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 2020

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

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I. 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 Chairman, Executive member of the Board of Directors

STATE THAT

To the best of our knowledge:

a. The attached separate and consolidated Financial Statements of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period from January 1st 2020 to December 31st 2020, prepared in accordance with the effective International Financial Reporting Standards reflect in true manner the Assets and Liabilities, the Shareholders' Equity and the Total Comprehensive Income of the Company, as well as of the companies included in the consolidation in aggregate, and

b. The Board of Directors' Report presents in true manner the developments, the performance and the position of the Company, as well as of the companies included in the consolidation in aggregate, including the description of main risks and uncertainties they are facing.

Athens, April 27th 2021

Chairman of the BoD &
Chief Executive Officer

Georgios Peristeris

Vice Chairman	Vice Chairman
Apostolos Tamvakakis	Constantinos Vavaletskos

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II. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FY 2020 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Dear Shareholders,

Pursuant to the provisions of Law 4548/2018 as well as Law 3556/2007 article 4 paragraph 2c, 6,7 & 8 of the decisions issued thereon 8/754/14.04.2019 of the Board of Directors of the Hellenic Capital Market Commission and the Company's Articles of Association, we are hereby submitting to you the Annual Report of the Board of Directors for the closing year from 01.01.2020 to 31.12.2020.

This report contains financial and non-financial information regarding GEK TERNA Group, for 2020 and describes the most significant events that took place during as well as after the reporting period of the financial statements. Moreover, the report outlines the key risks and uncertainties the Group may face in 2021 and records significant transactions between the Company and its related parties.

A. Financial Developments and Performance in FY 2020

As a result of the rapid spread of COVID-19 from mid-February 2020, in March 2020, the World Health Organization (WHO) declared the pandemic. In the context of public health protection, a lot of countries have adopted extraordinary, temporary and costly restrictive measures and - at the same time - many countries have required that companies should limit or even suspend their regular business operations.

In particular, the Greek Government, in an effort to restrict disease cases and death rates low to the point, where a large percentage of the population could be vaccinated, has taken stricter measures than in other European countries, taking repeated restrictive measures in the segments of tourism, trade, catering and entertainment.

Taking these restrictive measures to address the pandemic, has led to a significant decline in the domestic economic activity. In order to support the employees and the affected companies, the Greek Government applied fiscal measures through combined actions to safeguard employment and suspension of payments, i.e. measures that reduced the adverse impact on the real economy. All these restricted measures resulted in a recession in the Greek Economy of 8.2% for 2020, according to the Bank of Greece, while at the Eurozone level the economy recorded decrease by 6.6%.

The global impact of the pandemic has resulted in the European Union being forced to approve Euro 1,824 billion in funding to help its members deal with the effects of the COVID-19 pandemic on the European economy. Greece is expected to raise Euro 72 billion, Euro 31 billion through Recovery and Resilience Facility (Euro 18 billion in the form of grants and Euro 13 billion in the form of loans) and Euro 40 billion through the Cohesion Fund NSRF for the period 2021-2027.

Section D, "Risks and Uncertainties" and in particular, the subsection (2) "*Public Health Crisis caused by Coronavirus Pandemic (COVID-19)* " of the Annual Report, analytically present the effects of the COVID-19 health crisis on the major operating segments of the Group.

Despite the unfavourable environment, GEK TERNA Group, following its intense investment activity during the multi-year financial crisis, implemented its investment program seamlessly (mainly in the segments of Renewable Energy Sources and Concessions), as its capital structure remains strong, while its presence outside Greece remains significant (South East Europe, Middle East and USA).

The main consolidated Financial Data for 2020 in accordance with the International Financial Reporting Standards compared to the corresponding financial data of 2019, are as follows:

Turnover to third parties from continuing operations amounted to Euro 971 million, compared to Euro 1,156 million in 2019, recording a decrease of 16% mainly due to the decline in Turnover in the Construction and Concessions Segment.

EBITDA including non-cash items (adjusted EBITDA), amounted to Euro 306.3 million in 2020 and Euro 285.1 million in 2019, recording an increase of 7.4%.

Earnings before taxes from continuing operations amounted to Euro 71.4 million, compared to Euro 77.8 million in 2019, decreased by 8.2%, adversely affected by increased financial expenses and changes in the valuations of financial instruments.

Earnings after taxes and non-controlling interests amounted to Euro 12.5 million, compared to Euro 23.5 million in 2019.

As at 31.12.2020, the Group's Net Debt (cash and cash equivalents less loan liabilities) amounted to approximately minus Euro 1,317 million, compared to minus Euro 1,437 million on 31.12.2019. This change is mainly due to the reduction in loan obligations of the Energy Operating Segment.

As at 31.12.2020, the Group's Total Assets amounted to Euro 4,636 million, compared to Euro 4,309 million on 31.12.2019.

Section "*B. Significant Events for the period 01.01 - 31.12.2020*" analytically presents the significant events occurred within the period as well as the key financial performance of the operating segments.

B. Significant events in FY 2020

The following significant events took place in 2020:

- In January 2020, the subsidiary TERNA S.A. received financing from banking institutions, totaling Euro 42 million, Euro 39 million of which has been allocated to the increase in the share capital of the affiliated company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. based on the terms of the Concession Agreement.

- GEK TERNA SA, as a member of INSPIRE ATHENS, was disclosed the decision of the independent administrative authority "Hellenic Gaming Commission (HGC)", along with the Minutes of the

Tender Committee for the concession of a wide-range activities Casino Operating License (EKAZ) in the Hellinikon - Agios Kosmas Metropolitan Pole. The decision pertains to the results of the evaluation phase of the Bidders' Entry Documents. Under the aforementioned decisions, (as announced in the official Press Release of the HGC issued on 20.01.2020), the Bid submitted by SHRE/SHRI, LLC, has been rejected and the Bid, submitted by INSPIRE ATHENS, comprising "MGE Hellinikon BV", "Mohegan Gaming Advisors, LLC" and "GEK TERNA SA" has been accepted.

Following the aforementioned decision, on 30.01.2020, the company "SHRE/SHRI LLC" filed preliminary appeal to the Authority for the Examination of Preliminary Appeals(hereinafter, "AEPP"). The preliminary appeal of the applicant was rejected following no. 10/2020 decision of AEPP. "SHRE / SHRI LLC" protested against the above decision to the Council of State, under no. 69/2020 application for suspension of execution and issuance of a temporary order for suspension of execution, which was rejected under no. 72/2020 decision of the Committee of Suspensions of the CoS (Plenary Session). SHRE / SHRI LLC also filed an appeal against the above decision of AEPP before the CoS (Plenary Session), which was heard on 03.07.2020. On 24.09.2020, the decision of the CoS No. 1819/2020 was published, according to which the appeal of SHRE / SHRI against the decision No. 10/2020 of the AEEP was rejected and is therefore now permanently excluded.

- On 06.02.2020, following the completion of the Prerequisites of the Concession Agreement, the Greek State issued the "License for Establishment and Construction of the New International Airport of Heraklion, Crete" to the company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. The above date is hereinafter the date of commencement of the concession. The project will be constructed entirely by the subsidiary TERNA SA. The contractual duration of the concession period is set at thirty-five (35) years from the date of commencement of the concession and includes a five-year design-construction period. It should be noted that after the commencement date and according with the provisions of the Concession Agreement, the participation percentages in share capital are formed as follows: TERNA S.A. 32.46%, GMR Airports Limited 21.64%, and Greek State 45.9%. The aforementioned percentages are in force since 06.02.2020.

- On 10.02.2020, the Group through the subsidiary TERNA ENERGY announced the donation of Euro 3.5 million to Hellenic Armed Forces.

  The subsidiary will fully cover the cost of study, design, and construction of all required works for the purposes of:

  (a) Turning 115 Military Airport (Souda) into a Net Zero Carbon Emissions facility.

  (b) Meeting the needs for electricity, heating and cooling facilities at the 115 Military Airport in Souda, 100% from Net Zero Energy Airport and 'electrify' transfers within the Airport.

  The 115 Military Airport in Souda will be one of the first installations in the world to receive the relevant certifications, while the annual benefit of fully discharging the Unit from the cost of electricity supply and heating needs, will exceed Euro 400 k. This way, the 115 Military Airport will make a significant contribution to addressing climate change and will be equipped with state-of-the-art intelligent energy management systems, without reducing its operational capacity.

For the implementation of the necessary works, the subsidiary will cooperate with the specialized company Easy Power.

The budget of the proposal exceeds Euro 3.5 million, while the time required for completion of the project is estimated to be approximately fifteen (15) months from the day of signing the relevant Donation Agreement with Hellenic Air Force (HAF) and its approval by a joint ministerial decision (KYA) of the Ministers of National Defense and Finance.

- On 10.02.2020, the subsidiary TERNA S.A. and the company "Development of Frangoklisia SA", signed an agreement on the development of a single office building in Frangoklisia, Attica. The contractual object amounted to Euro 3.5 million, which after the signing of a supplementary agreement on 29.09.2020 amounted to Euro 12.9 million and the duration of construction works is 14 months.

- On 26.02.2020, the Board of Directors of GEK TERNA S.A. decided to issue a 7 year maturity term common bond loan, amounting up to five hundred million Euro (Euro 500,000,000). The bonds were made available to the public in Greece and were listed in the fixed income securities category of ATHEX regulated market (the "Issuance").

  Through this Issuance and in the context of implementing its business plan during the following years, the Company seeks to finance further development of its Group, making a significant contribution to development and stimulation of the Greek economy and growth of the country's GDP. In particular, the funds raised from the Issuance (after deducting the Expenditure) will be mostly used to finance (through share capital increase and/or borrowings) existing and/or in progress and/or new investments of the Group in the operations related to concessions, infrastructure, and energy.

- On 12.03.2020, GEK TERNA S.A. informed the investors that treasury shares held by the Company directly, surpassed the threshold of 5%. The number of treasury shares held on 31.12.2020 amounted to 5,245,229, i.e. 5.0716% of the share capital. It is to be noted that the subsidiary TERNA S.A. owns 688,205 treasury shares, i.e. 0.6654% of the share capital and the subsidiary ILIOCHORA S.A. owns 616,835 shares, i.e. 0.5964% of the share capital and, therefore, the total number of treasury shares directly and indirectly held on 31.12.2020 stands at 6,550,229, i.e. 6.3335% of the share capital.

- On 19.03.2020, the Repeat Bondholders Assembly took place, according to the Invitation of the Bondholders of GEK TERNA CBL 2018 to Meeting dated 06.03.2020, pursuant to the Common Bond Loan Programme of an amount up to Euro 120,000,000 and Agreement on Appointment of the Bondholder Agent, dated 22.03.2018 ("CBL 2018 Programme"). The Repeat Assembly approved the relative amendments to the CBL 2018 Programme, subject to the issuance by GEK TERNA of the Common Bond Loan up to five hundred million Euro (Euro 500,000,000), the bonds of which will be made available to the public in Greece and will be listed in the fixed income securities category of ATHEX regulated market (the "Loan"). The Repeated Bondholders Assembly authorized the Bondholders Representative to sign the amendment agreement regarding the terms of the CBL 2018 Programme.

- In compliance with Law 3556/2007, on 24.03.2020, GEK TERNA, following the announcement dated as at 19.04.2019, informed the investors that it had received notification from the shareholder REGGEBORGH INVEST B.V. that on 20.03.2020 the date of exercising the option of the financial instrument it held had expired, which could result in acquisition of 7,909,588 shares and voting rights, i.e. a percentage of 7.6477% of the Company's total voting rights. Therefore, the number of shares and an equal number of voting rights, once the aforementioned deadline had expired, stood at 25,968,005 shares and voting rights, i.e. 25.1084% of the Company's total voting rights, standing at 103,423,291.

  In compliance with Law 3556/2007, on 26.03.2020, GEK TERNA informed the investors that on that day, it had received notification from the shareholder REGGEBORGH INVEST B.V. that on 24.03.2020 a change (an increase) was performed in the voting rights of the aforementioned shareholder, following which, REGGEBORGH INVEST B.V. holds a percentage of 30.2562% of GEK TERNA S.A. total voting rights.

- On 30.03.2020, the subsidiary TERNA S.A. announced that in joint venture with SIEMENS (association of companies SIEMENS - TERNA was awarded the contract of the project "Design, Supply and Installation of Two Converter Stations and one Substation for the Direct Current Electrical Interconnection between Crete and Attica". As announced by "Ariadne Interconnection", a subsidiary of the IPTO Group and project operator, the total budget of the project amounts to Euro 370 million. Of this amount, the amount of Euro 358.6 million relates to the construction of conversion stations and Euro 11.4 million to their maintenance. The contract was signed on 29.05.2020 and has a duration of 36 months. The contractual object that will be executed by TERNA, amounts to approximately Euro 113.0 million.

- In March 2020, GEK TERNA Group and the subsidiary TERNA ENERGY decided to proceed with the purchase of machinery and materials necessary to facilitate the activities of the Ministry of Health and Hospital Administrations in various areas of the country. In this context, GEK TERNA Group and the subsidiary TERNA ENERGY purchased:

  - Full equipment for the operation of eight (8) ICU (intensive care unit) beds at "Attikon" Hospital, to meet the needs of the Intensive Care Unit of the University Hospital. The equipment includes eight (8) respirators (one of which is portable for ICU flexibility and transportation), nine (9) state-of-the-art monitors (one of which is portable for ICU flexibility and transportation), one central monitoring station (for up to 16 monitors), and 18 syringe infusion pumps.

  - Uniforms, masks, antiseptics etc., and other essential supplies for "Evangelismos Hospital" for the protection of the medical and nursing staff of the hospital.

  - Respirators, medical equipment, consumables, and kiosks (first reception areas for possible medical occurrences) in regional hospitals(Ioannina, Serres, and "Bodosakeio" Ptolemaida).

- On 23.04.2020, the subsidiary TERNA ENERGY S.A. signed an Agreement for Sale and Transfer of Shares, with the objective of acquiring 100% of the share capital of "RF Energy Omalies MAE". The acquired company owns a cluster consisting of 11 wind farms of total capacity 213 MW in Evia, namely the W/F OMALIES 30 MW, W/F OMALIES II 15 MW, W/F KORAKOVRACHOS 21 MW, W/F KORAKOVRACHOS II 6 MW, W/F KALAMAKI 12 MW, W/F KALAMAKI II 18 MW, W/F MILZA 18 MW, W/F MOLIZEZA I 18 MW, W/F DEXAMENES II 15 MW, W/F PRARO 36 MW and W/F MEGALI PETRA 24 MW, with a final date of connection to the National network and electrifying as that of 30.12.2022, in order to receive feed in premium sale price of electricity.

  At this stage, the construction of wind farms of total capacity over 180 MW is projected, and as a result, the total capacity of the new wind farms launched in the Greek RES market by the TERNA ENERGY Group, exceeds 400 MW and the total investment value stands at Euro 550 million.

- In addition to the above new investments in wind farms in Evia, the subsidiary TERNA ENERGY has already launched investments in clean energy storage projects, such as the Amari hybrid station in Crete and the pumping and storage project in Amfilochia, which are two most significant investments of Euro 800 million, necessary to balance transmission networks and move to a carbon-free economy.

- On 29.05.2020, the Company announced that the revaluation of its creditworthiness by the company ICAP A.E. re-rated it in rating A. A rating indicates very low credit risk and is attributed to companies that are capable to meet their obligations even under adverse economic circumstances and therefore their creditworthiness remains consistently high. Entities with A rating are characterized by their significant financial sizes, upward trend and their significant position in the market.

- On 23.06.2020, GEK TERNA announced that made available to the investors, the Prospectus, as approved by the meeting of Board of Directors of the Hellenic Capital Markets Commission dated 22.06.2020, in relation to the issuance by the Company of a common bond loan of a total amount of up to Euro 500,000,000, with a duration of seven (7) years, divided into up to 500,000 dematerialized, common, bearer bonds, each of a nominal value of Euro 1,000.

- On 03.07.2020, the results of the public offer were announced in respect of the Issue of a Common Bond Loan of Euro 500 million and the admission of the Company’s bonds for trading in the category of Fixed Income Securities of the Regulated Market of the Athens Stock Exchange. In particular, 500,000 common, bearer bonds of the Company with a nominal value of Euro 1,000 each (the “Bonds”) have been allocated and as a result capital of an amount of Euro 500,000,000 has been raised. The final yield of the Bonds has been set at 2.75%, the Bonds interest rate at 2.75% and the offer price of the Bonds at Euro 1,000 each, namely 100% of its nominal value. On 06.07.2020, the trading of 500.000 bonds of the Company as initiated in the category of Fixed Income Securities of the Regulated Market of the Athens Stock Exchange.

- On 03.07.2020, GEK TERNA announced that the amendments to the Common Bond Loan Programme of an amount up to Euro 120,000,000 and Agreement on Appointment of the Bondholder Agent, dated 22.03.2018 (“CBL 2018 Programme”) that were resolved by the Repeat

Assembly of the Bondholders of the CBL 2018, that took place on 19 March 2020, enter into force on 3 July 2020. It is reminded that the above amendments were subject to the issuance by the Company of a Common Bond Loan up to five hundred million Euro (Euro 500,000,000), whose bonds were publicly offered in Greece and shall be listed under the category of fixed-income securities on the ATHEX regulated market.

The CBL 2018 Programme, as in force following the amendments that were resolved by the Assembly of the Bondholders of the CBL 2018, is available in electronic form on the Company's website (http://www.gekterna.com/el/investor-relations/corporatebond/).

- The Regular General Assembly of GEK TERNA held on 08.07.2020 approved, following the explanations and the proposal of the Company Nominations and Remuneration Committee, to the Board of Directors, the Remuneration program under article 112 of law 4548/2018 for the fiscal year 2019. Furthermore, the Regular General Assembly approved the purchase of treasury shares until the completion of the percentage 10 % of the total shares of the Company, with a minimum purchase price of Euro 0.30 and a maximum price of Euro 30.00, which will take place within a period of twenty-four months, i.e. no later than July 7, 2022. The Regular General Assembly assigned the Board of Directors of the Company for the observance of all the relevant formalities related to its above approval.

- On 15.07.2020 GEK TERNA GROUP through TERNA ENERGY sub-Group sold the 138 MW Mountain Air wind farm in IDAHO, USA, to Innergex Renewable Energy Inc. It is worth noting that the contribution of the Wind Farm to the operating profit before tax, interest, depreciation and amortization (EBITDA), in the consolidated Statement of Comprehensive Income for 2019 amounted to 11,065 ($ 12,387 thousand). The disposal resulted to profit of 27,453 ($ 31,342 thousand). The total net debt of TERNA ENERGY Group decreased by 136,005 ($ 155,644 thousand) while the Equity securities attributed to financial liabilities decreased by 41,243 ($ 47,198 thousand).

- On 28.08.2020, the Competitor INSPIRE ATHENS was disclosed the decision number 504/1/ 30.07.2020 of HGC on: "Validation of the results of the evaluation stage of the File" Technical Offer "of the International Public Tender for the Granting of a Casino Operating License (EKAZ) for a wide range of activities in the Metropolitan Pole of Hellinikon - Agios Kosmas", as well as a copy of the Minutes of the Tender Committee, establishing that the Technical offer contained no shortcomings and the bidder continues to participate in the next phase of the Tendering Process.. On 08.09.2020, SHRE / SHRI filed the preliminary appeal to AEPP against the above decision, which was rejected with its nr 21/2020 decision. On 24.09.2020, the Council of State decision num. 1819/2020 was issued, **rejecting** the appeal for cancellation filed by SHRE/SHRI against no. 10/2020 decision of AEPP and is therefore now permanently excluded.

  On 07.10.2020, the EEEP proceeded with unsealing the Financial offer of the INSPIRE ATHENS Association of Persons, and following its evaluation and relevant rating by the Tender Committee, the association was declared a Temporary Contractor for the Granting of a Casino Operating License (EKAZ) in the Hellinikon - Agios Kosmas Metropolitan Pole was then invited to submit supporting documents of a temporary contractor.

- On 31.08.2020, Joint Venture of the companies AVAX - INTRAKAT - MYTILINEOS - TERNA and the Ministry of Immigration Policy signed an agreement on "Construction of a new, upgrading - repairing of the existing Artificial Barrier and accompanying constructions, along the border line of the Greek-Turkish Border in Evros Prefecture" of total contractual object Euro 50.8 million and duration 8 months. The corresponding contractual object for the subsidiary TERNA S.A. stood at Euro 12.7 million.

- On 07.09.2020, the subsidiary TERNA ENERGY informed the investors that the Share Capital Increase, by cash payment and elimination of the pre-emptive right of the current shareholders and the disposal of the new shares through private placement, that has been decided by the Extraordinary General Assembly of the Shareholders (EGA) of the subsidiary TERNA ENERGY dated 01.09.2020, has been successfully completed and totally subscribed, by raising proceeds of a total amount of Euro 68,523,642 through the disposal of the new 6,229,422 shares at the discretion of the Board of Directors(as authorized by the EGA of the subsidiary TERNA ENERGY Shareholders) to funds managed by the following international investors and/or companies affiliated with them: Blackrock Inc., Anavio Capital Partners LLP, Kayne Anderson Capital Advisors LP, and Impax Asset Management. In view of the above, the final subscription rate of the Share Capital Increase amounted to 100% and the total amount of the funds raised to Euro 68,523,642. On 11.09.2020, the subsidiary TERNA ENERGY pursuant to the provisions of articles 9 par. 5 and 21 of Law 3556/2007 and in conjunction with the Decision No. 1/434/ 03.07.2007 of the BoD of the Hellenic Capital Market Commission, informed the investors that following the completion and total subscription of the increase of its share capital by cash payment and issue of new shares, which has been decided by the Extraordinary General Assembly of the subsidiary TERNA ENERGY Shareholders dated 01.09.2020 and the commencement of trading of the new common registered shares of the subsidiary TERNA ENERGY on 11.09.2020, resulting from the above increase of its share capital, the paid-up share capital of the subsidiary TERNA ENERGY currently amounts to Euro 36,044,507.40, and is divided into 120,148,358 common registered shares with a nominal value of Euro 0.30 each, while the total number of voting rights on the common registered shares of the subsidiary TERNA ENERGY amounts to 120,148,358. The total funds raised through the said increase of the subsidiary TERNA ENERGY share capital amounting to Euro 68,523,642, will be allocated for the financing of new investments of the Company which will add further value to the subsidiary TERNA ENERGY and its shareholders, and in particular the development of the Wind Parks of Kafireas with a capacity of 330 MW, of Taratsa with a capacity of 30 MW and of Evrytania with a capacity of 67 MW. Following the aforementioned increase, the participating interest of GEK TERNA in the subsidiary TERNA ENERGY decreased from 37.932% to 35.695% and, after the completion of the cancellation of 4,293,268 owned treasury shares according to the decision of the Board of Directors, which was approved by the General Assembly of Shareholders on 01.09.2020, will amount to a participation rate of 37.298%.

- On 15.09.2020, the subsidiary TERNA SA (contractor) and the companies "ILIAKA PARKA DYTIKIS MAKEDONIAS DYO SA " and "ILIAKO VELOS ENA SA" signed an agreement for the project “Design, civil engineering works, supply, transport, installation and commissioning of a 14.99 MW photovoltaic station at Xiropotamos in the Municipality of Eordea and a Substation 33 KV / 150 KV outdoor type ", of total contract value of Euro 11.5 million and contract period of 14 months.

- Pursuant to the decisions of the Board of Directors of the Company dated 28.09.2018 and 08.07.2020 and within the framework of the approved Corporate Transformation, on 22.10.2020 was concluded the transfer of the subordinated loans and the Company's participations to the motorway concession companies NEA ODOS and ODOS CENTRAL GREECE MOTORWAYS ("the Transaction").

