.

Current Tax

The current and taxes are calculated based on the Financial Statements of each of the companies included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. The expenses for current Income tax is calculated based on the earnings of each company as such are reformed on the companies' tax reports and provisions for additional income taxes and is calculated in accordance with statutory or substantially institutionalized tax rates.

Deferred Tax

Deferred taxes are taxes or tax relief that are related to the financial burdens or benefits accruing in the year but have already been accounted for or accounted for by the tax authorities in different uses. Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of the assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss.
Deferred income taxes are measured using the liability method in all temporary differences at the date of the financial statements between the tax base and the carrying amount of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.
Deferred tax assets are measured at each reporting date and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used.
Deferred tax assets and obligations are measured at the tax rates that are expected to be in force for the year in which the asset is incurred or the liability will be settled and are based on the tax rates (and tax laws) that are in effect or effectively in force at the date of reporting of the financial statements. In the event that the temporary reversal of temporary differences can not be clearly identified, the tax rate applicable on the next day of the statement of financial position is used.
Income tax related to items that are recognized in other comprehensive income is also recognized in other comprehensive income.

4.22 Earnings per share

Basic earnings per share are calculated by dividing net earnings by the weighted average number of ordinary shares outstanding during the period, excluding the average number of the ordinary shares acquired by the Group as treasury shares.
Earnings per share are measured by dividing the net profit attributable to shareholders by the weighted average number of shares outstanding during the year.

4.23 Share capital, reserves and distribution of dividends

Common registered share are recorded as equity. Costs, directly attributable to a component of equity net of tax effect, are monitored as a deduction to the Balance of Retained Earnings in equity. Otherwise, this amount is recognized as an expense in the period in question.

In cases when the Company or its subsidiaries acquire part of the Company's share capital (treasury shares), the amount paid, including any expense, net of tax, is deducted from equity until the shares are derecognized or sold. The number of treasury shares held by the Company does not reduce the number of shares in circulation but affects the number of shares included in the calculation of earnings per share. Treasury shares held by the Company do not incorporate a right to receive a dividend. At 31.12.2018 the Group held a total of 5.133.692 treasury shares (see note 33).

In particular, the reserves are divided into:

Statutory reserves

In compliance with the Greek Commercial Law, companies shall transfer at least 5% of their annual net profits to a statutory reserve until such reserve equals 1/3 of the paid-up share capital. This reserve cannot be distributed during the Company's operations.

Development and tax legislation reserves

These reserves refer to profits not taxed at the applicable tax rate in accordance with the applicable tax framework in Greece and include reserves arising from taxable profits and pertaining to the company's participation in development laws. These reserves will be taxable at the tax rate applicable at the time of their distribution to the shareholders or their conversion into equity under certain circumstances.

Cash flows risk hedging reserves

The risk hedge reserve is used to record profits or losses on derivative financial products, which can be classified as future cash flow hedges and are recognized in other comprehensive income.

Foreign currency translation differences from incorporation of foreign operations

Foreign exchange differences arising on foreign currency translation are recognized in other comprehensive income and accumulated in other reserves. The cumulative amount is transferred to the income statement of the year when the amounts were transferred.

Treasury shares reserves

The Company has proceeded with successive acquisitions of treasury shares through implementing the approved share buy-back plan in accordance with article 16, CL 2190/1920. The total value of these acquisitions is presented in reserves as a deduction from Equity.

Other reserves

Other reserves mainly include actuarial losses of pension schemes.

The category of other reserves comprises:

i. Actuarial gains/(losses) from defined benefit pension schemes arising from (a) actual adjustments (the effect of differences between previous actuarial assumptions and those eventually occurring) and (b) changes in actuarial assumptions.
ii. Changes in fair value of investments classified as equity investments.

Dividends distributed to the Company's shareholders are recognized in the financial statements as a liability in the period in which the distribution proposal of the Management is approved by the Annual General Meeting of the Shareholders. Also, at the same time, the financial statements reflect the effect of the disposal of the results approved by the General Meeting and the possible formation of reserves.

(Amounts in thousands Euro, unless otherwise stated)

5. GROUP AND COMPANY STRUCTURE

The following tables present the participations of the parent company GEK TERNA SA, direct and indirect in economic entities during 31.12.2018, which were included in the consolidation. According to the level of their consolidation, they are classified as follows:

5.1 Group Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT – JOINT VENTURES						
J/V GEK TERNA – TERNA ENERGY (INSTALLATION & OPERATION ATS)	Greece	50	50	100	Proportional consolidation	2015-2018
ΑΛΤΕ Α.Τ.Ε.-ΤΕΡΝΑ Α.Ε. Ο.Ε.	Greece	50	0	50	Proportional consolidation	2013-2018

5.2 Group Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT – SUBSIDIARIES						
TERNA SA	Greece	100	0	100	Full	2013-2018
J/V EUROIONIA	Greece	0	100	100	Full	2014-2018
J/V CENTRAL GREECE MOTORWAY E-65	Greece	0	100	100	Full	2014-2018
J/V HELLAS TOLLS	Greece	100	0	100	Full	2013-2018
ILIOCHORA SA	Greece	70.55	29.45	100	Full	2013-2018
TERNA OVERSEAS LTD	Cyprus	0	100	100	Full	2013-2018
TERNA QATAR LLC *	Qatar	0	35	35	Full	2013-2018
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		2015-2018
CONSTRUCTIONS SEGMENT - JOINT VENTURES						
J/V TOMI ABETE-ILIOHORA SA	Greece	0	30	30	Proportional consolidation	2013-2018
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece	0	37.5	37.5	Proportional consolidation	2013-2018
J/V ILIOCHORA-KASTAT CONSTRUCTIONS (Koumpila-Louloudi project)	Greece	0	70	70	Proportional consolidation	2013-2018
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	0	66	66	Proportional consolidation	2013-2018
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	0	55	55	Proportional consolidation	2013-2018
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V ATHANASIADIS - TERNA (THESSAL. CAR PARK.)	Greece	0	50	50	Proportional consolidation	2013-2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
J/V TERNA SA - AKTOR SA-J&P-AVAX SA (LAND OF CONCERT HALL)	Greece	0	69	69	Proportional consolidation	2013-2018
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	0	35	35	Proportional consolidation	2013-2018
J/V TERNA – PANTECHNIKI (OAKA SUR. AREAS)	Greece	0	83.5	83.5	Proportional consolidation	2013-2018
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall)	Greece	0	37	37	Proportional consolidation	2013-2018
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	0	65	65	Proportional consolidation	2013-2018
J/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	Greece	0	50	50	Proportional consolidation	2013-2018
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	0	50	50	Proportional consolidation	2013-2018
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	0	49	49	Proportional consolidation	2013-2018
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	0	25	25	Proportional consolidation	2013-2018
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	0	37.4	37.4	l Proportional consolidation consolidation	2013-2018
J/V TERNA SA-AKTOR ATE J&P AVAX–TREIS GEFYRES	Greece	0	33.33	33.33	Proportional consolidation	2013-2018
J/V METKA-TERNA	Greece	0	90	90	Proportional consolidation	2013-2018
J/V APION KLEOS	Greece	0	17	17	Proportional consolidation	2013-2018
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	0	33.33	33.33	Proportional consolidation	2013-2018
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	0	50	50	Proportional consolidation consolidation	2013-2018
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	0	50	50	Proportional consolidation	2013-2018
J/V AKTOR-TERNA (Patras Port)	Greece	0	70	70	Proportional consolidation	2013-2018
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	0	33.33	33.33	Proportional consolidation	2013-2018
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	0	49	49	Proportional consolidation	2013-2018
J/V AKTOR ATE – TERNA SA (Lignite works)	Greece	0	50	50	Proportional consolidation consolidation	2014-2018
J/V AKTOR ATE – TERNA SA (Thriasio B’)	Greece	0	50	50	Proportional consolidation	2014-2018
J/V AKTOR SA – J&P AVAX – TERNA SA (Tithorea Domokos)	Greece	0	33.33	33.33	Proportional consolidation	2014-2018
J/V AKTOR SA – J&P AVAX – TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	0	44.56	44.56	Proportional consolidation	2014-2018
J/V AKTOR SA – TERNA SA (Thriasio B’ ERGOSE)	Greece	0	50	50	Proportional consolidation	2015-2018
J/V AKTOR – TERNA (Joint Venture ERGOSE No. 751)	Greece	0	50	50	Proportional consolidation	2015-2018
J/V TERNA GCC WAC	Qatar	0	30	30	Proportional consolidation	2016-2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
J/V TERNA-CGCE (AMAS 1)	Bahrain	0	50	50	Proportional consolidation	-
J/V TERNA-Al OMAIER	Saudi Arabia	0	60	60	Proportional consolidation	-
J/V RENCO-TEPNA (Construction of compressor stations TAP)	Greece	0	50	50	Proportional consolidation	2016-2018
J/V J&P AVAX SA-TERNA SA-AKTOR SA-INTRAKAT (Temenos)	Greece	0	25	25	Proportional consolidation	2016-2018
J/V TERNA - CGCE (AMAS 2)	Bahrain	0	50	50	Proportional consolidation	-
JV TERNA-CGCE JOINT VENTURE (AMAS 3)	Bahrain	0	50	50	Proportional consolidation	-
JV VINCI TERNA DOO	Serbia	0	49	49	Proportional consolidation	2018
CONSTRUCTION SEGMENT - ASSOCIATES						
ATTIKAT ATE	Greece	22.15	0	22.15	Equity	2013-2018
RES ENERGY SEGMENT - SUBSIDIARIES						
TERNA ENERGY SA	Greece	38.37	0	38.37	Full	2013-2018
IWECO HONOS LASITHIOU CRETE SA	Greece	0	38.37	38.37	Full	2013-2018
ENERGIAKI SERVOUNIOU SA	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY EVROU SA	Greece	0	38.37	38.37	Full	2013-2018
PPC RENEWABLES - TERNA ENERGY SA	Greece	0	19,57	19,57	Full	2013-2018
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	0	38.37	38.37	Full	2013-2018
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	0	38.37	38.37	Full	2013-2018
ENERGIAKI DERVENOCHORION S.A.	Greece	0	38.37	38.37	Full	2013-2018
AIOLIKI MALEA LAKONIAS S.A.	Greece	0	38.37	38.37	Full	2013-2018
ENERGIAKI FERRON EVROU S.A.	Greece	0	38.37	38.37	Full	2013-2018
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	0	38.37	38.37	Full	2013-2018
ENERGIAKI PELOPONNISOU S.A.	Greece	0	38.37	38.37	Full	2013-2018
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	0	38.37	38.37	Full	2013-2018
AIOLIKI ILIOKASTROU S.A.	Greece	0	38.37	38.37	Full	2013-2018
EUROWIND S.A.	Greece	0	38.37	38.37	Full	2013-2018
ENERGEIAKI XIROVOUNIOU S.A.	Greece	0	38.37	38.37	Full	2013-2018
DELTA AXIOU ENERGEIAKI S.A.	Greece	0	25,32	25,32	Full	2013-2018
TERNA ENERGY SEA WIND PARKS S.A.	Greece	0	29,54	29,54	Full	2013-2018
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	0	29,54	29,54	Full	2013-2018
VATHICHORI ENVIRONMENTAL S.A.	Greece	0	38.37	38.37	Full	2013-2018
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	0	38.37	38.37	Full	2013-2018
CHRISOUPOLI ENERGY Ltd	Greece	0	30,70	30,70	Full	2013-2018
DIRFIS ENERGY SA	Greece	0	19,57	19,57	Full	2013-2018
MALESINA ENERGY SA	Greece	0	30,70	30,70	Full	2013-2018
ORCHOMENOS ENERGY Ltd	Greece	0	30,70	30,70	Full	2013-2018
ALISTRATI ENERGY Ltd	Greece	0	30,70	30,70	Full	2013-2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
TERNA ENERGY AI-GIORGIS SA	Greece	0	38.37	38.37	Full	2013-2018
TERNA AIOLIKI AMARINTHOU SA	Greece	0	38.37	38.37	Full	2013-2018
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	0	38.37	38.37	Full	2013-2018
TERNA ILIAKI VIOTIAS SA	Greece	0	38.37	38.37	Full	2013-2018
VATHICHORI TWO ENERGY S.A.	Greece	0	38.37	38.37	Full	2013-2018
TERNA AIOLIKI XEROVOUNIOU SA	Greece	0	38.37	38.37	Full	2013-2018
TERNA ILIAKI ILIOKASTROU SA	Greece	0	38.37	38.37	Full	2013-2018
TEPNA ILIAKI PANORAMATOS SA.	Greece	0	38.37	38.37	Full	2013-2018
AIOLIKI KARYSTIAS EVOIA S.A.	Greece	0	38.37	38.37	Full	2013-2018
GEOTHERMIKI ENERGY ANAPTYXIAKI S.A.	Greece	0	19,19	19,19	Full	2013-2018
TEPNA ILIAKI PELLOPONISSOU SA.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY OVERSEAS LTD	Cyprus	0	38.37	38.37	Full	2012-2018
EOLOS POLSKA sp.z.o.o.	Poland	0	38.37	38.37	Full	2013-2018
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	0	38.37	38.37	Full	2013-2018
HAOS INVEST 1 EAD	Bulgaria	0	38.37	38.37	Full	2013-2018
VALE PLUS LTD	Cyprus	0	38.37	38.37	Full	2013-2018
GALLETTE LTD	Cyprus	0	38.37	38.37	Full	2013-2018
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	0	38.37	38.37	Full	2013-2018
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	0	38.37	38.37	Full	2013-2018
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	0	38.37	38.37	Full	2013-2018
COLD SPRINGS WINDFARM LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
DESERT MEADOW WINDFARM LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
HAMMETTHILL WINDFARM LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MAINLINE WINDFARM LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
RYEGRASS WINDFARM. LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
TWO PONDS WINDFARM. LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOUNTAIN AIR WIND. LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
EOLOS NORTH sp.z.o.o.	Poland	0	38.37	38.37	Full	2013-2018
EOLOS EAST sp.z.o.o.	Poland	0	38.37	38.37	Full	2013-2018
AIOLIKI PASTRA ATTIKIS SA	Greece	0	38.37	38.37	Full	2013-2018
JP GREEN sp.z.o.o.	Poland	0	38.37	38.37	Full	2015-2018
WIRON sp.z.o.o.	Poland	0	38.37	38.37	Full	2015-2018
BALLADYNA sp.z.o.o.	Poland	0	38.37	38.37	Full	2015-2018
TERNA ENERGY SA & CO AIOLIKI POLYKASTROU G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO ENERGIAKI DYSTION EVIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO AIOLIKI EASTERN GREECE G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO AIOLIKI MARMARIOU EVIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	0	38.37	38.37	Full	2013-2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
TERNA ENERGY SA & CO ENERGIAKI STYRON EVIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIAS G.P.	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & SIA PROVATA TRAIANOUPOULEOS	Greece	0	38.37	38.37	Full	2013-2018
TERNA ENERGY SA & VECTOR GREECE WIND PARKS – TROULOS WIND PARK G.P.	Greece	0	34.53	34.53	Full	2013-2018
MOUNTAIN AIR PROJECTS LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOUNTAIN AIR INVESTMENTS LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOUNTAIN AIR ALTERNATIVES LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOUNTAIN AIR RESOURCES LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOUNTAIN AIR HOLDINGS LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
FLUVANNA WIND ENERGY LLC	U.S.A.	0	38.37	38.37	Full	2015-2018
FLUVANNA HOLDINGS LLC	U.S.A.	0	38.37	38.37	Full	2016-2018
FLUVANNA INVESTMENTS LLC	U.S.A.	0	38.37	38.37	Full	2016-2018
TERNA DEN LLC	U.S.A.	0	38.37	38.37	Full	2016-2018
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	0	38.37	38.37	Full	2016-2018
AEGIS LLC	U.S.A.	0	38.37	38.37	Full	2011-2018
MOHAVE VALLEY ENERGY LLC	U.S.A.	0	38.37	38.37	Full	2016-2018
TERNA HOLDCO INC	U.S.A.	0	38.37	38.37	Full	2016-2018
FLUVANNA I INVESTOR. INC	U.S.A.	0	38.37	38.37	Full	2018
FLUVANNA I HOLDING COMPANY. LLC	U.S.A.	0	38.37	38.37	Full	2018
FLUVANNA HOLDINGS 2. LLC	U.S.A.	0	38.37	38.37	Full	2018
FLUVANNA INVESTMENTS 2. LLC	U.S.A.	0	38.37	38.37	Full	2018
FLUVANNA WIND ENERGY 2. LLC	U.S.A.	0	38.37	38.37	Full	2018
RES ENERGY SEGMENT – JOINT VENTURES						
TERNA ENERGY AVETE & SIA LP	Greece	0	26.86	26.86	Proportional consolidation	2013-2018
RES ENERGY SEGMENT - ASSOCIATES						
CYCLADES RES ENERGY CENTER SA	Greece	0	17.27	17.27	Equity	2013-2018
EN.ER.MEL S.A.	Greece	0	18.88	18.88	Equity	2013-2018
ELECTRIC ENERGY TRADING SEGMENT - SUBSIDIARIES						
TERNA ENERGY TRADING EOOD	Bulgaria	0	19,57	19,57	Full	2013-2018
TETRA DOOEL SKOPJE	FYROM	0	19,57	19,57	Full	2015-2018
TERNA ENERGY TRADING D.O.O	Serbia	0	19,57	19,57	Full	2015-2018
OPTIMUS ENERGY SA	Greece	0	19,57	19,57	Full	2017-2018
TERNA ENERGY TRADING SHPK	Albania	0	19,57	19,57	Full	2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
THERMAL ENERGY SEGMENT (PRODUCTION & TRADING) - JOINT VENTURES						
HERON THERMOELECTRIC S.A.	Greece	50	0	50	Equity	2013-2018
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	0	25	25	Equity	2013-2018
REAL ESTATE SEGMENT - SUBSIDIARIES						
IOANNINON ENTERTAINMENT DEVELOPMENT S.A.	Greece	73.32	0	73.32	Full	2013-2018
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	100	0	100	Full	2013-2018
VIPA THESSALONIKI S.A.	Greece	100	0	100	Full	2013-2018
GEK SERVICES SA	Greece	100	0	100	Full	2013-2018
ICON EOOD	Bulgaria	83.62	16.38	100	Full	2013-2018
ICON BOROVEC EOOD	Bulgaria	0	100	100	Full	2013-2018
DOMUS DEVELOPMENT EOOD	Bulgaria	0	100	100	Full	2013-2018
I&B REAL ESTATE EAD	Bulgaria	0	90	90	Full	-
SC GEK ROM SRL	Romania	100	0	100	Full	2013-2018
HERMES DEVELOPMENT SRL	Romania	0	100	100	Full	2013-2018
HIGHLIGHT SRL	Romania	0	100	100	Full	2013-2018
MANTOUDI BUSINESS PARK S.A.	Greece	0	100	100	Full	2014-2018
REAL ESTATE SEGMENT - JOINT VENTURES AND ASSOCIATES						
KEKROPS S.A.	Greece	37.48	0.00	37.48	Equity	2013-2018
GEKA S.A.	Greece	0	33.34	33.34	Equity	2013-2018
GLS EOOD	Bulgaria	50	0	50	Equity	2013-2018
CONCESSIONS SEGMENT - SUBSIDIARIES						
HIRON CAR PARK S.A.	Greece	99.47	0.53	100	Full	2013-2018
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	83.33	16.67	100	Full	2013-2018
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	83.67	16.33	100	Full	2013-2018
HELLAS SMARTICKET S.A.	Greece	35	13.43	48.43	Full	2014-2018
WASTE CYCLO S.A.	Greece	0	19,57	19,57	Full	2013-2018
PERIVALLONTIKI PELOPONNISOU MAE	Greece	0	38.37	38.37	Full	2015-2018
AEIFORIKI EPIRUS MAEES	Greece	0	38.37	38.37	Full	2017-2018
NEA ODOS SA	Greece	100.00	0	100.00	Full	2013-2018
CENTRAL GREECE MOTORWAY S.A.	Greece	100.00	0	100.00	Full	2013-2018
CONCESSIONS SEGMENT - JOINT VENTURES						
PARKING OUIL SA	Greece	50	0	50	Equity	2013-2018
ATHENS CAR PARK S.A.	Greece	25.32	0	25.32	Equity	2013-2018
THESSALONIKI CAR PARK S.A.	Greece	24.7	0	24.7	Equity	2013-2018
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	32.42	0	32.42	Equity	2013-2018

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
POLIS PARK SA	Greece	28.76	0	28.76	Equity	2013-2018
SMYRNI PARK SA	Greece	20	0	20	Equity	2013-2018
HELLINIKON ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	31.63	0	31.63	Equity	2013-2018
METROPOLITAN ATHENS PARK SA	Greece	22.91	0	22.91	Equity	2013-2018
INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES						
VIOMEK ABETE	Greece	67.52	29.07	96.59	Full	2013-2018
STROTIRES AEBE	Greece	51	0	51	Full	2013-2018
TERNA MAG SA	Greece	51.02	48.98	100	Full	2013-2018
EUROPEAN AGENCIES OF METALS SA	Greece	0	100	100	Full	2013-2018
VRONDIS QUARRY PRODUCTS SA	Greece	0	100	100	Full	2013-2018
CEMENT PRODUCTION AND EXPORT FZC	Libya	0	75	75	Full	-
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0	75	75	Full	2013-2018
SEGMENT OF HOLDINGS – SUBSIDIARIES						
QE ENERGY EUROPE LTD	Cyprus	0	100	100	Full	2013-2018
TERNA ENERGY UK PLC	United Kingdom	0	38.37	38.37	Full	-
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	0	38.37	38.37	Full	2011-2018
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	0	38.37	38.37	Full	2013-2018
TERNA ENERGY TRADING LTD	Cyprus	0	19,57	19,57	Full	2015-2018
ΤΕΡΝΑ ΕΝΕΡΓΕΙΑΚΗ Μ.Α.Ε. ΧΡΗΜΑΤΟΔΟΤΗΣΕΩΝ	Greece	0	38.37	38.37	Full	2016-2018

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

* The company TERNA ENERGY SA and TERNA QATAR LLC is fully consolidated as subsidiaries as the Group controls them in accordance with the requirements of IFRS (see Note 11.2).

** The Group proceeded with the acquisition of the shares 21.4% and 33.3% of the shareholder FERROVIAL SA in the two new concession companies NEA ODOS SA and CENTRAL GREECE MOTORWAY E-65 and percentage 21,41% in Joint Venture HELLAS TOLLS, as mentioned in note 44.1 of the financial statements, resulting in holding of 100% in the aforesaid companies as of 31.12.2018.

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 consolidated financial statements.

(Amounts in thousands Euro, unless otherwise stated)

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
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 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 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 (OPAP 1)	51.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%

During the year 2018, the following joint companies were liquidated: (those companies were not consolidated)

COMPANY NAME	TOTAL PARTICIPATION %
J/V ATHINA – PANTECHNIKI – TERNA – J/V PLATAMONAS PROJECT	33.33%
J/V TERNA SA-NEON STAR SA-RAMA SA (OPAP Project)	51.00%
J/V EVANGELISMOS PROJECT C’	100.00%
J/V ATHINA – PANTECHNIKI – TERNA – J/V PLATAMONAS PROJECT	39.20%

In addition, within the year 2018 the following companies and joint entities were liquidated. Those companies until the date of liquidation were consolidated with the Group however without any significant impact.

COMPANY NAME	TOTAL PARTICIPATION %
J/V TERNA-KARAYIANNIS-KARAYIANNIS-ILIOCHORA	50.00%
TERNA ENERGY SA – MEL MACEDONIAN PAPER MILLS SA & CO CO-PRODUCTION GP	20.40%
DOMOKOS ENERGY S.A.	37.95%
LAGADAS ENERGY S.A.	37.95%
FILOTAS ENERGY S.A.	37.95%

In addition, within 2018, the 100% subsidiary of IOLKOS Group with the no. 19262-19.10.2018 decision of the Region of Attica merged with the 100% subsidiary CHIRON PARKING SA. This decision was registered at GEMI on 29.10.2018 under the code number 1546889.

The subsidiary "ICON EOOD" of GEK TERNA, on 28.12.2018, proceeded to the sale of the total participation it held in the company under the name "I & B REAL ESTATE EAD" (hereinafter "I & B"). This company was included in the consolidated financial statements of the GEK TERNA Group under the full consolidation method. In the Annual Financial Statements of 31.12.2018 the income statement of the subsidiary (for the period 01.01-28.12.2018) as well as the result of the sale have been included in the results (see note 44.3)

Within the year 2018, the following companies were established:
- JV TERNA-CGCE JOINT VENTURE (AMAS 3) for the construction of infrastructure projects
- JV VINCI TERNA DOO, concerning the construction of an airport project
- FLUVANNA HOLDINGS 2, LLC for the production of electricity from RES
- FLUVANNA INVESTMENTS 2, LLC for the production of electricity from RES
- FLUVANNA WIND ENERGY 2, LLC for the production of electricity from RES

6. 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.

Concessions: 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 e-ticket, car stations, etc.) in exchange for their long-term exploitation in relation to the services offered to the public.

Holdings: refers to the supporting operation of all of the segments of the Group.

The tables that follow present an analysis on the data of the Group's operating segments for the period ended on 31.12.2018.

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2018	Constructions	Electricity from RES	Electricity from thermal energy	Real Estate	Mining / Industry	Concessions	Holdings	Eliminations on consolidation	Consolidated Total
Sales of products and merchandise	0	216,336	19,702	1,489	11,263	0	0		**248,790**
Sales of services	3,544	0	0	1,388	0	44,206	114		**49,252**
Revenues from operation of motorways	0	0	0	0	0	151,285	0		**151,285**
Revenues from construction services	944,839	0	0	0	0	0	0	0	**944,839**
Income from leases	579	0	0	6,309	100	1,493	53		**8,534**
Revenue from external customers	**948,962**	**216,336**	**19,702**	**9,186**	**11,363**	**196,984**	**167**		**1,402,700**
Inter-segmental turnover	64,391	0	0	664	6	32	114	(65,207)	**0**
Revenue	**1,013,353**	**216,336**	**19,702**	**9,850**	**11,369**	**197,016**	**281**	**(65,207)**	**1,402,700**
Operating results from continuing activity (EBIT)	**20,106**	**108,857**	**1,571**	**(1,303)**	**(4,763)**	**49,550**	**(7,530)**		**166,488**
Interest income	2,329	929	1	8	1	5,136	1,584		**9,988**
Interest and related expenses	(4,707)	(57,215)	(19)	(2,759)	(3,294)	(43,330)	(6,978)		**(118,302)**
Losses from impairments and earnings from financial assets	3,046	(2,512)	(13)	(23)	(36)	(828)	0		**(366)**
Foreign exchange differences and other non-operating results	2,011	746	(16)	(2,261)	(795)	(512)	6		**(821)**
Results from associates and Joint Ventures	0	(28)	1,189	(44)	0	(138)	0		**979**
Results from participations and securities	(5)	0	0	26	(2)	0	2,830		2,849
Results before tax	**22,780**	**50,777**	**2,713**	**(6,356)**	**(8,889)**	**9,878**	**(10,088)**		**60,815**
Income tax	(23,110)	(13,329)	(92)	(230)	2,456	10,052	**(721)**		**(24,974)**
Net Results	**(330)**	**37,448**	**2,621**	**(6,586)**	**(6,433)**	**19,930**	**(10,809)**		**35,841**
Net depreciation	10,136	47,693	27	705	2,207	42,821	26		**103,615**
EBITDA from continued activities	**30,242**	**156,550**	**1,598**	**(598)**	**(2,556)**	**92,371**	**(7,504)**		**270,103**
Provisions and other non cash results	1,879	77	0	4,770	66	551	3,353		**10,696**

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2018	Constructions	Electricity from RES	Electricity from thermal energy	Real Estate	Mining / Industry	Concessions	Holdings	Eliminations on consolidation	Consolidated Total
Adjusted EBITDA from continued activities	**32,121**	**156,627**	**1,598**	**4,172**	**(2,490)**	**92,922**	**(4,151)**		**280,799**
Assets	899,110	1,534,222	9,142	116,204	110,582	1,207,149	77,425		**3,953,834**
Investments in associates	10	2,741	0	1,821	0	0	0		**4,572**
Investments in joint ventures	0	0	44,565	33	2,716	4,129	0		**51,443**
Total Assets	**899,120**	**1,536,963**	**53,707**	**118,058**	**113,298**	**1,211,278**	**77,425**		**4,009,849**
Liabilities	**795,739**	**1,181,440**	**4,412**	**87,811**	**97,549**	**944,155**	**169,744**		**3,280,850**
Loans	105,173	768,363	0	75,335	64,458	695,540	141,797		**1,850,666**
Cash and Cash Equivalents	248,261	135,013	1,674	27,277	2,072	61,725	47,220		**523,242**
Net debt / (surplus)	**(143,088)**	**633,350**	**(1,674)**	**48,058**	**62,386**	**633,815**	**94,577**		**1,327,424**
Capital expenditure for the period 1.1-31.12.2018	**4,233**	**108,062**	**26**	**2,997**	**9,892**	**29,515**	**46**		**154,771**

During the year ended December 31, 2018, an amount of 564.4 million (40.24%) of the Group's turnover comes from an external customer (PPC) in the construction segment.

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2017	Constructions	Electricity from RES	Electricity from thermal energy	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	54,309	47		**60,823**
Revenues from operation of motorways	0	0	0	0	0	34,386	0		**34,386**
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**	**954**	**11,387**	**(4,279)**	**4,816**	**(1,549)**		**208,432**
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**	**1,977**	**6,329**	**(8,547)**	**9,821**	**17,448**		**153,451**
Income tax	(41,381)	(13,352)	(188)	(3,425)	2,931	(1,087)	(2,161)		**(58,663)**
Net Results	**48,725**	**22,965**	**1,789**	**2,904**	**(5,616)**	**8,734**	**15,287**		**94,788**
Net depreciation	17,709	38,172	24	524	1,760	7,319	24		65,532
EBITDA from continued activities	**124,117**	**128,867**	**978**	**11,911**	**(2,519)**	**12,135**	**(1,525)**		**273,964**
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**	**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	36,664		**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**	**28,769**		**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)

Geographical segments 31.12.2018	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Consolidated total**
Revenue from external customers	1,193,139	69,897	60,799	23,271	45,242	10,352	**1,402,700**
Non-current Assets (excl. deferred tax assets and financial assets)	1,600,083	72,675	2,653	96,976	462,159	1,040	**2,235,585**
Capital expenditure	79,760	3,156	125	47	71,665	19	**154,771**

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**

7. GOODWILL

At 31.12.2018, the Group has recognized in the consolidated financial statements a goodwill of 3.183, which is related to the operating segment "Constructions" (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). The analysis of the movement of goodwill for the years 2018 and 2017 is as follows:

Amounts in thousand €	**Construction Segment**
Net book value at 01.01.2017	**9,759**
Impairment of Goodwill	(6,576)
Net book value at 31.12.2017	**3,183**
Net book value at 01.01.2018	**3,183**
Impairment of Goodwill	-
Net book value at 31.12.2018	**3,183**
gross book value on 31.12.2018	9,759
Accumulated impairment losses	(6,576)
Net book value at 31.12.2018	**3,183**

An impairment test is based on the determination of the recoverable amount, which has been determined on a value-by-use basis. This determination is made using the discounted cash flow method based on the remaining estimated cash flow expected to complete the construction work of the joint ventures.

(Amounts in thousands Euro, unless otherwise stated)

This methodology for determining value in use is affected by the following key assumptions as adopted by the Management to determine future cash flows: (a) the revenue earmarked under the existing construction contracts of the two joint ventures, b) the operating profit margins of construction projects, which are also calculated on the basis of the results of the last years.
Based on the impairment test carried out at the end of the reported reporting period, no recognition of impairment losses of recognized goodwill has arisen in 2018.

8. INTANGIBLE FIXED ASSETS

The account of intangible fixed assets on 31 December 2018, 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 01.01.2018	**828,839**	**3,726**	**1,740**	**4,203**	**838,508**
Additions	7,428	0	1,028	380	**8,837**
Transfers	0	0	0	738	**738**
Acquisition cost of sold – written off assets	(88)	0	(223)	0	**(311)**
Accumulated amortization of sold – written off assets	37	0	10	0	**47**
(Impairments)/ reversal of impairment of accumulated amortization	(763)	0	0	0	**(763)**
Other changes of acquisition cost/Foreign exchange differences	373	0	16	0	**389**
Other changes in amortization	(100)	0	(16)	0	**(116)**
(Amortization for the year)	(42,006)	(1,865)	(649)	(143)	**(44,663)**
Net book value 31.12.2018	**793,719**	**1,860**	**1,908**	**5,178**	**802,665**
Cost 1.1.2018	1,081,517	88,021	6,799	4,808	1,181,146
Accumulated Amortization 1.1.2018	(252,679)	(84,295)	(5,059)	(605)	(342,638)
Net book value 01.01.2018	**828,839**	**3,726**	**1,740**	**4,203**	**838,508**
Cost 31.12.2018	1,089,230	88,021	7,621	5,926	1,190,798
Accumulated Amortization 31.12.2018	(295,512)	(86,161)	(5,713)	(748)	(388,133)
Net book value 31.12.2018	**793,719**	**1,860**	**1,908**	**5,178**	**802,665**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Net book value 01.01.2017	**65,568**	**11,928**	**433**	**3,140**	**81,069**
Additions	13,057	0	571	788	**14,416**
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)**
Transfer from tangible assets cost	0	0	0	398	**398**
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**
(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 01.01.2017	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 01.01.2017	**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**

The amortization for the years 2018 and 2017 has been recognized in Cost of sales by 44,423 (16,516 in 2017) increased compared to the previous year due to the consolidation of the motorway concession subsidiaries for the whole use and due to the start of depreciation in the CENTRAL GREECE motorway because of the completion of the project, Administrative and distribution expenses by 216 (206 in 2017), R&D expenses by 14 (15 in 2017), Other Income / (expenses) by 2 (0 in 2017) and Inventory by 8 (24 in 2017).

Development costs mainly refer to costs incurred in magnesite mines

The Company's intangible assets, with a book value of 130 (106 in 2017), relate to software with a cost of 491 (446 in 2017) and accumulated amortization of 361 (339 in 2017). The amortization of year 2018 amounting to 23 (9 in 2017), has been recorded in Administrative and distribution expenses.

(Amounts in thousands Euro, unless otherwise stated)

During the fiscal year 2018, the Group received an amount of 68,694 from its subsidiary KENTRIKI ODOS S.A., originated from the Greek Government as a subsidy for the construction of the project "Central Greece Motorway (E65)", which is in the form of a capital grant. The Group has recognized the Government's financial contribution as a financial asset, deducted from the intangible asset created under the same contract and is amortized over the same period, in a manner equivalent to the transfer to the results of the carrying amount of the intangible asset.
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 26,881 (27,458 in 2017) with an initial agreed duration of 50 years.

Also, the specific account includes paid rights for installation of wind parks, with a net book value of 21,464 (22,725 in 2017).

Finally this account includes the net book value of concession rights amounting to 745,229 (778,507 in 2017).

The rights from concession contracts on 31.12.2018 are as follows:

COMPANY	CONCESSION	CONSOLIDATION %	COST 31.12.2018	NET BOOK VALUE 31.12.2018	CONCESSION PERIOD	NOTES
NEA ODOS SA	Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida	100.00%	576,257	325,775	19	In operation
CENTRAL GREECE MOTORWAY SA	Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches	100.00%	431,295	410,160	19	In operation
HERON PARKING SA *	Tsalapata preserved pottery Center in Volos	100.00%	1,251	346	11	In operation
HERON PARKING SA	Car park station	100.00%	2,915	2,178	36	In operation
AEIFORIKI EPIRUS MAEES	Waste management in Ioannina	38.37%	1,801	1,801	25	In operation
PARKING STATION PLATANOU SQ. KIFISIA S.A.	Parking station in Kifisia Square	100.00%	8,020	4,868	19	In operation
PARKING STATION SAROKOU SQ. CORFU S.A.	Parking station in Corfu	100.00%	101	101	-	Termination of development
TOTAL			**1,021,640**	**745,229**		

* In the last quarter of 2018, the company HERON SA absorbed the company IOLKOS SA and as a result the concession contract was transferred to the company HERON 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
ΙΩΛΚΟΣ ΑΕ	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

(Amounts in thousands Euro, unless otherwise stated)

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**		

Impairment test of depreciable intangible assets

In the year 2018, total impairment losses on the value of intangible assets of the amount of 763 (31.12.2017: 3.903) were recognized which burdened the consolidated results of the Group. These were recognized in the "Other income/(expenses)" statement of the Income Statement for the year (Note 38).

This amount relates to impairment losses on depreciable intangible fixed assets and is further broken down into: (a) 251 impairment losses on the licenses of two wind farms of subsidiaries of the TERNA ENERGY Group in Greece and Bulgaria; and (b) 512 Impairment losses arising from the disposal of the subsidiary CAR PARK PLATANOU KIFISIAS SA (31.12.2017: 970).

The Group has not recognized non-depreciable intangible assets and therefore the Group's management performs related impairment testing in accordance with the requirements of IAS 36 only when and where relevant evidence of impairment arises. For the purpose of controlling the assets of energy parks from the Group's RES, the recoverable value is determined according to the value in use calculation. This calculation uses cash flow forecasts based on financial budgets that have been approved by the Group's management and cover the remaining useful life of the park, that is, a period of 20 or 25 years from the start of the production process.

Assumptions of selling prices are the best estimate of the management. The factors taken into account for the calculation of these forecasts are inflation, local market growth, competition and so on. In particular, the recoverable value is affected (sensitively) by the following key factors such as sales volumes, sales prices, EBITDA and discount rate (for Greece 5.27% - 8.99%, for Poland 5.24 % - 8,36% and for Bulgaria 8,74%).

With respect to the rights deriving from Concession Contracts, the management assessed that there is no evidence of impairment. It is noted that during the year 2017, the acquired intangible assets with respect to the rights resulting from the Concession Contracts of NEAODOS and CENTRAL GREECE MOTORWAY SA were determined at their fair value at the date of acquisition in accordance with the relevant requirements of IFRS 3 (see Notes 44.2).

(Amounts in thousands Euro, unless otherwise stated)

9. TANGIBLE FIXED ASSETS

The account of tangible fixed assets on 31 December 2018, in the accompanying financial statements, is analyzed as follows:

GROUP	Quarries/ Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed assets	Total
Net book value 1.1.2018	**21,550**	**88,923**	**1,029,104**	**13,581**	**8,888**	**84,221**	**1,246,267**
Additions	329	20,161	35,661	4,014	2,678	78,463	**141,306**
Cost of borrowing	0	0	98	0	0	1,323	**1,421**
Transfers of cost of constructed fixed assets	0	14,444	38,436	33	0	(52,913)	**0**
Transfer (from) / to other asset account - cost	0	0	14	0	13	0	**27**
Transfer (from) / to other asset account - cost - accumulated depreciation	0	0	0	0	(13)	0	**(13)**
Transfer (from) / to other fixed asset account - – cost	448	2,661	0	62	0	0	**3,170**
Transfer (from) / to other fixed asset account – accumulated depreciation	0	(24)	0	0	0	0	**(24)**
Transfer (from) / to investment property - cost	0	0	0	0	(44)	0	**(44)**
Transfer (from) / to intangible fixed assets - cost	0	0	0	0	0	(116)	**(116)**
Cost of sold/written off fixed assets	0	(449)	(7,198)	(620)	(777)	(396)	**(9,440)**
Accumulated depreciation of sold/written off fixed assets	0	66	2,299	432	618	0	**3,415**
(Impairments) / Impairments Reversal of acquisition cost	0	0	(687)	0	0	0	**(687)**
(Impairments) / Impairments Reversal of accumulated depreciation	232	0	(26)	(4)	0	0	**203**
Transfer (from) / to other fixed asset account – accumulated depreciation	(3,227)	1	0	56	0	0	**(3,170)**
Provisions for restoration and cleanup works	0	0	1,024	0	0	0	**1,024**
Other movements on cost of fixed assets (foreign exchange differences etc)	0	1,405	15,453	19	216	2,611	**19,704**
Other movements in depreciation of fixed assets (foreign exchange differences etc)	0	(211)	(2,725)	(112)	(179)	0	**(3,227)**
Depreciation for the year	(279)	(6,016)	(55,546)	(2,358)	(2,921)	0	**(67,120)**
Net book value 31.12.2018	**19,052**	**120,959**	**1,055,907**	**15,103**	**8,479**	**113,193**	**1,332,693**

(Amounts in thousands Euro, unless otherwise stated)

Cost 1.1.2018	24,618	132,999	1,418,914	46,599	38,432	84,221	**1,745,782**
Accumulated Depreciation 1.1.2018	(3,068)	(44,076)	(389,810)	(33,018)	(29,544)	0	**(499,516)**
Net book value 1.1.2018	**21,550**	**88,923**	**1,029,104**	**13,581**	**8,888**	**84,221**	**1,246,267**
Cost 31.12.2018	25,394	171,219	1,501,714	50,107	40,519	113,193	**1,902,147**
Accumulated Depreciation 31.12.2018	(6,342)	(50,261)	(445,808)	(35,004)	(32,039)	0	**(569,453)**
Net book value 31.12.2018	**19,052**	**120,959**	**1,055,907**	**15,103**	**8,479**	**113,193**	**1,332,693**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Quarries/ Land-Plots	Buildings and Facilities	Technological and mechanical equipment	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)**
Transfer (from) / to inventory - cost	0	767	0	0	0	0	**767**
Transfer (from) / to intangible fixed assets - cost	0	0	0	0	0	(398)	**(398)**
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**
(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)**
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)

COMPANY	Land/ Plots	Buildings	Machinery	Vehicles	Other	Total
Net book value 1.1.2018	**2,113**	**7,274**	**1**	**29**	**57**	**9,475**
Additions	0	7	0	3	6	**16**
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	(3)	(12)	**(406)**
Net book value 31.12.2018	**2,113**	**6,892**	**1**	**29**	**51**	**9,085**
Cost 1.1.2018	2,113	12,814	126	68	1,680	**16,802**
Accumulated Depreciation 1.1.2018	0	(5,540)	(125)	(39)	(1,623)	**(7,327)**
Net book value 1.1.2018	**2,113**	**7,274**	**1**	**29**	**57**	**9,475**
Cost 31.12.2018	2,113	12,821	126	71	1,686	16,818
Accumulated Depreciation 31.12.2018	0	(5,930)	(125)	(42)	(1,635)	(7,732)
Net book value 31.12.2018	**2,113**	**6,892**	**1**	**29**	**51**	**9,085**

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**	**29**	**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**

(Amounts in thousands Euro, unless otherwise stated)

The Group's additions for the year 2018 amounted to € 141,306 and derived mainly from the RES sector of € 105,508 (construction of the Fluvanna II in Texas, USA and five new A / P in Greece, new mechanical equipment in the concessions (€ 19,100) and industrial assets (€ 9,134)

Depreciation of the Group for year 2018 has been recognized in Cost of sales by 64,467 (54,479 in 2017), in Administrative and distribution expenses by 2,167 (1,979 in 2017), in Research and development expenses by 78 (111 in 2017), in Other income/ (expense) by 347 (351 in 2017) and in inventory by 62 (137 in 2017).
Depreciation of the Company amounting to 406 (405 in 2017), is presented in the Statement of comprehensive income 306 (307 in 2017) in Cost of sales and by 100 (98 in 2017) 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 31.12.2018	24,291	6,428	**30,719**
Accumulated depreciation 31.12.2018	(8,781)	(2,868)	**(11,649)**
Net book value 31.12.2018	**15,510**	**3,560**	**19,070**

	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**

Mortgage liens of various types amounting to a total of 40,805 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.

In the year ended 31 December 2018, an impairment loss of € 896 thousand was recognized (2017: € 0 th.) in the licenses of two wind farms of its subsidiaries in Greece, which were recognized in the consolidated Statement of Financial Position. This loss was charged to the item "Other income / (expenses)" (see Note 38).

The categories "Land-plots", "Buildings and installations" and "Technological and mechanical equipment", include fixed assets with a net book value of 83,181 and 78,460 on 31 December 2018 and 2017 respectively, which concern Installations of Distribution Networks constructed by the TERNA ENERGY GROUP 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.