  The above were realized with the disbursement, from CBL of GEK TERNA MOTORWAYS, issued on 04.08.2020, total amount of Euro 270 million and in accordance with the terms of the CBL, based on which Euro 250 million from the proceeds of the Transaction (which in total is equal to the fair value of the shares of ODOS CENTRAL GREECE and the nominal value of the subordinated loans of NEA ODOS and ODOS CENTRAL GREECE) were used by the Company exclusively for the full repayment of existing Banks BL issued or guaranteed by the Company.

  The whole Transaction was implemented in accordance with the Corporate Transformation - which as the Company had already informed in its Prospectus of the CBL Loan- aims (a) to optimize the operational return, (b) to increase the efficiency of investment decisions, (c) in the optimization of administrative and business decisions, (d) in ensuring greater transparency and efficiency in corporate governance, and (e) in the optimization of control and supervision of the financing capacity of the company and the Group.

  The companies GEK TERNA MOTORWAYS SMSA, ODOS CENTRAL GREECE and NEA ODOS, are affiliated companies of the Company, subsidiaries by 100%. Therefore the whole transaction is a transaction between companies that are under joint control, and in the content of an internal intragroup restructuring has no effect on the Financial Results and the Financial Position of the Group. Furthermore, cash collection from the sale of shares between companies of the same Group (in a parent-100% subsidiary relationship), was carried out exclusively in the context of the aforementioned financial restructuring, in order to repay existing loans issued and/or guaranteed by the Company and the further strengthening of the aforementioned positive prospects. Thus , both the purpose and the result of the aforementioned financial restructuring and the subsequent actions carried out did not intent to create profitability for the Company, but to improve its financial situation within the scope to proceed with its business activity and in new investments that will procure profitability.

  It is noted that the completion of the Transaction was an indirect obligation of the Company according to a) the Company's negotiable CBL amounting to Euro 120 million, and b) from the 19.06.2020 Company's listed e CBL amounting to Euro 500 million.

- On 27.10.2020, by decision of the Minister of Infrastructure, in the framework of the Concession Agreement of the project "Design, Construction, Financing, Operation, Maintenance and Exploitation of the IONIA ODOS Motorway", was assigned to the Concessionaire subsidiary CENTRAL GREECE MOTORWAY SA the execution of additional works for flood protection of the highway, with a total object of Euro 105 million, including the corresponding VAT.

- Similarly, on 27.10.2020, by decision of the Minister of Infrastructure, in the framework of the Concession Agreement of the project "Design Construction, Financing, Operation, Maintenance and Exploitation of the Central Greece Highway E65", was assigned to the Concessionaire Subsidiary Company Central Greece Motorway S.A., the execution of additional works for flood protection of the highway, with a total object of Euro 70 million, including the corresponding VAT.

- On 22.12.2020, the subsidiary TERNA SA and DESFA signed an agreement for the "Detailed Engineering, Procurement and Construction of the Nea Mesimvria Compressor Station Upgrade", with a contract value of Euro 15.6 million and contract period of 27 months.

- In 2020, the subsidiary TERNA SA signed various small object contracts as well as additional agreements and extensions of existing agreements in previous years, amounting to Euro 135 million.

- For the resolution on controversial claims , arising from the execution of the project "Megalopolis Power Plant - Study, Supply, Transport, Installation and Operation of Unit No. 5 Combined Cycle, of Net Power at Reference Conditions 811 MW, with Natural Gas Fuel / DSCTW-11072251", whose contractor is the Joint Venture METKA SA - TERNA SA, the BoD of PPC, under no. 137 / 15.12.2020 decision, approved the Amicable Settlement between PPC and the above contractor, namely: a) payment to the Contractor Joint Venture of an amount of 15,074,787 interest-free, in full and unconditional repayment of all types of claims from the Contractor Joint Venture, b) approval for collection by PPC of all delivered and non-invoiced spare parts which the Contractor offered without consideration and c) return by PPC of all the letters of guarantee pertaining to this agreement.

  It is to be noted that this amount had already been invoiced to PPC and as till the date of preparation of the financial statements has been fully collected.

Key Financial Performance of the operating segments in 2020

The financial analysis of the operating segments mentioned below records the performance of these segments, before performing the intersegmental elimination, which are accounted for in accordance with the provisions of IFRS.

Construction Segment

Revenues from our construction operations remain significant, while the backlog of construction objects is maintained at high levels, amounting to approximately Euro 1.6 billion on 31.12.2020 and at the date of preparation of the financial statements with the new agreements signed or to be signed standing at Euro 2.2 billion.

TERNA SA, representing the construction segment, 100% subsidiary of GEK TERNA Group, is one of the strongest Greek construction companies, specializing in complex and demanding infrastructure projects, a partner chosen for collaboration by international groups. TERNA SA holds extensive experience in Greece and abroad and has developed significant synergies with the other segments of the Group – namely, those regarding concessions and energy.

Turnover from construction operations amounted to Euro 525.9 million compared to Euro 739.1 million in 2019, decreased by 28.9%. The decrease in Turnover is due to a) temporary suspension of operations in specific construction sites during the period of the initial restrictions due to COVID-19, b) slowdown in the execution of operations on specific projects in Greece and abroad, due to problems created by the restrictions on staff movements due to the COVID-19 pandemic.

EBITDA including non-cash items (adjusted EBITDA), amounted to Euro 19 million compared to Euro 16.2 million in the corresponding period in 2019, increased by 17.3%. At the same time, the Operating Results before interest and taxes (EBIT) amounted to Euro 6.9 million compared to Euro 3.6 million in the corresponding period in 2019.

Turnover of the Construction Segment arises from a) operations in Greece and Cyprus at a rate of 88%, b) operations in the Balkan countries at a rate of 6% and c) operations in the countries of the Middle East at a rate of 6%.

Debt amounted to Euro 117 million compared to Euro 136.2 million in 2019, while Net Debt Position of the Construction Segment (cash and cash equivalents less loan liabilities) amounted to approximately Euro 158.3 million, compared to Euro 67.4 million on 31.12.2019.

The experience in implementing big-scale construction works in respect of motorways, buildings, ports and construction of large energy projects, as well as the established presence of TERNA in the markets of Balkans and Middle East, give grounds to further improvement of the financial and other sizes of this segment for the Group.

Energy Production Segment

GEK TERNA Group, operating in the energy segment since the mid - 1990s, is one of the leading players in the Renewable Energy Segment (RES) through TERNA ENERGY SA Group, 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 evidenced at the global level, with the segment standing out as one of the top investment choices over the following years. In this context, the Group continues the development of selected RES projects in Greece, at the same time, capitalizing 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 significantly increase over the following years, given the maturity of the investments that would have been implemented.

On 31.12.2020, TERNA ENERGY Group had facilities over 1,800 MW in operation, under construction or ready for construction in Greece, USA, Central and Eastern Europe. Specifically, the total Group’s installed capacity in Greece and abroad amounts to 1,363 MW, while it also holds RES facilities under construction or ready for construction of total capacity 430 MW in Greece. Moreover, the Group develops additional projects of total capacity 1.200 MW in Greece, which will be ready for construction within the next period and will allow the achievement of the goal of 3,000 MW by 2025. It is worth noting that the Group promotes two (2) large pumping storage projects, as well as a significant number of photovoltaic parks in Greece, which could further strengthen the aforementioned target.

In 2020, an extraordinary contribution for the Feed-in tariff regime was imposed on electricity producers on Renewable Energy Sources (RES) stations, which have been put into regular or trial operation until December 31, 2015 (Government Gazette 245/09.12.2020). This extraordinary contribution amounted to 6% of electricity sales for 2020. For TERNA ENERGY Group, the relevant extraordinary contribution amounted to Euro 5,252 thousand and was included in the item "Other income/(expenses)" of the consolidated Statement of Comprehensive Income.

Turnover from energy production from renewable sources amounted to Euro 273.4 million, compared to Euro 237.3 million in 2019, recording an increase of 15.2 %. This increase is mainly attributed to the start of production of eight (8) new wind farms in the Municipalities of Karystos and Kymi - Aliveri in Evia, of total capacity 113.4 MW as well as two new wind farms in the USA.

EBITDA including non-cash items (adjusted EBITDA) amounted to Euro 193.9 million, compared to Euro 176.9 million in 2019, increased by 9.6%. At the same time, Operating Results before interest and taxes (EBIT) amounted to Euro 127.5 million compared to Euro 119.7 million in 2019.

TERNA ENERGY Group investments amounted to Euro 113.4 million in 2020. The Group's ongoing investment activity strengthens the conditions for increased inflows and profitability on a stable long-term basis.

<u>b) Electric energy production from Thermal Energy Sources – Electric Energy Sales</u>

In 2020, in the electric energy production segment from thermal energy sources, the Thermoelectric Unit of capacity 435 MW, as well as the smaller unit of capacity 147 MW in Viotia continued to operate.

Under the provisions of IFRS 11, the companies HERON THERMOELECTRIC SA and HERON II SA have been recognized as jointly controlled entities and, therefore, financial sizes are incorporated under Equity method.

In the current period, Profit after taxes which was incorporated, amounted to minus Euro 0.1 million, compared to minus Euro 6.7 million in the corresponding period in 2019, adversely affected by approximately Euro 3 million related to the proportion in Group through the participation in the company HERON THERMOELECTRIC SA, due to the extraordinary contribution for the Feed-in tariff regime, amounting to 6% on electric energy sales for the year 2020 pertaining to the increase of the ELAPE revenues.

Turnover of the electric energy sales segment amounted to Euro 37.4 million compared to Euro 37.0 million in the corresponding period in 2019, recording an increase of 1.2 % compared to 2019. EBITDA including non-cash items (adjusted EBITDA) amounted to Euro 0.9 million, compared to Euro 2.3 million in 2019 decreased by 62.2%.

Total Profit after taxes amounted to Euro 0.4 million, compared to minus Euro 5.8 million in the corresponding period in 2019.

Concessions – Self or Jointly Financed Projects Segment

The motorway companies (NEA ODOS CONCESSIONS SA and CENTRAL GREECE MOTORWAY SA CONCESSIONS) are included in the operating segment of the Concessions, and Group owns 100% of its shares as well as the concession for the airport in Kastelli (INTERNATIONAL AIRPORT OF HERAKLION CRETE SOCIETE ANONYME CONCESSION) in which the Group holds 32.46% of shares.

The Group also participates with a percentage of 70% in the Electronic Ticket Service Company SA - HELLAS SMARTICKET SA, which undertook the Partnership Agreement for the Study, Financing, Installation, Operation Support, Maintenance Technical Management of a Unified, Automatic Fare Collection System from the Athens Urban Transport Organization SA for OASA Group companies with PPP. The concession duration is 10 years after the construction period.

The Group also participates through the subsidiary TERNA ENERGY in EPIRUS AEIFORIKI MAEX, a 100% subsidiary, in the operation of the Epirus Waste Treatment Plant with a maximum annual capacity of 105.000tn, the operation of which started on 27.03.2019. The Concession duration is 27 years.

Finally, in 2020, the Group continued its operations in the Management and Operation of Car Stations, and the total number of parking places regarding the Group amounts to 2,171.

Turnover of the Concessions Segment amounted to Euro 151.3 million, compared to Euro 187.1 million in the corresponding period in 2019. This decrease is mainly due to the reduction of revenues from tolls on highways, as a result of measures against the spread of COVID- 19, namely traffic restrictive measures and travel restrictions in the country and abroad.

Pursuant to respective Concession agreements, in cases involving Public intervention, Events of Force Majeure, Events of Public Liability, the Group submitted the respective claims for indemnity. The amounts of compensation for loss of income due to the COVID-19 pandemic for the A’ and B’ semesters of 2020 amounted to a total of Euro 33.7 million, have recorded in the results of the year and have been recognized out of turnover, in the item "Other income/(expenses) ”of the consolidated Statement of Comprehensive Income. Of the aforementioned amount, an amount of Euro 15.1 million has been collected until the approval date of the financial statements.

EBITDA including non-cash items (adjusted EBITDA), amounted to Euro 105.3 million, compared to Euro 103.1 million in the corresponding period in 2019, increased by 2.1%.

It is to be noted that the above amounts do not include provisions for increased maintenance of motorways, which in 2020 amounted to Euro 17 million, compared to Euro 7 million in the corresponding period in 2019.

Operating Results before interest and taxes (EBIT) amounted to Euro 44.1 million compared to Euro 52 million in the corresponding period, decreased of Euro 8 million, which is mainly due to increased provisions for heavy maintenance of motorways.

Real Estate Segment

The Group continues to hold a conservative approach towards investment activities in the domestic real estate market. Taking into consideration the current economic conditions, the Group has decided to disinvest regarding specific real estate items. At the same time, the Group is considering alternative scenarios of exploitation of a part of its investments and wherever deemed necessary, to continue its investments.

Real Estate segment Turnover amounted to Euro 4.2 million, compared to Euro 5.2 million in the corresponding period in 2019.

EBITDA including non-cash items (adjusted EBITDA), amounted to Euro 0.3 million, compared to Euro 0.2 million in 2019.

EBIT amounted to minus Euro 0.9 million, compared to Euro 0.4 million in the corresponding period in 2019, adversely affected by the negative asset valuation and the COVID-19 effect. The ratio of Debt to Total Assets of the segment, amounted to 73%, a fairly safe rate, given the financial conditions.

Industry/Quarry Operating Segment

The Group, mainly through its subsidiary TERNA LEFKOLITHI SA, (through mining licenses and concessions it holds), operates in mining and processing of whitewash, as well as in industrial processing for production of Caustic Calcined Magnesia (CCM) and Dead Burned Magnesia (DMB) products of various qualities and chemical characteristics, mostly sold to foreign customers.

The segment's activity had significantly decreased as a result of the problems caused by the COVID-19 pandemic in transportation of goods. The subsidiary TERNA LEFKOLITHOI temporarily stopped its production, in the period April - September 2020, awaiting for the normalization of the market, burdening the current year with additional costs of inactivity of personnel and machinery by the amount of Euro 2.2 million.

Finally, it redesigned the production process to facilitate the optimal use of the existing inventory of whitewash and existing equipment. In this context, it re-evaluated the existing inventories, burdening the results of the year by the amount of Euro 4.3 million.

As a result of the above, Turnover of the operating segment "Quarries/Industry" amounted to Euro 7.1 million in 2020, compared to Euro 9.9 million in the corresponding period in 2019.

EBITDA including non-cash items (adjusted EBITDA), amounted to minus Euro 4.1 million in 2020, compared to minus Euro 4.2 million in the corresponding period in 2019.

EBIT amounted to minus Euro 13.2 million, compared to minus Euro 10.8 million in the corresponding period in 2019.

Holding Operating Segment

In 2020, EBITDA including non-cash items (adjusted EBITDA), amounted to minus Euro 8.7 million, compared to minus Euro 6 million in the corresponding period in 2019, adversely affected by additional costs of securing rights arising of the optional stock option plan to beneficiaries, amounted to Euro 2.8 million.

In 2020, earnings after taxes stood at minus Euro 13.6 million, compared to minus Euro 5.8 million in the corresponding period in 2019, adversely affected, a) from the additional cost of Euro 2.8 million of securing rights arising of the optional stock option plan to beneficiaries, b) from the increased interest costs of Euro 2 million and c) from the loss in holdings, securities and other investments amounting to minus Euro 1.8 million.

Intersegmental Transactions

In 2020, Turnover of intersegmental transactions amounted to Euro 28.2 million, compared to Euro 60.1 million in 2019.

Earnings after taxes amounted to Euro 3.5 million compared to minus Euro 2.4 million in 2019 (analytical details in Note 6 “Operating Segments” of the Annual Financial Report).

C. Significant Events after the end of the period 01.01 – 31.12.2020

The following significant events took place as from 01.01.2021 until the date of approval of the accompanying financial statements:

- On 08.01.2021, the Hellenic Competition Commission, taking into consideration article 11 of Law 3959/2011 on regulatory intervention in sectors of economy, decided ex officio to initiate the relevant procedure in the construction segment and sent out relevant questionnaires to ensure provision of information from construction companies. On 07.04.2021, the Hellenic Competition Commission published its preliminary views on the aforementioned matter regarding the competition conditions in the construction segment, requesting all the interested parties to contribute to the public consultation on the published text. The consultation period lasts from 08.04.2021 until 07.05.2021 and the Group considers its active participation in the procedure, aiming, among others, at pointing out any incorrect data identified in the text published by the Hellenic Competition Commission.
- On 18.01.2021, the European Commission approved the financing, by the Greek State of the construction of the northern part of the E65 motorway, amounting to Euro 442 million. The project is part of the Central Greece Motorway (E65), which has been granted with a Concession Agreement to the subsidiary CENTRAL GREECE MOTORWAY SA, and will be executed by the construction joint venture CENTRAL GREECE MOTORWAY (E65). The approval was given following the notification submitted by the Greek State of a state aid measure to the General Department for Competition of the European Commission, by which the Greek State activated its rights and

expressed interest in fully financing the construction of Deferred Section B or "ATB", which includes the subdivisions M/W Trikala – M/W Grevena (32,450km) and M/W Grevena – M/W Egnatia "(30,610km). The Amendment of the Concession Agreement is expected to be signed and approved by the Parliament, so that the construction works to be initiated within 2021.

- On 19.01.2021, the subsidiary TERNA ENERGY SA announced the expansion of its activities in the segment of floating photovoltaic parks. In this context, the company submitted to RAE applications for the issuance of a producer certificate for (3) three floating photovoltaic park installations in an equal number of artificial reservoirs of total capacity amounting to 265 MW. More specifically, the applications for the development of projects of this innovative clean energy production technology concern the installation of Artificial Reservoirs, 120 MW in the Kastraki Artificial Reservoir, 103 MW in the Pournari Artificial Reservoir and 42 MW in the Stratos Artificial Reservoir. The total amount of investment for the development of the three RES facilities will exceed Euro 170 million.
- On 29.01.2021, the Public Private Sector Partnership (PPP) project "Integrated Waste Management of the Peloponnese Prefecture" was launched, between the Environmental Peloponnese, a company of the TERNA ENERGY Group, and the Peloponnese Prefecture. The agreement of the project "Integrated Waste Management of Peloponnese Prefecture" provides for the construction and operation of three (3) Waste Treatment Units (WWUs) and an equal number of Landfills in Arkadia, Messinia and Laconia as well as (2) Waste Transfer Stations in Corinth and Argolida. The total duration of the agreement is 28 years and includes a two-year construction period and a 26-year operating period.. The amount of the investment amounts to Euro 152 million, of which Euro 62.5 million arise from an NSRF grant. The project is expected to create 600 jobs during the construction period, 200 permanent jobs during the operating period and a large number of parallel jobs. Integrated waste management ensures compliance with existing and European legislation, strengthens environmental protection and improves the quality of life and health conditions of citizens. The implementation of the project with the use of state-of-the-art technology solves the environmental problem of the Peloponnese Prefecture, with obvious benefits in Tourism, Education and the new quality Agriculture, which is a strategic goal for the country.
- On 25.02.2021, the subsidiary TERNA ENERGY signed the agreement for the project «Digital Transformation, Telematics and Unified Automatic Fare Collection System for the Transport Authority of Thessaloniki (TheTA)». Contractor of the project is the joint venture TERNA ENERGY (70%) – INDIGITAL (15%) – AMCO (15%). The total budget amounts to Euro 30 million plus VAT while installation works are scheduled to begin by 2nd three month of 2021. The project concerns the complete digital transformation of the Transport Authority of Thessaloniki, according to the standards of good practice of other transport operators in Europe. The agreement provides for the construction period (12 months) and the provision of maintenance and operation support services for five (5) years from completion, while the Contracting Authority reserves the right to extend the maintenance and operation support period for another five (5) years.
- On 02.03.3021, the subsidiary TERNA ENERGY and OCEAN WINDS (a Joint Venture between EDP Renewables and ENGIE) have signed a collaboration agreement to co-develop floating offshore wind projects in the Greek seas of capacity over 1,5 GW, which will be developed the next decade.

OCEAN WINDS has a wide portfolio of fixed and floating offshore wind farms under development, construction and operation in various markets throughout Europe, North America and Asia composed of 1.5 GW under construction and 4 GW under development, and 5 to 10 GW in the advanced development stages by 2025.

- Following the catastrophic earthquake of 03.03.2021 that hit the municipality of Tyrnavos, which resulted in irreparable damage to the school in Damasi Tyrnavos, subsidiary TERNA SA applied to make a donation for the construction of a new school, replacing the old one.

- On 05.03.2021, following the approval of the Greek State, the Operation and Maintenance Contracts (the "O&M Contracts") were signed between GEK TERNA SA, which is the parent company of the GEK Group TERNA (the "Operator"), and the Concession companies Nea Odos SA and Odos Central Greece SA (the "Concessionaires"). The O&M Contracts provide for the contracting assignment of the operation and maintenance of the Concession Projects to GEK TERNA SA.

  The O&M Contracts are expected to enter into force within May 2021 and according to them, GEK TERNA SA, as the Operator, will undertake to provide until the end of the Concession Period all the services of operation and maintenance of the Concession Projects, that today are performed by the Concessionaires, in a regime of absolute correspondence (back to back).

  The Operation & Maintenance Services of the Concession Projects undertaken by the Operator concern the daily operation and maintenance of the Concession Works, including the execution of all the obligations of the Concessionaires ,under the respective Concession Contracts related to the operation and maintenance of the projects.

  The Operation and Maintenance Contracts will expire at the end of the Concession Period in accordance with the Concession Contracts of the projects, subject to the provisions for early termination. Estimated expiration time is 2037 and if the Concession Period is extended in accordance with the provisions of the Concession Agreements.

  In order to enable the execution of the project of the Operator, according to a relevant term of each O&M Contract, the Concessionaires undertook to transfer to the Operator all the staff involved in the maintenance and operation of the Project, the contracts with subcontractors and suppliers, the vehicles used for the maintenance and operation of the projects as well as the relevant consumables and spare parts.

- On 08.03.2021 the subsidiary TERNA SA signed with the company SEGER GREECE SA, an agreement for the execution of the project "Renovation and reuse of MIRAMARE Hotel unit in Moraitika, Corfu", with a contractual object of Euro 7.8 million and duration 5 months.

- On 23.03.2021 the subsidiary TERNA SA signed with the National Railway Infrastructure Company of Bulgaria (NRIC) for the construction of the project "Construction of railway infrastructure and electrification of the Petrarch - Dragoman department and study, construction and supervision by the road signs and telecommunication project manager of the Voluiak – Dragoman part", with a contractual object of Euro 154.7 million and duration of 48 months.

- On 30.03.2021, the subsidiary TERNA ENERGY, signed agreement for the project "Hybrid system for the production of electricity and heat from RES on the island of Ag. Efstratios". The project pertains to study, supply, installation and operation of:

    - a Hybrid Station (YVS) for generating power from Renewable Energy Sources (RES) on Ag. Efstratios island, comprising a wind turbine (A/G), a photovoltaic station (PV), storage accumulators and an Energy Management and Monitoring System.
    - an integrated system of remote heating of the Ai Stratis community, including building facilities. Thermal energy produced, will suffice for covering heating and hot water needs of all houses at the entire Ag. Efstratios settlement.

    The contractor will also undertake the operation and maintenance of the project for twelve (12) years. Total budget of the project (construction of the hybrid system and operation and maintenance service fees for 12 years) stands at Euro 7,712,800 (inclusive of VAT). Construction period is 25 months.