(Amounts in thousands Euro, unless otherwise stated)

10. INVESTMENT PROPERTY

Investment property on 31 December 2018 is analyzed as follows:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1 January	**113,705**	**88,230**	**12,810**	**13,540**
Additions for the period	2,185	13,658	0	0
Cost of debt	0	837	0	0
Fair value adjustments	(4,770)	11,694	(1,520)	(730)
Reductions	(71,654)	(708)	0	0
Transfer from / (to) other asset account	0	(6)	0	0
Transfer from/to inventories	1,520	0	0	0
Transfer from/to fixed assets	44	0	0	0
Balance 31 December	**41,030**	**113,705**	**11,290**	**12,810**

Investment property is determined using the fair value method of IAS 40. Measurement at fair value has been determined taking into account the Company's ability to achieve its maximum and best use by assessing the use of each item that is legally permissible and economically possible. The Group made a revaluation of the fair value of its property portfolio in the year 2018 by assigning its valuation work to independent property appraisers. Revaluation of fair value of investment property resulted in a loss of 4,770 (against a profit of 11,694 for 2017) (see Note 38).

The de-recognition of investment property derives from the sale of the total holding held by the subsidiary "ICON EOOD" of GEK TERNA, to the company under the name "I & B REAL ESTATE EAD" on 28.12.2018 (see note 44.3).

The following table presents data concerning the major assumptions taken into consideration for the valuation of the investment properties on 31.12.2018:

Property	Fair Value 31.12.2018	Method	Market value	Interest rate	Inflation	Return	Cost of development
Port of Thessaloniki - Parking spaces	900	Capitalization	60 euro per sqm per month	-	-	10%	-
Metaxourgeio-Apartments and Stores	4,863	Real estate market for apartments	1,833-3,052 euro per sqm	-	-	-	-
		Capitalization for shops	4.62-9.23 euro per sqm per month	-	-	8.50%	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2018	Method	Market value	Interest rate	Inflation	Return	Cost of development
Palaia Volos - Mall	4,320	Capitalization of revenues with cash flow discounting and replacement cost	0.60-5.12 euro per sqm per month 800-1,100 euro per sqm	8.5%-9.81%	0.90% - 1.78%	7.5% - 8.5%	-
Oropos –Site plot	252	Real estate market	20.50 euro per sqm	-	-	-	-
Ipiros street (Athens)-transfer right of building factor	140	Real estate market	44 euro per sqm	-	-	-	-
Site plot, Agios Stefanos, Attica	815	Real estate market	Sale 350 euro per sqm	-	-	-	-
Monastiriou street, (Thessaloniki) – Site plot	6,987	Exploitation/ Real estate market	650-2,000 euro per sqm	3.29%	-	-	300-700 euro per sqm
Lakeside (Ioannina)- Mall	5,380	Capitalization, replacement cost, with weight factors 80% and 20% respectively	1.6 - 8 euro per sqm 400 - 1000 euro per sqm for the building and 80 euro per sqm for the land	8.50%-9.81%	0.90% - 1.78%	7.5% - 8.5%	-
Kos - Land	957	Real estate market	28 euro per sqm	-	-	-	-
Building and Plot position of Lezides Aliveri Evoia	1,122	Real estate market and capitalization of revenues	Building 1.40-3 euro/sqm, land 5-9.5 euro/sqm, lease of building 1.68 euro/sqm	-	-	12.50%	-
Plot in Posidonia position, Laurio, Attica	13	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	623	Real estate market	5.50 euro per sqm	-	-	-	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2018	Method	Market value	Interest rate	Inflation	Return	Cost of development
3rd Septemvriou street (Athens)-Offices	538	Real estate market and capitalization of revenues	1,022euro per sqm 4.93 euro per sqm per month	-	-	8.50%	-
Bulgaria-Plots for Logistics	704	Real estate market	5-26 euro per sqm	-	-	-	-
Bulgaria-Plots (Batac)	573	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots for Logistics Bulgaria-Plots (Batac)	251	Real estate market / Exploitation	19-20 euro per sqm, 35.94 euro per sqm	4%	-	10%	353.12 euro per sqm
Bulgaria-Plots	5,655	Real estate market / Exploitation	35.10 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	422	Real estate market	41,6 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	541	Real estate market	2,182 euro per sqm	-	-	-	-
Romania-Plot	819	Real estate market	13 euro per sqm	-	-	-	-
Romania-Plot	195	Real estate market	153 euro per sqm	-	-	-	-
Romania-Plot	2,820	Real estate market	404 euro per sqm	-	-	-	-
Romania-Plot	2,140	Exploitation	1,125 euro per sqm	-	-	-	-
	41,030						

The corresponding information of the major assumptions taken into consideration for the valuation of the investment properties on 31.12.2017, are as follows:

Property	Fair Value 31.12.2017	Method	Market value	Interest rate	Inflation	Return	Cost of development
Port of Thessaloniki - Parking spaces	900	Capitalization	60 euro per sqm per month	-	-	10%	-
Metaxourgeio-Apartments and Stores	5,000	Real estate market for apartments	1,650-2,600 euro per sqm	-	-	-	-
		Capitalization for shops	2.5-10 euro per sqm per month	-	-	8.50%	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2017	Method	Market value	Interest rate	Inflation	Return	Cost of development
Palaia Volos -Mall	5,730	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	Real estate market	20.50 euro per sqm	-	-	-	-
Ipiros street (Athens)-transfer right of building factor	140	Real estate market	44 euro per sqm	-	-	-	-
Site plot, Agios Stefanos, Attica	788	Real estate market	2.75 euro per sqm per month	-	-	9.75%	-
Monastiriou street, (Thessaloniki) – Site plot	7,818	Exploitation/ Real estate market	775-1,550 euro per sqm	4.63%	-	-	300-700 euro per sqm
Lakeside (Ioannina)- Mall	5,370	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%	-
Kos - Land	1,250	Real estate market	28 euro per sqm	-	-	-	-
Building and Plot position of Lezides Aliveri Evoia	1,114	Real estate market and capitalization of revenues	Building 2.9-5 euro/sqm, land 4.5-11 euro/sqm, lease of building 1.67 euro/sqm	-	-	12.50%	-
Plot in Posidonia position, Laurio, Attica	13	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	623	Real estate market	0.50 euro per sqm	-	-	-	-
3rd Septemvriou street (Athens)-Offices	509	Real estate market and capitalization of revenues	1,022euro per sqm 4.93 euro per sqm per month	-	-	8.50%	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2017	Method	Market value	Interest rate	Inflation	Return	Cost of development
Bulgaria-Plots for Logistics	1,067	Real estate market	5-26 euro per sqm	-	-	-	-
Bulgaria-Plots (Batac)	641	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	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	Real estate market / Exploitation	34.43 euro per sqm	-	-	-	4.30%
Bulgaria-Sofia – Plot	550	Real estate market	2,218 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	475	Real estate market	2,292 euro per sqm	-	-	-	-
Romania-Plot	837	Real estate market	13.16 euro per sqm	-	-	-	-
Romania-Plot	405	Real estate market	320.19 euro per sqm	-	-	-	-
Romania-Plot	3,350	Real estate market	480 euro per sqm	-	-	-	-
Romania-Plot	2,690	Exploitation	12.5-14 euro per sqm	4.00%	-	8.00%	1,341 euro per sqm
Bulgaria, Sofia Office and stores' building (under construction)	68,311	Real estate market	13.5 euro per sqm per month	-	-	8.50%	731.10 euro per sqm
	113,705						

The Group received rents from investment property amounting to 6,309 and 1,189 in 2018 and 2017 respectively.

Mortgage liens amounting to a total of 15,216 have been written on the investment properties of the Group's companies for security against bond loans.

11. PARTICIPATION IN SUBSIDIARIES

11.1 Analysis of changes of investments in subsidiaries for the year 2018

The subsidiaries of the Company are presented in detail in Note 5.
The change in the book value of investments in subsidiaries in the Company's financial statements is as follows:

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY	
	2018	**2017**
Balance 1 January	**346,137**	**229,975**
Additions	60,578	51,565
Sale / elimination of subsidiary	(1,484)	(42)
Capital return	0	(15,724)
Impairment loss	(11,093)	(8,100)
Recovery of impairment	6,170	0
Transfer from / (to) participations in subsidiaries	0	88,463
Balance 31 December	**400,308**	**346,137**

Additions of the amount in the year 2018 are broken down into:
• an amount of 55,616 for the acquisition of the remaining 21.41% and 33.33% of the existing subsidiary concessions NEAODOS and CENTRAL GREECE MOTORWAY SA respectively (see Note 44.1).
• an amount of 1,286 for the acquisition of the remaining 49% of the subsidiary company GEK SERVICES (see Note 44.1).
• an amount of 3,675 for share capital increases in the subsidiaries IOANNINA PSYCHAGOGIKI-ANAPTYXIAKI AE, ATHENS / PLATANOU KIFISIA AE.
Furthermore, within the current fiscal year, the parent company sold their stake in ICON BOROVEC to the subsidiary company of ICON EOOD. The cost of the sale to the parent company amounted to 1,344 and the result of the above transaction amounted to a loss of 140 which was recognized in the item "Profit / (Losses) from the sale of participations and other equity". From the aforementioned transaction, the Group's results were not affected.

11.2 Assessment of audit in accordance with IFRS 10
• The Group holds 38.37% (31.12.2017 41.38%) in the issued share capital of TERNA ENERGY SA. The decrease in the year 2018 is due to the increase in the capital that the Group did not participate in and the rate dropped to 37.93%, while the difference of 0.44 is due to the share of the equity market in the amount of 1.302.475. According to the requirements of IFRS 10, The parent company has power over TERNA ENERGY as it has the ability to direct the respective activities. This is achieved through the appointment of the majority of the members of the Board of Directors and the directors of that subsidiary by the management of the parent. The parent company also holds rights with variable returns from its participation in the subsidiary.

In particular, GEK TERNA holds the largest share among the shareholders. The remaining share of shares not owned by the Company and its affiliated parties is highly dispersed and therefore cannot materially influence decision-making. Furthermore, the parent company has the power to use the power over the subsidiary to influence the amount of its returns. This is the result of the decision-making on affiliate matters through the control of the decision-making bodies (Board of Directors and Managing Directors).Finally, it should be noted that there is no agreement from other shareholders to commit them to work and decide together.

• TERNA QATAR LLC, in the share capital of which the Group participates by 35% (through the wholly owned subsidiary TERNA), is consolidated as a subsidiary, as a control is assumed in accordance with the requirements of IFRS 10 "Consolidated Financial Statements". More specifically, due to contract, the Group has the control over the management and operation of the company.

Within the current reporting period, a reassessment of the above estimates was carried out and there was no change in relation to the existing approach.

11.3 Impairment test

In accordance with the accounting policies followed and the requirements of IAS 36, the Company performs an impairment test on the assets at the end of each annual reporting period if there is any indication of impairment. A test may be carried out earlier if any evidence of impairment arises. The evaluation conducted focuses on both extrinsic and endogenous factors. In addition, the Company, in the case of participations that have already been impaired and when there is evidence of reversal, compares the book value with their recoverable value and evaluates the possibility of reversing part or all of the impairment recognized in prior periods.
Within the year ended on December 31, 2018 there was an impairment on the value of the participations in subsidiaries totaling to 11,093, as well as inversions of 6,170. This amount is included in the "Profit / (Loss) from participations valuation" of the Corporate Income Statement (see Note 40). Impairment losses of 11,093 are further broken down into impairment losses of: VI.PA THESSALONIKI SA amounting to 684, MONASTIRIOU TECHNICAL DEVELOPMENT SA, amounting to 3,087, ROM GEK CONSTRUCTION SRL "amounting to 5,444, IOANNINA PSYCHAGOGIKI-ANAPTYXIAKI amounting to 233 and PLATANOU-KIFISIA CAR PARK SA amounting to 1,645. Impairment losses arise mainly from fair value devaluations of investment properties under their possession. Accordingly, during the year, the previous year's impairment losses amounting to 6,170 were reversed. An amount of 706 related to the subsidiary HIRON SA and an amount of 5,464 related to the subsidiary ICON. The reversal of the loss of ICON is due to the profit that this subsidiary made from the sale of its subsidiary I & B in Bulgaria.
With respect to the impairment test of the subsidiaries: (a) for subsidiaries that are a separate and individual cash flow-generating unit (CFGU), the determination of the recoverable amount was based on the value in use. Value in use was calculated using the discounted cash flow method, i.e., cash flow projections based on budgets and management's forecasts. (b) For the subsidiaries that are principally engaged in the holding of one or more investment properties, the recoverable amount was based on the fair value of the net assets, as determined by a study of independent valuers. In particular, the fair value of investment property is based solely on reports of independent valuers and is determined on a case-by-case basis, either individually or in combination, based on the method of depreciated replacement cost, the replacement cost method, the revenue capitalization method, the valuation method and the comparative data method.

Assumptions used to determine value in use

For those cases where evidence of impairment was found, an impairment test was performed in accordance with the requirements of IAS 36. The recoverable amount of each CFGU (method of discounted cash flows) is determined in accordance with the value in use calculation. Determination arises through the present value of the estimated future cash flows as expected to be generated by each CFGU (discounted cash flow method). This method of determining value in use is affected (sensitively) by the following key assumptions as adopted by the Management for the determination of future cash flows: (a) the estimated revenue comprising management's assumptions and estimates that have taken into account existing lease agreements; (b) the operating profit margins are also calculated on the basis of the latest years' figures (from 4% to 7.9%) and the Discount rate (7.5% to 11%) per case.
Assumptions used to measure fair value are listed above.(note 10)

(Amounts in thousands Euro, unless otherwise stated)

11.4 Subsidiaries with significant percentage of non-controlling interests

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.

	31.12.2018	**31.12.2017**
Percentage of non-controlling interests	61.63%	58.62%
Dividends of subsidiaries paid to non-controlling interests	325	407
Results corresponding to non-controlling interests	29,839	21,772
Equity corresponding to non-controlling interests	**245,366**	**225,893**
Non-current assets	1,300,703	1,211,313
Current assets	345,566	391,998
(Long-term liabilities)	(997,955)	(991,030)
(Short-term liabilities)	(257,181)	(233,532)
Net fixed assets	**391,133**	**378,749**
Non controlling participations in subsidiary	(11,242)	(9,377)
Net assets attributable to the Group	**379,891**	**369,372**
Turnover	292,052	276,535
Net Profit	47,053	37,120
Other Comprehensive Income	(2,150)	818
Total Results	**336,955**	**37,938**

The above financial accounts are before consolidation entries.

(Amounts in thousands Euro, unless otherwise stated)

12. PARTICIPATION IN ASSOCIATES

The Group has participations in affiliated companies that are classified as associates because of their significant influence and are consolidated in the consolidated financial statements on the basis of the equity method (the object of the activity and the Group's shareholdings in these investments are presented in Note 5 of the financial statements).

The Group, based on the associate's contribution to the Group's profits / (loss) before taxes, considered that each of the associates individually is immaterial and therefore it discloses in the table below only its aggregate share in these associates:

	GROUP	
	31.12.2018	**31.12.2017**
Profit/(loss) after tax from continuing operations	(72)	(2,455)
Other comprehensive income	(298)	(52)
Total comprehensive income	**(370)**	**(2,507)**
Total participating interest of the Group in the carrying amount of theses associates	**4,572**	**4,873**

The movement of participations in associates on 31.12.2018 has as follows:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1 January	**4,873**	**5,326**	**4,741**	**2,688**
Additions	76	2,053	76	2,053
Sales	(7)		(17)	0
Results from the application of the equity consolidation method	(370)	(2,506)	0	0
Balance 31 December	**4,572**	**4,873**	**4,800**	**4,741**

Investments in associates also include the investments of the Group in ATHEX company KEKROPS S.A. of the carrying amount in the Group standing at 2.153. The stock market value of KEKROPS S.A. as at 31.12.2018 was 9.352 (5.749 as at 31.12.2017).

13. INVESTMENTS IN JOINT ARRANGEMENTS

13.1 Investments in joint ventures

The Group holds rights in joint ventures, consolidated under equity method in accordance with the provisions of IAS 28 and presented in Note 5 to the Financial Statements.

Changes in investments in joint ventures are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1 January	**49,834**	**138,365**	**7,320**	**99,454**
Additions /(liquidations)	2,719	0	0	0
Impairments recognized in the results	0	0	(1,253)	(3,721)
Capital increase	30	230	30	230
Capital decrease	(938)	(180)	(938)	(180)
Proportion in the change of equity	1,020	6,415	0	0
Effect of application IFRS 9	(1,222)	0	0	0
Transfer from/(to) investments in subsidiaries	0	(88,463)	0	(88,463)
Reversal of Equity entries to J/V motorways operations	0	(6,533)	0	0
Balance 31 December	**51,443**	**49,834**	**5,159**	**7,320**

The accounts and items of the financial statements of these important joint ventures during the year 2018 are as follows:

Joint venture name	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA
Geographical area of activity	Greece	
Business activity	Production of electric energy from natural gas	
Importance of the participation for the Group	Secondary due to cash factors	
Interest as of 31.12.18	25.00%	50.00%

	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA
	31.12.2018	**31.12.2018**
Non-current assets	158,657	23,487
Cash available	8,994	10,809
Other current assets	39,720	111,585
Total assets	**207,371**	**145,881**
Long-term financial liabilities (less trade and other liabilities and provisions)	74,921	160
Other long-term liabilities	18,510	3,545

(Amounts in thousands Euro, unless otherwise stated)

Short-term financial liabilities (less trade and other liabilities and provisions)	12,686	39
Other short-term liabilities	27,355	89,885
Total liabilities	**133,472**	**93,629**
Net assets	**73,899**	**52,252**
Carrying amount of investments in financial statements	**18,475**	**26,126**
Sales	131,013	347,223
(Depreciation / Amort.)	(10,802)	(2,801)
(Financial expenses)	(5,891)	(639)
Financial income	46	13
Tax expenses	(2,443)	(2,469)
Results from continued operations	(8,713)	6,734
Other comprehensive income	(17)	(41)
Total Results	**(8,730)**	**6,693**
Share in the results of the Group	(2,178)	3,367
Share in the other comprehensive results of the Group	(4)	(21)
Share in the total comprehensive results of the Group	**(2,182)**	**3,346**

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%

	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA
	31.12.2017	**31.12.2017**
Non-current assets	169,399	21,818
Cash available	13,047	7,947
Other current assets	37,840	92,366
Total assets	**220,286**	**122,131**

(Amounts in thousands Euro, unless otherwise stated)

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	**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
Total Results	**(1,393)**	**2,847**
Share in the results of the Group	(348)	1,424
Share in the total comprehensive results of the Group	**(348)**	**1,424**

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 years 2018 and 2017, no dividends were collected from the above joint ventures.

The major items of the Other Joint Ventures (with credit net equity), in the net equity of these, are as follows:

	31.12.2018	**31.12.2017**
Non-current assets	36,673	38,792
Current assets	4,462	20,367
Long-term liabilities	(9,497)	(20,505)
Short-term liabilities	(15,806)	(20,179)
Net fixed assets	**15,832**	**18,475**

(Amounts in thousands Euro, unless otherwise stated)

	1.1.-31.12.2018	1.1.-31.12.2017
Turnover	5,739	5,742
Results from continued operations	(729)	(1,888)
Other comprehensive income	24	55
Total results	**(705)**	**(1,833)**

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.

13.2 Investments in joint operations – Proportional consolidation

The companies, accounted for using the proportionate consolidation method in the Company's consolidated and separate financial statements are analytically presented in Note 5. These companies pertain to joint operations, which do not constitute a separate entity under IFRS. Their assets and liabilities are consolidated, in accordance with the proportion of the participating interest, in the Group and Company financial statements.

The following amounts are included in the consolidated and separate Financial Statements for FYs 2018 and 2017 and represent the Group's share in assets and liabilities and profit after tax of the jointly controlled entities:

The following amounts represent the contribution of joint operations (see Note 5) both to the Company and the Group. These amounts are included in the Statement of Financial Position and the Group and Company Income Statement for FYs 2018 and 2017:

	GROUP		COMPANY	
	31.12.18	**31.12.17**	**31.12.18**	**31.12.17**
Non-current assets	16.219	17.232	65	1.391
Other current assets	143.184	183.388	2.503	9.436
Total assets	**159.403**	**200.621**	**2.567**	**10.827**
Long-term liabilities	3.137	1.974	64	0
Other short-term liabilities	154.180	185.810	538	7.039
Total liabilities	**157.316**	**187.785**	**602**	**7.039**
Equity	2.087	12.836	1.966	3.788
Turnover	133.467	165.349	3.736	15.580
Total income after tax	5.336	(9.537)	2.389	4.141
Profit after tax	(21)	(6.747)	1.695	2.698

14. FINANCIAL ASSETS – CONCESSIONS

Through TERNA ENERGY, the Group constructs and operates two projects:

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 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.

Following the examination of the contractual terms, the Group's Management considered that in this particular case, recognition of a financial receivable, guaranteed by the concessioner based on the provisions of IFRIC 12 is applicable, by recognizing and accounting for the revenue and costs associated with the construction or upgrading services (recognition over time) and revenue and costs related to operating services (recognition at a point in time) under IFRS 15.

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.

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.

(Amounts in thousands Euro, unless otherwise stated)

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.

Following the examination of the contractual terms, the Group's Management considered that in this particular case, recognition of a financial receivable, guaranteed by the concessioner based on the provisions of IFRIC 12 is applicable, by recognizing and accounting for the revenue and costs associated with the construction or upgrading services (recognition over time) and revenue and costs related to operating services (recognition at a point in time) under IFRS 15. Moreover, a concession intangible asset was recognized, standing at of € 1,801 k in compliance with the provisions of IFRIC 12, pertaining to the right to sell electricity produced from biomass.

The analysis of changes 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**
Opening balance 01.01.2017	**10,055**	**-**
Increases/Decreases in financial item	15,233	(3,071)
Effective interest on receivables	1,174	-
Reclassification in Liabilities of the Financial Assets of Concessions	-	3,071
Closing balance 31.12.2017	**26,463**	**-**
Opening balance 01.01.2018	**26,463**	-
Increases/decreases in financial item	(5,674)	12,113
Effective interest on receivables	4,049	123
Reclassification in Liabilities of the Financial Assets of Concessions	(20)	(124)
Closing balance 31.12.2018	**24,818**	**12,112**
Analysis of revenues per category 2018		
Income from construction services	75	29,673
Income from operation services	8,802	-
Effective interest on receivables	4,049	123
Total	**12,926**	**29,796**
Analysis of revenues per category 2017		
Income from construction services	38,740	2,929
Income from operation services	9,472	-
Effective interest on receivables	1,174	-
Total	**49,386**	**2,929**

15. OTHER LONG-TERM RECEIVABLES

The account "Other long-term receivables" on 31.12.2018 in the accompanying financial statements is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Loans to joint ventures and other related companies	35,827	35,136	138,990	114,005
Approved but not collected grants	10,441	10,441	0	0
Given guarantees	3,091	3,181	14	29
Withheld amounts of invoiced receivables	7,385	10,139	0	0
Other long-term receivables	31,991	22,519	11	0
Provision for impairment of long-term financial assets	(106)	0	0	0
Total	**88,629**	**81,416**	**139,015**	**114,034**

The provisions for impairment of Other long-term receivables are analyzed according to the new standard IFRS 9 as following:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**0**	**0**
Revision due to adoption of IFRS 9	**0**	**124**	**0**	**124**
Balance 1.1.2018	**0**	**124**	**0**	**124**
(Provision of credit loss for the period)	0	157	0	157
Recovery of provision of credit loss for the period	0	(159)	0	(159)
Eliminations for the period	0	(18)	0	(18)
Foreign exchange differences	0	2	0	2
Balance 31.12.2018	**0**	**106**	**0**	**106**

The Company has participated in the issuance of bond loans of subsidiary companies of the road concessions segment amounting to 89,414 (84,699 during the end of the previous year). These loans bear an interest rate of approximately 7% and are repaid, together with interest, until the end of the relevant concessions.

An amount of 10,441 relates to an approved but not received subsidy of the magnesite industry.

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

(Amounts in thousands Euro, unless otherwise stated)

16. INVENTORIES

The account "inventories" on 31.12.2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Raw-auxiliary materials	5,595	3,914	0	0
Spare parts of fixed assets	4,252	3,888	0	0
Merchandise and Finished and semi-finished products	20,483	19,643	791	582
Property finished	15,245	19,927	0	0
Property to be developed	5,263	5,076	4,138	5,076
Property under construction	1,918	1,917	0	0
Total	**52,756**	**54,365**	**4,929**	**5,658**

The Group during the annual review process of the net realizable value of its inventories and property, 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 2,509 on Group level, whereas on the Company level there was a loss of 1,124. (loss of 1,019 and loss reversal (474) and loss of 166 during the previous year respectively) in the "Other income/(expenses)" in the Statement of Income. The item "Finished and semi-finished relate mainly mined magnesite ore (processed and unprocessed).
Furthermore with regard to the products of the operating segment of industry/mines, following a impairment test, there was a loss of 178 (1,227 in the previous fiscal year) recognized in the "Other income/(expenses)" in the Statement of comprehensive income.

With the exception of the above cases, there was no need for impairment on inventories on 31.12.2018.

17. TRADE RECEIVABLES

The trade receivables on 31.12.2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade receivables	311,451	203,210	2,963	8,160
Accrued income	0	261	0	130
Customers – Doubtful and litigious	14,962	14,611	317	309
Notes / Checks Receivable overdue	868	868	0	0
Checks Receivable	1,025	5,360	0	0
Minus: Provisions for doubtful trade receivables	(33,871)	(31,167)	(1,130)	(380)
Total	**294,435**	**193,143**	**2,150**	**8,219**

(Amounts in thousands Euro, unless otherwise stated)

The above trade receivables also include trade receivables from the Energy segment amounting to 56,073 (47,257 on 31 December 2017), which are pledged to banks as security against provided long-term and bond loans to finance the construction of Wind Parks.

From 1 January 2018, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the life of its receivables. To measure expected credit losses, trade receivables, receivables from contract with customers, prepayments and other receivables have been grouped on the basis of their credit characteristics and maturity (days of delay) on the reference date. The measurement of expected credit losses is based on specific parameters including
a) the probability of default which is estimated on the basis of historical data, assumptions and future estimates and calculated on the basis of Days Sales Outstanding in relation to the limit for each counterparty to determine whether it is default or not,
b) Loss Given Default which represents the estimate of the loss that will occur on the date of the default
c) Exposure at default which represents the amount of the Group's exposure at the reporting date
The provisions for impairment of the trade receivables are analyzed according to the new standard IFRS 9 as following:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**31,167**	**31,167**
Revision due to adoption of IFRS 9	**0**	**132**	**2,147**	**2,279**
Balance 1.1.2018	**0**	**132**	**33,314**	**33,446**
(Provision of credit loss for the period)	0	602	4,153	4,755
Recovery of provision of credit loss for the period	0	0	(2,107)	(2,107)
Eliminations for the period	0	(0)	(260)	(260)
Other transfers	0	0	(2,000)	(2,000)
Foreign exchange differences	0	10	26	36
Balance 31.12.2018	**0**	**745**	**33,126**	**33,871**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**380**	**380**
Revision due to adoption of IFRS 9	**0**	**0**	**292**	**292**
Balance 1.1.2018	**0**	**0**	**672**	**672**
(Provision of credit loss for the period)	0	37	422	459
Recovery of provision of credit loss for the period	0	(1)	0	(1)
Balance 31.12.2018	**0**	**37**	**1,094**	**1,130**

(Amounts in thousands Euro, unless otherwise stated)

The maturity of the balances is depicted as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Not in delay	177,308	152,562	1,154	8,083
Delay of 0-6 months	33,821	9,180	675	207
Delay of 6-12 months	67,905	12,783	131	
Delay of 12-24 months	15,313	12,642	15	309
Delay of over 24 months	33,959	37,143	1,305	0
Minus: Impairments of receivables	(33,871)	(31,167)	(1,130)	(380)
Total	**294,435**	**193,143**	**2,150**	**8,219**

In the amounts that are not overdue it is included an amount of € 58.2 million (€ 33.9 million on 31.12.17), which relates to good execution withholding (retained guarantees).
The receivables for which an impairment provision was formed concern almost all receivables with a delay of more than 12 months. With regard to the entire receivables which are in delay and after the impairment, the following amounts are included:
(a) receivables from entities of the Greek State (including LAGIE) of € 12.9 million (€ 5.01 million on 31.12.17),
b) receivables from PPC, IPTO and HEDNO of € 71.1 million (€ 1.4 million on 31.12.17),
c) receivables from joint ventures in which the Group participates in their equity and which are consolidated under the equity method of € 0 million (€ 2.5 million on 31.12.17) and receivables from other affiliated companies of € 9.6 million (€ 6.8 million on 31.12.17), which, taken as a whole, are considered to be of safe collection.
The remaining balances, after impairments, refer to customers of amount € 23.6 million (€ 13.6 million on 31.12.17) which, according to the Management's estimate, are considered as safe and 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 collection of balances are also the advances received for construction contracts, which at 31.12.2018 amounted to € 281.4 million (€ 361.4 million on 31.12.2017).

18. RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The receivables from contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Receivables from construction contracts with customers	200,056	157,346	195	0
Receivables from other contracts with customers	15,308	(0)	116	0
Less: Impairments of receivables from contracts with customers	(6,101)	(5,979)	0	0
	209,263	**151,366**	**311**	**0**

(Amounts in thousands Euro, unless otherwise stated)

The provisions for impairment of receivables from contracts with customers are analyzed according to the new standard IFRS 9 as following:

	GROUP			
	2018			
	Stage 1	Stage 2	Stage 3	Total
Balance 31.12.2017	**0**	**5,979**	**0**	**5,979**
Revision due to adoption of IFRS 9	**0**	**(65)**	**0**	**(65)**
Balance 1.1.2018	**0**	**5,914**	**0**	**5,914**
(Provision for impairment loss in the period)	0	262	(75)	187
Balance 31.12.2018	**0**	**6,176**	**(75)**	**6,101**

The liabilities in relation to contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Customer advances	208,605	134,968	84	1
Non-completed liabilities from construction contracts	92,448	179,467	(0)	985
	301,053	**314,435**	**84**	**985**

The changes in Receivables and liabilities from Contracts with customers within the current fiscal year are due to the following factors:

Receivables from contracts with customers	**GROUP**
Balance 31.12.2017	151,366
Accrued income	20,703
Balance 1.1.2018	**172,069**
Effect due to execution of existing contracts	25,210
Income for the period from new contracts	11,053
Foreign exchange translation differences for the period	931
Balance 31.12.2018	**209,263**

Liabilities due to contracts with customers	**GROUP**
Short term part	179,467
Long term part	6,505
Balance 1.1.2018	**185,972**
Effect due to execution of existing contracts	94,622
Income for the period from new contracts	0
Foreign exchange translation differences for the period	1,098
Balance 31.12.2018	**92,448**

(Amounts in thousands Euro, unless otherwise stated)

The contractual obligations of the Group amounted to 92,448 (185,972 at 31.12.2017). Revenue recognized in the year 2018, which relates to contractual obligations that existed on December 31, 2017, amounts to 185,972.

19. PREPAYMENTS AND OTHER RECEIVABLES

The "Prepayments and other receivables" on 31st December 2018 in the attached financial statements are analyzed as follows:

	GROUP		COMPANY	
Prepayments and other short-term non-financial receivables	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Advances to suppliers	67,031	132,586	14	18
VAT for rebate – offsetting	25,609	42,935	277	52
Receivables from Wind Parks' grants	1,479	1,479	0	0
Receivables from Greek State's contribution into Motorway Concession projects	0	23,881	0	0
Prepayment to insurance funds (Social Security Organization of technical works)	3,944	5,439	0	0
Accounts for the management of prepayments and credits	2,034	2,395	0	0
Receivables from other taxes other than income tax	1,877	1,874	1,874	1,874
Other deferred expenses	5,874	6,484	0	0
Prepaid expenses	9,743	9,967	1,234	158
Other transitory asset accounts	359	144	0	0
Total	**117,950**	**227,184**	**3,400**	**2,102**

	GROUP		COMPANY	
Other short-term financial receivables	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Receivables from j/v, related companies and other associates	9,592	12,722	19,699	5,054
Short-term part of granted long-term loans	0	225	0	0
Financial receivables from other various debtors	5,376	6,979	185	102
Receivables from to indemnities in relation to concession projects	17,539	11,159	0	0
Operational support of Concession projects	21,999	0	0	0
Receivables from Greek State and Municipalities	3,879	3,567	0	0
Receivables from insurance indemnities	0	155	0	0
Accrued income	0	20,703	0	0
Blocked bank deposit accounts	63,908	46,545	19,118	945
Doubtful – Litigious other receivables	1,132	1,119	0	0
Minus: Impairments of other short-term financial receivables	(11,711)	(11,790)	(1,139)	(1,000)
Total	**111,715**	**91,384**	**37,862**	**5,101**
Total prepayments and other receivables	**229,665**	**318,568**	**41,263**	**7,203**

(Amounts in thousands Euro, unless otherwise stated)

The Group includes in this item the State Contribution from the Concessions Contracts of the NEA ODOS and CENTRAL GREECE MOTORWAYS. In the year 2018, the last payments by the State were made, amounting to 187 and 23,664 respectively. Furthermore, receivables from grants amounting to 1,479 concern investments of the Group in wind farms, which are expected to be collected with the final approval of the completion of the relevant investment programs. The "Receivables from Compensations of Concessions Projects" account includes invoiced reimbursement of revenue for the second half of 2017 of 6,253, which was collected in January 2019 and for 2018 10,039.

The movement in the provision for impairment of these current assets of the Group and the Company, following the application of the requirements of IFRS 9, is as follows:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**11,790**	**11,790**
Revision due to adoption of IFRS 9	**0**	**94**	**1,207**	**1,301**
Balance 1.1.2018	**0**	**94**	**12,997**	**13,091**
(Provision for impairment loss in the period)	0	342	2,005	2,346
Recovery of provision of credit loss for the period	0	(101)	(4,856)	(4,957)
Eliminations for the period	0	0	(787)	(787)
Other transfers	0	0	2,000	2,000
Foreign exchange translation differences	0	13	4	18
Balance 31.12.2018	**0**	**348**	**11,364**	**11,711**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**1,000**	**1,000**
Revision due to adoption of IFRS 9	**0**	**94**	**0**	**94**
Balance 1.1.2018	**0**	**94**	**1,000**	**1,094**
Transfers between stages	0	(94)	94	0
Other transfers	0	0	45	45
Balance 31.12.2018	**0**	**0**	**1,139**	**1,139**

20. EQUITY INTEREST

The movement of investments available for sale in the year 2018 is analyzed as follows:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1.1.2018	**47,461**	**26,775**	**47,442**	**26,756**
Additions / (Reductions)	67	0	0	0
Adjustment at fair through the Other Comprehensive Income	607	20,686	607	20,686
Balance 31.12.2018	**48,135**	**47,461**	**48,049**	**47,442**

(Amounts in thousands Euro, unless otherwise stated)

All of the above investments refer to shares of unlisted securities, which are described in more detail in note 47.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

The financial assets at fair value through profit & loss are depicted as follows:

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1.1	**3,070**	**4,807**	**3,070**	**4,807**
Purchases for the year	0	500	0	0
Sales for the year	(714)	(1,127)	(714)	(627)
Earnings / (losses) from valuation at fair	(3,218)	(1,110)	(3,218)	(1,110)
Reclassification due to adoption of IFRS 9	2,126	0	2,126	0
Balance 31.12	**1,264**	**3,070**	**1,264**	**3,070**

Investments available for sale IFRS 39

	GROUP		COMPANY	
	2018	**2017**	**2018**	**2017**
Balance 1.1	**2,126**	**1,884**	**2,126**	**1,884**
Earnings / (losses) from valuation at fair	0	242	0	242
Reclassification due to adoption of IFRS 9	(2,126)	0	(2,126)	0
Balance 31.12	**0**	**2,126**	**0**	**2,126**
Total Financial Assets at fair value through the results	**1,264**	**5,196**	**1,264**	**5,196**

The Group and the Company held on 31.12.2018 shares of banking institutions of total acquisition value of 5,792 (2,326 on 31.12.2017). The change is mainly due to the reclassification of shares in the category from available for sale due to adoption of IFRS 9 as well as in sales. On 31.12.2018 the mutual funds and the shares of the Group and the Company were valued in 1,264 in total, 135 and 1,129 respectively (171 and 1,955 on 31.12.2017 respectively), at market prices. The result of the sale of shares of a banking institution was a loss for 227 (146 for 2017) which was recognized in the income statement in the line gains / (losses) from participations and other equity investments.

(Amounts in thousands Euro, unless otherwise stated)

22. CASH AND CASH EQUIVALENTS

The cash and cash equivalents on 31 December 2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash in hand	4,347	4,252	32	29
Sight Deposits	468,702	564,037	17,292	10,603
Term Deposits	50,193	73,938	31,000	366
Total	**523,242**	**642,227**	**48,323**	**10,998**

Term deposits have a usual duration of 3 months and their carrying interest rates ranged during the year between 0,48%-1,0% (0.5-1.2% for the previous year).

The Group's cash and cash equivalents include amounts for repayment from subsidiary companies of 3,024 (24,594 on 31.12.17) relating to subsidies received due to the cancellation of the construction or the expiry of the time limits of the inclusion decisions of certain wind parks.
In addition, the Group maintains blocked deposits amounting to 63,908 (46,545 in the previous fiscal year), which are held in specific bank accounts for the servicing of its short-term operating and financial liabilities. These blocked deposits are classified under the account "Advances and other receivables".

23. LONG-TERM LOANS AND FINANCE LEASES

The long-term loans and liabilities from finance leases on 31st December 2018, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Liabilities from finance leases	11,882	16,770	0	0
Minus: Short-term portion	(5,335)	(5,078)	0	0
Loans from financial leases	**6,547**	**11,692**	**0**	**0**
Long-term loans	1,713,363	1,597,051	388,549	239,769
Minus: Short-term portion	(145,575)	(364,477)	(15,701)	(126,553)
Long term part	**1,567,788**	**1,232,574**	**372,848**	**113,216**

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

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Up to 1 Year	145,575	364,477	15,701	126,553
Between 2 - 5 Years	552,276	481,331	289,848	107,216
Over 5 Years	1,015,512	751,243	83,000	6,000

(Amounts in thousands Euro, unless otherwise stated)

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

	GROUP	
	31.12.2018	**31.12.2017**
Up to 1 Year	5,335	5,078
Between 2 - 5 Years	6,547	11,692
Over 5 Years	0	0

A. Long-term Loans

Long term debt is by 85.11% in euro (84.75% at the end of the previous year), by 2.84% in PLN (3.80% at the end of the previous year) and by 12.05 % in USD (9.27% at the end of the previous year), and represents approximately 92.58 % of the Group's total debt (92.51% 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 2018, the amount of 404.10 million euro (113.1 million in 2017) was repaid for long-term bank debt, whereas the amount of 535 million euro (238.2 million in 2017) was collected from new bank loans.

The average effective interest rate paid for the long-term debt during the closing year settled at 5.59% (5.14% in the previous financial year).

It is noted that the total borrowing includes subordinated, non recourse loans of the amount of 1,363.7 million (versus 960.10 million on 31.12.2017), while the amounts of loans redeemable to the parent company 475.1. million (against 292.5 million on 31.12.2017).

It is noted that as of 31.12.2017, there were loans of € 184.5 million, classified as short-term borrowings under the requirements of IAS 1, as the companies were not in compliance with the financial ratios defined in the relevant loan agreements. Correspondingly, at 31.12.2018 loans included in "short-term loans" due to non-compliance with contractual commitments amount to 22.4 million for the Group and 0 for the company

Within the fiscal year 2018, the Group and the Company proceeded with the reclassification of debt obligations totaling to € 194 million from short-term to long-term debt obligations, as part of the completion of the restructuring of the loan liabilities of GEK TERNA SA, TERNA SA and other consolidated subsidiaries.

Below are described the significant changes in the Group's loans for the year ended 31.12.2018.

(a) Loans of the Company (GEK TERNA)

GEK TERNA Bond Loan of € 194 million for the restructuring of the existing loan liabilities of the Group's parent and consolidated subsidiaries

On 01.12.2017, the Company signed a € 193.95 million Secured Bond Loan Program with Greek Credit Institutions with the purpose of refinancing an existing bank loan that was contractually terminated in 2018 and which relates to loans of : (a) the parent company of € 101 million, (b) the subsidiary TERNA SA of € 81.7 million and (c) the other subsidiaries of the Group amounting to € 11.2 million.

The basic terms of the Program provide for the following: (a) the duration of the five-year loan (5) maturing in January 2023; (b) the six-month interest period with an interest rate of 6M Euribor with an annual surcharge of 4.00% - 5.50% depending on the interest periods,(c) the modification of the repayment schedule of existing outstanding loan capital in annual installments; and (d) the observation of financial ratios at each reporting date of the financial statements (six-month and annual).
On 30.01.2018, the total amount of € 193.95 million (two series of Bonds A & B), of the aforementioned Committed Secured Bond Loan of 1.12.2017, was covered in whole by the Greek Credit Institutions and the purpose of the refinancing of the existing borrowings of the parent company and of the Group companies was realized.
It should be noted that on 10/04/2018 the above mentioned Bond Loan was partially repaid by € 64.6 million from the proceeds of the issuance of the new Common Bond Loan of the Company amounting to € 120 million (see below). As a result of this repayment, the whole of Bondholders consented to: (a) the decrease of the margin for both series of loans (A & B) to 4% with effect from 10/04/2018 for the remainder of the program, and (b) the harmonization of the financial indicators of the CSE with the financial ratios foreseen for the issuance of the € 120m bond issued by GEK TERNA through ATHEX.

In view of the above, the outstanding balance of the aforementioned loan at 31.12.2018 amounts to € 123.9 million.

Issuance of a new Common Bond Loan (CBL) amounting to € 120 million:

At the meeting of the Hellenic Capital Market Commission on 21/03/2018, the Company's Prospectus for the public offering with cash payment and the admission to trading on the Athens Stock Exchange of up to 120,000 common bonds of total amount of 120 million euros was approved. After the end of the vesting period, the above issuance was fully covered. The issuance price of the Bonds was set at € 1,000 each, i.e. 100% of its nominal value.
The characteristics of the aforementioned loan are as follows: (a) bond yields are 3.95% and are stable over the life of the loan; (b) the interest period is six months; and (c) its duration is q(7) years and its repayment will be realized at the end of the period of seven (7) years. The new CBL provides for the observance of financial ratios at each reporting date of the financial statements (six-month and annual) with a commencement date the 31.12.2019.
With the completion of the Public Offer on 29/03/2018, and according to the aggregate allocation data generated by the use of the Electronic Book of Bids of the Athens Stock Exchange, a total of 120,000 common anonymous bonds of the Company were sold at a nominal value of € 1,000 each and funds raised amounted to € 120,000,000. The distribution of the issued bonds is as follows: 78,000 Bonds (65%) of the total issued Bonds were distributed to private Investors and 42,000 Bonds (35%) of the total issued Bonds were distributed to Special Investors.
The date of issuance was 10/04/2018. From the proceeds of the issuance an amount of € 64.6 million was used to repay the 01.12.2017 bank bond loan of € 193.9 million and the balance will be used in accordance with the determined use of the raised funds.

(b) Loans of the group TERNA ENERGY

On 31.12.2018, the total bank debt of TERNA ENERGY Group settled at 768 million of which an amount of 100 million concerned short-term loans.

The Group's New Debt for 2018 mainly relates to financing the investment in wind farms of subsidiaries of the Group, namely Fluvanna II Wind Park in Texas, USA, amounting to € 54,658, as well as to the financing of PPP Partnership of the subsidiary "AEIFORIKI IPEIROU" of € 34,861.
Additionally within 2017 subsidiary of TERNA ENERGY GROUP, issued common bond loan amounted 60 million which was fully covered on 3rd semester 2017

(c) Loans of the group TERNA

TERNA Bond Loan of € 127.3 million for the refinancing of its existing loan liabilities and for the financing of the acquisition of FERROVIAL

On December 7, 2018, the TERNA Group signed a € 139.3 million secured Bond Loan Program with Greek Credit Institutions for the purpose of: a) refinancing existing bank loans of € 42 million; and b) financing (through GEK TERNA parent company) of the acquisition of the shares of FERROVIAL in the Concession Companies "NEA ODOS SA" and "CENTRAL GREECE SA" and in the Consortium under the name "FERROVIAL JOINT VENTURES SA - GEK TERNA SOCIETE ANONYME OF HOLDINGS AND PROPERTIES" .

The main terms of the Program provide for the following: (a) the maturity of the 8-year loan maturing in July 2026; (b) the six-month interest period with an interest rate of 6M Euribor with an annual surcharge of 3.75% (depending on the interest periods, (c) the balloon payment of 50.2% with the last installment and (d) the maintenance of financial ratios by the guarantor GEK TERNA, similar to those agreed with the Common Bond Loan (CBL) amounting to € 120 million, issued in April 2018 by the guarantor GEK TERNA.

On December 10, 2018, the total amount of € 127.3 million (two series of Bonds A & B) of the above-mentioned signed, Secured Bond Loan, which was signed on 07.12.2018, was covered by the Greek Credit Institutions and the purpose of it to refinance existing lending, was fulfilled.