- On 07.04.2021, the Company announced that the reassessment of its creditworthiness by the company ICAP S.A. reclassified it into “A” rating. The A rating implies a very low credit risk and is attributed to companies that are able to meet their obligations even in adverse economic conditions and, therefore, their credit rating remains consistently high. A-rated companies are characterized by their significant financial sizes, their upward course of development and their significant market position.

- According to Law 3556/2007, GEK TERNA SA informed Investors that in 11.03.2021, received a notification from shareholder REGGEBORGH INVEST B.V. that they have decided to proceed with divestment from the Company and will follow all necessary procedures for the gradual reduction of their participation in GEK TERNA SA which at that day amounted at 28.181%. On 20.04.2021 shareholder REGGEBORGH INVEST B.V. informed the Company that on 16.04.2021 after several reductions, which were notified to the competent authorities, there was a change (reduction) in voting rights of the said shareholder, whose rights fell below the 5% threshold.

- According to Law 3556/2007, GEK TERNA SA informs the Investors that in 12.03.2021, received a notification from the shareholder LATSCO HELLENIC HOLDINGS S.A.R.L, on the acquisition of its voting rights, in 12.03.2021 and specifically that following a share purchase transaction the number of shares and an equal number of voting rights amounted to 7,858,571, ie a percentage of 7.5985% of the total voting rights of the Company, amounting to 103,423,291.

- During the period from 18.03.2021 until 20.04.2021 the participation percentage, direct and indirect, of the shareholder Mr. Georgios Peristeris, after several transactions which were notified to the competent authorities, raised from 15.984% to 29.7542% of the Share Capital of the Company. Specifically, Mr. Peristeris directly holds 16,576,307 shares and voting rights, ie a percentage of 16.0276% of the share capital and indirectly 14,196,428 shares and voting rights, ie a percentage of 13.7265% of the share capital. The indirect participation concerns the acquisition of shares of GEK TERNA SA, through the related legal entities PERGE LTD, GARDENIA AKTEXE and SNAKOS SERVICES LTD in accordance with the notifications that have taken place to the competent authorities and to the Company by the shareholder.

- **Unprecedented extreme weather conditions in the US state of Texas in February 2021 and impact on the Group's activities**

On 21.02.2021 the unprecedented extreme weather conditions, prevailing in the State of Texas, USA (hereinafter referred to as the "Natural Phenomenon") and their impact on the operations of the Group (through TERNA ENERGY sub-Group and, in particular, TERNA DEN LLC sub-Group (which includes subsidiaries in the USA [1] that own and operate the Group's 3 Texas Wind Farms - Fluvanna 1, Fluvanna 2/Gopher Creek and Bearkat I – of total capacity 510MW), is regarded as a non-adjusting event according to the provisions of IAS 10 "Events after the Reporting Period" and, therefore, is not recorded in recognition and measurement of assets and liabilities in the annual financial statements of the TERNA ENERGY sub-Group and GEK TERNA Group for the year ended 31.12.2020.

All the aspects of the aforementioned event are presented in the specific analysis below as follows:

(I) General description of the Natural Phenomenon

On 11.02.2021, conditions of bad weather of unprecedented intensity and severity hit most areas of the State of Texas, affecting all three wind farms of the Group - Fluvanna 1, Fluvanna 2/Copher Creek and Bearkat I of total capacity 510MW (hereinafter "the Wind Farms"), as well as a significant number of other power plants in Texas (not only renewables, but also gas, coal and nuclear power plants). The effects started to hit the State severely and as early as 12.02.2021, state of disaster was declared in 254 counties of Texas. Extremely low temperatures down to -22°C were observed, with alternating pattern of snowfall and icy rain, while ice on the wings of the Wind Farms engines had already started accumulating, resulting in downtime of their operation due to excessive load.

(II) Effects of the Natural Phenomenon on Energy Consumption, Energy Infrastructure and Energy Costs

Extremely low temperatures resulted in:

a. an upward increase in gas and electricity consumption (20% higher electricity consumption was recorded compared to that projected by the network operator).

b. shortage of available energy production that could not meet the increased demand. Deep cold has greatly affected the electromechanical mechanism in energy infrastructure. The electricity transmission and distribution network suffered significant damage. The electricity generation capacity was significantly affected due to a combination of the aforementioned factors.

c. in order to avoid a total blackout, the Electric Reliability Council of Texas (ERCOT) started to impose controlled and rolling blackouts in the entire state of Texas in its attempt to decrease the electricity energy demand against the (decreased) production available. The productivity in the

[1] Fluvanna Wind Energy, LLC ("Fluvanna 1"), Fluvanna Wind Energy 2, LLC ("Fluvanna 2") και Bearkat Wind Energy, LLC ("Bearkat").

Texas system was at 50% of what was declared available before the commencement of the Natural Phenomenon.

d. combined conditions of increased consumption and reduced production led to a dramatic increase in energy price, which was increased from a level of $ 20/ MWh to $ 9,000/MWh, which is the maximum permitted by ERCOT.

(III) Effects of the Natural Phenomenon on TERNA ENERGY sub-Group's operations

(a) Special energy market operation and financial burden on energy producers

Due to the generally strong fluctuations in electricity producer prices in Texas, 85% of total electricity generation at ERCOT is allocated through tariff risk hedging contracts, which, in practice share the risk between producers and their counterparties. In particular, the producers assume the obligation and the risk of production according to a promised profile (which is different per day, per season, or per hour, depending on the producer), while the counterparty assumes the obligation and the risk of purchasing the produced energy according to the agreed energy profile, at a specific price. In case the energy production deviates from the contractual profile, the market price is used. In this case, as the producers could not produce energy for disposal to their counterparties according to the contractual provisions (as happened in the TERNA ENERGY sub-Group's Wind Farms), the counterparties purchased this energy from the free market at the prevailing price of $ 9,000/MWh and invoiced to the producers the difference between the energy acquisition price and the respective agreed/contractual price (approximately $ 20/MWh), thus causing huge financial burdens on the producers.

It is to be noted that all three Wind Farms in Texas returned to full operation between 20 and 23 February 2021.

(b) Financial burden on the Group as a result of the Natural Phenomenon

In the case of TERNA ENERGY sub-Group's three Wind Farms, the particular conditions generated an energy shortfall of approximately $ 30 million per day and ultimately amounted to $ 179.4 million. In particular, the pre-sale contractual counterparties Merrill Lynch Commodities, Inc., Morgan Stanley Capital Group Inc., JPMorgan Chase Bank respectively (hereinafter referred to as "Hedge Providers"), on the basis of the existing hedging contracts effective for the three Wind Farms, issued Liquidated Damages invoices, covering the period from 13 to 19 February 2021, totally amounting to $ 179,410,942, allocated as follows: Fluvanna 1 $ 32,691,587, Fluvanna 2/ Gopher Creek $ 69,656,417 and Bearkat $ 77,062,938.

These invoices were contested in writing by TERNA ENERGY sub-Group, as the TERNA ENERGY sub-Group's Management invokes the occurrence of a Force Majeure Event.

(IV) The TERNA ENERGY sub-Group's Management Actions – Contingent effects on the Group's operations and financial position for FY 2021

Previous risk assessment was implemented with the contribution of the best consultants in the market without relevant indications regarding the risk of a corresponding event. At the same time, insurance coverage could not cover the event, as such an event was not provided in the risk analysis of the insurance companies.

TERNA ENERGY sub-Group's Management acted quickly from the first moments of the occurrence of the Natural Phenomenon and proceeded with all the necessary actions, in order to inform the Hedge Providers in time for a Force Majeure Event. With this action, the goal of the TERNA ENERGY sub-Group's Management was to activate the contractual provision for the exemption of 3 Wind Farms from the obligation to provide energy to Hedge Providers due to force majeure.

The Hedge Providers did not accept the occurrence of a Force Majeure event, as a result, in February 2021, they issued "Liquidated Damages invoices", which cover the period from 13 to 19 February 2021. The total amount of these invoices stood at $ 179,410,942 and is allocated as follows: Fluvanna 1 $ 32,691,587, Fluvanna 2/Gopher Creek $ 69,656,417 and Bearkat $ 77,062,938. Fluvanna 1 and Fluvanna 2 /Gopher Creek Hedge Providers sent event of default notifications, and Bearkat I Hedge Provider sent potential event of default notification. For the projects Fluvanna 2/ Gopher Greek and Bearkat 1 "Standstill Agreements" have been signed (expiring on 21.05.2021 & 30.04.2021 respectively without excluding the possibility of further extension). As far as Fluvanna 1 project is concerned, the period has begun, within which the Tax Equity Investor can, if the Tax Equity Investor so desires, exercise the contractual treatment option by repaying the amount of the Morgan Stanley Capital Group Inc. invoice, while at the same time making efforts aimed at signing a similar "Standstill Agreement" if the deadline for exercising the treatment option of the Tax Equity Investor expires without any action taken.

Throughout the period from the beginning of the phenomenon and until the accompanying financial statements approval date, the daily discussions with all the stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity in order to minimize the adverse effects for TERNA ENERGY sub-Group. While these discussions are ongoing, the TERNA ENERGY sub-Group's Management is considering three potential actions: (a) applying to the authorized courts and initiating legal action against the Hedge Providers; (b) finding a mutually acceptable commercial solution to the dispute with the Hedge Providers; and (c) divestment from investing in the USA (Class B interests). No final decisions have been made at this time.

In case, due to objective circumstances, the TERNA ENERGY sub-Group's Management decides on the third of the aforementioned actions, namely the disinvestment, then the most unfavourable version of that choice will be that of disposing the sub-Group TERNA DEN LLC companies versus $ 1 to the one that will ultimately be decided upon to treat every respective event of hedging contracts termination invoked by the Hedge Providers (it is clarified that the amount of $ 1 mentioned above and in the following sections, is purely symbolic and is used solely for the purpose of assessing the impact of the worst case scenario in case of disinvestment on TERNA ENERGY sub-Group's financial position).

As at 31.12.2020, the financial sizes of sub-Group TERNA DEN LLC stood at total assets of Euro 565.8 million, i.e. representing 12.21% of the total assets of GEK TERNA Group, while the liabilities amounted to Euro 466.6 million, i.e. representing 12.24% of GEK TERNA Group. A potential deconsolidation of the companies, constituting TERNA DEN LLC Sub-Group as a result of their disposal for $ 1, would lead to recognition of accounting loss on the consolidated financial results that is estimated to amount to approximately $ 115 million (i.e. approximately Euro 97.4 million, depending on exchange rate fluctuations). From the aforementioned total loss, an amount of approx. Euro 36.2 million would be attributed to the owners of the parent company, and the remaining amount would be distributed to the non-controlling interests of the Group.

The liabilities of all projects in the USA are non-recourse to the TERNA ENERGY sub-Group. Therefore, in case of a potential loss of the above project investments, apart from accounting loss, no liquidity or financing issues for TERNA ENERGY sub-Group and the GEK TERNA Group are expected to arise for the next 12 months, as the specific event is not expected to have further impact on the future cash flows of the TERNA ENERGY sub-Group and the GEK TERNA Group.

The Management of the Group examined in detail all the above events when assessing their impact on the 2020 activity, given the events and circumstances at the date of approval of the attached financial statements. Furthermore, the consequences of the above events may have a significant negative impact on the Group's financial position in 2021. However, the Management of the Group has assessed that these consequences do not create uncertainty regarding the activity of the Group and the Company being going concern, ie they do not affect the appropriateness of the basis of preparation of the consolidated and standalone financial statements according to the principle of going concern.

D. Risk Factors and Uncertainties

The Group's operations are subject to various risks and uncertainties, such as the return of macroeconomic uncertainty, market risk, credit risk and liquidity risk, wind and weather conditions, the uncertainty of the results from the impact of emergency events (COVID-19) which may have a prolonged and unforeseen term.

1) Financial Risks

To address financial risks, the Management has put in place the plan aiming to reduce the adverse impact on the financial results of the Group, arising from the inability to project financial markets and fluctuations in cost and sales variables.

The financial instruments used by the Group mainly comprise bank deposits, mainly long-term and secondarily short-term loans as well as derivatives, trade debtors and creditors, other accounts receivable and payable. The impact of the main risks and uncertainties on the Group's activities is analysed below.

In order to address the effect of the extraordinary event of COVID-19, the Group implements a set of measures with the main focus on protecting the Group's staff and minimizing the economic consequences of the precautionary measures taken by the Greek State.

Credit Risk

Credit risk entails a possibility that a counterparty will cause financial loss to the Group and the Company due to the breach of the counterparty’s contractual obligations.

The Group continuously monitors its receivables, either separately or per group and encompasses all the arising information into the review of the credit risk. When deemed necessary, external reports or analyses related to effective or potential clients are used.

The Group is not exposed to significant credit risk arising from trade receivables. This is attributed, on one hand, to the Group's policy, which is focused on cooperation with reliable clients and, on the other hand, to the nature of the Group's operations.

In particular, total receivables, whether related to the narrow or the broader public sector, or private sector clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, their financial sizes regardless of whether they are a broader public or private entity, for potential implications, in order to take the necessary measures to minimize any adverse effects for the Group.

The credit risk regarding cash and cash available and other receivables is considered limited given that the counterparties are reliable Banks with high quality capital structure, the Greek State and the broader public sector and strong Groups of companies.

The Management assumes that all the financial assets, for which necessary impairment is calculated, are of high credit quality.

<u>Foreign exchange risk</u>

Foreign exchange risk arises when the fair value or future cash flows of a financial instrument is subject to fluctuations due to changes in exchange rates. This type of risk may arise, 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 in Greece, Eastern Europe and the United States, mainly for investments in renewable energy and selectively in the undertaking of construction projects, according to historical data and therefore may be exposed to foreign exchange risk that may arise from Euro exchange rate with other currencies. To manage this risk category, the Group's Financial Management Department uses financial instruments and offset the Group's exposure to foreign exchange risk on the basis of specific policies.

Regarding the Group's transactions with foreign companies, they are usually performed with European Groups where the settlement currency is Euro and regarding the transactions in the USA, the settlement currency is dollars, so as to minimize the risk.

<u>Interest rate risk</u>

Interest rate risk entails the probability that fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

(Amounts in thousands Euro, unless otherwise stated)

The Group's policy is to minimize its exposure to the interest rate risk of long-term financing. Under this policy, medium-term loans are mainly in Euro, with fixed spread and a floating base interest rate linked to Euribor. In order to reduce the interest rate risk associated with long-term financing and to reduce the consequent volatility of financial expenses, the Group implements specific policies that include Interest Rates Swaps.

The biggest component of the Group's short-term debt is in Euro at a floating base interest rate linked to Euribor. Short-term loans are mainly issued either as working capital or for the initial financing of the construction of the Group's investments. The Group's policy is to convert these loans into long-term fixed spreads linked to Euribor and, where deemed necessary due to repayment time, to implement approved interest rate risk management policies through Interest Rate Swaps.

On 31.12.2020, 40.75% of the Group's total debt bares fixed interest rate, 34.08% bares floating interest rate that have been offset through derivatives, with which future fixed interest rate payments are exchanged, against floating receivables, while 25.17% of the Group's loans bare floating rate based on the Euribor or wibor on a case basis.

These loans are repaid either through collections of trade receivables, or during the collection of the relevant state grants or through the operating cash flows from the Group's operations.

<u>Sensitivity analysis of interest rate risk</u>

The following table presents the sensitivity of profit or loss for the period against the Groups short-term debt and deposits, towards a change in variable interest rates amounting to +/-20% (2019: +/-20%). The changes in interest rates are estimated to be logical in relation to the current market conditions and until now they have been consistent with the previous year.

	2020		**2019**	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(66)	66	(195)	195
Net earnings after income tax (from interest earning assets)	49	(49)	84	(84)

The Group is not exposed to other interest rate risks.

<u>Market risk analysis</u>

The Group is not exposed to market risk regarding its financial assets.

Liquidity risk analysis

Liquidity risk entails the risk that the Group or the Company will be in no position to meet their financial obligations when required. The Group maintains its liquidity risk at low level.

The Group's liquidity, in particular, is considered satisfactory, as in addition to cash available, the cash flows generated by the Concessions of the motorways and the operating wind farms, are ongoing.
The Group manages liquidity needs by closely monitoring the progress of long-term financial obligations, as well as the payments made daily. Liquidity needs are monitored in different time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Liquidity needs for the next 6 months and next year are determined on a monthly basis.

The Group maintains cash and cash available in banks to meet liquidity needs for periods of up to 30 days. The funds for the medium-term liquidity needs are released from the Group's time deposits.

Risks arising from existing financial conditions prevailing in Greece

As already mentioned, the Greek economy has been affected by the conditions that have formed in the country due to the COVID - 19 pandemic, resulting in a recession for the current year of 8.2%. The Greek Government estimates for 2021 that the economic conditions will improve and as a result of this improvement, GDP is expected to increase by 4.2%, thus recovering half of the losses of 2020.

Despite the new conditions that have been formed, the Group's operations continue as smoothly as possible, given that the main areas of the Group's operations (RES and Concessions) present significant defensive characteristics. The Management continuously assesses the conditions and the possible effects from the regular operation as well as from extraordinary events, in order to secure that all necessary and possible measures and actions are taken in time to minimize any impact on the Group's operations. The Group's Management objective is to immediately inform the investors about any significant effect that the current conditions may bring.

2) Public Health Crisis caused by Coronavirus Pandemic (COVID-19)

GEK TERNA Group is one of the most significant Greek business groups, which holds a leading position in the sectors of infrastructure, clean energy, electricity generation, and concessions. The Management determines that the Group operates in the sectors that are more defensive during the phases of the economic cycle and are recognized by the investors as "safe haven" that provides stable repeatable cash flows even in times of turmoil and uncertainty, such as the current crisis. Furthermore, during the Greek financial crisis, (i.e. the most difficult and longest financial crisis in Europe), the Group has already demonstrated its ability to develop and strengthen its position in the market.

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. During the following months, coronavirus disease (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. The COVID-19 pandemic has led to an unprecedented crisis in global health and the economy. In Greece, the virus was first detected in late February 2020, leading to a national quarantine. In the beginning of May, a gradual lifting of quarantine restrictions started, which lasted until June. During the summer, however, the increase in COVID-19 cases in Greece led to the early end of the tourist season and imposition of restrictive measures. Measures of limited reopening of stores were implemented during the festive period of Christmas. Throughout the pandemic, the Group constantly acts based on the instructions and decisions of all the competent institutions, observing the requirements and the action plan adopted by the Greek authorities.

In the context of public health protection, many countries have adopted emergency, temporary and costly restraining measures (some countries have required companies to restrict or even suspend their usual business activities). The Greek Government, in an effort to keep cases and deaths low to the point where a large percentage of the population could be vaccinated, has taken stricter measures than in other European countries, imposing repeated restrictive measures in the segments of tourism, trade, catering and entertainment. To support employees and businesses, it has taken fiscal measures through combined measures to safeguard employment and suspend payments, to measures that have reduced the adverse impact on the economy.

According to the Bank of Greece, all these measures resulted in a recession in the Greek economy of 8.2% for 2020, while at the Eurozone level, the economy decreased by 6.6%.

The global impact of the pandemic has resulted in the European Union being forced to approve Euro 1,824 billion in funding to help its members deal with the effects of the COVID-19 pandemic on the European economy. Greece is expected to raise Euro 72 billion, Euro 31 billion through Recovery and Durability Fund (Euro 18 billion in the form of grants and Euro 13 billion in the form of loans) and Euro 40 billion through the Cohesion Fund NSRF for the period 2021-2027.

The health crisis caused by coronavirus pandemic (COVID-19) has led the global economy to a period of uncertainty and instability, whose consequences are difficult to assess based on the currently effective data, since the pandemic is still ongoing. The economic impact will depend on the term and intensity of the recession, as well as the prospects for recovery. To address the health and, consequently, economic aspects of the pandemic, governments around the world have already launched ongoing mass vaccination programs to cover the entire population and build the required immune wall, which will lead to a normality. Based on the fact that the pandemic has not yet been fully controlled, in combination with the presence of mutations in the virus altering its transmissibility and effectiveness of vaccines, this risk remains one of the main risks faced by the Group.

The Group's Management, applying an extremely high sense of responsibility, towards its customers, employees, suppliers, partners and investors, monitors the developments regarding the coronavirus pandemic (COVID-19), studying the possible risk factors that could affect the financial position, operations and results of the Group.

(i) Group Organizational Planning

Following the first announcements, the Group's Management with the highest priority health and safety of its employees and associates, acted with speed and determination, designed and immediately started implementing a plan of measures and actions, mainly aimed at: creating a safe working environment for all the employees in parallel with the adoption of distance working policies, when deemed possible and necessary, securing and utilizing the most modern information technology to limit transportation and minimize travel, implementing teleconferencing (video calls), as well as modern, flexible ways of working depending on the individual or special needs of groups of employees.

Extremely strict operating regulations have been introduced at all points of presence and operation of the Group in Greece and abroad, in order to constantly confirm the highest possible level of security for all.

At the same time, the Group implemented a program for the safe repatriation of its executives and employees from Cyprus in full implementation of the decisions and instructions of the national competent authorities. Specifically, on 01.04.2020, TERNA SA (100% subsidiary of GEK TERNA) announced the completion of safe repatriation procedures from Cyprus for about 400 employees in its subsidiary projects, following the decision of the Cypriot government to proceed with the temporary suspension of works in construction sites in country (the relevant decision was revoked on 04.05.2020). The repatriation was done for the vast majority of employees, with special flights organized by the subsidiary TERNA SA in collaboration with Aegean. For the repatriated employees, all the procedures provided by the State and EODY were followed and GEK TERNA Group took care of their safe passage to their places of residence, inside and outside Athens.

(ii) Effects arising from the coronavirus pandemic (COVID-19) per key operating segment of the Group and their mitigation measures

The Group has taken all the necessary measures in order to continue the development of its core operations, continuing the exploitation of RES and Concessions and implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment. More analytically per segment.

- **Construction Operating Segment**

In the Construction Operating Segment some delays occurred, despite the fact that none of the existing signed contracts was cancelled. In particular, for some projects there was a short-term suspension of work due to measures to avoid cases caused by COVID-19. Due to the time limit in respect of the outbreak of the pandemic, construction work resumed, again without achieving the execution rate in accordance with the initial plan.

Regarding the current delays that have existed the Group does not face the risk of non-compliance with the contractual schedules, as the relevant deadlines are extended respectively. It is to be noted that the construction contracts also include relevant terms regarding force majeure events, providing an additional conventional level of security regarding the progress of the projects and their performance/compensation.

The credit risk, in the context of the coronavirus pandemic, is limited to the possibility that customers might not comply with the agreed repayment terms. Significant delays in repayment of invoiced

operations were not found in 2020. Within 2021, even in a potentially moderate delay in collections, the Management estimates that it could not generate a cash problem in the segment.
The Management estimation is based on the following factors: (a) initially, that the Greek State and entities of the broader State are the Employers in most of the construction projects undertaken by the Group, and, in most cases, have a constantly uninterrupted flow of resources (e.g. European resources or resources secured by concession companies, which have assigned construction projects to Group's subsidiaries (b) the Group's customers with great financial potential and (c) the support packages for the economy of European countries, already expected to be delivered by the European Central Bank (ECB) in order to mitigate the economic effects of coronavirus.
It should be noted that, despite the extraordinary circumstances due to the global public health crisis, the Greek State has not currently announced the suspension of any tender procedure, as an initiative to support the Greek economy in practice.
Given the need to boost the economic recovery as a result of COVID-19 crisis, the Minister of Infrastructure and Transport has stated that starting the major projects constitutes an immediate priority for the Greek Government. In particular, the Greek Government intends to alter the institutional framework for tender procedures, so as to speed up licensing to include in strategic investments the major infrastructure projects, exceeding Euro 13 billion of which a significant part is estimated to be executed by the Group.