B. Financial Leasing contracts

During the closing financial year the Group paid the amount of 4,853 (4,456 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 2017).

During the present year, the Group did not enter into new leasing agreements.

The remaining balance of the financial leasing contracts, with the accrued interest, at the end of the period amounted to 11,882 (16,770 at the end of previous year), from which 5,335 are due within the following 12 months (5,078 at the end of previous year).

C. Loan guarantees

For the guarantee of certain of the Group’s loans:

- Wind parks’ generators have been pledged for an amount of 990,390,
- Insurance contracts and receivables from the sale of electric energy to LAGIE or DEDDIE as well as from construction services, motorways concession contracts end cash equivalence 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 40,805 (133.995 at the end of the previous year), and,
- Shares of subsidiaries and other related companies with a nominal value of 230,571 (131.784 at the end of the previous year) have been provided by the parent company as collateral.

From total borrowing of TERNA ENERGY Group, the amount of 404,318 corresponds to the loan liabilities for which TERNA ENERGY's parent company has provided a guarantee.

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		
	2018		
	Long-term debt	Liabilities from Leasing	**Total liabilities from Financial Activities**
Balance 1/1	**1,597,052**	**16,770**	**1,613,821**
Disbursements/(payments) of capital	130,921	(4,853)	**126,068**
Payments of interest	(72,757)	(707)	**(73,463)**
Loans from new subsidiaries	0	0	**0**
Forex differences	6,576	0	**6,576**
Loan's interest on financial results	76,236	709	**76,946**
Loan expenses	776	0	**776**
Change due to sale of subsidiary	(35,681)	0	**(35,681)**
Transfers	10,240	(37)	**10,203**
Balance 31/12	**1,713,363**	**11,882**	**1,725,245**

	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
Balance 31/12	**1,597,052**	**16,770**	**1,613,821**

	COMPANY	
	Long-term debt	
	2018	2017
Balance 1/1	**239,769**	**198,591**
Disbursements/(payments) of capital	148,539	36,500
Payments of interest	(14,257)	(7,209)
Loan's interest on financial results	14,395	12,189
Loans' expenses	776	0
Transfers	(674)	(302)
Balance 31/12	**388,549**	239,769

(Amounts in thousands Euro, unless otherwise stated)

24. EQUITY INTERESTS HAVING A SUBSTANCE OF FINANCIAL LIABILITY

The accounting policy applied in respect of these financial liabilities is presented in note 4.13.5 (iii).
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 received 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.

Equity securities treated as financial liabilities (long-term and short-term) at 31 December 2018 and 31 December 2017 in the accompanying financial statements are analyzed as follows:

	GROUP	
	31.12.2018	**31.12.2017**
Financial liabilities	111,187	111,708
Deferred income	26,916	22,555
Long-term part	**138,103**	**134,263**
Long-term financial liabilities payable in the following year	22,287	25,107
Short-term part	**22,287**	**25,107**
Total	**160,390**	**159,370**

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

(Amounts in thousands Euro, unless otherwise stated)

Financial liabilities	GROUP	
	31.12.2018	**31.12.2017**
Balance 1 January	**136,815**	**48,554**
Receipts from TEI	-	127,882
Distribution of cash to TEI	(3,405)	(2,915)
Value of tax benefits	(18,596)	(27,718)
Interest of the period (Note 42)	12,627	2,796
Foreign exchange differences	6,033	(11,784)
Balance 31 December	**133,474**	**136,815**

Deferred income	GROUP	
	31.12.2018	**31.12.2017**
Balance 1 January	**22,555**	**0**
Value of tax benefits	6,479	26,623
Amortization of benefits (Note 42)	(3,262)	(2,662)
Balance 31 December	1,144	(1,406)
Balance 1 January	**26,916**	**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 38) 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 and amounts to 2018 12,117 (1,095 2017)

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, 2018 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 2018.

The expense for staff indemnities which was recognized by the Group in Income Statement and was recorded in Cost of sales by 1,776, in Administrative and distribution expenses by 314. and in financial expenses by 55 (2,095, 106 and 43 during the previous year, respectively), and by the Company in Administrative and distribution expenses (during the present and previous year), is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	01.01-31.12.2018	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2017
Current service cost	1,522	1,116	24	5
Financial cost	55	46	1	1
Effect of cut-backs or settlements	715	1,084	0	0
Recognition of actuarial (profits) / losses	453	(342)	39	(3)
	2,745	**1,904**	**64**	**3**

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Balance 1.1	**7,780**	**8,392**	**80**	**78**
Provision recognized in Net earnings	2,145	2,245	25	6
Provision recognized in Other Total Income	453	(342)	39	(3)
Provision recognized in inventories	0	2	0	0
Addition due to acquisition of subsidiaries	0	857	0	0
Foreign exchange translation differences	334	(618)	0	0
Compensation payments	(2,134)	(2,723)	(7)	0
Transfers	(6)	(33)	0	0
Balance 31.12	**8,572**	**7,780**	**137**	**81**

The main actuarial assumptions for the financial years 2018 and 2017 are as follows:

	2018	2017
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.

(Amounts in thousands Euro, unless otherwise stated)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Discount Rate	2,00%	1,00%	1,50%	1,50%
Future Salaries Increases	1,25%	1,25%	1,50%	1,00%
Effect on the net earnings / (losses) 2017	(268)	(732)	(620)	(365)

26. OTHER PROVISIONS

The movement of the relevant provisions in the Statement of financial position for 2018 and 2017 is as follows:

	Provisions for environmental rehabilitation	Other provisions	Total
Balance 1.1.2018	**14,522**	**19,143**	**33,665**
Provision recognized in the results	502	16,577	**17,079**
Provision recognized in fixed assets	1,024	0	**1,024**
Provisions used	0	(2,573)	**(2,573)**
Interest from provisions recognized in Net Profit	342	0	**342**
Transfer from/ (to) another account	0	(2,421)	**(2,421)**
Write off for the period	0	(1,762)	(1,762)
Unused provisions recognized in profit	0	(1,636)	**(1,636)**
Foreign exchange differences	65	103	**168**
Balance 31.12.2018	**16,455**	**27,431**	**43,886**

	Provisions for environmental rehabilitation	Other provisions	Total
Balance 1.1.2017	**12,906**	**29,962**	**42,868**
Provision recognized in the results	91	892	**983**
Provision recognized in fixed assets	968	0	**968**
Addition due to acquisition of subsidiaries	0	7,141	**7,141**
Provisions used	0	(1,466)	**(1,466)**
Interest from provisions recognized in Net Profit	599	0	**599**
Transfer from/ (to) another account	0	(17,133)	**(17,133)**
Unused provisions recognized in profit	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)

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

	GROUP	
	31.12.2018	**31.12.2017**
Provisions for tax for tax non-inspected years	3,460	3,460
Provisions for litigations	5,143	3,467
Provisions for provided guarantees	0	1,762
Provision for major maintenance of motorways	2,829	5,597
Provision for loss-bearing construction contracts	12,394	0
Other provisions	3,605	4,857
	27,431	**19,143**

The tables, presented above, record analysis of provisions based on the nature of the commitment as well as their analysis based on the expected timing of the outflow of financial. In particular, provisions are presented as a total as long-term and are not recorded in discounted amounts as there is no accurate estimate of their payment time.

The items " Provisions for rehabilitation of the natural landscape" records the provisions made by the companies of the Group's the energy sector, as well as some provisions made by the companies of the industrial sector for the purposes of covering the costs of rehabilitation of the natural landscape where the power plants and quarry operators are installed at the end of the holding, according to the licenses received from the State. The above provision of 16,455 (14,522 on December 31, 2017) reflects the cost of dismantling equipment and restoring the space where they are installed, applying modern technology and materials.

The item "Provision for heavy maintenance of motorways" includes the contractual obligation of NEA ODOS AND CENTRAL GREECE MOTORWAYS SA to maintain the infrastructure on the basis of heavy maintenance planning. Moreover, in compliance with the concession agreement, the Group is under obligation to deliver the infrastructure to the concessionaire in the previously defined condition at the end of the service concession agreement. Within 2018, additional provisions were made standing at 4.293, however, an amount of 7.061 was transferred to other liabilities, since the Group estimates that the corresponding activities will be carried out in 2019.

27. GRANTS

The movement of grants in the Statement of financial position for 2018 and 2017 is as follows:

	2018	**2017**
Balance as at 1.1.2018	**164,211**	**180,324**
Receipts of grants	3,882	0
Approved and collected grants to be returned	0	(1,320)
Foreign exchange differences	2,021	(6,639)
Amortization of grants on fixed assets recognized in net results	(8,106)	(8,125)
Amortization of grants on fixed assets recognized in inventories	(8)	(29)
Balance as at 31.12.2018	**162,000**	**164,211**

(Amounts in thousands Euro, unless otherwise stated)

Grants refer to those provided by the State for the development of wind parks of TERNA ENERGY GROUP amount 141,336, industrial / trade zones, car park stations and industrial development. The grants are amortized in accordance to the granted assets' depreciation or utilization rates.

"Grants" include approved but not received grants, totaling € 1,479, which were classified under "Advance payments and other receivables" (note 19). These grants were recognized on the basis of the Group's management's assurance that all the conditions for the collection of these are normally met and that these amounts will be collected with the final approval of the completion of the relevant investments.

28. SUPPLIERS

The suppliers on 31st December 2018, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Suppliers	282,948	240,078	1,376	7,052
Checks and notes payable	2,979	3,161	0	0
	285,927	**243,239**	**1,376**	**7,052**

29. ACCRUED AND OTHER LIABILITIES

The account "Accrued and other liabilities" (long and short term) on 31st December 2018 in the accompanying financial statements, is analyzed as follows:

Other long-term liabilities

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Withheld amounts and guarantees to suppliers	2,142	27,023	0	0
Liabilities from acquisition of companies	12,878	11,993	12,878	11,993
Guarantees of leased property	386	377	113	109
Liabilities of Concession Financial Items	0	3,071	0	0
Secondary loan to other shareholders of motorway concession companies	0	27,733	0	0
Other long-term financial liabilities	331	874	0	0
	15,737	**71,071**	**12,991**	**12,102**

(Amounts in thousands Euro, unless otherwise stated)

Other long-term liabilities

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Collected advances from customers relating to construction agreements	77,840	233,479	0	0
Liabilities from construction agreements	0	6,505	0	0
Other long-term non-financial liabilities	32	9,529	0	0
	77,872	**249,512**	**0**	**0**
Total other long-term liabilities	**93,609**	**320,583**	**12,991**	**12,102**

The balance of 31.12.2018 of the account "Collected advances from customers relating to construction agreements" concerns an advance payment from the client for the energy project of PTOLEMAIDA.

Other long-term liabilities of 2017 included liabilities of 9,529 relating to the long-term part of the settlement with the Competition Commission. The item which relates to the Secondary Loan to other shareholders of motorway concession companies resulted from the acquisition of the subsidiary companies NEA ODOS SA and CENTRAL GREECE MOTORWAYS SA. In the year 2018, this secondary loan was redeemed by the Company
The amount of 12,878 in the Company and the Group (11,993 in the previous year), relates to the present value of the credited consideration from the acquisition of the shares of NEA ODOS SA and CENTRAL GREECE MOTORWAYS SA.

Accrued and other short-term financial liabilities

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Dividends payable	66	1,230	0	1
Liabilities against joint ventures, associates and other related companies	5,796	5,001	1,643	2,787
Accrued expenses	19,248	14,896	100	128
Fees payable to personnel and BoD members	2,804	3,591	106	104
Purchases under settlement	20,509	0	0	0
Sundry Creditors	28,854	11,712	911	4,506
	77,278	**36,429**	**2,760**	**7,526**

(Amounts in thousands Euro, unless otherwise stated)

Other short-term non financial liabilities

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Liabilities from taxes-duties	20,800	33,902	184	1,195
Social security funds	3,929	4,202	83	92
Deferred income and other transitory accounts	7,177	7,853	7,085	7,546
Approved and collected grants to be returned	3,024	25,067	0	0
Provisions for loss making contracts of construction works	1,987	0	0	0
Provisions for heavy maintenance of motorways	7,797	735	0	0
	44,714	**71,760**	**7,352**	**8,833**
Total accrued and other short-term liabilities	**121,991**	**108,189**	**10,112**	**16,359**

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 of 2018, subsidies of total amount of 21,604 (63,777 in 2017) were reimbursed

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 5,13 % (5.43% during 2017).

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

	2018	2017
	Short-term loans	**Short-term loans**
Balance 01.01	**112,484**	**54,975**
Disbursements / (payments) of capital	23,458	44,269
Interest payment	(6,522)	(5,545)
Loans due to addition of subsidiaries	0	13,233

(Amounts in thousands Euro, unless otherwise stated)

Foreign exchange differences	(189)	(712)
Loan interest in financial results	6,430	4,891
Other loan interest (capitalized, etc.)	0	1,374
Transfers	(10,240)	0
Balance 31.12	**125,421**	**112,484**

31. FINANCIAL DERIVATIVE INSTRUMENTS

In order to manage the interest rate risk to which it is exposed, the Group has entered into interest rate swaps. Interest rate swaps contracts are intended to offset the risk of negative fluctuations in future cash outflows resulting from interest on loan contracts concluded in the context of activities mainly in the electricity generation sector in Greece and the USA, concessions of the two motorways (NEAODOS and CENTRAL GREECE MOTORWAY).

Considering the purpose of these derivatives, i.e. cash flow hedges, hedge accounting was used and their fair value was assessed.

Information on these derivatives is given below:

			GROUP	
LIABILITY	**Nominal Value**		**Fair Value of Liability**	**Fair Value of Liability**
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
For hedging purposes				
Interest rate swaps:	€ 7,537	€ 7,537	222	271
Interest rate swaps:	€ 9,000	€ 9,000	347	401
Interest rate swaps:	€ 5,772	€ 5,772	108	169
Interest rate swaps:	€ 17,000	€ 17,000	1,183	1,345
Interest rate swaps:	€ 11,005	-	648	-
Interest rate swaps:	€ 15,400	€ 15,400	777	847
Interest rate swaps:	€ 11,160	€ 11,160	147	51
Interest rate swaps:	€ 103,650	€103,650	824	536
Interest rate swaps:	€ 6,563	€ 6,563	297	382
Interest rate swaps:	€ 30,000	€ 30,000	458	339
Interest rate swaps:	€ 20,000	€ 20,000	286	202
Interest rate swaps CENTRAL GREECE MOTORWAY	€ 322,960	€ 322,960	170,981	175,828
Interest rate swaps NEA ODOS	€ 73,409	€ 73,409	18,586	20,604
			194,864	**200,975**

(Amounts in thousands Euro, unless otherwise stated)

For hedging purposes				
Options (collar)	-	-	2,549	-
Future contract for the sale of electric energy (physical)	-	-	900	-
			3,449	-

For trading purposes				
Options (collar)	0	0	528	0
			198,841	**200,975**

			GROUP	
ASSET	**Nominal Value**		**Fair Value of Asset**	**Fair Value of Asset**
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
For hedging purposes				
Interest rate swaps:	$25,000	$25,000	625	312
Options (collar)		0	1,908	200
Options (swaption)		0	1,396	798
			3,929	**1,310**
Embedded derivative				
Embedded derivative according to the concession agreement		-	167,996	180,781
			171,925	**182,091**

Liabilities and Receivables on derivatives of CENTRAL GREECE ROAD (E-65): Derivative financial instruments and Operating Support:

The Group has recognized, through the E-65, a derivative obligation (i.e. the fair value of the interest rate swap derivatives) of 170,981 and respectively a receivable from a derivative financial asset (i.e. the part of the Operating Support Scheme covering future payments of the exchange derivatives interest rates) of 167,996. Detailed information on the Concession Agreement and the basis for recognition of the derivative requirement, since the Group has contractually transferred the risk arising from the obligation of interest rate swaps to the State, are set out in note 4.14 of the accounting policies of the financial statements).

The fair value of the financial asset receivable on 31.12.2018 of 167,996 reflects future payments on interest rate swaps (31.12.2017: 180,781). This financial asset has been classified in the fair value hierarchy at level 3. The Group has taken into account the following for discounting future flows:

i) Future outflows as derived from the financial model of E-65, approved by all parties (Lenders, State, Company),

(ii) Government credit risk as embodied in the multi-maturity Greek government bond yield curve. 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. In addition, discounting during the reference period and the comparative period was made, based on the assumptions made on the respective reference dates,

iii) Possible time difference between Derivative Payments and Operating Support Collection. The clearing and payment of financial interest rate swaps is carried out at the end of each semester until the end of the concession. Accordingly, the Operating Support Calculation Period is carried out on a bi-monthly basis. In addition, under the Concession Agreement (see above), the Submission of the Support Notice is made twenty (20) days prior to payment and the payment is made five (5) days before the end of each Calculation Period, respectively. Any actual difference has been estimated as not relevant for discounted purposes.

The Group, at each reporting date reviews the financial asset for impairment. In this context, at 31.12.2018 the Group assessed that there is no evidence of impairment on the above receivable.

According to the Concession Agreement, it is stipulated that the Operating Support received by the E-65 is a gross income for income tax not subject to withholding tax and is charged with the corresponding VAT. The requested Operating Support for the Calculation Period 01.01- 30.06.2018 amounted to 18,420 plus VAT (01.01.-30.06.2017: 7,287 plus VAT) and respectively for the Calculation Period 01.07 - 31.12.2018 amounted to 17,535 plus VAT (01.07.-31.12.2017: 26,044 plus VAT). In each Calculation Period, from the total Operating Support income, the amount relating to payments for interest rate swaps is recognized as deductible from the financial derivative receivable at 31.12.2018 of 18,702 (31.12.2017: 18,414). Subsequently, any change in the valuation of the derivative is recognized in profit or loss in the period that arises, i.e. as of 31 December 2018, an amount of 5,918.

Derivatives for hedging changes in energy market prices:

Through the subsidiary TERNA ENERGY, the Group proceeds to the conclusion of derivatives with a view to compensating for the risk of a change in the cash flow variability of energy prices for the Group's investments in RES in the USA. Specifically:

• In September 2016, the Group entered into two derivatives, a collar call option (trading date: 23.09.2016) and a swaption option. For the collar derivative, the effective date was 01.01.2018, while for the swaption the effective date would be 31.12.2022. The fair value of the derivative asset was determined at 3,929 on 31.12.2018 and has been classified at 3,304 in the fair value hierarchy at level 3 and 625 in the fair value hierarchy at level 2.

• In September 2018, the Group entered into two derivatives, a fixed-price, energy forward contract of «physical» type and a collar-type option. For the forward (physical) contract, the effective date will be 01/11/2019, while for the collar, the effective date will be 01/11/2024. The fair value of the liability of the derivatives was determined at 3,449 on 31.12.2018 and has been classified in the fair value hierarchy at level 3.

• In July 2018, the Group entered into a Balance of Hedge agreement with which to exchange variable revenues from the sale of wind power in the US with a fixed amount of money (fixed payment). The settlement of this contract is only financially settled and does not include a product exchange.

(Amounts in thousands Euro, unless otherwise stated)

The Group concluded the aforementioned contract with a view to compensating for the risk of a change in the purchase prices and consequently their impact on the revenues from the sale of electricity. As of 31 December 2018, this contract did not qualify for cash flow hedges, in accordance with the requirements of IFRS 9. Unrealized losses from the valuation of the hedge fund of 512 resulted in the operating loss of this wind farm.

The Group's financial expenses include expenses arising from interest rate swaps and financial instruments of 22,614 (see Note 42). They also include losses of 22,208 from the accrued amount of reclassification from the Cash Flow Hedging Facility under the interest rate swap agreements the Group has concluded (through Motorway Concession Companies) in order to minimize exposure to interest rate risk on the corporate bonds of these companies.

32. SHARE CAPITAL – EARNINGS PER SHARE

On 31.12.2018 the share capital of the Company amounted to 58,951,275.87 was fully paid and divided into 103,423,291 common shares of a nominal value of € 0.57. Each share of the Company entitles one vote. The share premium account amounts to € 381,283 thousand at 31.12.2018.
It is further stated that on 31.12.2018 the Group held directly through the parent 3,828,652 own shares and indirectly through subsidiaries 1,305,040, a total of 5,133,692 own shares with a total acquisition value of 16,698, ie 4.9638% of the share capital (see Note 33).

Earnings per share

	GROUP	
(a) Basic earnings / (losses) per share (Amounts in Euro / Share)	**01.01 – 31.12.2018**	**01.01 – 31.12.2017**
Profit / (Losses)		
Net gains / (losses) attributable to the owners of the parent for basic earnings per share (Amounts in Euro)	4,466	69,816
Number of Shares		
Average Weighted Number of Common Shares Used to Calculate Basic Earnings / (Losses) Per Share	98,102,556	97,549,510
Basic earnings / (losses) per share (Amounts in Euro / Share) from continued operations	**0.0455**	**0.7157**

There are no diluted earnings per share for the Group and the Company for the year ended 31 December 2018 and for the comparative period.