A significant delay in the implementation of tender procedures due to changing priorities, from the Greek State, could procure significant problems to the construction industry, and to that extent to Group's construction segment.

The subsidiary TERNA S.A. is in favorable position due to (a) its leading position in the construction industry, in combination with the experienced and proven effective management team, and (b) the strong financial position of the company, able to support timely completion of all projects it has undertaken and or will undertake.

- **Electric Energy Operating Segment (Electricity Generation from Renewable Energy Sources [RES]):**

  In the segment of electricity from RES, in Greece there was no interruption or other adverse impact on the activity of the Group's facilities that are in operation. As far as the RES facilities under construction are concerned, until today no delays have been caused due to the coronavirus pandemic (COVID-19) and the estimated time of completion and launching of the projects has not changed.

  In 2020, an extraordinary contribution for the Feed-in tariff regime was imposed on electricity producers from Renewable Energy Sources (RES) stations, which have been put into regular or trial operation until December 31, 2015 (Government Gazette 245/09.12.2020). This extraordinary contribution amounted to 6% of electricity sales for the year 2020. For the Group, the relevant extraordinary contribution amounted to Euro 5,252 thousand and was included in the item "Other income/(expenses)" of the consolidated Statement of Comprehensive Income. The total estimated increase in ELAPE revenues from the above contribution stood at Euro 110 million.

Regarding the collections of the Group's revenues, no delays occurred in 2020. The Management estimates that 1) any delay in collecting the Group's revenues from DAPEEP does not currently seem to exceed the production value of six months, as happened in the past. Within the next year, a delay in collecting of six months will create, albeit temporarily, a cash issue of special attention of approximately 118 million Euro. This risk is general, applies to all RES producers and does not only concern TERNA ENERGY. Cash liquidity in the Department of Energy Production of the Group's RES, allows the Management to manage any potential cash problem with relative ease, without interrupting the pace of implementation of the investment plan. In case the delay exceeds 6-8 months of production, the Management will reschedule its investment plan, business and cash planning so as to meet the increased cash needs and reduce the adverse consequences to a minimum. Orderly easing of the pace of deceleration and/or, where appropriate, cancellation of planned investments will prove inevitable, if the delay in recovery exceeds the reasonable limits and market operating practices. Even so, even in such a case, the Group, due to its size, ability, experience and determined strategy, is estimated to maintain its leading position in the market.

- **Real Estate Operating Segment**

The Group continues to maintain a conservative approach towards investment activities in the domestic real estate market. Taking into account the current financial conditions, the Group has decided to disinvest regarding particular properties. At the same time, it is considering alternative scenarios for the exploitation of a part of its investments and it will continue its investments when deemed appropriate.

- **Concession Operating Segment – Self/co-financed projects**

Concession operating segment mainly includes motorways concessions companies (NEA ODOS CONCESSION S.A. and CENTRAL GREECE MOTORWAY CONCESSION S.A.) and Kastelli airport concession (INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.).

In order to limit the spread of the COVID-19 pandemic, since February 2020, the Greek State has taken extraordinary measures, i.e. a number of Legislative Content Acts (PNP), as well as joint ministerial decisions (K.Y.A.), measures which directly affected the traffic in the Projects of the Motorway Concession Companies. In particular, restrictive measures were imposed on specific periods of traffic with a universal ban on movement within the territory, as well as with foreign countries. The ban on the movement of the population within the territory was not substantially normalized in its entirety by 2020, despite the fact that in some periods, transfers were permitted.

During 2020 and especially due to the implemented travel restrictive measures, the turnover of the subsidiaries "NEA ODOS CONCESSION S.A.” and “CENTRAL GREECE MOTORWAY CONCESSION S.A.” (hereinafter referred to as “Motorway Concession Companies”) significantly decreased compared to 2019.

As a result of the above, the Motorway Concession Companies proceeded with notifications provided for in the relevant Concession Agreements and submitted claims for compensation for loss of income to the Greek State, pursuant to the relevant terms of the concession agreements. In particular, pursuant to Articles 20 (Public intervention), 22 (Force Majeure Event) and 26 (Public Liability Event) of the Concession Agreements (hereinafter "the CA"), the above legal bases create a right to compensation of the Motorway Concession Companies for the loss of revenue they are subject to during 2020 due to COVID 19. The State has acknowledged that the traffic restriction measures it has taken constitute Authorized State Intervention, which adversely affect the operation and exploitation of the MCCs and in accordance with the relevant articles of the Concession Agreements implemented the respective contractual clauses. The calculation of the compensation is determined on the basis of the concession agreements with an amount equal to the difference between the Revenues realized in the semester, when this event took place or in any subsequent semester, during which the relevant event or its consequences continue, and the Provision for Revenue of the Updated Approved Financial Models for the same period.

Pursuant to the above provisions of the Concession Agreements, the aforementioned companies of the Group submitted to the State claims for compensation for the loss of income suffered in 2020 amounting to Euro 33.7 million. The loss of income suffered were recognized in the consolidated Statement of Comprehensive Income for the annual period ended 31.12.2020 and included in the item "Other income/(expenses)". From the above amount, an amount of Euro 15.1 million has been collected until the approval date of the accompanying financial statements.

Regarding the concession company of the New International Airport of Heraklion in Crete, after the start date of the concession in February 2020, the study-construction period of the Project has started (five years) which continues according to the concession agreement. In addition, as during the first period of the construction period, the project is in the process of completing technical studies for a period of at least six (6) additional months, no impact is expected.

In addition, it is worth noting that the concession agreement of the project in Kastelli, is structured to protect the Concessionaire from force majeure events - such as COVID-19 - providing an additional conventional level of security in respect of the development of the project and its performance.

- **Quarry / Industry Operating Segment**

The segment's activity in extracting and processing whitewash and subsequent production of magnesium products, which are almost entirely exported to various countries, has decreased significantly due to the COVID-19 pandemic, as a result of the problems created in the transportation of goods to the customers' countries.

Consequently, the subsidiary TERNA LEFKOLITHI has decreased the production waiting for normalization of the market, while at the same time rescheduling the operation of the production procedures for the optimal use of existing inventory of whitewash and existing equipment.

Summary

The coronavirus pandemic (COVID-19) has led the global economy to a period of uncertainty and instability, the consequences of which are difficult to assess based on the currently available data, since the situation is evolving. The economic impact will depend on the term and intensity of the recession as well as the emerging recovery prospects. The management of the Group estimates that the operation, financial performance, cash flows and financial position of the Group will not be significantly affected. In any case the management of the Group ensures the preservation of orderly operation both in Greece and in other countries where the Group operates, applying procedures for continuous identification and evaluation of all risks that may arise in the near future. The Management in direct, continuous and systematic cooperation with the Risk Managers and the executives of the Group, plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible. The organizational efficiency of the Group and the continuous foster of the Management to use its managers by project and specific topic, depending on the required ability and experience have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group and if it appears. Due to the existence of this basic principle, stems the immediate reaction of the Management and the above mechanism for dealing with the epidemic crisis with prudence, calm and strategic perspective.

3) Other risks and uncertainties

Backlog of the construction contracts

The backlog of the construction contracts does not necessarily constitute an indication of future revenues from the Group's operations in this segment. Although the backlog of these contracts represents the projects that are considered certain, no guarantee can be given that cancellations or adjustments will not be performed. The backlog of the Group's construction contracts may fluctuate in connection with the delays in the projects implementation and/or receivables or inability to fulfil contractual obligations.

Tender procedures

Law 4782/2021, published on 09.03.2021, reformed the existing regulatory framework for public procurement under Law 4412/2016, which incorporates in the Greek Legislation Directives 2014/24 /EU (L 94/65) and 2014/25/ EU (L 94/243) as well as Laws 3433/2006 (A’ 20), 3883/2010 (A’ 167) and 3978/2011 (A '137) which regulate the issues of public procurement in defense and security sectors. According to the explanatory memorandum, Part A' reforms provisions of Law 4412/2016 that constitutes the existing regulatory framework for issues of public procurements, services and projects in order to simplify and clarify the legal provisions, reduce bureaucracy, increase the effectiveness of public procurement and projects implementation, expand the use of electronic means (e-procurement), increase participation of small and medium-sized enterprises in public procurement procedures and address irregularities, such as the issue of excessively low bids and excessive attachment to formality to the substance of the bids. Law 4412/2016 presented a number of problems that contracting authorities as well as the economic operators had identified. The attempt to address such irregularities was fragmented and, quite often, insufficient. It is symptomatic that the provisions of Law 4412/2016 had been amended more than 300 times. However, the current economic conditions have generated the need to increase the efficiency of the procedures for preparation, assignment and implementation of public procurements in order to speed up the relevant procedures, while improving the quality of goods, services and projects supplied by the State without jeopardizing the issues of transparency and integrity. Moreover, the effectiveness of the public procurement system is expected to reinforce the capacity of the Greek State in public investments, as well as in faster absorption and utilization of EU funds and financial facilities, in particular, in view of NSRF 2021-2027 program period and the Recovery of and Resilience Fund (RRF) aimed at supporting reorganization and improving resilience to crises of the economies of the European Union Member States. Realization of the above objectives will be evident through the implementation of the above institutional framework.

Furthermore, on 08.01.2021, the Hellenic Competition Commission, taking into consideration article 11 of Law 3959/2011 on regulatory intervention in sectors of economy, decided ex officio to initiate the relevant procedure in the construction segment and sent out relevant questions to ensure provision of information from construction segment companies. On 07.04.2021, the Hellenic Competition Commission published its preliminary views on the aforementioned matter regarding the competition conditions in the construction segment, asking all the interested parties to contribute to the public consultation on the published text. The consultations last from 08.04.2021 until 07.05.2021 and the Group considers its active participation in the procedure, aiming, among other things, at pointing out any incorrect data identified in the text published by the Hellenic Competition Commission.

E. Projected course and Development

GEK TERNA – the parent company of the Group (www.gekterna.com) is listed on Athens Stock Exchange (FTSE/Athex Large Cap) and is one of the largest business groups in Greece, also holding operations in Central and Southeastern Europe, the USA and Middle East.

The Group operates in the fields of infrastructure, energy production, supply and trade, concessions, waste management, mining and real estate development & management.

The Group occupies over 3,400 employees (directly 2,500 and in its proportion through joint ventures 900) worldwide, while its total investments in recent years have exceeded Euro 2.3 billion, thus actively supporting the Greek economy and the country's banking system, constantly maintaining all the Group's money resources in the Greek banks.

The Group's pipeline in constructions at the date of preparation of the Financial Statements amounted to Euro 2.2 billion including the signed and to be signed new contracts, while the total installed capacity of the energy units owned or in which the Group participates exceeds 1,945 MW. At the same time, the implemented Concessions and PPP projects are in full operation.

In the beginning of 2020, Greek economy was on a growing course according to confirmed estimates by competent bodies, which they predicted the acceleration of the growth rate.

The ongoing growth of both Greek and global economies has been challenged again by the emergence and spread of COVID-19, the impact of which on economic activity cannot be accurately assessed at this stage, as it is not yet known the duration and extent of the spread of this phenomenon, despite the fact that the discovery of vaccines against COVID-19 has given a new perspective for the second half of 2021 and for the coming years.

However, it is to be noted that strengthening of investment activity in the segments, where GEK TERNA Group operates (RES, Concessions, Infrastructure Constructions) constitutes a matter of high priority of both the Greek state and the European Union in the attempt to facilitate economic recovery and addressing the financial consequences of the COVID-19 pandemic. Recently, the Greek State introduced a new framework for accelerating the implementation of investments in RES, while at the same time in the segment of infrastructure construction there is a willingness to accelerate tenders for new concession projects and PPPs. Given the multiplier effect, the infrastructure projects significantly contribute to GDP growth and boost employment. In this context, GEK TERNA Group as a member of INSPIRE ATHENS has become a temporary Contractor in the project Integrated Casino Resort in Hellinikon and at the same time participates in the tender procedure of concession projects such as Egnatia Odos, North Road Axis of Crete, underwater coupling of Salamina - Perama etc.

In 2021, GEK TERNA Group will continue to implement its strategy for continuing growth in the Greek and international markets in RES, Concessions and Construction segments. The objective is to maintain its leading position in the Greek market and pursue its sustainable development in the overseas markets in order to achieve a satisfactory diversification of business risk and maintain a satisfactory return on its capital. Prospects for achieving the objectives set for 2021 are positive given that:

<u>In the Construction Operating Segment:</u>

The Group, mainly through its 100% subsidiary TERNA SA, has been operating in the construction segment for almost half a century, both - in the Middle East and Southeast Europe - implementing a wide range of large and complex public and private projects, of high budgets and complex know-how, such as construction of motorways and rail networks, buildings, hospitals, museums, industrial facilities, hydroelectric projects, dams, industrial facilities, power plants, etc.

The prospects for the coming years are in favor of improving the economic sizes of the segment, while the backlog of construction objects is maintained at high levels, amounting to approximately Euro 1.6 billion on 31.12.2020 and at the date of preparation of the financial statements with the new agreements signed or to be signed standing at Euro 2.2 billion, according to the statements of the competent Minister, the Greek Government intends to change the institutional framework regarding the tender procedures, in order to speed up licensing so that the major infrastructure projects, which exceed Euro 13 billion, could be incorporated in the investment strategy legislation.

At the same time, the existence of synergies that will arise from the implementation of new investments within the Group, will assist in improving the financial sizes of the segment. It is to be noted that the implementation of the above projects will have significant positive multiplier effects on the Greek economy.

The Group, in the context of consistency and high sense of corporate social responsibility that distinguishes it, will remain a pioneer in the domain of construction, generating satisfactory profits for its shareholders in line with its strategic planning, despite the adverse conditions, arising in the beginning of 2020, exacerbated by the COVID-19 pandemic.

In the Energy Operating Segment:

a) Electricity production from RES

Not only in the international but also in the Greek economic environment, political leaders have recently reaffirmed their interest in developing Renewable Energy Sources and the fastest possible replacement of traditional, thermal (lignite, coal, etc.) sources by wind, photovoltaic etc. in order to effectively address the increasing burden of the natural environment.

In this context, the Group, through its subsidiary TERNA ENERGY SA, is justified regarding its strategic decision to drastically invest in the field of renewable energy sources, obtaining in operation, on 31.12.2020, 606 MW in Greece, 510 MW in the USA, 102 MW in Poland and 30 MW in Bulgaria, thus contributing to combating environmental pollution, while generating satisfactory profits to its shareholders.

Particularly in Greece, significant developments are expected following a series of Governmental decisions, such as replacing lignite as fuel for the purposes of the country's electrification, privatization of DEPA Commerce (the Group participating in the tender in progress) and DEPA Infrastructure, as well as privatization of D.E.D.D.I.E. and further disposal of 49% of ADMIE (The Independent Power Transmission Operator), will bring about significant developments, when rapid adaptation will become a critical factor for restructuring the market and redistribution of the role and share of the main competitors within it.

Through its subsidiary TERNA ENERGY, making the best possible use of its dominant position and know-how in RES and appreciating the favorable environment in this domain, the Group continues the implementation of its investment plan in Greece, proceeding with new investments in the production of net energy of approximately total budget of Euro 550 million.

The construction of new wind farms in Evia has already begun, as the acquisition of the portfolio of licensed and under licensing wind farms of 270 MW capacity of the company "RF Omalies MAE" by "RF ENERGY SA" has been completed.

In addition to the aforementioned new investments in wind farms, the Group through its subsidiary TERNA ENERGY, has already launched additional investments totaling over Euro 1 billion, which relate to new wind farms in various areas of Greece, environmental and waste management projects and clean energy projects, such as the Amari Hybrid Station in Crete and the pumping project in Amfilochia.

Those are two extremely significant investments of approximately Euro 800 million, required to balance transmission networks and transition to a carbon-free economy. Already launched investments in conjunction with the new wind farms in Evia raise the Group's total investment plan through the subsidiary TERNA ENERGY to approximately Euro 1.7 billion, so that the total installed capacity of the Company could reach 3,000 MW within the next five years.

The Group, in the context of consistency and high sense of corporate social responsibility that distinguishes it, will remain a pioneer in the field of investment and will strive to maintain the Group's pace of growth, generating satisfactory profits for its shareholders, according to its strategic planning, despite the adverse conditions, arising from the beginning of 2020, exacerbated by the COVID-19 pandemic and are maintained until 2021, as well as by the effects of the natural phenomenon in Texas, USA in early 2021.

b) Electricity production from thermal energy sources – Trade of electricity

GEK TERNA GROUP is also involved in thermal energy production through its participation in THERMOELECTRIC STATION OF VIOTIA SA (HERON II S.A.) having partnered with two international leading energy players, ENGIE (former GDF Suez) and Qatar Petroleum, joining forces also in the company THERMOELECTRIC S.A. (HERON I S.A.) (www.heron.gr), in which ENGIE (former GDF Suez) participates, owning two thermal power plants with an installed capacity of 147 MW and 435 MW (HERON I and HERON II respectively), in Viotia, operating in the fields of production, supply and trade of electricity.

The expected effect of the government's decisions to replace lignite as fuel for the country's electrification confirms the Group's strategic decision to heavily invest in construction and operation of a new natural gas unit of a combined nominal net capacity of 600 MW in Komotini, which requires an investment of approximately Euro 300 million, estimating that satisfactory profits will emerge for the benefit of the Group's shareholders.

In the Concession Operating Segment - Self/co-financed projects:

The Group displays an impressive dynamic through its involvement in financing, management and commercial exploitation of concession projects.

The Group controls the companies NEA ODOS and CENTRAL MOTORWAY by 100%, and its participation in OLYMPIA ODOS stands at a percentage of 17% of its share capital, while it also participates in construction and operation of parking stations.

Moreover, through its subsidiary TERNA ENERGY, the Group participates in projects through PPPs, such as a) the Epirus Waste Management Unit, launched on 27.03.2019 and has exploitation capacity for 25 years, b) Peloponnese Region Waste Management Unit, whose construction started on 29.01.2021, 2 years construction term and operating period of 26 years.

It participates with 70% investment in the Electronic Ticket Service Company SA - HELLAS SMARTICKET SA, which has undertaken the operation of the automatic fare collection system for urban transport in Athens. The term of the concession will be 10 years after the construction period.

It participates in the Joint Venture TERNA ENERGY (70%) - INDIGITAL (15%) - AMCO (15%), which undertook the construction of the project “Digital Transformation, Telematics and Unified Automatic Fare Collection System for the Transport Authority of Thessaloniki (TheTA)", whose total budget amounted to Euro 30 million plus VAT. The agreement provides for the construction period (12 months) and provision of maintenance and operation support services for five (5) years from completion, while the Contracting Authority reserves the right to extend the maintenance and operation support period for another five (5) years.

At the same time, the Management continues to investigate new investments for the expansion of the Group's activity in Greece and abroad, constantly monitoring the developments in the Greek economy, collaborating with financial agents and expert analysts of international markets.

To this end, in search and launch of new investments in the form of Concession and PPP contracts, GEK TERNA SA, as a member of INSPIRE ATHENS, was notified about the decision of the independent administrative authority “Hellenic Gaming Commission (HGC)”, in line with the Minutes of the Committee for the concession of a wide-range activities Casino Operating License (EKAZ) in the Hellinikon - Agios Kosmas Metropolitan Pole. The decision pertains to the results of the evaluation phase of the Bidders' Entry Documents. Under the aforementioned decisions, (as announced in the official Press Release of the HGC issued on 20.01.2020), the Bid submitted by SHRE/SHRI, LLC, has been rejected and the Bid, submitted by INSPIRE ATHENS, comprising "MGE Hellinikon BV", "Mohegan Gaming Advisors, LLC" and "GEK TERNA SA" has been accepted. As at 30.01.2020, the company "SHRE/SHRI LLC" filed preliminary appeal to the Authority for the Examination of Preliminary Appeals (hereinafter, "AEPP"). The preliminary appeal of the applicant was rejected following no. 10/2020 decision of AEPP. "SHRE / SHRI LLC" protested against the above decision to the Council of State, under no. 69/2020 application for suspension of execution and issuance of a temporary order for suspension of execution, which was rejected under no. 72/2020 decision of the Committee of Suspensions of the CoC (Plenary Session). Furthermore, SHRE/SHRI LLC filed an application to the CoC (Plenary Session) for annulment against the above decision of the AEPP which was heard on 03.07.2020. On 24.09.2020, the decision of the CoC No. 1819/2020 was published, rejecting the application for annulment of SHRE/SHRI against the decision no. 10/2020 of the AEPP decision and, therefore, the application is now permanently excluded.

On 28.08.2020, the Competitor INSPIRE ATHENS was disclosed the decision number 504/1/ 30.07.2020 of HGC on: "Validation of the results of the evaluation stage of the File" Technical Offer "of the International Public Tender for the Granting of a Casino Operating License (EKAZ) for a wide range of activities in the Metropolitan Pole of Hellinikon - Agios Kosmas", as well as a copy of Conduct of the Competition, establishing that the Technical offer contained no shortcomings and the competitor continues to participate in the next phase of the Competition. On 08.09.2020, SHRE / SHRI filed the preliminary appeal to AEPP against the above decision, which was rejected with its nr 21/2020 decision. On 24.09.2020, the Council of State decision num. 1819/2020 was issued, **rejecting** the appeal for cancellation filed by SHRE/SHRI against no. 10/2020 decision of AEPP and is therefore now permanently excluded.

On 07.10.2020, the EEEP proceeded with unsealing the Financial offer of the INSPIRE ATHENS Association of Persons, and following its evaluation and relevant rating by the Tender Committee, the association was declared a Temporary Contractor for the Granting of a Casino Operating License (EKAZ) in the Hellinikon - Agios Kosmas Metropolitan Pole was then invited to submit supporting documents of a temporary contractor.

The exploitation of the Motorway Concessions, the exploitation of the Waste Management Units, the Operation of the Automatic Fare Collection System and the future operation of Kastelli Airport after the completion of the construction, are expected to bring significant improved results in the future, according to existing estimates, not substantially affected by the temporary adverse conditions created in early 2020 by the outbreak of the COVID-19 coronavirus pandemic, due to the nature of existing contracts.

The Group confirms its strategic decision to invest dynamically in the segment of PPPs, while creating satisfactory profits for the benefit of its shareholders.

In the Real Estate Operating Segment:

GEK TERNA Group is also engaged in real estate development and management with a broad portfolio in Greece, Bulgaria, and Romania, including business centers, industrial parks, entertainment parks, residential properties, hotels, etc. and at the same time examines alternative scenarios for the exploitation of a part of the investments and where it deems appropriate, it will continue its investments.

In the Quarry/Industry Operating Segment:

The Group is also involved in extracting and processing whitewash and subsequent production of magnesium products through subsidiary TERNA LEFKOLITHOI SA, mainly focusing on export (www.ternamag.com).

Despite the negative results recorded in the current year in the industry segment, the company is already rescheduling its operating activities, in order to reduce the cost of its products, estimating that the industry segment will return to profitability in the future.

F. Alternative Performance Measures (APMs)

In the context of implementing the Guidelines on “Alternative Performance Measures” of the European Securities and Markets Authority (ESMA/2015/1415el) effective as from July 3rd 2016 in respect of Alternative Performance Measures (APMs).

The Group applies Alternative Performance Measures under decision making regarding its financial, operational and strategic planning as well as when evaluating and recording its performance. APMs facilitate better understanding of financial and operating results of the Group and its financial position.

(Amounts in thousands Euro, unless otherwise stated)

APMs should always be taken into account in conjunction with the financial results recorded under IFRSs and should under no circumstances replace them.