(Amounts in thousands Euro, unless otherwise stated)

33. RESERVES

The reserves for the fiscal years 2018 and 2017 in the attached financial statements are analyzed as follows:

Group	Statutory reserves	Treasury Shares	Reserves from fair value difference of assets through Other Comprehensive Income	Differences from cash flows risk hedges reserves	Reserves from patricipating interest in other comprehensive income of associates and joint ventures	Reserves of foreign currency translation differences from incorporation of foreign operations	Development and tax legislation reserves	Actuarial revenue/losses from defined benefit plan reserves & other reserves	Total
1 January 2017	**28,018**	**(15,059)**	**2,240**	**(4,445)**	**(26,524)**	**1,230**	**214,290**	**(423)**	**199,327**
Earnings from other comprehensive income for the year			21,244	3,979	1,215	218		14,794	41,450
Formation of reserves	658						7,522	1,109	9,289
Acquisition of treasury shares		(4,279)							(4,279)
Transfers to minority interest and other changes			(8,492)	720	1	(1)	(1,741)	7,662	(1,851)
31st December 2017	**28,676**	**(19,338)**	**14,992**	**254**	**(25,309)**	**1,447**	**220,071**	**23,142**	**243,935**
1 January 2018	**28,676**	**(19,338)**	**14,992**	**254**	**(25,309)**	**1,447**	**220,071**	**23,142**	**243,935**
Reclassification due to IFRS 9			**(393)**						**(393)**
Earnings from other comprehensive income for the year			607	5,164	(329)	(1,394)		(8,282)	(4,234)
Formation of reserves	887						187,558	102	188,547
Acquisition of treasury shares		(1,686)							(1,686)
Granting stock options		4,326							4,326
Transfers to minority interest and other changes			(70)	(5,987)	22,007	(7)	(48,444)	(22,801)	(55,302)
31st December 2018	**29,563**	**(16,698)**	**15,136**	**(569)**	**(3,630)**	**46**	**359,185**	**(7,840)**	**375,193**

(Amounts in thousands Euro, unless otherwise stated)

Company	Statutory reserves	Treasury Shares	Reserves from fair value difference of assets through Other Comprehensive Income	Development and tax legislation reserves	Actuarial revenue/losses from defined benefit plan reserves & other reserves	Total
1 January 2017	**7,007**	**(8,949)**	**(3,420)**	**62,625**	**50**	**57,313**
Earnings from other comprehensive income for the year			15,083		2	15,086
Formation of reserves						0
Acquisition of treasury shares		(3,849)				(3,849)
Transfers to minority interest and other changes						0
31st December 2017	**7,007**	**(12,798)**	**11,663**	**62,625**	**52**	**68,549**
1 January 2018	**7,007**	**(12,798)**	**11,663**	**62,625**	**52**	**68,549**
Reclassification due to IFRS 9			**(393)**			**(393)**
Earnings from other comprehensive income for the year			748			748
Granting stock options		4,326				4,326
Acquisition of treasury shares		(1,686)				(1,686)
Transfers to minority interest and other changes			47	33,044	(47)	33,044
31st December 2018	**7,007**	**(10,158)**	**12,063**	**95,670**	**5**	**104,587**

Statutory reserves
Under the Greek legislation, companies are required to transfer at least 5% of their annual net profits - in accordance with their accounting books and records - to statutory reserves until such reserves equal one third of their share capital. These reserves shall not be distributed but can be used in order to write off losses.

Development and tax legislation reserves

These reserves relate to profits that have not been taxed at the effective tax rate according to the applicable tax framework. Such reserves will be taxable at the tax rate applicable at the time of their distribution to the shareholders or their transfer to equity under specific circumstances.

The reserves in question also include reserves of 2 motorway concessions. In particular, under the provisions of Article 36.1.7 of the Concession Agreement, the companies NEA ODOS and E-65 amortize the total investment cost for tax purposes, including the cost of interests within Period T1. The portion of the State Financing Facility, corresponding to the construction cost for the fiscal year and, in particular, to the accounted for amortizations, is deducted from the amortizations in question as a proportion of the capital grant used (as Article 36.1.2 of the Concession Agreement). The amount of the proportion of the capital grant used as above is transferred to the account of tax exempted reserves. In the case the reserves are distributed, the State Financing Facility will be taxed at the tax rate applicable at the time of distribution to the shareholders. Within the current year, the aforementioned reserves increased by 96,875.

Treasury shares

As at 31.12.2017, the Group holds, directly through the parent company, 5.203.114 treasury shares and indirectly, through its subsidiaries, 1.305.040 treasury shares, i.e. a total of 6.508.154 treasury shares of total acquisition value 19.338. Within the year, through the acquisition of 5,133,692 shares, the number of treasury shares of the parent company increased and through the acquisition of 104.856 shares – through its subsidiary while the number of treasury shares decreased by 1.750.000 shares that were distributed to the Company's executives that exercised the options regarding the shares they held.

In view of the aforementioned changes, as at 31.12.2018, the Group held directly, through its parent company, 3.828.652 treasury shares and indirectly, through its subsidiaries, 1.305.040 treasury shares, i.e. a total of 5.133.692 treasury shares of total acquisition value 16.698, i.e. 4,9638% of the Share Capital.

Stock options

The 1st Repetitive Extraordinary General Meeting of GEK TERNA Holding, Real Estate, Construction, held on 07.07.2014, established a stock option plan for the Company for the management in accordance with the provisions of paragraph 13 of article 13 of the Codified Law 2190/1920, and authorized the Board of Directors to determine the beneficiaries, how to exercise the right and the other terms of the program. The relevant decision for the implementation of the program would be realized through the issuance of new shares or the disposal of treasury shares. The implementation period of the program was set at 5 years 2014-2018, the program can be realized up to the amount of 2,500,000 shares and the share price of the shares to the beneficiaries was determined to be equal to their nominal value, ie € 0.57 per share. By the decision of the Company's Board of Directors dated 20.12.2017, the details of the program were defined, which included performance terms and conditions to be fulfilled.

(Amounts in thousands Euro, unless otherwise stated)

During the fiscal year 2018, the Company allocated a total of 1,750,000 own shares, representing 1.6921% of its paid-up share capital, for a total consideration of € 997.5 thousand to its executives participating in the plan, in exchange for exercise of stock options. From these transactions an amount of € 3,327.7 thousand was recognized as an expense in the consolidated and corporate income statement. The remaining 750,000 rights expired without being exercised and therefore there are no unallocated stock options on 31.12.2018.
The Annual General Meeting of GEK TERNA, held on 27.06.2018, approved a new share option plan to be executed by management in order to achieve growth targets for the benefit of the Company, its Shareholders and its executives. In particular, the share option plan of up to the amount of 2,000,000 shares of the Company was proposed and approved for the Company's directors for the five years 2019-2023 and to be implemented, subject to the set objectives, by the issuance new shares or the disposal of treasury shares in accordance with the applicable legislation. The executives will participate in the offered program according to the specific criteria to be set by the Company's Board of Directors in view of their contribution to the achievement of the Company's objectives on a corporate and consolidated basis such as in the field of construction, energy and mining industry. The offer price of the shares to the beneficiaries was set at € 4.00 per share. The Board of Directors was authorized to determine the beneficiaries, how to exercise the right and other terms of the program, as well as the regulation of a all relevant procedural issues for the implementation of the decision.

34. INCOME TAX

According to Greek tax legislation the tax rate corresponded to 29% for the years 2018 and 2017. Article 23, Law 4579/2018, states that income tax rates are gradually reduced to twenty-eight percent (28%) for income of tax year 2019, to twenty-seven percent (27%) for income of tax year 2020, to twenty-six per cent (26%) for income of tax year 2021 and twenty five per cent (25%) for income of tax year 2022 and thereafter. 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-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, and the ability of companies to generate tax-exempt discounts and tax-exempt reserves.

(a) Income tax expense

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

	GROUP		**COMPANY**	
	1.1.-31.12.2018	**1.1.-31.12.2017**	**1.1.-31.12.2018**	**1.1.-31.12.2017**
Current income tax	17,445	28,125	3,108	1,168
Provision for tax audit differences	2,257	1,569	0	0
Total	**19,702**	**29,694**	**3,108**	**1,168**
Deferred tax expense	5,272	28,969	(838)	1,768
Income tax expense	**24,974**	**58,663**	**2,270**	**2,936**

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit before income tax expense	**60,815**	**153,450**	**1,411**	**712**
Nominal tax rate	**29%**	**29%**	**29%**	**29%**
Income tax expense/(income) based on the nominal tax rate	**17,636**	**44,501**	**409**	**206**
Results not included in the calculation of tax	(30,719)	12,609	30	2,730
Impact due to change in tax rate	(2,753)	0	216	0
Adjustments of tax of previous years and additional taxes	0	(41)	0	0
Difference in taxation of foreign companies	589	(11,357)	0	0
Write-off/(Offsetting) of tax losses	34,383	8,191	(865)	0
Provision for tax audit differences	2,257	1,569	0	0
Taxable differences of previous years for which no deferred tax has been recognized	447	(63)	0	0
Effect of net temporary tax differences for which no deferred tax has been recognized	3,426	4,508	2,480	0
Other	(292)	(1,254)	0	0
Income tax expense	**24,974**	**58,663**	**2,270**	**2,936**

With circulars 1154/2017, Circ. 1191/2017, Circ. 1192/2017, Circ. 1194/2017 and Circ. 1208/2017, the Governor of the Independent Public Revenue Authority (IPRA) provided instructions for the uniform application of those accepted under no. C. 1738/2017 C. 2932/2017, C 2934/2017 and C 2935/2017 decisions of the Council of State (CoS) 268/2017 Opinion of the State Legal Council (SLC). From the above circulars, there is a five-year limitation period - based on the general rule - for fiscal years from 2012 onwards, as well as for the tax years to which the Code of Tax Procedure - CTP applies (from 2014 onwards), except for specific exceptions defined in the relevant provisions of the CTP.

Consequently, and in accordance with what is stated in the number Circ. 1192/2017, the right of the tax authorities to impose tax until the end of 2012 is time-barred unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply. Analytically, the unaudited fiscal years per company of the Group are described in note 5.

(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.

A deferred tax asset is recognized for the transferred tax losses to the extent that a respective tax benefit can be realized via future taxable earnings.

It is noted that a deferred tax asset for an amount 341,527 has been recognized in the particular part of the tax losses where according to the Management their offsetting against future taxable earnings is relatively certain over the next 5-year period. Furthermore it is noted that the above Deferred Tax Asset on the recognized losses for taxation purposes, includes a deferred tax asset for an amount of 331,935 in relation to the reported tax losses of NEA ODOS and CENTRAL GREECE MOTORWAY, which mainly derive from accelerating amortization charges in the construction cost of the Projects. These tax losses based on the provisions of the Concession Agreements offset future earnings without any time limit (meaning that the limit of the 5-year period is not required).

(Amounts in thousands Euro, unless otherwise stated)

From the approved Financial Models of the particular companies, it is demonstrated that up to the expiration of the concession period, meaning until the year 2037, there will be taxable earnings which can be offset against the accumulated tax losses."

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Net deferred tax asset / (liability)	**34,240**	**45,867**	**(5,494)**	**(6,555)**
Opening Balance	**45,867**	**59,587**	**(6,555)**	**1,384**
Effect of discontinued operations/acquisitions of entities	1,481	22,985	(25)	0
(Expense)/Income recognized in net earnings	(5,278)	(28,969)	838	(1,742)
(Expense)/Income recognized in Other comprehensive income	(7,839)	(7,774)	180	(6,162)
Foreign Exchange Translation Differences	23	(11)	0	0
(Expense) / Income recognized directly in the equity	(14)	49	0	0
Other movements	0	0	0	(35)
Closing Balance	**34,240**	**45,867**	**(5,562)**	**(6,555)**

The deferred taxes (assets and liabilities) of 2018 and 2017 are analyzed as follows:

GROUP

Deferred tax	**01.01.2018**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**Acquisition, sale of a Subsidiary**	**31.12.2018**
Investment property valuation	(231)	1,629	0	0	1,481	2,879
Tangible and Intangible Assets	(332)	(6,004)	(169)	0	0	(6,505)
Investments	(5,376)	(5,346)	233	0	0	(10,489)
Contract Assets	38,164	(25,683)	0	0	0	12,481
Recognized tax losses	364,912	(23,385)	0	0	0	341,527
Recognition of assets from concession contracts	(377,522)	30,934	0	0	0	(346,588)
Other non-current liabilities	2,177	791	23	0	0	2,991
Provision for staff indemnities	1,064	(66)	121	0	0	1,119
Companies' acquisitions and sales	9,933	4,480	0	0	0	14,413
Derivatives	5,729	9,513	(8,544)	0	0	6,698
Trade receivables	8,597	(3,239)	0	0	0	5,358
Other Provisions	(4,681)	11,121	0	0	0	6,440
Other	3,433	(23)	520	(14)	0	3,916
Total	**45,867**	**(5,278)**	**(7,816)**	**(14)**	**1,481**	**34,240**

(Amounts in thousands Euro, unless otherwise stated)

GROUP

Deferred tax	**01.01.2017**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/ Credit**	**Equity**	**Acquisition, sale of a Subsidiary**	**31.12.2017**
Investment property valuation	2,685	(2,916)	0	0	0	(231)
Tangible and Intangible Assets	(8,956)	8,624	0	0	0	(332)
Investments	(1,867)	2,596	(6,105)	0	0	(5,376)
Contract Assets	64,484	(26,320)	0	0	0	38,164
Recognized tax losses	7,415	357,497	0	0	0	364,912
Recognition of assets from concession contracts	9,163	(386,685)	0	0	0	(377,522)
Other non-current liabilities	1,352	825	0	0	0	2,177
Provision for staff indemnities	900	292	(128)	0	0	1,064
Companies' acquisitions and sales	(31,289)	41,222	0	0	0	9,933
Derivatives	1,606	5,664	(1,541)	0	0	5,729
Trade receivables	6,341	2,256	0	0	0	8,597
Other Provisions	4,879	(9,560)	0	0	0	(4,681)
Other	2,874	510	0	49	0	3,433
Total	**59,587**	**(5,995)**	**(7,774)**	**49**	**0**	**45,867**

Company

Deferred tax	**01.01.2018**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**31.12.2018**
Investment property valuation	844	(18)	0	0	826
Tangible and Intangible Assets	203	(89)	0	0	114
Investments	(7,785)	9	233	0	(7.543)
Contract Assets	286	(333)	0	0	(47)
Recognized tax losses	1,321	(486)	0	0	835
Provision for staff indemnities	23	(2)	13	0	34
Other Provisions	802	28	(66)	43	807
Accrued Income	(2,891)	566	0	0	(2.325)
Other	642	1,163	0	0	1.805
Total	**(6,555)**	**838**	**180**	**43**	**(5.494)**

(Amounts in thousands Euro, unless otherwise stated)

Company

Deferred tax	**01.01.2017**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2017**
Investment property valuation	844	0	0	844
Tangible and Intangible Assets	279	(76)	0	203
Investments	(1,623)	0	(6,162)	(7,785)
Contract Assets	(34)	320	0	286
Recognized tax losses	844	477	0	1,321
Provision for staff indemnities	22	2	(1)	23
Other Provisions	778	24	0	802
Accrued Income	0	(2,891)	0	(2,891)
Other	274	368	0	642
Total	**1,384**	**(1,776)**	**(6,163)**	**(6,555)**

35. TURNOVER

The turnover during the fiscal year 2018 in the attached financial statements is analyzed as follows:

Revenues from contracts with customer per segment

	GROUP	
1) Revenues from contracts with customer per segment	**1.1-31.12.2018**	**1.1-31.12.2017**
Revenues from construction services' segment		
Infrastructure Projects– Motorways	294,169	621,802
Industrial –Energy	650,671	273,333
Other services of construction services' segment	4,122	4,413
	948,962	**899,549**
Revenues of electric power energy production from RES		
Electric power energy production from wind parks and hydro-electric plants	204,088	171,712
Revenues from tax benefits (PTCs)	12,217	1,095
Other revenues of electric power energy segment from RES	31	216
	216,336	**173,024**
Revenues from real estate segment		
Revenues from real estate exploitation segment	9,186	2,677
	9,186	**2,677**

(Amounts in thousands Euro, unless otherwise stated)

Revenues from concession exploitation segment		
Revenues from motorways' tolls	143,859	31,066
Revenues from the construction of waste processing units and installation of a ticket system	30,972	42,747
Revenues from operation of ticket system	12,439	10,002
Other services from concession exploitation segment	9,714	4,880
	196,984	**88,695**
Revenues from industry segment		
Sales of industrial products - quarries	11,363	7,916
	11,363	**7,916**
Revenues from thermo-electric energy power production and trading of electric energy		
Trading of electric energy	19,702	13,623
	19,702	**13,623**
Revenues from Holding segment and other presented operating segments		
Other revenues of Holding segment	168	47
	168	**47**
Total revenues from contracts with customers	**1,402,700**	**1,185,531**

2)The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:

	GROUP	
	1.1-31.12.2018	**1.1-31.12.2017**
Transfer of goods and services at a specific time	457,860	290,396
Services rendered with the passage of time	944,840	895,135
Total turnover from contracts with customers	**1,402,700**	**1,185,531**

3) The time analysis of expected execution of a backlog of customer contracts is set out below (a) 749,827 in 2019 and (b) 867,683 for a period up to 2023.

4) The segment turnover breakdown by customer geographic area and operating segment is as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP						
	1.1-31.12.2018						
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Total**
Revenue of Construction Segment	837,233	50,930	60,799	0	0	0	948,962
Revenue of Electricity from RES Segment	147,823	0	0	23,271	45,242	0	216,336
Revenue of Real Estate Segment	1,117	8,069	0	0	0	0	9,186
Revenue of Concessions Segment	196,984	0	0	0	0	0	196,984
Revenue of Industry Segment	1,011	0	0	0	0	10,352	11,363
Revenue of Electricity from thermal energy and HP trading	8,804	10,898	0	0	0	0	19,702
Revenue of Holding and other presented operating segments	168	0	0	0	0	0	168
Total	**1,193,139**	**69,897**	**60,799**	**23,271**	**45,242**	**10,352**	**1,402,700**

	GROUP						
	1.1-31.12.2017						
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Total**
Revenue of Construction Segment	798,565	11,479	89,506	0	0	0	899,550
Revenue of Electricity from RES Segment	127,049	0	0	20,778	25,197	0	173,024
Revenue of Real Estate Segment	1,713	963	0	0	0	0	2,676
Revenue of Concessions Segment	88,695	0	0	0	0	0	88,695
Revenue of Industry Segment	867	0	0	0	0	7,049	7,916
Revenue of Electricity from thermal energy and HP trading	4,447	9,176	0	0	0	0	13,623
Revenue of Holding and other presented operating segments	47	0	0	0	0	0	47
Total	**1,021,383**	**21,618**	**89,506**	**20,778**	**25,197**	**7,049**	**1,185,531**

(Amounts in thousands Euro, unless otherwise stated)

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

The cost of sales during the year 2018 in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Inventory cost-construction materials	605,197	314,033	2	348
Employee remuneration	63,474	68,920	870	909
Sub-contractors	175,803	278,250	174	1,574
Fees of civil engineers, technical consultants and other third parties	94,638	86,008	1,270	7,421
Other third-party expenses	12,817	8,871	163	188
Taxes-duties	14,009	8,991	105	108
Provisions	7,713	5,770	0	0
Transportation expenses	1,159	918	3	8
Lab audit expenses	516	802	0	18
Impairments of fixed assets	0	3	0	0
Depreciation	108,890	70,995	306	304
Litigation and other indemnities	1,445	176	0	0
Expenses concerning litigation cases	165	108	0	0
Operating leases	15,135	35,884	167	182
Insurance premiums	10,208	6,234	8	10
Transportation expenses	7,983	11,887	11	5
Repairs-Maintenance expenses	27,212	22,736	18	15
Auditors’ fees	149	308	2	0
Commissions and expenses	13,212	21,713	1,466	2,247
Net financial cost of projects	108	487	0	0
Net financial expenses and other supplies	123	87	0	0
Other	5,325	7,201	16	164
Total	**1,165,281**	**950,382**	**4,581**	**13,501**

The administrative and distribution costs during 2018 in the accompanying financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Employee remuneration	17,407	11,279	669	506
Fees of civil engineers, technical consultants and other third parties	22,775	16,594	1,004	571
Other third-party expenses	1,317	1,271	12	16
Travel expenses	1,101	704	252	31
Subscriptions and contributions	1,261	1,401	34	58
Promotion and advertising expenses	2,919	2,638	1,253	74
Depreciation	2,383	2,185	123	109
Impairments of fixed assets	387	0	0	0
Provisions	0	0	0	0
Repairs - Maintenance	1,233	595	3	60
Insurance Premiums	436	350	10	10
Auditors' fees	995	1,438	77	85
Remuneration of BoD	4,420	537	3,847	319
Operating leases	2,188	1,391	59	68
Taxes - Duties	1,406	1,761	142	250
Transport expenses	1,952	1,538	0	4
Expenses concerning litigation cases	308	22	217	0
Other	2,799	2,421	28	8
Total	**65,287**	**46,125**	**7,730**	**2,169**

The Research and Development expenses during 2018 in the accompanying financial statements are analyzed as follows:

	GROUP	
	1.1-31.12.2018	1.1-31.12.2017
Employee remuneration	244	175
Fees of civil engineers, technical consultants and other third parties	1,006	973
Other third party expenses	0	0
Depreciation	92	126
Taxes - Duties	21	11
Transportation expenses	21	18
Travel expenses	108	189
Insurance Premiums	7	10
Other	92	46
Total	**1,591**	**1,548**

(Amounts in thousands Euro, unless otherwise stated)

37. AUDITORS' FEES

	GROUP		COMPANY	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Total	**1,144**	**1,746**	**79**	**85**

For the year that ended on 31 December 2018, in the expenses of the fiscal year are included fees for the Group's statutory auditor of 37, that concern allowed non-auditing services (with the exception of statutory audit services and the tax compliance report).