It is to be noted that within the current year, the Group decided to redefine the way of presenting the financial reporting per operating segment. This decision of the Management was based on its assessment that this change leads to providing more relevant information regarding the financial performance and the evaluation of the performance of the individual operating segments of the Group. In particular, from the current year onwards, the operating segments will be presented before the eliminations made between the different operating segments for the purposes of the consolidated financial statements, in contrast to the presentation up to the previous year where the operating segments' results were presented after the eliminations between different segments. The Intersegment eliminations (which during the presentation of the individual operating segments carried out within them) are now presented separately in a separate column "Intersegment eliminations".

The following ratios are used to describe the Group's performance per operating segment:

<u>"Net Debt / (Surplus)"</u>

It is a ratio, through which the Group's Management assesses the cash position of an operating segment at any given time. The ratio is defined as total loan liabilities and bank leases less cash available. If restricted deposits are excluded from the aforementioned ratio, (Note 20) and grants to be repaid (Note 31) are added, then the item of "Net Debt/(Surplus)" less restricted deposits and grants to be returned" will arise.

The ratio is recorded as follows in 2020 and 2019:

	GROUP	
	31.12.2020	**31.12.2019**
Long-term loans (Note 24)	2,198,693	1,788,773
Liabilities from bank leases (Note 25)	526	6,848
Short-term loans (Note 24)	116,505	130,598
Long-term liabilities payable during the next financial year (Note 17)	109,958	105,123
Total bank debt	**2,425,682**	**2,031,342**
Less: Cash and cash equivalents (Note 23)	(1,108,417)	(594,671)
Net Debt / (Surplus) (Note 6)	**1,317,265**	**1,436,671**
Less: Blocked bank deposit accounts (Note 20)	(106,008)	(51,547)
Add: Approved and collected grants to be returned (Note 31)	3,024	3,024
Net Debt / (Surplus) after restricted deposits and Grants to be repaid	**1,214,281**	**1,388,148**

(Amounts in thousands Euro, unless otherwise stated)

“Bank Debt to Total Capital Employed”

It is a ratio, based on which the Management assesses the Group's financial leverage. **“Total bank debt”** is defined as the sum of Short Term Loans, Long Term Loans, Bank lease liabilities and Long term liabilities payable during the next financial year. The **“Total Capital Employed”** is defined as the sum of Total Equity, Total bank debt and Equity investments equivalent to financial liabilities (Note 26), 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.

The ratio is recorded as follows in 2020 and 2019:

	GROUP	
	31.12.2020	**31.12.2019**
Total bank debt (Note 6) (a)	2,425,682	2,031,342
Total equity	823,868	766,875
Equity investments equivalent to financial liabilities (Note 26)	281,263	375,772
Grants	102,266	154,699
Sub total (b)	**3,633,079**	**3,328,688**
Less:		
Cash and cash equivalents (Note 23)	(1,108,417)	(594,671)
Blocked bank deposit accounts (Note 20)	(106,008)	(51,547)
Approved and collected grants to be returned (Note 31)	3,024	3,024
Sub total (c)	**(1,211,401)**	**(643,194)**
Total Capital Employed (b+c)=(d)	**2,421,678**	**2,685,494**
Total Bank Debt / Total Capital Employed (a)/(d)	**100.17%**	**75.64%**

EBITDA (Earnings Before Interest Taxes Depreciation & Amortization)

It is a ratio, based on which the Management of the Group assesses the operational performance of ab operating segment. "EBITDA" is defined as Earnings Before Interest& Taxes (EBIT), plus depreciation and amortization, less any equity-based grants as presented in the accompanying financial statements.

Adjusted EBITDA (Adjusted Earnings Before Interest Tax Depreciation & Amortization)

"Adjusted EBITDA" is defined as EBITDA, plus any non-cash items.

(EBIT –Earnings Before Interest and Taxes)

EBIT is defined as the Gross Profit less Administrative and Distribution Expenses, less Research and Development Expenses, plus/less Other Revenues/(Expenses) EBIT determinants. Other Revenues/(expenses) EBIT determinants are defined as Other Revenues/(Expenses) apart from the items of Foreign Currency Translation Payment and Valuation Differences and Impairments/(Reversals of Impairments) of fixed assets as presented in Note 39.

EBITDA and Adjusted EBITDA ratios in 2020 and 2019 per operating segment and as a total are presented below as follows:

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2020	Constructions	Electricity from RES	Electricity from thermal energy and HP trading	Real Estate	Mining / Industry	Concessions	Holdings	Intersegment Eliminations	Consolidated Total
Gross profit	**35,406**	**141,660**	**515**	**(68)**	**(985)**	**35,556**	**(647)**	**3,392**	**214,829**
Administrative and distribution expenses	(31,184)	(21,529)	(366)	(604)	(4,155)	(10,897)	(11,714)	960	**(79,489)**
Research and development expenses	(1,145)	(2,716)	0	0	(160)	(479)	(16)	0	**(4,516)**
Other income/(expenses) attributable to EBIT	3,868	10,036	625	(272)	(7,908)	19,933	650	(957)	**25,975**
Results (EBIT)	**6,945**	**127,451**	**774**	**(944)**	**(13,208)**	**44,113**	**(11,727)**	**3,395**	**156,799**
Net depreciation	11,048	66,483	18	612	2,702	44,000	145	(3,628)	**121,380**
EBITDA	**17,993**	**193,934**	**792**	**(332)**	**(10,506)**	**88,113**	**(11,582)**	**(233)**	**278,179**
Non cash results	1,038	(37)	61	585	6,420	17,179	2,871	0	**28,117**
Adjusted EBITDA	**19,031**	**193,897**	**853**	**253**	**(4,086)**	**105,292**	**(8,711)**	**(233)**	**306,296**

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2019	Constructions	Electricity from RES	Electricity from thermal energy and HP trading	Real Estate	Mining / Industry	Concessions	Holdings	Intersegment Eliminations	Consolidated Total
Gross profit	**40,036**	**120,837**	**2,227**	**560**	**(1,080)**	**77,545**	**268**	**(3,917)**	**236,476**
Administrative and distribution expenses	(33,975)	(20,538)	(316)	(926)	(4,736)	(9,563)	(6,338)	734	**(75,658)**
Research and development expenses	(1,082)	(1,456)	0	0	(304)	(1,088)	0	0	**(3,930)**
Other income/(expenses) attributable to EBIT	(1,332)	20,820	306	813	(4,671)	(15,233)	(40)	(291)	**372**
Results (EBIT)	**3,647**	**119,663**	**2,217**	**447**	**(10,791)**	**51,661**	**(6,110)**	**(3,474)**	**157,260**
Net depreciation	11,266	56,192	41	606	2,191	44,201	131	0	**114,628**
EBITDA	**14,913**	**175,855**	**2,258**	**1,053**	**(8,600)**	**95,862**	**(5,979)**	**(3,474)**	**271,888**
Non cash results	1,261	1,077	0	(837)	4,483	7,261	16	0	**13,261**
Adjusted EBITDA	**16,174**	**176,932**	**2,258**	**216**	**(4,117)**	**103,123**	**(5,963)**	**(3,474)**	**285,149**

Adjustments to non-cash results for 2020 relate to provisions for staff compensation 2,762, an expense recognized from the grant of stock options 3,257, impairments of investment properties 530, provisions for heavy maintenance 16,544, Impairments of receivables and inventories, other provisions and earnings from elimination of liabilities amount 5,024.

G. Payment Report to Governments

In accordance with the provisions of article 6 of Law 3556/2007 as effective, the Group, due to the mining activity of quarry products of its subsidiary TERNA LEFKOLITHI, paid to the Greek Government during the year ended 31.12.2020, an amount of Euro 56,419.

H. Non-Financial Information Report 2020

Introduction

This Non-Financial statement relates to the fiscal year ended on the 31st of December 2020. 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, in accordance with the Law 4403/2016 of the Ministry of Economy and Development (today Ministry of Development and Investments):

- Business model/main non-financial risks
- Anti-corruption issues
- Supply chain issues
- Respect for human rights
- Social and labor issues
- Environmental and energy 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 financial and non-financial performance indicators are listed. In addition, a brief description of the Group's business model is provided.

The content of this Non-Financial statement has been prepared taking into consideration the GRI Standards, the SASB Standard "Engineering & Construction Services, 2018" as well as the Athens Stock Exchange ESG Reporting Guide (2019).

In addition, in this statement and according to the Letter of the Hellenic Capital Market Commission dated 5/11/2020, the thematic aspect "Impact of the COVID-19 pandemic on non-financial issues" is included.

Business Model

<table>
<tr><th colspan="4">Group Business Model</th></tr>
<tr><th rowspan="2">Inputs</th><th rowspan="2">Business activities and processes</th><th colspan="2">Outputs – The value we create</th></tr>
<tr><th>Impacts on the Economy, Society and the Environment</th><th>Our contribution to the Sustainable Development Goals</th></tr>
<tr><td>FINANCIAL CAPITAL
- Equity and debt</td><td rowspan="8">OUR VALUES:
Respect for human rights and the natural environment.
Value creation for employees, business partners, customers and shareholders.
Honesty and reliability.
Contribution to society through targeted actions.

OUR PROCESSES:
• Sustainable Development Strategy
• Code of Ethics and Conduct
• Corporate Governance Code
• Responsible Supply Chain Management
• Personal Data Policy

OUR BUSINESS ACTIVITIES:
• Infrastructure
• Concessions
• Clean Energy
• Thermal Energy
• Waste management
• Mining activity
• Real Estate
• Other activities</td><td>• Creation and distribution of economic value</td><td></td></tr>
<tr><td>HUMAN CAPITAL
- 3,358 employees
- Knowledge, skills and abilities
- Ethics</td><td>• Ensuring Health and Safety at Work</td><td></td></tr>
<tr><td rowspan="2">NATURAL CAPITAL
- Air
- Water
- Sun
- Land use
- Raw and other materials</td><td>• Continuous Talent Development and Retention</td><td></td></tr>
<tr><td>• Protection of Human and Labor Rights</td><td></td></tr>
<tr><td>MANUFACTURED CAPITAL
– Industrial units</td><td>• Environmental Compliance</td><td></td></tr>
<tr><td>INTELLECTUAL CAPITAL
- Patents
- Intellectual property
- Protocols, Procedures</td><td>• Responsible Energy Management</td><td></td></tr>
<tr><td rowspan="2">SOCIAL CAPITAL and SUPPLIERS
- 6,393 suppliers in 19(*) countries and 4 continents

*19 countries with over 1million euros procurement costs, 51 in total</td><td>• Tackling Climate Change</td><td></td></tr>
<tr><td>• Protecting and Preserving Biodiversity</td><td></td></tr>
</table>

		• Ensuring Business Ethics and Regulation • Ensuring Health, Safety and Wellbeing at Work • Engagement with Local Communities and Social Investment	

GEK TERNA GROUP is one of the largest business Groups in Greece and operates in Central and Southeastern Europe, the USA and the Middle East.

The Group has a leading position in the fields of infrastructure, energy production, supply and trade from thermal sources and RES, concessions, waste management and real estate development & management.

GEK TERNA is listed on the Athens Stock Exchange (FTSE / Athex Large Cap) with a turnover of Euro 971 million while the backlog of construction work is maintained at high levels, amounting to approximately Euro 1.6 billion on 31.12.2020 and at the date of preparation of the financial statements with the new agreements signed or to be signed standing at Euro 2,2 billion. Moreover, the total capacity of the energy plants that the Group owns or participates in, reaches 2,400 MW.

Indicator C-G1: Sustainability oversight

As a socially responsible Group, its business activity evolves hand in hand with a long-term value creation, giving priority to the individual, the environment and the society. To this end, the Group's goal for 2021 is to include the sustainable development topics in the BoD's agenda in order to discuss them during the meetings.

Throughout its history, the Group has built relationships of trust with all its stakeholders, remaining true to the principles governing its business operations and activities:

- Respect for people and the natural environment.
- Value creation for its employees, partners, customers and shareholders.
- Honesty and credibility.
- Targeted social contribution.

Indicator SS-E7: Backlog cancellations

There were no project cancellations but there was temporary cessation of operations on specific (2) construction sites during 2020 due to COVID – 19 pandemic.

The presence and activities of the Group

Infrastructure

Countries: Greece, Bulgaria, Serbia, Romania, Qatar, Bahrain, Cyprus, Albania, UAE, Saudi Arabia, Iraq

GEK TERNA Group, has been actively involved in the construction segment for almost half a century, through its 100% subsidiary TERNA S.A. TERNA S.A (www.terna.gr) was founded in 1972 and is one of the leading Greek construction companies specializing in complex and demanding infrastructure projects, a partner of international Groups with experience in Greece and abroada and with significant synergies with the other activities of the Group in concessions and energy.

The proven experience of TERNA S.A. in the execution of large construction projects of motorways, buildings, ports and large energy projects, as well as its established presence in the markets where it operates, makes it one of the most recognized technical companies.

Concessions/Co-financed projects

Country: Greece

The Group has a dynamic presence in the construction, management and commercial operation of concession projects.

- Controls the concession projects of Nea Odos and Kentriki Odos with a percentage of 100% and participates with a percentage of 17% in the share capital of Olympia Odos.
- Participates with a percentage of 70% in the Hellas Smarticket Electronic Ticket Service Company, which undertook through the PPP contract, the implementation of a Unified Cash Collection System for the companies of the OASA Group.
- Through its PPP partnership contract, it undertook the construction of the Epirus Waste Management Unit in March 2019 with a concession duration of 27 years.
- Participates, with a percentage of 32,46%, in the concession company «Heraklion International Airport of Crete" that has undertaken the project of the design, construction and operation of the New Heraklion Airport with a concession period of 35 years (including a 5 year construction period).
- Continues to be active in the Management and Operation of Car Stations sector, participating in the construction and operation of ten (10) car stations in our country.

Energy producers

GEK TERNA Group has been active in the field of energy since the mid-1990s and is one of the leaders , both in the market of Renewable Energy Sources through the TERNA ENERGY Group, and in thermal energy produced through the HERON Group.

- **Clean energy**

Countries: Greece, USA, Bulgaria, Poland

TERNA ENERGY S.A. is one of the largest Greek Groups in the field of Renewable Energy Sources (RES) as well as one of the largest Greek investors in RES abroad, with activity in the development, construction, financing and operation of RES projects in 7 countries but also waste management and energy and is listed on the Athens Stock Exchange (FTSE / Athex Large Cap).

The Group's activity includes a wide range of RES technologies such as construction and operation of wind farms, hydroelectric projects, pumping storage projects, hybrid stations, and photovoltaics, as well as the undertaking of integrated projects for waste management, production of biofuels and other materials. During the year 2020, its activity, including electricity trading, developed in the following countries: Greece, the United States of America, Bulgaria, Northern Macedonia, Poland, Serbia and Albania.

By the end of 2020 it had in operation (maximum delivered), power of 1,335 MW and installed capacity of 1,363.7 MW in Greece and abroad. Specifically, it had installed 721.7 MW in Greece, 510.1 MW in the US and 132 MW in Central and Eastern Europe. In addition, it has RES facilities under construction or ready for construction with a total capacity of 427.2 MW in Greece.

- **Thermal energy**

Country: Greece

GEK TERNA Group is active in the fields of electricity production from natural gas and electricity trading through its participation in "THERMOELECTRIC SA" - HERON I - together with Engie as well as in "THERMOELECTRIC STATION SA" HERON II, in the share capital of which ENGIE and Qatar Petroleum also participate. The two thermal power plants of the Group of power 147 MW and 435 MW, are respectively located in Viotia.

Real estate development

Countries: Greece, Bulgaria, Romania, Netherlands

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

Industrial segment

Country: Greece

The Group also has mining activity primarily through TERNA MAG S.A. (www.ternamag.com), which specializes in the mining of pumice and magnesia products and has almost exclusive export activity.

Main non-financial risks

Sustainable Development PIllars	Identified risks	Group's Mitigation policies
Fight against corruption and bribery issues	• Incidents of corruption, bribery, extortion	• Implements Code of Conduct. • Monitors the proper implementation of the Code of Conduct on a daily basis. • Organizes pertinent trainings and briefings on the Code of Conduct for all employees. • Facilitates reporting of any concern or discrepancy in the Code's implementation. • Assesses any deviation and takes all necessary legal actions.
Supply chain issues	• Cases of violation of international standards or legislation related to the practices of its suppliers but also cases of suppliers who may not adopt common policies and values of the Group. • Risk of corruption in the supply chain. • Risks of non-support of local and domestic suppliers (e.g. loss of social cohesion, loss of social/local support and consequent reduction of economic development and prosperity of these areas).	• Complies with relevant insurance and labor legislation. • Implements the regulatory framework related to Health and Safety at work. • Adopts the principles of protection of human rights. • Implements internal policies, procedures, standards and certified Management Systems.
Respect for human rights	• Risk of human rights violations, beyond its supply chain and within the limits of its own activities. • Risks arising from non-compliance with the current regulatory framework on human rights, such as a possible crisis of social solidarity and prosperity.	• Applies international standards and human rights principles. • Implements control mechanisms through the Human Resources Department.
Social and labor issues	• Risk of non-equal opportunities, fair pay and adequate health and safety conditions. • Potential health and safety risks for each job. • Potential social and environmental risks involved in the execution of its activities	• Increases its socio - economic footprint. • Implements the Payroll and Benefits Policy approved by the shareholders. • Enhances diversity. • Provides equal training and education opportunities. • Implements its Health and Safety Policy. • Implements a Privacy Policy and the use of cookies

	for the local communities in which it operates. • Potential economic and social impacts associated with the reduction of employment in the country (e.g. unemployment) and the negative indirect economic impacts it may cause.	
Environmental and energy issues	• Environmental risks associated with the activities of its companies and which may cause adverse impacts both on stakeholders (e.g. local communities) and on the wider natural environment (e.g. impact on land, water, air and ecosystems in general). • Potential impacts of non-protection of biodiversity could be water and air pollution. • Threat to human health and food security. • Risk of bankruptcy. • Risks associated with the phenomenon of Climate Change.	• Compliance with applicable legal and other requirements. • Identification and evaluation of environmental aspects that are related to the company's activities. • Defining environmental and energy goals and achieving them through approved programs. • Ensuring adequate resources to achieve environmental and energy goals. • Implementation of Environmental and Energy Management Systems. • Responsible Energy Management. • Tackling Climate Change. • Biodiversity protection and conservation.

Fighting corruption and bribery issues

Due diligence and other policies

Indicator C-G2: Business ethics policy

IF-EN-510a.3: Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes

Combating corruption is a key pillar of the Group's operation, which has been committed to demonstrating zero tolerance for such incidents, by promoting transparency, ensuring business ethics and regulatory compliance that are diffused across the range of activities and affect the professional behavior of its people. To this end, the Group acts through the establishment of policies and procedures, but also through the creation of control mechanisms and compliance with these policies. In particular, the Group:

- Implements a Code of Conduct.
- Monitors the proper implementation of the Code of Conduct on a daily basis.
  Organizes targeted trainings and briefings, in person or online (e-learnings), on the Code of Conduct, Corruption and Bribery Control for employees.
- Ensures the possibility of reporting any discrepancies or concerns in relation to the Code's implementation to the Board of Directors.
- Assesses any discrepancies and takes all necessary legal actions.

Code of Conduct

The Group's Code of Conduct is a reference point for all its employees and associates (suppliers, subcontractors), serving as the basic framework of values and principles that should characterize their professional behavior. The Code reflects the Group's fundamental principles, beliefs, corporate culture, business ethics and voluntary ethical commitments. Issues related to the fight against corruption and bribery are at the heart of the Code. The content of the Code is in accordance with the general principles set out in the International Regulations and Conventions as well as the international standards ISO 9001, ISO14001, ISO 45001, ISO 39001, ISO 19600, ISO 37001, ISO 50001 and SA 8000. The Code's implementation extends to all companies and subsidiaries of the Group at a national and international level, applies to all activity areas and is taken into consideration in the partnerships as well as consortia in which it participates.

The Regulatory Compliance Committee, which reports directly to the Board of Directors, monitors the implementation of the Code of Conduct. Additionally, the Group maintains a program of internal inspections by the Head of Regulatory Compliance, aiming at monitoring the implementation of the Code.

The Group ensures the organization of trainings and targeted briefings of the staff, on an annual basis, aimed at raising awareness while continuously informing them about corruption incidents and ways to combat them. From the very first day of recruitment, all employees are informed about the contents of the Code and agree to abide with their signature on the employment contract.

The Group employees are obliged to inform any discrepancies or concerns in relation to the Code's implementation which come to their attention, through an anonymous, printed letter to the Head of Regulatory Compliance. The aim of the Group is to strengthen and improve the prevention and control procedures of potential corruption risks, to comply with relevant legislation and intensify relevant controls.

The Head of Regulatory Compliance is responsible for the investigation and evaluation of any complaint received, and thereafter, takes all the necessary corrective actions in the context of applicable law and the Group's policies.

In case of discrepancies in the Code's implementation, the legal actions provided by the current institutional framework and the Labor Code may include the cessation of cooperation, the imposition of a fine and / or criminal clause as well as the activation of civil and criminal proceedings.

Results of the above policies and non-financial performance indicators

ISO 37001: 2016 and ISO 19600: 2014 certification

The Group follows the standards ISO 37001 for the fight against corruption and ISO 19600 for regulatory compliance and certification is expected within May 2021. It is noted that the Group's subsidiaries TERNA and TERNA ENERGY are certified according to both standards.

GRI 205-3: Confirmed incidents of corruption and actions taken

Indicator SS-G1: Business ethics violations

IF-EN-510a. 2: Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices4

In 2020, there were no confirmed corruption incidents that came to the attention of the Group's management, either through complaints or through the audits performed by the Group itself in the context of preventing and combating any corruption incidents.

In addition, there were no monetary loses as a result of business ethics violations.

Supply chain issues

Due diligence and other policies

The Group's business activities across its supply chain, are carried out provided that the potential environmental, social and economic impacts have been evaluated for the maximization of positive impacts. To address the new challenges related to the supply chain issues, the Group incorporates new criteria into the supply chain's management processes, such as the new terms of cooperation with suppliers and the preference given to domestic suppliers.

First and foremost, the proper supply chain management starts with the Group's responsible attitude towards all its stakeholders. To this end, the Group adopts and implements the necessary policies and actions:

- All the relevant insurance and labor laws.
- The regulatory framework relating to Occupational Health and Safety.
- The principles of human rights protection.
- Its internal policies, procedures, standards and management systems.

Terms of cooperation with suppliers

Indicator C-S7: Supplier assessment

The responsible supply chain management is one of the Group's major efforts to long-term value creation through its business operations but also through forming responsible business relations with its suppliers and partners. The Group recognizes that the responsible management of the supply chain presupposes responsible collaborations with mutual contribution and open dialogue among all parties involved.

In this regard, the Group communicates the minimum requirements for cooperation and ensures that its suppliers comply with environmental and social criteria, such as their certification to international standards, e.g. ISO 14001 and ISO 50001, to implement policies and procedures for the protection of the environment and society as a whole, to have materials and equipment that, in addition to their suitability and usability and the least possible risk to the user and the environment, are environmentally friendly and belong to a high energy class with low energy consumption. Necessary requirements for cooperation with any supplier are the full compliance with the regulatory framework relating to Occupational Health and Safety as well as compliance with the Group's Code of Conduct.

The Code of Conduct constitutes the basic framework of principles and values that must characterize, among others, the Group's suppliers, subcontractors and associates in order to maintain transparent and responsible business relations.