38. OTHER INCOME/(EXPENSES)

The analysis of the other income/ (expenses) as of 31.12.2018 is presented in the following table:

	GROUP		COMPANY	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Results determining the EBIT:				
Amortization of grants on fixed assets	8,106	8,125	0	0
Other services	237	1,234	0	0
Income from rents	679	1,167	0	5
Operational support income of Motorway Concession	10,260	0	0	0
State's indemnities towards Motorway Concession company	10,338	4,188	0	0
Amortization of tax benefits (Note 24)	3,262	2,662	0	0
Charge of expenses	(105)	65	160	0
Interest on overdue obligations	(579)	(7)	(1)	(3)
Subsidies on expenses	653	1,909	0	0
Gains / (losses) from sale of fixed assets and inventories	719	348	0	(1)
Income from legal indemnities	38	0	0	0
Expenses related to insurance indemnities	(102)	(130)	0	0
Income from insurance indemnities	2,035	2,497	0	1
Other income	8,686	1,911	23	50
Collapse of guarantees of penal clauses	282	825	0	0
Valuation of Investment Properties (Note 10)	(4,770)	11,694	(1,520)	(730)
Taxes – duties	(2,685)	723	(182)	(14)
Depreciation not included in the cost	(349)	(351)	0	0
Operational support expense of Motorway Concession	(35,954)	(13,082)	0	0
Other expenses	(4,803)	(2,823)	(55)	(2)
	(4,053)	**20,957**	**(1,575)**	**(694)**

(Amounts in thousands Euro, unless otherwise stated)

Results determining the EBIT:				
Foreign exchange differences on payments	1,051	1,308	0	0
Foreign exchange differences on valuation	2,459	(9,310)	0	0
Impairments of fixed assets	(1,247)	(5,946)	0	0
Goodwill impairment (Note 7)	0	(6,576)	0	0
Recovery of impairments / Impairments of inventories	(3,601)	(1,772)	(1,125)	(166)
Other impairments and provisions	(1,678)	(476)	0	0
Earnings from elimination of liabilities	2,195	0	0	0
Recovery of impairments (Impairments / Write offs) of receivables	(366)	(3,982)	(458)	0
	(1,187)	**(26,754)**	**(1,583)**	**(166)**
Total other income / (expenses)	**(5,240)**	**(5,797)**	**(3,158)**	**(860)**

39. PROFIT / (LOSSES) FROM SALE OF PARTICIPATIONS

The subsidiary "ICON EOOD" of GEK TERNA, on 28.12.2018, proceeded to the sale of its total participation in the company under the name "I & B REAL ESTATE EAD" (hereinafter "I & B"). The sale of the above percentage (namely the total investment of 90%) was made for a total consideration of € 36.1 million, which was fully collected at the date of sale (note 44.3).
From the aforementioned transaction a profit of € 5,032 thousand was recorded for the Group. The amount of profit was calculated as the difference between the proceeds of disposal, net of transaction costs, and the fair value of the net assets at the date of sale at the Group level.
The book value of I & B's net assets at the date of sale is presented in the table below:

	Book Values at the date of sale
Non-current assets	72,712
Other current assets	1,911
Total assets	**74,623**
Long-term liabilities	36,816
Short-term liabilities	3,248
Total liabilities	**40,064**
Total equity	**34,559**
minus: non-controlling interests	(3,455)
Equity attributed to the owners of the parent company	**31.104**

Correspondingly, the calculation of the result of the transaction is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	Result from the sale
Book value of I&B REAL ESTATE EAD	31.104
Consideration less cost to sell	36.136
Gain from the sale	**5.032**

40. GAINS/(LOSSES) FROM VALUATION OF INTERESTS

The amount of losses from the valuation of interests for the Group and the Company in year 2018 is analyzed below:

	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Profit / (loss) from valuation of investments in equities (note 21)	(3,218)	(1,110)	(3,218)	(1,110)
Valuation of other investments	(9)	(2)	0	0
Gain from acquisition of HELLAS TOLLS	0	0	0	947
Loss from valuation/reverse of loss from valuation on interest in subsidiaries (note 11)	0	0	(4,923)	(8,100)
Loss of interest in joint ventures	0	0	(1,253)	(3,721)
	(3,227)	**(1,112)**	**(9,394)**	**(11,985)**

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 2018, the Company realized impairment losses from participation that are mainly related to the real estate operating segment and the motorway concessions, as it considers the possibility of reversing the losses included in the net positions of these companies to be very small.

41. GAINS / (LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INVESTMENTS

Income / (losses) on investments and other equity instrument are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Dividends of subsidiaries	0	0	1,912	4,335
Income from a subsidiary's capital return	0	0	22,470	2,161
Dividends on equity instruments	1.002	1.730	998	1,730
	1.002	**1.730**	**25,380**	**8,226**

(Amounts in thousands Euro, unless otherwise stated)

Subsidiaries' return on capital relates to the two share capital reductions with a corresponding reduction in the nominal value of each share, carried out by the subsidiary TERNA ENERGY.

42. FINANCIAL INCOME/(EXPENSES)

The financial income / (expenses) during the year 2018, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Interest on sight deposits	2,142	2,724	238	1
Interest on time deposits	671	457	0	0
Interest on loans	2,755	5,150	8,990	5,509
Profit from valuation of interest swaps	8,307	12,608	0	0
Income Discount Revenues	248	10,567	0	10,128
Other financial income	4,172	1,175	0	0
	18,295	**32,681**	**9,228**	**15,638**
Interest on short-term loans and guarantees	(6,430)	(4,891)	0	0
Interest on long-term loans	(76,236)	(56,599)	(14,395)	(12,189)
Interest and expenses of trade and other short-term liabilities	(1,064)	(176)	(885)	(159)
Interests on financial leasing contracts	(709)	(938)	0	0
Interest on grants to be returned	0	0	0	0
Bank commissions and expenses	(6,030)	(6,690)	(106)	(177)
Discounting of provisions	(899)	(733)	(1)	0
Financial cost tax equity investor	(12,627)	(2,796)	0	0
Expenses from interest rate swap contracts	(22,614)	(6,266)	0	0
	(126,609)	**(79,089)**	**(15,387)**	**(12,525)**
Total net	**(108,314)**	**(46,408)**	**(6,159)**	**3,113**

The increase in financial results is due both to the increase in financial expenses by 30 million from the incorporation of the results of the two concession companies for the entire 2018 (use in 2017 the results of the 4th quarter were incorporated) and 10 million from the increase in financial expenses of the operating sector of RES due to new borrowing as well as the reduction in financial revenues due to non-recurring transactions in 2017 ie discounting an obligation from the redemption of the concessions.

(Amounts in thousands Euro, unless otherwise stated)

43. PERSONNEL COST

Expenses for employee remuneration during the year 2018 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2018**
Wages and related employee benefits	66,203	62,344	1,215	1,131
Social security fund contributions	12,777	15,828	299	278
Provision for employee indemnities	2,145	2,245	25	6
Total	**81,125**	**80,417**	**1,539**	**1,415**

On 31.12.2018, the total number of the Group's headcount worldwide was 5.107, while on 31.12.2017 it was worldwide 5.581 people. On 31.12.2018, the Company's headcount was 17, while on 31.12.2017 it was 15.

44. BUSINESS COMBINATIONS - NON-CONTROLLING INTERESTS - CHANGES IN THE GROUP

44.1 Acquisitions of non-controlling interest within FY 2018

(1)Within the current FY, the Competition Committee, by its unanimous decision No. 673/2018, approved, pursuant to Article 8 paragraph 3 of Law 3959/2011, through the acquisition by the Company of the remaining percentage of their share capital previously owned by FERROVIAL SA. In its decision, the Commission considered that this concentration, although falling within the scope of Article 6 (1) of Law 3959/2011, does not generate significant doubts as to its compatibility with the competition operation in separate markets to which it relates. The above decision constitutes a prerequisite for the finalization of the agreement between GEK TERNA SA and FERROVIAL SA for the acquisition by the Company of 33.34% in CENTRAL GREECE MOTORWAY SA and 21.41% in NEA ODOS SA, in which case the company will now hold 100% in both concession companies. So that the final agreement could be signed, the approval of the transaction by the Greek State was also required as well as the approval of the transfer of the necessary funds to the seller FERROVIAL, in accordance with the current regulatory framework, taking into account the capital control procedures. In December 2018 the finalization of the agreement between GEK TERNA and FERROVIAL SA was announced. In particular:

On 11.12.2018, GEK TERNA paid a total amount of 61,768 to FERROVIAL, which is analyzed as follows: (a) an amount of 34,366 for the acquisition of the remaining 33,33% of NEA ODOS SA and (b) an amount of 27,402 for the acquisition of receivables of FERROVIAL SA from secondary loans with a nominal value amounting to 26,297. The total consideration of the transaction was paid in cash. Goodwill arising from the transaction in question amounting to 6.651 was written off directly in the Group's equity as a result of an increase in investment in the existing subsidiary. As a result of the transaction, the Group now holds 100% of the above subsidiary.

On the same date, GEK TERNA paid a total consideration of 21,350 to FERROVIAL, which is analyzed as follows: (a) an amount of 21,250 for the acquisition of the remaining 21,41% of CENTRAL GREECE MOTORWAY SA; and (b) an amount of 100 for the acquisition of receivables of FERROVIAL SA from secondary loans with a nominal value of 961. The total consideration of the transaction was paid in cash.

(Amounts in thousands Euro, unless otherwise stated)

Profit from the acquisition of non-controlling interests amounting to 4,532 was recognized directly in the Group's equity as a result of an increase in investment in the existing subsidiary. As a result of the transaction, the Group now holds 100% of the above subsidiary.

(2) On 11.12.2018, GEK TERNA acquired the remaining 21.41% of Hellas Tolls Joint Venture from FERROVIAL, paying the total consideration amounting to 2.180. The total consideration of the transaction was paid in cash.

(3)On 18/10/2018, GEK TERNA acquired the remaining percentage, i.e. 49%, of the subsidiary company GEK SERVICES SA, paying the total consideration of 1.286. Regarding the total consideration of the transaction, the amount of 600 was paid in cash, and the remaining amount of 686 - by check that matures on 15.1.2019. Goodwill arising from the transaction of 923 was written off directly in the Group's equity as a result of an increase in investment in the existing subsidiary. As a result of the transaction, the Group now holds 100% of the above subsidiary.

44.2 Business combinations within 2017

44.2.1 Acquisition of control in NEA ODOS SA within 2017 (former joint venture)

In the FY 2017, in particular, on October 1, 2017, GEK TERNA acquired an additional 21.4% in NEA ODOS SA, i.e. the total percentage of the Company amounted to 78.59% (until, 30.09.2017 the Company's participating interest in the company in question stood at 57.19% and the company was consolidated as an associate under the equity method). As a result of the aforementioned, the Company acquired full control of NEA ODOS AE, i.e. from 01.10.2017 and afterwards it consolidates it in the consolidated financial statements under the total consolidation method. NEA ODOS SA already provides motorway operation services to the Group.

In particular, on 01/10/2017, the parent company of the Group paid a total consideration of 43,846 to the Spanish IRIDIUM Group, which is analyzed as follows: (a) an amount of 24,997 for the acquisition of an additional 21,40% in NEA ODOS SA and (b) an amount of 18,848 to acquire IRIDIUM receivables from secondary loans of a nominal value of 26,007. Out of the total transaction consideration, an amount of 43,846, 29,848 was paid in cash and the remaining amount of 13,998 was agreed to be paid as follows: € 1,350 in 2018 and the remaining amount in installments from 2024 to 2028.

The final fair values of the acquiree's Statement of Financial Position, the total acquisition consideration (cost) and the arising final negative goodwill (profit) for the Group as at the acquisition date are as follows:

	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)

(Amounts in thousands Euro, unless otherwise stated)

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**
Acquisition cost as at acquisition date	**24,997**
Plus: Fair value of previously held percentage (57,19%)	133,310
Plus: Proportional percentage of non-controlling interest (21,41%) in the value of net assets as at the control acquisition date	49,907
Theoretical value of transferred consideration	**208,214**
Less: Fair value of net assets as at the control acquisition date (100%)	(233,100)
Negative Goodwill (acquisition profit)	**(24,886)**

In accordance with the aforementioned, the fair value of the acquired assets and liabilities was finally determined at the acquisition date and a negative goodwill has arisen amounting to 24,886 which was recognized in the consolidated Income Statement included in item “Income from acquisition of subsidiary” in FY 2017.

In addition, as mentioned above, at the acquisition date, Group held 57.19% of NEA ODOS SA. Upon the acquisition of the control, the previous percentage was measured at fair value and the following result for the Group has arisen:

Fair value of net assets at the acquisition date (100%)	233,100
Previously acquired percentage	57,19%
Fair value of previously acquired percentage as at 01.10.2017 **(a)**	133,310
Book value of the investment in the Group as at 01.10.2017 **(b)**	149,631
(Profit) /Loss from measurement of the percentage previously held by the Group **(a – b)**	**16,321**

Loss amounting to 16,321 was recognized, burdening the consolidated Income Statement, and was included in the item "Income form acquisition of subsidiary” in the consolidated Income Statement for FY 2017.

Cash outflow at acquisition of control:

Consideration paid	(29,848)
Plus: Cash available acquired	108,231
Net cash inflows / (outflows) under acquisition	**78,383**

(Amounts in thousands Euro, unless otherwise stated)

The aforementioned investment for the period from 01.01.2017 to 01.10.2017, was consolidated under the equity method and, therefore, the Group results for the comparative annual period ended as at 31.12.2017 include its share in the results of NEA ODOS SA for the above period and, in particular, profit amounting to 4.633. This amount is included in "Profit / (losses) from associates consolidated under the equity method" in the consolidated Income Statement based on the percentage held by Group until 30/09/2017 (i.e. 57,19%).

Earnings after tax of the aforementioned company for the period 01/10 - 31.12.2017 amounted to profit of 437. If the aforementioned company had been totally consolidated at the aforementioned percentage from 01.01.2017, additional profit of 8.789 would have been recognized.

With respect to the techniques used to measure the assets and liabilities acquired at fair value, see Note 47.

44.2.2 Acquisition of control in CENTRAL GREECE MOTORWAY SA in 2017 (former joint venture)

Within FY 2017, and in particular, on 1st October 2017, GEK TERNA acquired an additional 33,33% in CENTRAL GREECE MOTORWAY SA (hereinafter "E-65"), i.e. the total percentage of the Company stood at 66,66% (until 30.09.2017 the Company's participating interest in the company in question stood at 33.33% and it was consolidated as an associate under the equity method). As a result of the aforementioned acquisition, the Company acquired full control of E-65, i.e. from 01.10.2017 and onwards the company is consolidated in the consolidated financial statements under the full consolidation method. E-65 already provides motorway operating services to the Group.

In particular, on 01/10/2017, the Group’s parent company paid a total amount of 22,219 to the Spanish IRIDIUM Group, which is analyzed as follows: (a) an amount of 21,665 for the acquisition of an additional 33,33% in E-65 and (b) an amount of 555 for the acquisition of IRIDIUM receivables from secondary loans of a nominal value of 923. Regarding the total consideration of the transaction standing at 22,219, the amount of 11,216 was paid in cash and the remaining amount 11,003 was agreed to be paid in installments during 2024-2028 .

The final fair values of the acquiree's Statement of Financial Position, the total consideration (cost) of the acquisition and the Group’s final negative goodwill (profit) as at the acquisition date are as follows:

	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)
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**

(Amounts in thousands Euro, unless otherwise stated)

Acquisition cost as at acquisition date	**21,665**
Plus: Fair value of previously held percentage (33,33%)	24,831
Plus: Proportional percentage of non-controlling interest (33,33%) in the value of net assets as at the control acquisition date	24,838
Theoretical value of transferred consideration	**71,334**
Less: Fair value of net assets as at the control acquisition date (100%)	(74,500)
Negative Goodwill (acquisition profit)	**(3,166)**

In accordance with the aforementioned, fair value of the assets and liabilities acquired was finalized at the acquisition date and generated negative goodwill of 3.166, which was recognized in the "Income from acquisition of subsidiary" item of the consolidated Income Statement for FY 2017.

Furthermore, as aforementioned, at the acquisition date, the Group held 33.33% in E-65. Upon the acquisition of control, the measurement of the previous percentage was made at fair value and the following results for the Group were recorded:

Fair value of net assets at the acquisition date (100%)	74,500
Previously acquired percentage	33,33%
Fair value of previously acquired percentage as at 01.10.2017 **(a)**	24,831
Book value of the investment in the Group as at 01.10.2017 **(b)**	898
(Profit) /Loss from measurement of the percentage previously held by the Group	**(23,933)**

Profit 23.933 was recognized as follows: (i) an amount of 22,997 in the statement of comprehensive income due to the fact that the pre-existing effect was due to valuation of interest rate swaps which had been recognized in other comprehensive income in prior FYs; and (ii) an amount of 1,926 in favor of consolidated results, which was included in the "Income from acquisition of subsidiary" item of the consolidated Income Statement of FY 2017.

Cash outflow at acquisition of control:

Consideration paid	(22,219)
Plus: Cash available acquired	21,332
Net cash inflows / (outflows) under acquisition	**(887)**

The aforementioned investment for the period from 01.01.2017 to 01.10.2017, was consolidated under the equity method and therefore the Group results for the comparative annual period ended on 31.12.2017 include its share in the results of E -65 for the above period and specific profit amounting to 0. This amount is included in the "Profit / (losses) from associates consolidated under the equity method" of the Consolidated Income Statement based on the percentage held by the Group until 30/09/2017 (i.e. 33.33%).

Earnings after tax and non-controlling interests of the aforementioned company for the period 01/10 - 31.12.2017 amounted to profit of 10,647. If the aforementioned company had been fully consolidated at the above percentage from 01.01.2017, an additional profit of 32.195 would have been recognized.

(Amounts in thousands Euro, unless otherwise stated)

With respect to the techniques used to measure the assets and liabilities acquired at fair value, see Note 47.

In line with the aforementioned events, the table, presented below, shows the effect of non-controlling interests at the date of acquisition of control in the aforementioned subsidiaries in Equity as follows:

	NEA ODOS	CENTRAL GREECE MOTORWAY S.A.	Total
% Non-controlling interest	21,41%	33,34%	
Fair value of net assets as at the acquisition date	233,100	74,500	307,600
Non-controlling interest as at 01.01.2017	**49,907**	**24,838**	**74,745**
Less: Proportion of minority interest from secondary loan remaining with the Group	(25,926)	(924)	(26,850)
Non-controlling interest at initial acquisition of subsidiaries	**23,981**	**23,914**	**47,895**

44.3 Disposal of 90% of investment in I&B REAL ESTATE EAD (subsidiary of ICON EOOD)

On 28.12.2018, the agreement on disposal of 90% investment held by the Group, through its 100% subsidiary GEK TERNA "ICON EOOD" to I & B REAL ESTATE EAD, was finalized. The above disposal sale was performed versus a total consideration of 36,136, which was fully collected as at the date of the disposal. The result of this transaction is described in note 39. The subsidiary owned an investment property (multi-store office building) in Sofia. This company was included in the consolidated financial statements of the GEK TERNA Group with the full consolidation method. In the annual financial statements of 31/12/2018 the income statement of the aforementioned subsidiary (for the period 01/01-28 /12/2018) as well as the result of the sale have been included in the income statement and not separately as "Profit / (Loss) after tax from discontinued operations" as the subsidiary does not meet the criteria of IFRS 5 to be considered as a discontinued operation for the activities of the GEK TERNA Group.

As at 31.12.2018, the Group did not consolidate the data of the Statement of Financial Statements for I & B REAL ESTATE, through it included in the consolidated Income Statement the result from the operating activities of the company in question, i.e. profit after minority interest amounting to 3,050.

45. TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period ending on 31.12.2018 and 31.12.2017, as well as the balances of receivables and liabilities which have derived from such transactions on 31.12.2018 and 31.12.2017 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

Year 31.12.2018	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	11,217	3,697	136,808	12,6826
Joint Ventures	2,899	9,878	15,538	5,026	159	955	257	20
Associates	0	1	32	9	0	1	32	3

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

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 3,675 (3,227 in 2017) and 30 (230 in 2017) for the share capital increase of subsidiaries and joint ventures and associates respectively, while it owes to subsidiaries for the increase of their share capital amounts of 0 (3,030 respectively in 2017). It also granted loans of 53,510 (100 in 2017) to subsidiaries collected from loan repayments from subsidiaries 60,673 and 844 (150 respectively in 2017) from joint ventures, while it received loans of 85,298 (44,000 in 2017) from its subsidiaries.

Also, within the fiscal year, the Company received dividends of 25,380. (6,496 in 2017) from subsidiaries and the amount attributable to the Company 11,410 (6,496 in 2017) has been collected.

Similarly, for 2017 it received from repayments of subsidiary's share capital 15,724 and consortia 180 and the amount attributable to the Company of 15,724 has been collected. 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 31.12.2018 and 31.12.2017, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2018 and 31.12.2017 are as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2018	**1.1-31.12.2017**	**1.1-31.12.2018**	**1.1-31.12.2017**
Remuneration for services rendered	3,290	2,790	112	130
Remuneration of employees	345	375	44	44
Remuneration for participation in Board meetings	1,042	566	455	272
	4,677	**3.731**	**611**	**446**

Liabilities	366	694	10	54
Receivables	58	5	0	0

46. RISK MANAGEMENT POLICIES AND PROCEDURES

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 associates, 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.

(Amounts in thousands Euro, unless otherwise stated)

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:

	2018											
(amounts in euro)	**RON**	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Financial assets	177	18	1,171	9,681	20,082	46,755	490	2,678	39,049	2,471	12,245	10,146
Financial liabilities	(450)	(1,590)	(9)	(11,328)	(15,313)	(22,825)	(931)	(1,894)	(43,121)	(13)	(20,327)	(2,570)
Total current	**(273)**	**(1,572)**	**1,162**	**(1,647)**	**4,769**	**23,930**	**(441)**	**784**	**(4,072)**	**2,458**	**(8,092)**	**7,576**
Financial assets	3	0	0	261	14	1,105	90	0	37,687	0	114	10
Financial liabilities	0	(3,672)	0	(5,138)	(172)	(396)	0	0	(354,920)	0	(33,691)	0
Total non-current	**3**	**(3,672)**	**0**	**(4,877)**	**(158)**	**709**	**90**	**0**	**(317,233)**	**0**	**(33,577)**	**10**

	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**

(Amounts in thousands Euro, unless otherwise stated)

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.

2018	RON	ALL	MKD	AED	QAR	BHD	IQD	SAR	USD	LYD	PLN	RSD
Effect on Net earnings	0	0	0	0	0	0	0	3	351	0	15	0
Effect on other comprehensive income	(1,756)	936	289	(2,689)	(2,063)	1,454	(448)	177	(37,910)	(4)	(6,464)	(4,837)

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)

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 31.12.2018, 45.45% of the Group's total depth bares floating interest rate (stable spread) and the remaining 55.55% is settled at a fixed interest rate. In addition, 34,53%, € 591,612 (35.71%, € 616,431 at the end of the previous year) of long-term borrowings are covered by cash flow hedges against 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% (2017: +/-20%). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2018		**2017**	
	+20%	-20%	+20%	-20%
Net earnings after income tax (from interest bearing liabilities)	(218)	218	(190)	190
Net earnings after income tax (from interest earning assets)	86	(86)	120.8	(120.8)

The Group is not exposed to other interest rate risks or price risk of securities whose price is traded on a financial market.

(Amounts in thousands Euro, unless otherwise stated)

ANALYSIS OF CREDIT RISK

The credit risk exposure of the Group is limited to financial assets which are as follows:

	2018	2017
Receivables from derivatives	171,925	1,310
Cash and equivalents	523,242	642,227
Loans and receivables	740,972	546,966
Total	**1,436,139**	**1,190,673**

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.
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 2018 is analyzed as follows:

	0 to 12 months	2 to 5 years	Over 5 years
Long-term Debt	145,575	552,276	1,015,512
Liabilities from financial instruments	22,287	73,637	64,466
Liabilities from finance leases	5,335	6,547	0
Liabilities from derivatives	0	5,540	3,734
Short-term Debt	125,421	0	0
Suppliers	285,927	0	0
Other liabilities	77,278	0	0
Total	**661,823**	**638,000**	**1,083,712**

(Amounts in thousands Euro, unless otherwise stated)

The respective maturity of financial liabilities for 31st December 2017 was 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 above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the balance sheet date.