Prioritizing domestic suppliers

To date, the Group has expanded its activities to 18 countries and 4 continents, with a constantly growing business and a strong potential of expanding into new markets. Despite its strong extroversion, the Group firmly chooses to cooperate with local suppliers. In this way, the Group enhances its direct and indirect socio-economic footprint across the supply chain, by supporting the surrounding areas and stimulating local economies. Besides its direct activity, choosing local suppliers creates positive effects in creating new indirect jobs while contributing to the enhancement of social cohesion and prosperity.

Results of the above policies and non-financial performance indicators

In 2020, the value of procurements from Greek suppliers (approximately 4,098 suppliers) for all Group activities amounted to approximately Euro 465 million.

Moreover, the categorization of suppliers by range is as follows:

Categorization of Group's suppliers by range	Procurement cost in thousands of €	Percentage of the total	Number of suppliers	Percentage of the total
National suppliers	540,964	77.2%	5,722	89.5%
International suppliers	149,775	21.4%	632	9.9%
Affiliated Companies	10,218	1.5%	39	0.6%
Total	**700,957**	**100.0%**	**6,393**	**100.0%**

Categorization of suppliers based in Greece, by range	Procurement cost in thousands of €	Percentage of the total	Number of suppliers	Percentage of the total
National suppliers	403,180	76.6%	3,907	89.2%
International suppliers	113,417	21.5%	436	10.0%
Affiliated Companies	9,944	1.9%	37	0.8%
Total	**526,541**	**10.0%**	**4,380**	**100/0%**

Respect for human rights

Due diligence and other policies

Indicator C-S5: Human rights policy

The Group has developed its framework of principles and values based on fundamental human rights. Respecting all its employees and partners, it ensures the prevention of incidents of violation of their rights, through the adoption of policies, actions and control mechanisms, which apply to all its activities, for all its subsidiaries and for all projects.

To this end, the Group:

• Implements the international standards and principles of Human Rights.
• Implements monitoring mechanisms through the Human Resources Department.

Respect for international standards and principles

The Group applies and respects the international Human Rights principles and standards. The Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the UN Guiding Principles on Business and Human Rights as well as the high corporate values that the Group stands for, form a strict operational framework with respect for human rights across all its business activities. The Group is committed to the timely prevention and detection of any action that does not comply with its operating framework for the protection of Human Rights. It protects the right of every person to education and freedom of speech, to the freedom of association and any other human rights that may be infringed as a result of or as part of its business activities and therefore applies control procedures that ensure that no violation of fundamental human rights. The Group does not currently have a human rights policy but is in the process of establishing one.

Monitoring mechanisms

The Human Resources Department of the Group ensures legality regarding the age limits of the employees it employs, in overtime work, in the minimum wages, in the protection of diversity in its wider scope of action and observes the provisions so that no violation is noted.

In particular, the Recruitment Policy with the relevant procedures ensures diversity and establishes the basis for the recruitment process to be based on objective criteria such as professional profile, skills and skills of employees. The decisions made by the Group regarding recruitment are not related to any kind of discrimination regarding gender, nationality, language, religion, political beliefs, disabilities, employee sexual orientation or other elements of diversity.

Results of the above policies and non-financial performance indicators

GRI 406-1: Incidents of discrimination and corrective actions taken

In 2020, 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 the Group's operations.

Social and labor issues

Due diligence and other policies

Through the adoption of responsible policies aimed at creating shared value for all its stakeholders, the GEK TERNA Group stands shoulder to shoulder with the local communities where it operates though its operation as well as through continuous consultation and efforts to identify and address the real needs of the people.

The GEK TERNA Group actively participates, supports and regards as a highest priority the investment in its people, providing the necessary resources for the promotion of the continuous improvement of the working environment.

The Group, for the management of social and labor issues:

- Increases its socio-economic footprint.
- Implements Payroll and Benefits Policy.
- Enhances diversity.
- Provides equal opportunities for training and education.
- Implements the Health and Safety Policy.
- Implements the General Data Protection Regulation

Direct and indirect social impacts

The Group ensures the continuous improvement of its direct and indirect socio-economic impacts. The multiplier benefits from the its business activity translate into thousands of new jobs, boosting the national economy while increasing the GDP, through tax payments and insurance contributions, to the strengthening of local communities through collaborations with local suppliers and service providers and the implementation of Corporate Social Responsibility actions. Moreover, it promotes Greece’s investment value proposition abroad as well as to institutional investors.

The indirect positive impacts of the Group's activities on the local community in the fields of infrastructure, waste management, clean energy production and real estate development and management, are associated with transportation safety, upgrading of the urban infrastructures, access to places of art and culture, the overall improvement of citizens quality of life and the preservation and protection of the natural environment.

Fair compensation and benefits

The Group ensures that the human resources issues are managed in an impartial manner and that every employee is treated fairly and without any kind of discrimination.

The Nominations and Remunerations Committee is responsible for the Group's internal compensation and benefits policy. Within this framework, the Group operates with transparency and meritocracy regarding the allocation of fees and benefits, by applying objective criteria and evaluation indicators depending on the importance of the position, the duties and responsibilities of each position, the educational background, experience, skills, ability to achieve goals and level of performance and efficiency of employees.

The Group, having examined the cost of living in the countries where it operates, offers higher compensation than the minimum set by the respective legal framework. Most of the employees of the Group are remunerated with salaries that exceed the minimum legal wage provided. In addition, the Group offers additional benefits, such as corporate vehicle, laptop, corporate mobile connection, etc., depending on the needs and requirements of the job.

More specifically, the Group's policy imposes equal pay between men and women for the same position and leaves no room for discrimination or privileged treatment regarding pay, benefits or other employee characteristics.

Enhancing diversity

Due to the nature of the Group's activity, its workforce mainly comprises of men. However, the Group has a well-established policy to increase the representation of women in its companies. One step in this direction is to record and monitor the distribution of women by geographical area of activity, by age and by occupation. This way, the increase of the percentage of women in the total number of employees is sought.

Education policy

The human capital of the Group constitutes its main force, as it is responsible for the planning and implementation of its business activities. For this reason, it is vital to continuously improve the scientific and technical knowledge that employees possess as a means of ensuring their professionalism and improving their productivity.

In this context, the Group has established an Education Policy to ensure full participation of its employees in educational activities, based on the principle of equal opportunity, to promote a clear and understandable framework for education planning, implementation and evaluation processes and over the long-term to achieve the development of skills & the enhancement of productivity of its Human Resources through the cooperation of the Human Resources Department with all the Directorates, Departments, Construction sites and the Group’s facilities.

Health and Safety policy

The GEK TERNA Group strategy includes the non-negotiable principle of ensuring occupational health and safety. This principle is a prerequisite for any business activity and equally applies to all employees, subcontractors and network of partners.

Maintaining Health and Safety is a priority for the Group that is constantly improving the strategic framework within which issues related to the protection of Health and Safety of all its stakeholders is managed.

The Group complies with the provisions of applicable national, European and international law and through a strict Health and Safety Management System it adheres to, aims at the early detection and minimization of risks related to all its activities. The Health and Safety Policy applies to the entire Group and all those who, indirectly or directly, are related to its business operations.

Strengthening Health and Safety Policy and ensuring zero accidents is a function of goals related to:

- the implementation of an internationally certified Health and Safety Management System,
- the formation of a corporate culture governed by the principles of Health and Safety,
- the full compliance with legal and other national, European and international requirements, directives and provisions relating to the field of Health and Safety,
- the implementation, monitoring, evaluation and improvement of Health and Safety activities,
- the identification of occupational risks and development of a comprehensive prevention methodology,
- the prevention of injuries, diseases and adverse health and safety incidents,
- providing proper, adequate health and safety information and training to all employees, suppliers, partners and visitors,
- the compliance and unwavering adherence to H&A procedures by all stakeholders,
- the immediate investigation of any accident / incident, the factors' assessment and taking precautionary measures,
- the integration of technologies, good practices and operating procedures that guarantee safety conditions for employees, subcontractors and third parties.

Personal Data Policy and use of cookies

Indicator C-G3: Data security policy

For GEK TERNA Group, the protection of the personal data of individuals who trade in any way with its companies is of paramount importance. For the purposes of conducting business activities, the Group processes personal data concerning natural persons for whom identification data is obtained (such as, for example, the company's customers, suppliers, shareholders and investors, as well as ordinary users of the website), in accordance with the European legislation on the General Data Protection Regulation (GDPR-GPD 2016/679) and Law 4624/2019.

We take appropriate measures to protect the personal data we process and to ensure that their collection and processing is always carried out in accordance with the obligations set by the legal framework, both by the company itself and by third parties who process personal data on behalf of the company. In addition, the Board during its meetings, is informed on a regular basis on data security issues.

Data Protection Principles

All processing of the Group's personal data must be carried out in accordance with the principles of personal data protection as set out in Article 5 of the GDPR, which are as follows:

- Personal data must be processed legally, fairly and transparently.
- Personal data may only be collected for specific, clear and lawful purposes.
- Personal data must be adequate, relevant and limited to what is necessary for processing.

- Personal data must be accurate and up to date and efforts must be made to delete or correct it without delay.
- Personal data must be kept in such a way that the data subject can only be identified if it is necessary for processing.
- Personal data must be processed in a secure manner.
- The controller must be able to demonstrate compliance with the other principles of the GDPR (Accountability Principle).

Results of the above policies and non-financial performance indicators

The actual commitment of the Group in matters of Health and Safety is proved by the implementation of the certified Health and Safety Management System, in accordance with the requirements of the international standard ISO 45001.

In 2020 the Group maintained its partnerships and remained faithful to its vision to stimulate local communities. The sponsorships and actions organized by the Group amounted to 1.8 million and focused mainly on the support of National Healthcare System to address the COVID-19 pandemic as well as to infrastructure projects in the areas where we operate while continuing to support actions for sport, culture, and education.

(Amounts in thousands Euro, unless otherwise stated)

GREECE

GRI 102-8: Information on employees and other workers
Indicator C-S1

Number of employees by employment contract	2020			2019		
	Men	Women	Total	Men	Women	Total
Permanent contract	1,446	562	2,008	1,971	870	2,841
Fixed term or temporary contract	36	8	44	24	8	32
Freelancers	408	108	516	407	98	505
TOTAL	1,890	678	2,568	2,402	974	3,378

Number of employees by employment type	2020			2019		
	Men	Women	Total	Men	Women	Total
Full time	1,472	558	2,030	1,995	874	2,869
Part time	10	12	22	0	4	4
TOTAL	1,482	570	2,052	1,995	878	2,873

HERON I & II

GRI 102-8: Information on employees and other workers
Indicator C-S1

Number of employees by employment contract	2020			2019		
	Men	Women	Total	Men	Women	Total
Permanent contract	113	108	221	113	100	213
Fixed term or temporary contract	0	0	0	0	1	1
Freelancers	0	0	0	0	0	0
TOTAL	113	108	221	113	101	214

Number of employees by employment type	2020			2019		
	Men	Women	Total	Men	Women	Total
Full time	109	103	212	108	92	200
Part time	4	5	9	5	9	14
TOTAL	113	108	221	113	101	214

(Amounts in thousands Euro, unless otherwise stated)

ABROAD

GRI 102-8: Information on employees and other workers Indicator C-S1						
Number of employees by employment contract	**2020**			**2019**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Permanent contract	308	51	**359**	751	142	**893**
Fixed term or temporary contract	34	4	**38**	20	5	**25**
Freelancers	0	0	**0**	0	0	**0**
TOTAL	**342**	**55**	**397**	**771**	**147**	**918**
Number of employees by employment type	**2020**			**2019**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Full time	340	49	**389**	767	142	**909**
Part time	2	6	**8**	4	5	**9**
TOTAL	**342**	**55**	**397**	**771**	**147**	**918**

Note: The “head count” approach on the 31/12 of every year has been applied for the calculation of employee numbers

(Amounts in thousands Euro, unless otherwise stated)

GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health SASB IF-EN-320a.1	
	2020
Number of hours worked	6,542,239
Work-related injuries	
Employees	
Number of fatalities as a result of work-related injury	0
Rate of fatalities as a result of work-related injury	0
Number of high-consequence workrelated injuries (excluding fatalities)	3
Rate of high-consequence work-related injuries (IR) (excluding fatalities)	0.09
Number of recordable work-related injury	32
Rate of recordable work-related injuries	0.98
All workers who are not employees but whose work and/or workplace is controlled by the organization	
Number of fatalities as a result of work-related injury	0
Rate of fatalities as a result of work-related injury	0
Number of high-consequence workrelated injuries (excluding fatalities)	0
Rate of high-consequence work-related injuries (IR) (excluding fatalities)	0
Number of recordable work-related injury	60
Rate of recordable work-related injuries	2.01
Work-related illmesses	
Employees	
Number of fatalities as a result of work-related ill health	0
The number of cases of recordable work-related ill health	0
Work-related ill health	
All workers who are not employees but whose work and/or workplace is controlled by the organization	
Number of fatalities as a result of work-related ill health	0
The number of cases of recordable work-related ill health	0

Notes:

1. Occupational hazards that may result in injury have been identified and recorded by the safety technician through the occupational hazard assessment process.

2. The index is calculated at a rate of 200,000 ([total number of work-related injuries recorded or total number of fatalities caused by work-related injuries or number of very significant work-related injuries / total number working hours of all employees per year] x 200,000). The rate of 200,000 indicates the number of hours worked by 100 full-time employees in a year.

Environmental and energy issues

Due diligence and other policies

IF-EN-160a.2: Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction

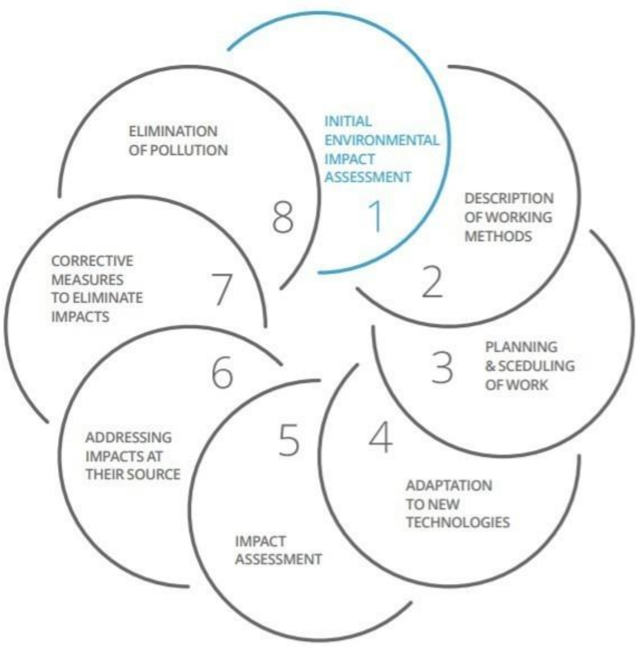
Environmental protection is an integral part of the Group's strategy and is expressed through its political, strategic and business decisions and actions. The Group acts purposefully and takes measures to reduce its negative environmental footprint through the responsible energy management and the proper use of natural resources (e.g. water, energy, materials, tackling climate change and protecting and conserving biodiversity).

In particular, the Group's environmental and energy strategy includes:

- setting environmental and energy goals and achieving them through approved programs.
- securing adequate resources to achieve environmental and energy objectives.
- the implementation of the Environmental and Energy Management System.
- responsible energy management processes.
- tackling Climate Change.
- the protection and preservation of Biodiversity.

Environmental and Energy Management System

By implementing a modern and comprehensive Environmental and Energy Management System, the Group records the environmental impact of its activities and is therefore able to take the necessary measures in a timely manner, in order to reduce its environmental and energy footprint and continuously improve its environmental performance. The strategy of mitigating the environmental impacts is based on the following cycle:



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 at 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 Environmental and Energy Management system requirements,
- evaluation of the responsiveness to the requirements of the international standard ISO 14001: 2015 and ISO 50001: 2018
- identification of points that need improvement and reinforcement,
- improvement of the implementation of the Management Systems and the Risk Management Systems.

Responsible energy management

The Group's activities and especially those in the field of clean energy through the development, construction, financing and operation of RES projects, improve energy security and efficiency, thereby reducing the adverse effects in the environment (e.g from burning fossil fuels). Regarding its business operation, the Group believes that only through the systematic recording and monitoring of energy consumption in offices and construction sites will it be able to assess its energy needs and proceed with the mitigation of energy consumption of its activities. For this reason, the Group's subsidiaries TERNA S.A. and TERNA ENERGY, proceeded to acquire certification according to the international standard ISO 50001: 2018 to achieve the above, whilst maintaining most rational energy management of their operations. The Group's goal for 2021 is to continue the integration of even more facilities in the data collection process, as well as to expand and further deepen the methodology it applies regarding the collection of this data.

Infrastructure and low energy footprint equipment

IF-EN-410a.1: Number of (1) commissioned projects certified to a third-party multiattribute sustainability standard and (2) active projects seeking such certification

The existence of infrastructure and equipment with a low energy footprint is a priority for the Group. To this end, the Group implements projects with bioclimatic design and is certified by systems that certify that the buildings it constructs are designed based on environmentally innovative practices aimed at energy saving, such as the Completion of Construction of a Roof-Building and Car Station on 115 Kifissias Avenue. This building received the Leed v4 for Core & Shell certification at the Platinum level. In addition, the Group invests in the renewal and maintenance of its equipment, aiming at improving energy efficiency and increasing their useful life.

Employee training on environmental and energy issues

Cultivating a wider environmental culture is a prerequisite for better energy management and improved overall energy footprint. The projects' Environmental Officers or the HR Management of the Group Headquarters, plan and implement-on an annual basis- trainings, both on environmental and social issues, in order to properly inform and systematically train its employees. The trainings take into account both needs and requirements of ongoing projects, as well as the roles and duties of employees.

Tackling climate change

The Group focuses on the transition to an economy that is less dependent on fossil fuels and ensures sustainable cities and societies for all its stakeholders. GEK TERNA Group possesses the know-how and willpower to take advantage of the current challenges of climate change for the benefit of sustainable development and green economy.

Although climate change affects almost all areas of the Group's operations, the business opportunities arising can both contribute to the Group's economic growth and mitigate its negative effects.

Through its own activities, the Group responds to the challenges of climate change, by designing and implementing a number of projects and planned investments, such as the:

- Development and operation of wind farms
- Development and operation hydroelectric projects.
- Development and operation of waste treatment plants and biogas production.
- Development and operation of photovoltaic parks.
- Development of hydro-pumped storage projects that will offer security of energy supply.
- Development of infrastructure projects that minimize their energy footprint.
- Development of floating wind farms that will utilize the large wind potential of the Aegean.

Monitoring and mitigation of greenhouse gas emissions

The Group's business model is strategically oriented towards tackling climate change. The Group's activity in the production of clean energy through TERNA ENERGY, contributes significantly to the prevention of carbon dioxide emissions into the atmosphere. Furthermore, through proper waste management, the Group contributes to the prevention of methane emissions into the atmosphere, which are equally harmful and contribute significantly to the greenhouse effect.

The Group systematically monitors its greenhouse gas emissions as an integral part of its environmental policy and therefore communicates the impact of its activities through its electronic and print media (Sustainable Development Report, website, press releases etc.), to all its stakeholders.

Biodiversity protection and conservation

Indicator SS-E4: Water management

The majority of the Group's activities (e.g. Wind farms, infrastructure development, motorway construction) take place within areas of high biological value and therefore it is necessary to initiate policies related to the protection and conservation of biodiversity.

To this end, the Group implements certified systems, conducts trainings for its employees and visitors to construction sites regarding the protection of biodiversity, undertakes initiatives to promote and protect local ecosystems and constantly strives to operate beyond the environmental legislation provisions, using mechanisms to monitor and record its effects on the wider natural environment.

Among other, the Group, both during the construction and operation phases of its projects, prepares, in collaboration with specialized scientists and bodies, environmental impact studies (EIA) special ecological evaluation studies, special ornithological studies and monitoring programs with the aim of acquiring and utilizing the necessary information to ensure the protection of local ecosystems, by taking appropriate protection and restoration impact measures.

In particular, in order to ensure biodiversity and mitigate the negative impacts of the projects on the environment, the EIA and the relevant approved Environmental Conditions of the projects define measures to ensure the protection of ecosystems. Typical examples are the construction of uneven passages or tunnels for the free movement of wild fauna, planting projects, slope formations from the excess excavation materials of the project, projects to ensure the smooth flow of surface water, risk assessment studies for the prevention of possible leakage of hazardous liquid waste, elaboration of hydraulic studies that will determine the measures for protection against erosion of the natural slopes of the wider project area, installation of automatic air pollution and wind measuring stations as well as sound protection projects in neighborhooring areas.

In addition, the construction of waste treatment plants, but also their operation through concession schemes, such as "SUSTAINABLE EPIRUS" and "PELOPONNESE ENVIRONMENT", helps reduce the pollution of the above ground (lakes, rivers and streams) (aquifer) natural environment, improving sanitation for local communities and social groups at risk of pollution and enhancing citizens' environmental and ecological awareness.

In particular, the Group:

- Takes restoration measures of areas and construction sites through its environmental and restoration studies aiming at the responsible and integrated management of its projects' life cycle.

- Adopts the principles of circular economy, reusing materials (e.g. construction and demolition materials) in order to meet other needs within the Group.

(Amounts in thousands Euro, unless otherwise stated)

- For responsible waste management purposes, plans and undertakes all necessary measures while cooperating with licensed bodies for the recovery, processing, reuse and/ or disposal of its waste.

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

IF-EN-160a.1: Number of incidents of non-compliance with environmental permits, standards, and regulations

The Group applies the ISO 14001 certified Environmental Management System to most of its subsidiaries: TERNA, TERNA ENERGY, TERNA MAG, NEA ODOS, CENTRAL GREECE MOTORWAY, HERON, GEK SERVICES, ILIOCHORA. During 2020 there were no incidents of non-compliance with environmental permits, standards and regulations.

Additionally, TERNA ENERGY at the end of 2020 had 1,363.7 MW of clean energy installed and 4,151,134 MWh generated, preventing the release of 3,006,166tn CO_2 into the atmosphere.

GRI 302-1: Energy consumption within the organization* Indicator C-E3		
Source	**Consumption 2020**	**Unit**
Total energy consumption within the organization	698,948	GJ
	194,152	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES	437,459	GJ
Total electricity consumption	72,636	MWh
Source	**Consumption 2019**	**Unit**
Total energy consumption within the organization	767,820	GJ
	213,283	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES (in Joules or multiples)	510,522	GJ
Total electricity consumption	71,472	MWh

**Includes: TERNA ENERGY, TERNA MAG, Nea Odos, Central Greece Motorway, Alsos Parking, GEK SERVICES, Icon Borovets, TERNA S.A., TERNA OVERSEAS*

(Amounts in thousands Euro, unless otherwise stated)

Energy consumption HERON I & II

GRI 302-1: Energy consumption within the organization Indicator C-E3		
Source	Consumption 2020	Unit
HERON I		
Total energy consumption within the organization	607,333	GJ
	168,704	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES	604,690	GJ
Total electricity consumption	734	MWh
HERON II		
Total energy consumption within the organization	8,290,378	GJ
	2,302,883	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES (in Joules or multiples)	8,173,870	GJ
Total electricity consumption	32,363	MWh
Source	Consumption 2019	Unit
HERON I		
Total energy consumption within the organization	23,776	GJ
	6,605	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES	22,265	GJ
Total electricity consumption	420	MWh
HERON II		
Total energy consumption within the organization	10,961,815	GJ
	3,044,949	MWh
Total fuel consumption within the organization from NON-RENEWABLE SOURCES	10,809,475	GJ
Total electricity consumption	42,317	MWh

(Amounts in thousands Euro, unless otherwise stated)

GRI 305-1: Direct (Scope 1) GHG emissions* GRI 305-2: Energy indirect (Scope 2) GHG emissions* Indicator C-E2		
Direct (Scope 1) GHG emissions		
Gases	2020	2019
Total direct (scope 1) GHG emissions in metric tons of CO_2e	38,493	88,646
Biogenic CO2 emissions in metric tons of CO_2e	16,790	15,874
Energy indirect (Scope 2) GHG emissions		
	2020	2019
Location-based emissions in metric tons of CO_2e	2,430	2,121
Market-based emissions in metric tons of CO_2e	2,824	2,465
Which gases were included in the calculation of the indirect emissions (e.g. CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all)?	CO_2, CH_4	CO_2, CH_4
Air emissions of pollutants		
	2020	2019
Emissions of NO_x (include NO and NO_2 and exclude N_2O) in metric tons	32	164
Emissions of SO_x (include SO_2 and SO_3) in metric tons	33	86
Emissions of hazardous air pollutants (HAPs) in metric tons	6	5

**Includes: TERNA ENERGY, TERNA MAG*

HERON I & II

Direct (Scope 1) GHG emissions		
	2020	2019
HERON I		
Total direct (scope 1) GHG emissions in metric tons of CO_2e	33,543	1,253
HERON II		
Total direct (scope 1) GHG emissions in metric tons of CO_2e	454,197	601,808
Air emissions of pollutants		
	2020	2019
HERON I		
Emissions of NO_x (include NO and NO_2 and exclude N_2O) in metric tons	38	2
Emissions of SO_x (include SO_2 and SO_3) in metric tons	2	0
HERON II		
Emissions of NO_x (include NO and NO_2 and exclude N_2O) in metric tons	97	139
Emissions of SO_x (include SO_2 and SO_3) in metric tons	0	0

(Amounts in thousands Euro, unless otherwise stated)

GRI 306-3 Waste generated* GRI 306-4 Waste diverted from disposal* GRI 306-5 Waste directed to disposal* Indicator SS-E5									
		2020				2019			
Waste by composition		Waste generated	Waste diverted	Waste generated	Percentage	Waste generated	Waste diverted	Waste generated	Waste generated
Hazardous waste (t)									
Total		159.61	159.21	0.40	N/A	109.22	109.22	0.00	N/A
Non-hazardous waste (t)									
Total		127793.63	127748.76	44.87	N/A	14899.66	14741.94	157.72	N/A
Waste diverted from disposal by recovery operation									
Hazardous waste		**Onsite**	**Offsite**	**Total**	**Percentage**	**Onsite**	**Offsite**	**Total**	**Percentage**
Preparation for reuse	t	0.00	83.29	83.29	52.31%	0.00	26.34	26.34	24.12%
Recycling	t	0.00	67.68	67.68	42.51%	0.00	78.07	78.07	71.48%
Fuel materials	t	0.00	8.24	8.24	5.18%	0.00	4.81	4.81	4.40%
Total	t	0.00	159.21	159.21	100.00%	0.00	109.22	109.22	100.00%
Non-hazardous waste		**Onsite**	**Offsite**	**Total**	**Percentage**	**Onsite**	**Offsite**	**Total**	**Percentage**
Preparation for reuse	t	80288.61	0.00	80288.61	62.85%	3019.33	0.00	3019.33	20.48%
Recycling	t	0.00	47460.15	47460.15	37.15%	0.00	11722.61	11722.61	79.52%
Total	t	80288.61	47460.15	127748.76	100.00%	3019.33	11722.61	14741.94	100.00%
Waste directed to disposal by disposal operation									
Hazardous waste		**Onsite**	**Offsite**	**Total**	**Percentage**	**Onsite**	**Offsite**	**Total**	**Percentage**
Incineration (with energy recovery)	t	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Incineration (without energy recovery)	t	0.00	0.40	0.40	50.00%	0.00	0.00	0.00	0.00%
Landfilling	t	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Other disposal methods		0.00	0.40	0.40	50.00%	0.00	0.00	0.00	0.00%
Total	t	0.00	0.80	0.80	100.00%	0.00	0.00	0.00	0.00%
Non-hazardous waste		**Onsite**	**Offsite**	**Total**	**Percentage**	**Onsite**	**Offsite**	**Total**	**Percentage**
Incineration (with energy recovery)	t	0.00	0.00	0.00	0.00%	0.00	81.44	81.44	51.64%
Incineration (without energy recovery)	t	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00%
Landfilling	t	0.00	44.87	44.87	100.00%	0.00	76.28	76.28	48.36%
Total	t	0.00	44.87	44.87	100.00%	0.00	157.72	157.72	100.00%

Note: **Includes: GEK TERNA Greece, TERNA ENERGY, HERON I & II, TERNA MAG, TERNA S.A., ILIOXORA, TERNA OVERSEAS*

Impact of the COVID-19 pandemic on non-financial issues

The actions of the GEK TERNA Group during the period of public health crisis

At a time when the country needs the social face of companies at its side more than ever, GEK TERNA Group was again at the forefront taking immediate measures to ensure the health and safety of its employees, supporting the National Health System and ensuring its smooth operation.

The complete Business Continuity Plan of the Group

Demonstrating fast reflexes, GEK TERNA Group immediately implemented the integrated Business Continuity Plan, which had already been prepared with the aim of ensuring the smooth operation of the Group in cases of crisis, having the health and safety of its people as top priority.

Following closely the developments on the pandemic front and taking into account the increase of cases and the instructions of the State, the Group decided to provide free diagnostic molecular detection of the virus to all its human resources. The Business Continuity Plan of GEK TERNA Group includes strict operating rules in all points of business presence in Greece and abroad, while its implementation is monitored daily by a special working group set up to deal with the pandemic and in which Group executives and specialized scientific collaborators participate. The Plan envisages, inter alia, a program of remote or shift work, special care for vulnerable workers, drastic reduction of travel as well as the execution of meetings and/or events with a physical presence to the absolutely necessary, making use of all the possibilities offered by technology, drafting procedures for the protection of personnel at work during the COVID-19 period (Operating Procedures), as well as the supply of sufficient quantities of personal protection equipment such as masks, gloves, antiseptics for all staff.

It is worth noting that from the first instance of the health crisis, in addition to the measures proposed by the Authorities which were followed faithfully and with absolute success in all facilities around the world, the Group ensured the safe repatriation of hundreds of its executives and employees in its projects implemented abroad, even with specially chartered flights, where deemed necessary.

Large donation to the National Health System

From the beginning of the pandemic crisis, GEK TERNA Group mobilized in the national fight against COVID-19, with donations of ICU equipment and materials to reference hospitals and health centers, both in the Capital and in the regions of the country where it operates. Indicatively, eight ICU beds of the Attica Hospital have been fully equipped, uniforms and materials have been purchased for the Evangelismos hospital, lodges for reference hospitals of the region and for health centers in Attica, Crete, Ptolemaida, Serres, Ioannina, Evia etc. To date, the Group is a supporter of the national effort to address the pandemic with donations in excess of Euro 500,000. The donation program continues as the needs remain high.

I. Treasury shares

On 31.12.2019, GEK TERNA directly and indirectly held 6,111,576 treasury shares, i.e. a percentage of 5.9093% of the Share Capital.

Within the year parent company increased the number of treasury shares with the acquiring of 438.693 shares. In the context of the aforementioned changes, the treasury shares held by the Company amounted to 5,245,229 shares, ie 5.0716% of the share capital.

On 31.12.2020, the Company held directly or indirectly through its subsidiaries a total of 6,550,269 treasury shares, i.e. a percentage of 6.3335% of the share capital. The subsidiary TERNA SA holds a total of 688,205 shares, i.e. a percentage of 0.6654% of the share capital and the subsidiary ILIOCHORA SA, holds 616,835 treasury shares, i.e. 0.5964% of the share capital.

Stock Options:

The Extraordinary General Meeting of GEK TERNA S.A. held on 09.12.2019 approved the Company's Remuneration Policy, in accordance with Articles 110 and 111 of Law 4548/2018. In the context of the preparation of the Remuneration Policy, a new plan (abolishing the plan approved on 27.06.2018 by the General Meeting) was introduced to provide stock options up to the limit of 4,000,000 shares of the Company for the five-year period 2019-2023, which will address up to 20 executives. In particular, it was proposed that 50% of the options should be allocated to the Chief Executive Officer, 30% to senior executives and members of the Board of Directors of the Company and the companies of the Group and 20% to other executives holding managerial or general managerial positions or positions of responsibility in the Group's companies. The plan will be implemented, provided that the objectives set by the BoD are fulfilled, through the issue of new shares or allocation of treasury shares, in accordance with article 113 par. 2 of Law 4548/18. The share distribution price offered to the beneficiaries is proposed to stand at Euro 2.00 per share. The Board of Directors has been authorized to determine the beneficiaries, the way the option is exercised as well as the other terms of the plan and settle all the relevant regulatory issues for the implementation of the decision.

As of 20.02.2020, during the meeting of the Company's Board of Directors the sale price of the shares to the beneficiaries at the amount of Euro 2.00 per share was approved and the Board of Directors appointed numerically 16 executives to be included in the Plan, as well as defined the specific conditions of the plan, mainly related to meeting the performance conditions, not related to the market (e.g. EBITDA of operating segments, distributions in the parent company, etc.). On 08.07.2020, at a new meeting, the Board of Directors approved further terms of the plan, related to meeting the terms of market performance (share price). At the meeting held as of 23.12.2020, the Board of Directors determined the final beneficiaries of the plan and the allocation percentage according to the proposal of the Nomination and Remuneration Committee (hereinafter "NRC").

(Amounts in thousands Euro, unless otherwise stated)

In order to proceed with the Plan's measurement, the Company the requirements of IFRS 2 "Equity based Payments".

The data regarding the stock option plan are presented below as follows.

				No. Stock Options	
Year	**Rights Exercise Period**	**Expiration date**	**Exercise price**	**31.12.2020**	**31.12.2019**
2020	2019-2023	31.12.2023	2 € per	4,000,000	0

No options were exercised within 2020, and therefore, the total of 4,000,000 options remain unpaid.

For valuation of the shares related to the Company's share price (VWAP), the fair value of the options was calculated using the Monte Carlo Black – Scholes simulation as the most appropriate method in projecting the probability of different results when random variables intervene. The entry data in this model are the share price at the announcement date, the exercise price, the dividend yield 0%, the discount rate or risk free return (-0.447%) and the volatility of the share price standing at 49.824%. Based on the above, the fair value was determined within the range of 3.57 to 3.95.

For valuation of shares related to other non-market equity (KPIs), the fair value was determined using the Black-Scholes valuation model. The entry data in this model are the share price, standing at Euro 6.20 on the announcement date, the exercise price (Euro 2.00), the discount rate or risk-free return (-0.447%) and its volatility share price, standing at 49.824%. Based on the above, the fair value was determined within the range of 4.20 to 4.34.

The benefits in equity securities recognized in the income statement for the year ended 31.12.2020, amounted to 3,257 for the Group and 2,777 for the Company.

J. Transactions with Related Parties

The Company's and Group's transactions and balances with its related parties for the period 01.01-31.12.2020 are presented below as follows:

(Amounts in thousands Euro, unless otherwise stated)

Sales-Inflows of the Company

(amounts in euros)	Participation type	Total	Revenues from Goods/Consulting services	Revenues from administration support services	Income from leases	Income from dividends and related profits	Income from interest and related profit	Share capital reductions	Received Loans
TERNA SA	Subsidiary	**15,687,244.18**	21,780.00	311,531.00	314,668.00	0.00	1,039,265.18	0.00	14,000,000.00
TERNA ENERGY SA	Subsidiary	**22,568,330.00**	0.00	163,519.00	172,249.00	14,886,597,10	0.00	7,345,964.51	0.00
CHIRON CONCESSIONS S.A	Subsidiary	**247,120.00**	0.00	48,000.00	0.00	199,120.00	0.00	0.00	0.00
IOANNINON S.A.	Subsidiary	**78,195.00**	0.00	48,000.00	0.00	0.00	30,195.00	0.00	0.00
MONASTIRIOU SA	Subsidiary	**289,877.77**	0.00	0.00	0.00	0.00	189,877.77	0.00	100,000.00
GEK SERVICES SA	Subsidiary	**17,202.00**	0.00	0.00	0.00	0.00	17,202.00	0.00	0.00
ILIOHORA SA	Subsidiary	**38,880.00**	0.00	0.00	38,880.00	0.00	0.00	0.00	0.00
VIPATHE	Subsidiary	**123,478.33**	0.00	0.00	0.00	0.00	123,478.33	0.00	0.00
TERNA MAG SA	Subsidiary	**10,379.17**	6,160.10	0.00	0.00	0.00	4,219.07	0.00	0.00
NEA ODOS SA	Subsidiary	**8,714,856.87**	1,091,813.00	0.00	0.00	0.00	7,623,043.87	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**3,306,471.25**	1,064,081.14	0.00	0.00	0.00	2,242,390.11	0.00	0.00
GEK TERNA MOTORWAYS SINGLE MEMBER SA	Subsidiary	**177,871,376.39**	256,044.37	0.00	1,200.00	0.00	0.00	0.00	177,614,132.02
GEK TERNA KASTELI SINGLE MEMBER SA	Subsidiary	**79,100.00**	78,000.00	0.00	1,100.00	0.00	0.00	0.00	0.00
CONSTRUCTION JOINT VENTURES	Subsidiary	**115,682.34**	0.00	115,682.34	0.00	0.00	0.00	0.00	0.00
J/V CINTRA-GEK-IRIDIUM HELLAS TOLLS	Subsidiary	**1,200.00**	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00
HST SA	Subsidiary	**918,750.00**	0.00	0.00	0.00	918,750.00	0.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**24,000.00**	0.00	24,000.00	0.00	0.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**161,161.02**	0.00	0.00	0.00	161,161.02	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**4,495.00**	0.00	0.00	0.00	0.00	4,495.00	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**300.00**	0.00	0.00	300.00	0.00	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**37,000.00**	37,000.00	0.00	0.00	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**37,000.00**	37,000.00	0.00	0.00	0.00	0.00	0.00	0.00
KEKROPS SA	Associate	**9,433.34**	0.00	0.00	0.00	0.00	9,433.34	0.00	0.00
		230,341,532.66	**2,591,878.61**	**710,732.34**	**529,597.00**	**16,165,628.51**	**11,283,599.67**	**7,345,964.51**	**191,714,132.02**

(Amounts in thousands Euro, unless otherwise stated)

Company's Receivables

(amounts in euros)	Participation type	Total	From revenue	From Loans and Interest	From Dividends and related earnings	From share capital reductions
TERNA SA	Subsidiary	**94,858,635.88**	1,358,822.55	93,499,813.33	0.00	0,00
TERNA ENERGY SA	Subsidiary	**150,153.36**	150,153.36	0,00	0.00	0.00
CHIRON CONCESSIONS S.A	Subsidiary	**9,920.00**	9,920.00	0,00	0.00	0.00
IOANNINON S.A.	Subsidiary	**676,847.50**	71,920.00	604,927.50	0.00	0.00
MONASTIRIOU SA	Subsidiary	**3,946,788.89**	0.00	3,946,788.89	0.00	0.00
GEK SERVICES SA	Subsidiary	**410,149.00**	0.00	410,149.00	0.00	0.00
VIPATHE	Subsidiary	**2,785,936.11**	0.00	2,785,936.11	0.00	0.00
TERNA MAG SA	Subsidiary	**128,855.59**	7,638.52	121,217.07	0.00	0.00
NEA ODOS SA	Subsidiary	**4,985.00**	4,985.00	0.00	0.00	0.00
CENTRAL GREECE MOTORWAY SA	Subsidiary	**4,960.00**	4,960.00	0.00	0.00	0.00
GEK TERNA MOTORWAYS SINGLE MEMBER SA	Subsidiary	**317,805.82**	317,805.82	0.00	0.00	0.00
GEK TERNA KASTELI SINGLE MEMBER SA	Subsidiary	**118,477.56**	118,477.56	0.00	0.00	0.00
AVLAKI I BV	Subsidiary	**3,916.43**	3,916.43	0.00	0.00	0.00
AVLAKI I BV	Subsidiary	**4,078.93**	4,078.93	0.00	0.00	0.00
AVLAKI I BV	Subsidiary	**4,034.45**	4,034.45	0.00	0.00	0.00
AVLAKI I BV	Subsidiary	**4,523.09**	4,523.09	0.00	0.00	0.00
KASSIOPI BV	Subsidiary	**4,909.20**	4,909.20	0.00	0.00	0.00
J/V CINTRA-GEK-IRIDIUM HELLAS TOLLS	Subsidiary	**70,034.06**	70,034.06	0.00	0.00	0.00
J/V EUROIONIA	Subsidiary	**2,480.00**	2,480.00	0.00	0.00	0.00
CONSTRUCTION JOINT VENTURES	Subsidiary	**719,037.34**	719,037.34	0.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**4,960.00**	4,960.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**51,280.00**	51,280.00	0.00	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
PARKING OUIL SA	Joint Venture	**61,411.20**	0.00	0.00	61,411.20	0.00
KEKROPS SA	Associate	**809,433.34**	0.00	809,433.34	0.00	0.00
		105,199,492.75	**2,959,816.31**	**102,178,265.24**	**61,411.20**	**0.00**

(Amounts in thousands Euro, unless otherwise stated)

Purchases - Company's Outflows

(amounts in euros)	Participation type	Total	Purchases of goods	Revenues from Consulting services	Purchases of administrative services	Lease expenses	Interest expenses	Share capital increases	Granted Loans
TERNA SA	Subsidiary	**184,494,751.04**	0.00	0.00	1,652,451.80	30,000.00	2,312,299.24	0.00	180,500,000.00
TERNA ENERGY SA	Subsidiary	**94,433.40**	0.00	0.00	63,167.88	31,265.52	0.00	0.00	0.00
ILIOHORA S.A.	Subsidiary	**258,750.01**	0.00	0,00	0.00	0.00	8,750.01	0.00	250,000.00
IOANNINON S.A.	Subsidiary	**900,000.00**	0.00	0.00	0.00	0.00	0.00	900,000.00	0.00
NEA ODOS SA	Subsidiary	**40.80**	40.80	0.00	0.00	0.00	0.00	0.00	0.00
GEK TERNA MOTORWAYS SINGLE MEMBER SA	Subsidiary	**66,014.51**	0.00	0.00	0.00	0.00	41,014.51	25,000.00	0.00
GEK TERNA KASTELI SINGLE MEMBER SA	Subsidiary	**20,000,000.00**	0.00	0.00	0.00	0.00	0.00	20,000,000.00	0.00
KIFISIA PLATANOU SQ. CAR PARK SA	Subsidiary	**4,000,000.00**	0.00	0.00	0.00	0.00	0.00	4,000,000.00	0.00
TERNA MAG SA	Subsidiary	**20,465,395.00**	0.00	0.00	0.00	0.00	0.00	20,465,395.00	0.00
GEK SERVICES SA	Subsidiary	**1,270.00**	1,270.00	0.00	0.00	0.00	0.00	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**445,915.14**	128,915.14	317,000.00	0.00	0.00	0.00	0.00	0.00
KEKROPS SA	Associate	**800,000.00**	0.00	0.00	0.00	0.00	0.00	0.00	800,000.00
		231,526,569.90	**130,225.94**	**317,000.00**	**1,715,619.68**	**61,265.52**	**2,362,063.76**	**45,390,395.00**	**181,550,000.00**

Company's Liabilities

(amounts in euros)	Participation type	Total	From purchases	From Loan and interest	From dividends and Joint-Ventures results	From share capital increases
TERNA SA	Subsidiary	**2,067,990.38**	2,067,990.38	0.00	0.00	0.00
TERNA ENERGY SA	Subsidiary	**34,593.12**	34,593.12	0.00	0.00	0.00
NEA ODOS SA	Subsidiary	**238.60**	238.60	0.00	0.00	0.00
GEK SERVICES SA	Subsidiary	**1,574.80**	1,574.80	0.00	0.00	0.00
GEK TERNA MOTORWAYS SINGLE MEMBER SA	Subsidiary	**7.337.888.51**	0.00	7.337.888.51	0.00	0.00
HERON THERMOELECTRIC S.A.	Joint Venture	**18,599.81**	18,599.81	0.00	0.00	0.00
		9,460,885.22	**2,122,996.71**	**7,337,888.51**	**0.00**	**0.00**

(Amounts in thousands Euro, unless otherwise stated)

Sales - Inflows of the Group

(amounts in euros)	Participation type	Total	Revenues from Goods/Consulting services	Revenues from administration support services	Income from leases	Income from dividends and related profits	Income from interest and related profit	Share capital reductions	Received Loans
HERON THERMOELECTRIC S.A.	Joint Venture	**4,638,817.36**	1,467,888.36	3,170,929.00	0.00	0.00	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**1.750.980.34**	0.00	52.000.00	0.00	0.00	1.698.980.34	0.00	0.00
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.	Joint Venture	**15,124,972.31**	14,726,397.31	385,135.00	13,440.00	0.00	0.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**24,000.00**	0,00	24,000.00	0.00	0.00	0.00	0.00	0.00
THESSALONIKI CAR PARK S.A.	Joint Venture	**4,495.00**	0.00	0.00	0.00	0.00	4,495.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**161,161.02**	0.00	0.00	0.00	161,161.02	0.00	0.00	0.00
ELLINIKOU ENTERTAINMENT AND ATHLETIC PARKS S.A.	Joint Venture	**300.00**	0.00	0.00	300.00	0.00	0.00	0.00	0.00
KEKROPS SA	Associate	**9,433.00**	0.00	0.00	0,00	0.00	9,433.00	0.00	0.00
		21,714,159.03	**16,194,285.67**	**3,632,064.00**	**13,740.00**	**161,161.02**	**1,712,908.34**	**0.00**	**0.00**

Receivables of the Group

(amounts in euros)	Participation type	Total	From revenue	From Loan and interest	From dividends and Joint-Ventures results	Share capital reductions
HERON THERMOELECTRIC S.A.	Joint Venture	**3,383,737.98**	3,383,737.98	0.00	0.00	0.00
HERON II THERMOELECTRIC STATION OF VIOTIA SA	Joint Venture	**17,486,175.88**	17,486,175.88	0.00	0.00	0.00
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.	Joint Venture	**476,343.99**	476,343.99	0.00	0.00	0.00
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Joint Venture	**4,960.00**	4,960.00	0.00	0.00	0.00
PARKING OUIL SA	Joint Venture	**61,411.20**	0.00	0.00	61,411.20	0.00
KEKROPS SA	Associate	**809,433.34**	0.00	809,433.34	0.00	0.00
		22,222,062.39	**21,351,217.85**	**809,433.34**	**61,411.20**	**0.00**

(Amounts in thousands Euro, unless otherwise stated)

Purchases - Outflows of the Group

(amounts in euros)	Participation type	Total	Purchases of goods	Revenues from Consulting services	Lease expenses	Share capital increases	Granted Loans
HERON THERMOELECTRIC S.A.	Joint Venture	**8,745,110.00**	8,745,110.00	0.00	0.00	0.00	0.00
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.	Joint Venture	**426,483.32**	0.00	426,483.32	0.00	0.00	0.00
KEKROPS SA	Associate	**800,000.00**	0.00	0.00	0.00	0.00	800,000.00
		9,971,593.32	**8,745,110.00**	**426,483.32**	**0.00**	**0.00**	**800,000.00**

Liabilities of the Group

(amounts in euros)	Participation type	Total	From Purchases and Advances	From Loan and interest
HERON THERMOELECTRIC S.A.	Joint Venture	**3,627,018.85**	3,627,018.85	0.00
INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION SA	Joint Venture	**115,202,508.29**	115,202,508.29	0.00
ATTIKAT SA	Associate	**5,658.47**	5,658.47	0.00
		118,835,185.61	**118,835,185.61**	**0.00**

(Amounts in thousands Euro, unless otherwise stated)

The remuneration of members of the Board of Directors and senior executives of the Group and the Company for 2020 as well as the relative balances on 31.12.2020, is as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Remuneration for services rendered	5,463	3,654	347	141
Remuneration of employees	814	868	295	244
Remuneration for participation in Board meetings	1,863	1,609	990	860
Stock options expense	3,257	0	2,778	0
Total	**11,397**	**6,131**	**4,410**	**1,245**
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Liabilities	373	192	180	28
Receivables	15	31	0	8

CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Code

The Company applies all the rules and procedures established by the legal, regulatory, and other relevant authorities regarding the total of its activities and operations without deviation. Moreover, it has adopted internal regulations and business practices that contribute to adherence to transparency principles, professional ethics, and prudent management of all the 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 separate thematic regulations, the Management ensures efficient management and utilization of the company's resources and promotes corporate responsibility as a core value of the course of its development.