47. 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:

	2018	2017
Non-current assets		
Financial assets from concessions	36,930	26,463
Other Long-term financial assets	88,629	81,416
Financial assets at fair value - Investments available for sale	0	47,461
Investments in equities – Fair value via other comprehensive income	48,135	0
Financial assets at fair value - Derivatives	154,607	182,091
Total	**328,301**	**337,431**
Current assets		
Financial assets at fair value – Investments available for sale	0	2,126
Financial assets at fair value – Financial assets at fair via the results	1,264	3,069
Trade receivables	294,435	193,143
Receivables from contracts with customers	209,263	151,366
Financial assets at fair value – Short-term part of receivables from derivatives	17,318	0
Other short-term financial assets	111,715	91,384
Cash and cash equivalents	523,242	642,227
Total	**1.157.237**	**1.083.315**

(Amounts in thousands Euro, unless otherwise stated)

	2018	2017
Non-current liabilities		
Loans - Financial liabilities at amortized cost	1,567,788	1,221,097
Loans from financial leases - Financial liabilities at amortized cost	6,547	11,692
Derivatives - Financial liabilities at fair value	177,531	200,975
Liabilities from financial instruments – financial liabilities at amortized cost	138,103	134,263
Other long-term liabilities - Financial liabilities at amortized cost	15,737	71,071
Total	**1,905,706**	**1,639,098**
Current liabilities		
Loans - Financial liabilities at amortized cost	276,331	482,039
Suppliers - Financial liabilities at amortized cost	285,927	243,239
Liabilities from financial instruments – financial liabilities at amortized cost	22,287	25,107
Short-term part of liabilities from derivatives	21,311	0
Accrued and other liabilities - Financial liabilities at amortized cost	77,278	36,429
Total	**683,134**	**786,814**

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The hierarchy of financial assets and liabilities measured at fair value is as follows:

- 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 31.12.2018 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)
Non-listed shares (equity investments)	3	48,135	0	606
Listed shares (Financial assets at fair value through results)	1	1,129	(3,410)	-
Mutual Funds (Financial assets at fair value through results)	1	135	(35)	-
Receivables from embedded derivatives and other derivatives	3	171,300	8,300	(52)
Receivables from cash flow hedging derivatives (IRS) and other derivatives	2	625	-	289
Liabilities from cash flow hedging derivatives (IRS) and other derivatives	2	(198,842)	(2,749)	(4,522)

(Amounts in thousands Euro, unless otherwise stated)

The respective amounts on 31.12.2017 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)
Non-listed 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)	1	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

Derivative financial instruments are classified in level 2, since the fair value measurement is made by reference to the market interest rate curves.

	31.12.2018		
	LEVEL 1	**LEVEL 2**	**LEVEL 3**
Starting balances	**5,195**	**(199,664)**	**228,241**
Impact of shares quoted on the stock market (available-for-sale investments)			
- (Sale) or purchase	-	-	-
- Profit / (Loss) from sale	-	-	-
- Valuation effect	-	-	-
Listed shares (Investments held for trading purposes)			
- (Sale) or purchase	(486)	-	-
- Profit / (Loss) from sale	(227)	-	-
- Valuation effect	(3,183)	-	-
Non-listed shares (available for sale)			
- (Sale) or purchase	-	-	68
- Profit / (Loss) from sale	-	-	-
- Valuation effect	-	-	606
Impact of mutual fund shares			
- (Sale) or purchase	-	-	-
- Profit / (Loss) from sale	-	-	-
- Valuation effect	(35)	-	-
Impact of Cash Flow Hedging Derivatives			
- Impact of full consolidation of concessions	-		-
- Collection of an amount stemming from an embedded derivative based on the concession contract (note ...)	-		-
- Impact of embedded derivative valuation	-		5,918

(Amounts in thousands Euro, unless otherwise stated)

- Impact from receipt			(18,702)
- Impact from payment	-	9,692	-
- Impact on the other comprehensive income from valuation of derivatives	-	(4,522)	(52)
- Transfers	-	(974)	974
- Loss from sale	-	-	-
- Profit from sale	-	-	-
- Impact from IRS valuation	-	(2,749)	2,382
Closing balances	**1,264**	**(198,217)**	**219,435**

	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 trading 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**

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:

(Amounts in thousands Euro, unless otherwise stated)

	Fair value of investment 31.12.2018	Fair value calculation method	Other Information
Receivables from embedded derivatives	171,300	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	277	Equity method at fair values	Fair value of equity on 31.12.2018
ABIES SA	319	Equity method at fair values	Fair value of equity on 31.12.2018
EUROTERRA SA	4,552	Equity method at fair values	Fair value of equity on 31.12.2018
EUROSAK SA	768	Equity method at fair values	Fair value of equity on 31.12.2018
OLYMPIA ROAD	35,889	Discounted dividend yield method	Cost of Capital 9.7%-12.9% Cost of debt 5.2%
OLYMPIA ROAD OPERATION	6,244	Discounted dividend yield method	Cost of Capital 9.7%-12.9% Cost of debt 5.2%
OTHER INVESTMENTS	86	Equity method at fair values	Fair value of equity on 31.12.2018
TOTAL	**219,435**		

Level 2 investments concern investments in hedging derivatives. These investments are analyzed as follows:

	Fair value of investment 31.12.2018	Fair value calculation method	Other Information
Receivables / (Obligations) from Interest Rate Swap Derivatives (IRS)	(198,217)	Valuation by credit institutions: BBVA, EUROBANK, FORTIS, NOVO, PIRAEUS, STANTANDER combined with an internal valuation using interest rate curves	
TOTAL	**(198,217)**		

Level 1 investments are equity and mutual fund investments. These investments are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	Fair value of investment 31.12.2018	Fair value calculation method	Method data
Shares of mutual funds	135	Closing price 31.12.2018	-
Shares of Attica Bank	289	Closing price of ASE 31.12.2018	-
Piraeus Bank shares	840	Closing price of ASE 31.12.2018	-
TOTAL	**1,264**		

48. 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.

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 2018 and 2017 was as follows:

	2018	2017
Interest bearing debt	1,850,666	1,726,305
Equity investments equivalent to financial liabilities	160,390	159,370
Minus:		
Cash and Cash equivalents	(523,242)	(642,227)
Adjusted Net Debt	**1,487,814**	**1,243,448**
Equity	728,998	768,155
Grants	162,000	164,211
Adjusted Equity	**890,998**	**932,366**
Leverage ratio	**59,89%**	**74.98%**

49. CONTINGENT LIABILITIES AND ASSETS

The tax liabilities of the Group are not definitive as there are unaudited tax years, which are analyzed in note 5 of the Financial Statements of the year ending on 31.12.2018. For the unaudited tax years there is the possibility of imposing additional taxes and surcharges at the time when they will be examined and finalized. The Group makes an annual estimate of the contingent liabilities that are expected to arise from the tax audit of past years, making relevant provisions were deemed necessary. The Group has made provision for unaudited tax years of 3,460 (31.12.2017: 3,460).
Management considers that, in addition to the provision made, any tax amounts that may arise will not have a material impact on the Group's, Company's and Company's equity, results and cash flows.

1. Tax Compliance Certificate

For the years 2011 and until 2015, the companies of the Group operating in Greece and meeting the relevant criteria for tax auditing by the Certified Public Accountants have received a Certificate on Tax Compliance according to par. 5 of article 82 of Law 2238/1994 and Article 65A paragraph 1 of Law 41174/2013, without any substantial differences. It should be noted that, according to Circular POL. 1006/2016, the companies which have been subject to the above special tax audit are not exempted from the regular tax audit by the competent tax authorities.
Furthermore, according to the relevant legislation, for the years 2016 onwards, the audit and issue of the Tax Compliance Certificate is valid on a voluntary basis. In this context, a tax compliance certificate for the year 2016 was received by the parent company and the Greek subsidiaries of the renewable energy sector. Similarly for the same companies, the special audit for the issuance of the Tax Compliance Certificate for the year 2017 is in progress and the relevant tax certificates are to be issued after the publication of the financial statements of 31.12.2018. At the end of the tax audit, Management does not expect significant tax liabilities to incur other than those recorded and reflected in the Group's and Company's financial statements. It should be noted that, according to the issues mentioned in the Circular POL. 1192/2017, the right of the State for a tax charge up to and including the year 2012 has lapsed unless the specific provisions on 10-year, 15-year and 20-year limitation periods apply.

2. Commitments from construction contracts

The backlog of the construction contracts of the Group amounts to 1,6 billion on 31.12.2018. Under these commitments, the Group has issued letters of guarantee at an amount of EUR 1,017 million, compared with € 1,374 million in the previous period.
Upon the temporary delivery of the Megalopolis V AHS B Unit and in particular by the signed Interim Receipt Protocol of August 28, 2018, there are recorded between the Customer and the Contractor, by each other receivables of approximately 60 million and for the settlement of these disputes, the envisaged contractual procedure will be followed.

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 31.12.2018 provisions of 5,143 for litigations (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 postponed for 5.12.2019.
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. The date on which this action will be discussed was also set on 05.12.2019. 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 postponed for 17/1/2019. 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.

<u>TERNA ENERGY AI GIORGIS SA</u>

Lawsuit was filed against Panama domiciled company SILVER SUN SHIPPING S.A., which also operates office premises in Greece, regarding tort law payment of € 18.514 k in compensation of loss and adverse effect of profits suffered by the Company due to damage. On 13/3/2018, decision No. 1291/2018 was issued justifying a part of the lawsuit, and the Company is to receive an amount of € 12.034 from the beginning of 2017. Since the aforementioned decision established that the Company was co-responsible for damage at a percentage of 35%, the Company has appealed to the Three-Member Court of Appeal of Piraeus against the decision No. 1291/2018, settled for hearing on 15/11/2018. On the same date, the appeal, made by the opponent against the decision No. 1291/2018 was also to be heard. According to the Company’s legal consultants, the appeal filed by the Company is expected to be accepted, though the appeal made by the opponent is expected to be rejected.

At the same time, the Company has filed a lawsuit against the insurance company under the title UK PROTECTION & INDEMNITY CLUB (UK P & I CLUB), requesting the defendant insurance company to pay to its member Company under the title SILVER SUN SHIPPING SA an amount of € 18.514 k. The lawsuit was heard on 19/10/2017 and the decision No. 1394/2018 was issued rejecting the lawsuit. The Company's legal consultants are examining the actions in respect of potential appeal.

4. Developments of competition procedures

Our Company, its subsidiaries TERNA and Terna Energy as well as almost all Hellenic Construction Companies and a significant number of foreign companies were audited by the Hellenic Competition Commission (HCC) on its own initiative, regarding actions thereof, which could be considered as leading to violation of the respective rules.

Further, our Company and its above subsidiaries, pursuant to article 25a of Law 3959/2011 and the decision with no. 628/2016 of HCC (Plenary Session) and following considerable concern, submitted, on the grounds of an apparent corporate interest and in order beneficial provisions of article 25A and 14 par. 2 case (id)(ee) of Law 3959/2011 and the decision with no. 628/2016 of HCC, regarding the terms, conditions and procedure for resolving disputes in cases of horizontal partnerships in violation of Article 1 of Law 3959/2011 and/or Article 101 of the Treaty on the Functioning of the European Union, request to be subject to the prescribed disputes settlement procedures, ie in a consensual resolution process.

On 03.08.2017, the decision with no. 642/9.3.2017 of the HCC was served to the Company and its subsidiaries TERNA and TERNA ENERGY, whereby a. It was ascertained that no legal violations of Art. 1 of Law 3959/2011 for the Company and TERNA ENERGY were established and no fine and/or penalty is imposed and b. a fine of Euro 18,612 is imposed on the subsidiary company TERNA SA for violation of article 1 of Law 3959/2011 and article 101 of TFEU (for the period from 11.05.2005 to 04.01.2007 and from 04.06.2011 to 26.11.2012).

The settlement procedure for the subsidiary TERNA was finalized and the amount of the fine amounted to Euro 18,612, which was paid in full within 2018. It is noted that according to the provisions of art. 44 par. 3 of Law 3959/2011, as in force, full payment of the fine results, among other things, in total exemption from any other administrative sanctions, which undoubtedly includes the administrative exclusion from ongoing and future tendering procedures of article 74 of Law 4412/2016 for the award of public contracts for a reasonable period of time with a maximum exclusion period.
Furthermore, in article 73 of Law 4412/2016, the provisions of Article 57 of Directive 2014/24 were incorporated in Greek law, providing for the grounds for exclusion from participation in the public procurement process.

The grounds for exclusion, which include as reason the conclusion of agreement with other entities to distort competition have been established by the Community legislator as potential (optional) and is left to the National Legislator's discretion, whether such (National Legislator) shall render such mandatory for the awarding authority or not.
Within the frame of the abovementioned discretion, the Greek Legislator opted not to require awarding authorities to provide that their respective tenders, the optional grounds for exclusion; as a result, provision of such grounds for exclusion remains with each awarding authority.

Also, by adding of paragraph 10 in article 73, the Greek legislator inserted in the provisions of article 73, which determine the conditions and procedure for the exclusion of an economic operator from a particular tender procedure (by decision of the body which conducts such), a provision, which determines the period of time during which application of the compulsory grounds for exclusion and the potential (respectively) grounds for exclusion is considered (3 years from the date of the relevant event), provided though that the exclusion period has not been set by an irrevocable decision.
Based on the wording of that paragraph, the three-year period within which examination of the potential grounds commences from the time of infringement (consequently, according to the above provisions, the respective period for TERNA has lapsed as from 26.11.2015).
The above statement, on a common acceptance and understanding basis, was also reflected in the European Single Procurement Document (ESPD) in the tender procedures.
On October 2018, decision with no. C-124/17 of the CJEU was issued, which is alleged to rule that, in case sanctions have been imposed by a decision of the competent Competition Authority, the exclusion period of three years from the procedures for the award of public contracts commences on the date of the decision imposing the sanctions.
The above development created new facts and relevant consideration, in clear distinction between situations, which the authorities and economic operators reasonably supported in relation to the timing/commencement of the above ground for exclusion, as explained above, and the related statements in the ESPD.

At the level of court rulings of the Supreme Court, the above critical issue has not yet been definitively settled; the Group, in view of its interest and the protection of its shareholders and the retail investors, monitors and participates in court proceedings for pending tenders, in which TERNA SA has participated either before or after the issuance of the CJEU decision.
Regardless of the above, we need to note that there is no automatic ground for exclusion from tender procedures, but the awarding authority ought to, according to the provisions of article 73 par.7 of Law 4412/2016 to request the candidate to provide evidence, showing that the measures he has adopted are adequate to prove his credibility, and should such be considered to be sufficient, the above ground is lifted; otherwise the candidate is excluded and in case such is also declared as temporary contractor, his offer is rejected and the participation letter of guarantee is forfeited.
Needless to note that the Group and its companies, as well as TERNA, have voluntarily adopted a series of compliance and remedial measures, which are constantly evolving and updated, which demonstrates their credibility and solvency as defined in article 73 par. 7 of Law 4412/2016.

50. EVENTS AFTER THE BALANCE SHEET DATE

On 05.02.2019, the Concession Company under the name “INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.” was established and at a later stage, on 21.02.2019, it signed a Concession Agreement with the Greek State. The Agreement has been filed for approval in the Parliament by the Greek State and once it is validated the starting date of the Concession will be released.
In this concession company participates the subsidiary of the Group, TERNA SA in a joint venture with GMR Airports Limited with 90% and 10% respectively. It is noted that after the concession start date and according to the concession agreement, participation rates will be set at: TERNA 32,46% and GMR Airports Limited 21,64%, as well as the Greek State with 45,9%.

On 8/3/2019, TERNA SA, subsidiary of GEK TERNA Group, forming a joint venture with J&P AVAX (J&P AVAX – TERNA JV-MEDITERRANEAN CITY OF DREAMS) and with participation stake of 40%, signed an agreement valued at EUR 270 million with the company ICR CYPRUS RESORT DEVELOPMENT CO LIMITED concerning the construction of a thematic park and casino of a total area of 96,000 m2 and with a timetable of 30 months in terms of completion.

The Group via its subsidiary TERNA ENERGY agreed to acquire a wind park in Texas, USA, with a nominal capacity of 200MW, valued at USD 310 million, which has been already operating for 15 months.

THE CHAIRMAN OF THE BOARD & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN
GEORGIOS PERISTERIS	CONSTANTINOS VAVALETSKOS
THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
CHRISTOS ZARIBAS	NIKOLAOS VALMAS

REPORT ON USE OF FUNDS RAISED

GEK TERNA SOCIETE ANONYME
HOLDINGS REAL ESTATE CONSTRUCTIONS General Commercial Registry No. 253001000
(former S.A. Reg. No. 6044/06/B/86/142)
Report on funds raised from Issuance of Common Bond Loan Program
For the period from 10/04/2018 till 31.12.2018

The Board of Hellenic Capital Market Commission, approved at 21/03/2018 the Company's Prospectus for issuance of Common Bond Loan Public offering by cash payment and the admission to trading on the Athens Stock Exchange of up to 120,000 common anonymous bonds of total amount of 120,000,000 euros. After the end of the vesting period, the above issue was fully covered. The issue price of the Bonds was set at € 1,000 each, ie 100% of its nominal value. The characteristics of this loan are as follows: (a) The bond yield is 3.95% and is constant over the lifetime of the loan. (b) Interest is settled on semi-annual 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 the completion of the Public Offering on 29/03/2018, 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 bonds of the Company were a nominal value of € 1,000 each and raised funds of € 120,000,000. The distribution of the issued bonds is as follows: 78.000 Bonds (65%) of the total issued bonds were distributed to private Investors and 42.000 Bonds (35%) of the total issued Bonds were distributed to Special Investors.

Based on the above, it is disclosed that an amount of € **117.097** thousand, ie the amount of € 120.000 thousand, drawn in cash from the coverage of the COD by holders of pre-emptive and pre-subscription rights, minus € 2.903 thousand, which relates to issue costs, on 31.12.2018 as follows:

(Amounts in thousands Euro, unless otherwise stated)

	The amount raised	The Way the Funds Raised were Distributed under the Bulletin Objectives	Allocation of Funds Raised Distribution under the Bulletin Objectives	Total Distributed Funds in the period from 10/04/2018 to 31/12/2018 inclusively	Non-distributed balance as at 31/12/2018
Total funds raised	120.000	Within 2 months from collecting funds raised (A) Direct distribution of an amount of €64.642.734 for partial repayment of as of 01/12/2017 bank bond loans standing at € 193.947.597.	64.643	64.643	0
		Within 3 years (2018-2020) (B) The amount of €52.454.666 will be used in the following way:	52.454	27.194	25.260
		(i) by the issuer or through intragroup borrowings of Share Capital Increase (SCI) In its subsidiaries to finance new or effective investments	26.227	967	25.260
		- up to 70% for direct or indirect (through SCI or/and borrowings, which, as at maturity, will be converted to SCI) participation in construction projects performed by PPP or concession arrangements	Up to € 18.359 k	345	
		- up to 20% for participating in SCI of TERNA MAG S.A.	Up to € 5.245 k	0	
		- the remaining amount for financing (through SCI or/and borrowings, which, as at maturity, will be converted to SCI) investments in the other domains of the opertaions perfomed by the companies and legal entities, in which the Issuer participates	Remaining € 2.623 k	622	
CBL issue expenses	(2.903)	(ii)to cover the Company's needs in working capital, inducting a reduction in bank borrowing	26.227	26.227	0
Total	**117.097**	**Total (A + B)**	**117.097**	**91.837**	**25.260**

Notes:

The amount of € 345 thousand in participation in a share capital increase in the subsidiary company PLATANOU KIFISIAS PLANT AE. The amount of € 622 thousand relates to borrowing and participation in a share capital increase in the subsidiary IOANNINON ENTERTAINMENT DEVELOPMENT S.A

The unallocated funds of the COD of 25.260 are included in the account of Statement of Financial Position 31/12/2018 "Cash Available" and are deposited in bank accounts of the Company

THE CHAIRMAN OF THE BOARD & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN
GEORGIOS PERISTERIS	CONSTANTINOS VAVALETSKOS
THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
CHRISTOS ZARIBAS	NIKOLAOS VALMAS

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Report on the findings arising from the performance of Agreed Upon Procedures in connection with the Report on Use of Funds Raised
(This report has been translated from the Greek Original Version)

To the Board of Directors of «GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS»

As in compliance with the assignment we received from the Board of Directors of GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS (the "Company"), we have performed the following agreed upon procedures in the framework of the provisions of the Athens Stock Exchange regulatory framework and the relevant legislative framework of the Capital Market Commission regarding the Report on Use of Funds Raised of the Company concerning the issue of a Common Bond Loan, which was conducted on 29/03/2018. The Management of the Company is responsible for the preparation of the aforementioned Report according to the applicable regulations of the Athens Stock Exchange and the Capital Committee and according to the Prospectus of 29/3/2018.
We have performed this work according to the International Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. Our responsibility is to perform the following agreed-upon procedure and to report our finding to you.

Processes

1. We examined the consistency of the Table of Raised Funds per Investment Sector contained in the Report with that mentioned in the Prospectus issued by the Company on March 29, 2018.
2. We compared the amounts referred to as "Total amounts of capital proceeds which were paid during the period 10/04/2018 - 31/12/2018”, with the corresponding amount recognized in the basic accounting records of the Company up to 31st December 2018.
3. We examined whether the raised funds from the Bond Loan were allocated from the date of raising the funds up to 31st December 2018 according to their intended use, based on the information in the prospectus of March 29, 2018 in paragraph 4.1.2, by examining documents on a sample basis that support the relevant accounting entries.

Findings

1. We have determined that the content of the Report complies with the Prospectus, issued by the Company on March 29, 2018.
2. The amounts which are referred to as the “Total amounts of capital proceeds which were paid during the period 10/04/2018 - 31/12/2018” of the Report agree corresponding amount recognized in the basic accounting records of the Company up to 31st December 2018
3. The proceeds of the bond loan were allocated up to 30 June 2018 according to their intended use, is based on the information in the prospectus of March 29, 2018 in paragraph 4.1.2, by examining relevant documents on a sample basis that support the relevant accounting entries.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance except as discussed above. Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Use Limitation

This report is addressed exclusively to the Board of Directors of the Company in the context of compliance with its obligations regarding the effective regulatory framework of Athens Stock Exchange. Consequently, this report shall not be used for any other purpose as it is limited to what is referred to above and is not extended to the separate and consolidated Financial Statement of Company for FY ended as at December 31st, 2018, for which we issued the separate Auditor's Report as at April 24th, 2019.

Athens, 24th April 2019

The Certified Accountant Auditor

Dimitra Pagoni

SOEL Reg. No 30821

Grant Thornton
An instinct for growth™

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