The separate thematic regulations and operating guidelines of the company are as follows:

1) Company's Internal Regulation (CIR). It includes all the measures, regulations and guidelines adopted by the Management, in addition to the mandatory provisions and/or regulations imposed by the competent institutions and the relative 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 Corporate Governance Code (CGC), prepared by the Company, in line with the provisions of Law 3873/2010 and posted on the Company’s website www.gekterna.com, records all the aforementioned regulations and practices.

2. Corporate governance regulations and practices

The CGC analytically records, with clarity and accuracy, the following corporate governance regulations and practices:

Board of Directors

Its role is defined clearly, in line 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 falling within the responsibility of the General Meeting of Shareholders.

Specifically, the responsibilities of the Board of Directors include:

- long-term strategic and mid-term business planning of the company
- decisions of strategic importance, such as acquisitions, mergers, liquidations, high budget investments
- planning of general, as well as specific, basic policies regulating the company's operation
- approval, supervision and evaluation of the implementation of annual projects and budgets
- ensuring reliability and completeness of the accounting – financial systems and data and the company's financial statements derived from them
- ensuring 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
- continuous effort for avoidance or prudent handling of a potential 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
- selection of the Chief Executive Officer and the other members of the Board, who are also evaluated on their overall performance
- defining the remuneration of the BoD 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 to such, when deemed necessary by the company's internal and external operation conditions
- establishment and effort to ensure the proper operation of the committees specified by the Corporate Governance Principles (Audit Committee and Committee for Election of Nominee Board Members and Remuneration)
- establishment of collective bodies, when deemed necessary for the improvement of the company's efficiency and operation
- definition and effort to lay out and apply basic company values and principles, including those of corporate governance, throughout its overall relationship with all the related parties.

The Company's Board of Directors, elected at the Regular General Meeting held on 28.06.2017, had a four-year tenure and was comprised of 12 members - 7 executive members, 5 non-executive members and 3 independent, non-exertive members within the meaning of Article 4, Law 3016/2002.

(Amounts in thousands Euro, unless otherwise stated)

On 26.06.2019, the Regular General Meeting of the Company, aiming to achieve completeness and balance of expertise, experience and administrative skills at the top level of the Company decided to expand the Board of Directors, following the recommendation of the Nomination and Remuneration Committee , decided to increase the minimum number from three (3) to seven (7) and the maximum - from twelve (12) to thirteen (13).

Furthermore, the Extraordinary General Meeting held on 09.12.2019, following the recommendation of the the Nomination and Remuneration Committee, of the teem of service equal to that of the other members of the Board of Directors, elected Mrs Penelope Lazaridou, father's name - Sophocles, as a new executive member of the Board of Directors and Mr. Athanassios Skordas, father's name – Ioannis as new independent non-executive member of the Board of Directors, who meets the conditions of independence as stated in the provisions of article 4 of Law 3016/2002.

Therefore, the current Board of Directors, with a term of service until 30.06.2021, extended until the end of the term, within which the next Regular General Meeting of the Company must convene, consists of 13 members, 8 - executive members, 5 non-executive members, 4 of whom are independent non-executive members, within the meaning of the provisions of Law 3016/2002.

Therefore, at its meeting held on 18.12.2019, the Board of Directors composition was decided as follows:

COMPOSITION OF THE BOARD OF DIRECTORS	
NAME/SURNAME	**POSITION**
Georgios Peristeris, father's name Theodoros	Chairman and Chief Executive Officer – Executive Member
Konstantinos Vavaletskos, father's name Theodosios	Vice Chairman – Executive Member
Michael Gourzis, father's name Alexandros	Vice Chairman – Executive Member
Aggelos Benopoulos, father's name Ioannis	Vice Chairman – Executive Member
Apostolos Tamvakakis, father's name Stavros	Vice Chairman – Independent non-Executive Member

Dimitrios Antonakos, father's name Georgios	Executive Member
Emmanuel Vrailas, father's name Nikolaos	Executive Member
Penelope Lazaridou, father's name Sofocles	Executive Member
Emmanuel Moustakas, father's name Michael	Executive Member
Georgios Perdikaris, father's name Gerasimos	Non-Executive Member
Spyridon Kapralos, father's name Ioannis	Independent non-Executive Member
Athanasios Skordas, father's name Ioannis	Independent non-Executive Member
Gagik Apkarian father's name Serop	Independent non-Executive Member

During the exercise of their duties and the Board meetings held in 2020, the Board members exhibited "diligence of a prudent businessman", dedicated 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 fourteen (14) times during 2020.
The dates of the Board meetings were scheduled in advance in order to ensure the maximum possible quorum.

(Amounts in thousands Euro, unless otherwise stated)

NAME/ SURNAME	NUMBER OF MEETINGS THAT TOOK PLACE DURING HIS/HER 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
Konstantinos Vavaletskos	14	13	1	-
Michail Gourzis	14	14	-	-
Aggelos Benopoulos	14	14	-	-
Georgios Peristeris	14	14	-	-
Dimitrios Antonakos	14	14	-	-
Emmanuel Vrailas	14	13	1	-
Emmanuel Moustakas	14	14	-	-
Georgios Perdikaris	14	14	-	-
Apostolos Tamvakakis	14	14	-	-
Gagik Apkarian	14	14	-	-
Spyridon Kapralos	14	13	1	-
Penelope Lazaridou	14	14	-	-
Athanassios Skordas	14	14	-	-

During the meetings and the proceedings of the Board of Directors, the Members were supported by the Secretary, Mrs. Dimitra Chatziarseniou.

Chairman of the Board of Directors

The Chairman represents the basic means for applying Corporate Governance Principles in the Company, with responsibility, among others, for efficient operation of the Board of Directors and active participation of all its members in making and reviewing the application of business decisions, as well as for regular 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 have an advisory role, but which are of particular significance in the decision making procedures of the Board. The Committees are as follows:

Nomination and Remuneration Committee

The Nomination and Remuneration Committee's main role is to explore and propose proper nominees for election to the Company's Board of Directors, as well as to propose policies and systems that define remuneration at all the Company levels.

The Committee's responsibilities, in relation to proposing nominees, mainly include defining the company's requirements as regards the size and composition of its Board of Directors, defining the role, responsibilities and skills of every 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 for remuneration issues, the Nomination 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.

In 2020, the Committee convened four (4) times.

The Code of Corporate Governance, approved by the Board of Directors of the Company on 18.03.2011 and in operation since then, made provisions for a three-member committee in Article 2.3.1.

The Board of Directors elected by the Regular General Meeting on 28.06.2017 set up a

Nomination and Remuneration Committee, 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 Nomination and Remuneration Committee s so that it is now a committee of four members, consisting of one executive member and three non-executive, two of whom are independent. The 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

The Extraordinary General Meeting held on 9 December 2019 approved the proposed Remuneration Policy for Members of the Board of Directors in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council as of 17th May 2017 as regards the rights of shareholders as incorporated into Greek legislation under Law 4548/2018 and, in particular, under article 110.

Following the above decision, the full text of the Policy was posted on the Company's website.

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 ((IC) 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 at any 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 recommending proposals and not making decisions. Its basic responsibilities include preparation of the investment policy and long-term investment plan of the Company, evaluation and approval of the implementation of the annual investment plan, as well as any new investment that is separately submitted, examination of the Company's capital structure for the materialization of its investment proposal, evaluation of the corporate risks which are linked with its materialization, documentation of its objective and confirmation that its implementation is included in the application of measures of the Company's approved corporate strategy.

The Investment Committee consists of five members - 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 Director, elected by the General Meeting on 28.06.2017, set up an Investment Committee comprising the following members:

Konstantinos Vavaletskos	Executive member
Emmanuel Vrailas	Executive member
Emmanuel Moustakas	Executive member

And two (2) executives or directors of the Company depending on the issue under the Committee's consideration.

In compliance with the decision of the Board of Directors as of 18.12.2019, from now on Ms. Penelope Lazaridou, father's name - Sophocles, in her capacity as a Director and the General Financial Manager of the Company, is one of two Directors composing the five-member Investment Committee depending on the issue under the Committee's consideration.

Within the year, the Committee reviewed the implementation progress of the Company's planned investments.

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, completeness and reliability oa accounting, IT and administrative systems of the Company and the publicized financial statements and other reports, extracted through such systems, as well as regular and effective operation of all the Company's control mechanisms in order to promptly identify, apart from the above, business risks and handle them in a prudent and effective way.

The Audit Committee convenes at least four times a year and whenever else deemed necessary. It invites to its meeting the statutory auditor at least twice a year to provide clarifications – explanations regarding the auditor's activity and comments – conclusions on the financial statements and the general financial reporting of the Company.

The Audit Committee has the following key responsibilities, per subject:

It oversees the preparation of the Company's financial statements and other financial reports, examines their reliability and takes care of sound operation of the internal control, providing its support, and periodically reviewing adequacy and reliability of internal control and mechanisms for business risks management mechanisms based on the criteria of prompt identification of business risks and quick response to address them. It analytically examines potential transactions of the Company with any related party and submits the relevant reports to the Board of Directors in order to evaluate the possibility of present conflicts of interest with complete transparency and prevent potential damage or loss for the Company.

Moreover, the Audit Committee receives the reports of the Internal Audit Division, assesses their contents and proposes the candidacy of the Head of the Division to the Board of Directors, evaluates their effectiveness and efficiency, and based on the above, proposes the continuity or termination of his/her duties.

The Audit Committee monitors the work of the statutory auditor and assesses whether it 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 statutory auditor, and on this basis, proposes to the Board of Directors, continuance or termination of the relationship with the statutory auditor.

Pursuant to 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 the members, elected by the General Meeting of Shareholders and those, who are not members of the Board of Directors, but comply with the provisions of Law 3016/2002 regarding independence.

On 26.06.2019, the Regular General Meeting of the Shareholders elected a new, three-member Audit Committee, consisting of independent non-executive member of the Board of Directors Mr. Apostolos Tamvakakis, father's name – Stavros, appointed the Chairman of the Committee, Spyridon Kapralos, father's name - Ioannis, independent, 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.

The above composition of the Audit Committee is in accordance with the provisions of Article 44 of Law 4449/2017, i.e. all members of the Audit Committee meet the conditions of independence under Article 4 of Law 3016/2002, and all members have sufficient knowledge in the domain, within which the Company operates. Moreover, Messrs. Tamvakakis and Tagmatarchis have sufficient knowledge in the field of audit and accounting.

The Audit Committee convened eleven (11) times during 2020, exercised all its responsibilities and tasks, cooperated with the Company's Internal Audit Divisions and provided the appropriate guidance for the continuation of the audit per subject and priority.

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

Regulatory Compliance Committee

The Regulatory Compliance Committee includes the following members:

- Dimitrios Antonakos, father's name – Georgios, Chairman, executive member of BoD
- Dimitra Chatziarseniou, father's name – Nikolaos, Lawyer
- Athanassios Skordas, father's name – Ioannis, Independent, non-executive member of the BoD.

The Committee's main responsibilities include, among others:

- Recognizing the framework of regulatory compliance of the Company and adapting it in cooperation with the competent executives regarding procedures and policies.
- Timely identifying new regulatory compliance requirements through the appropriate methodology (e.g. base registration).
- Ensuring through mechanisms, the dissemination of regulatory obligations, values, and principles of the Company Code to the competent executives and providing the appropriate advice to them as well as to the management.
- Monitoring the implementation of the relevant procedures and holding responsibility for updating them.

The Group has been certified ISO 37001 "Anti-Bribery" which includes the following procedures and policies that have been established:

Business Environment Analysis, Risk Management, Internal Audit, Objectives Failure Management - Corrective Actions, Documentation and Files Control, Staff Training, Changes Management, Management Review, Regulatory Framework Monitoring, Complaints Management, Due Diligence, System Monitoring and Control, Energy Planning, Energy Footprint and Review, Energy Monitoring, Measurements, Objectives: Policy for Combating Unhealthy Competition, Information Security Policy, Policy for Travel and Hospitality Expenses.

The members of the Regulatory Compliance Committee were appointed following as of 28.11.2018 and 18.12.2019 decisions of the Company's Board of Directors.

Strategic Planning Committee

According to as of 27.04.2018 decision of the Board of Directors of the Company, a seven-member Strategic Planning Committee was established, including the following members:

- Georgios Peristeris, father's name - Theodoros, Executive Member

- Apostolos Tamvakakis, father's name – Stavros, Independent, Non-executive Member
- Gagik Apkarian father's name - Serop, Independent, Non-executive Member
- Spyridon Kapralos, father's name - Ioannis, Independent, Non-executive Member
- Dimitrios Antonakos, father's name – Georgios, Executive Member
- Emmanuel Moustakas, father's name - Michail, Executive Member
- And a Senior Financial Officer, on case basis or subject matter, as follows: Penelope Lazaridou, father's name - Sophocles and, if deemed necessary, Christos Zaribas, father's name - Theodosius, Panagiotis Kazantzis, father's name - Nikolaos, Aristoteles Spiliotis, father's name - Nikolaos.

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

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

To implement the above, the Board of Directors 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 and 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 adequacy and effectiveness of the special internal audit division and the extent to which its reports are utilized by the Board to facilitate on-going improvement of the Company's operations at all levels and effective management of business risks. Moreover, the Audit Committee maintains direct and regular contact with the external auditors, in order to be systematically informed about adequacy and reliability of the internal control and risk management systems, as well as accuracy and reliability of financial reporting.

Evaluation and management of risks during 2020 is described in the relevant paragraph of the Company's Annual Financial Report.

Shareholders Relations – Corporate Announcements Department

The Board of Directors places particular significance on protecting the rights of all the Company Shareholders, updating them about the development of corporate affairs and encouraging their participation in the General Meetings, where they have the opportunity to communicate directly with the Management, submit questions they may have and contribute to the final formation of the Company's strategic development directions.

The Company has a special Investor Relations and Shareholders' Service Department, which ensures direct, responsible, and complete provision of information, as well as assisting shareholders to exercise their rights.

In the same context, the Chairman of the Board of Directors and/or the Chief Executive Officer may carry out separate meetings with the Company's Shareholders, holding a significant share of its capital, so that such shareholders could be provided with more analytical information on corporate governance issues. They also collect the views expressed by the shareholders, transfer this information to the other members of the Board of Directors 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.

Following as of 31.03.2020 decision of the Company's Board of Directors, Mr. Georgios Koufios was appointed the Head of the Shareholders Relations – Corporate Announcements Department.

General Meeting of Shareholders

The Company adheres to the total of relevant terms, clauses and procedures stipulated by the effective legal – regulatory framework as regards to the General Meeting of its Shareholders, with particular dedication to ensuring the shareholder's ability to exercise their rights, based on completeness, accuracy and clarity of the information they timely receive from the relevant corporate bodies, through all the means available to the Company.

Aiming at the broadest possible presence of its shareholders (institutional and private) at the General Meeting, the Company timely announces, through any appropriate means, the daily agenda issues, the date, and location where the General Meeting will convene. To facilitate the shareholders' active participation in the General Meeting, the Company provides complete information about the way and deadline for exercising the right to list issues on the daily agenda, as well as to submit questions. Moreover, it informs the shareholders about the number of shares and voting rights, the voting procedures and makes available to them 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 under 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 2020.

(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 to the Regular General Meeting of Shareholders, according to paragraph 8 article 4 of L. 3556/2007 and has been prepared according to the provisions of paragraph 7, article 4 of the aforementioned 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 euro and eighty seven cents (Euro 58,951,275.87), is fully paid and is divided into one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares of a nominal value of fifty seven cents (Euro 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 on transfer of Company shares

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

c) Significant direct or indirect participations according to the provisions of L. 3556/2007

The following Table of Shareholders holding a percentage over 5% as at 31.12.2020 is presented below as follows:

NAME/TITLE	No of shares	%
Reggeborgh Invest B.V.	31,401,600	30,362%
Georgios Peristeris	16,531,307	15,984%
Gek Terna S.A.	5,245,229	5,072%

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 on voting rights

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

f) Agreements between Shareholders

The Company is not aware of any agreements between its Shareholders, which imply limitations on transfer of its shares or exercise of voting rights emanating from its shares.

g) Rules for appointment and replacement of BoD Members and amendments to the Articles of Association

The Company's Articles of Association are in compliance with the provisions of L. 3604/2007 and their provisions do not differ from those stipulated by L. 4548/2018 as in effect, both as regards appointment and replacement of Board Members and amendments to its articles.

h) Board of Directors authority issuing new shares or acquiring treasury shares

According to the provisions of par. 2 article 5 of the Articles of Association, the General Meeting may - through its decision - assign authority to the Board of Directors to increase - through its decision - the share capital in compliance with the provisions of L. 4548/2018.
According to the provisions of article 113 of L. 4548/2018, as in effect, the Board of Directors may increase the share capital by issuing new shares in the context of implementing the Stock Option Plan, approved by the General Meeting, for acquisition of Company shares by the beneficiaries.
According to the provisions of article 49 of L. 4548/2018, as in effect, following approval of the General Meeting, the Company's Board of Directors may decide to acquire, through ATHEX, its treasury shares provided that the nominal value of the acquired shares, including the shares acquired previously and maintained by the Company, does not exceed 10% of its paid up share capital.

The Regular General Meeting as of July 8, 2020 decided to renew the share buyback program by the Company through ATHEX until the completion of 10% of the paid up share capital of the Company, for the purpose, established in article 49, L. 4548/2018 as amended and effective, Regulation (EU)596/2014 of the European Parliament and authorised Regulation (EU)2016/1052 of the European Committee, until July 7, 2022, at a minimum purchase price of thirty cents (Euro 0.30) and a maximum price of thirty (Euro 30) per share and authorized the Board of Directors to implement the aforementioned decision.

i) Significant agreements put into effect, amended or terminated in case of change in control following a takeover bid.

There are no agreements, which are put into effect, amended, or terminated in case of change in the Company's control following a takeover bid.

j) Agreements with the 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 payment of indemnity, specifically in case of resignation or termination without reasonable cause or termination of term or employment due to a takeover bid.

Dear Shareholders,

2020 was a year during which the Group continued its stable trend of development. Moreover, the Group carefully continues implementing its investment plan, simultaneously maintaining 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, our Shareholders, for your trust in us.

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

Athens, 27 April 2021
On behalf of the Board of Directors,

George Peristeris
Chairman of the Board of Directors & Chief Executive Officer

III. 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, 2020, the separate and consolidated 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.

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 of December 31, 2020, and of their financial performance and their 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 Legislation. 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 were 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 Legislation 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.

Emphasis of mater– Event after the reporting date

We draw your attention to Note 51 "Events after the reporting date of the Statement of Financial Position" of the accompanying financial statements, which describes the unprecedented extreme weather conditions on February of 2021 in Texas USA and their effects in the Group's operations. Our opinion is not qualified in respect of this matter.

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 the 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 provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Revenue from construction contracts	
The Group's turnover amounted to € 971.3 million for the year ended as at 31st December 2020 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” amounted to € 498.3 million and it has been identified as an area of particular audit interest due to the significance of the item in the financial statements, as it involves complexity associated with particular accounting treatment in accordance with IFRS, judgments and Management’s 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 every project. Group’s disclosures regarding the accounting policies of revenue recognition and Management’s judgements and estimates used for revenues, as well as the assessment of the impact of the application of IFRS 15 as well, are included in the notes 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 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 2020. • 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 2020, the Group recognized goodwill of € 3.0 million, intangible assets with definite useful life of € 740.8 million and property, plant and equipment of € 1,493.6 million. Also, as at 31 December 2020, the Company holds investments in subsidiaries of € 282.8 million and investments in associates and joint ventures amounting to € 4.8 million and € 4.9 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	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.

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 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 the assessment of impairment of those non-current assets to be one of the key audit matters.

The Group's and Company's disclosures regarding the accounting policy and assumptions and estimates used in assessing any impairment of these assets are included in Notes 3.1(ii), 3.2(vi), 4.9, 7.5, 8, 10, 12, 13 and 14 to financial statements.

- Review of the mathematical precision of discounted cash flow models.
- For the abovementioned procedures where it was deemed appropriate, we used Grant Thornton's specialist contribution.
- Assessment of adequacy of the disclosures included in the notes to financial statements regarding this matter.

Provisions and contingent liabilities	
As at 31 December 2020, 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 , as well as the measurement and disclosure of contingent assets and liabilities related to court cases and arbitration procedures includes significant judgements made 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, 28 and 50 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 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 does 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 Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to 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 Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 which also includes the Corporate Governance Statement, 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 152 of Codified Law 4548/2018.

b. In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (cases c and d) of Article 152 of the Codified Law 4548/2018 and the content of the report is consistent with the accompanying financial statements for the year ended December 31, 2020.

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, 2020, are disclosed in note 38 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 four (4) years based on the decisions of the shareholder's Annual General Meetings.

Athens, 27st April 2021

The Chartered Accountant

Dimitra Pagoni

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

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

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IV. ANNUAL SEPARATE AND CONSOLIDATED FOR THE PERIOD ENDED AS AT DECEMBER 31 2020 (1 January - 31 December 2020)

Under the International Financial Reporting Standards (IFRS), as adopted by the European Union

The attached Financial Statements were approved by the Board of Directors of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS at its meeting held as at 27 April, 2021 and have been posted on the internet at the website http://www.gekterna.com 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 the website http://www.gekterna.com.

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(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2020

		GROUP		COMPANY	
	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Non-current assets					
Intangible fixed assets	8	740,768	754,958	111	140
Right of use assets	9	20,692	34,664	370	458
Tangible fixed assets	10	1,493,649	1,670,747	8,339	8,777
Goodwill	7	3,025	3,025	0	0
Investment property	11	36,043	40,916	8,347	9,536
Participations in subsidiaries	5,12	0	0	282,767	264,731
Participations in associates	5,13	1,126	1,152	4,800	4,800
Participations in joint ventures	5,14	90,131	49,394	4,896	5,104
Financial Assets - Concessions	15	46,952	44,408	0	0
Investment in equity interests	21	66,620	65,434	65,362	64,752
Other long-term assets	16	63,968	88,977	118,816	178,964
Receivables from derivatives	32	191,734	188,635	0	0
Deferred Tax Assets	35	81,594	71,228	0	0
Total non-current assets		**2,836,302**	**3,013,538**	**493,808**	**537,262**
Current assets					
Inventories	17	51,125	57,609	2,771	3,710
Trade receivables	18	231,046	297,595	2,978	2,636
Receivables from contracts with customers	19	117,988	98,538	50	177
Advances and other receivables	20	242,892	194,274	25,868	55,681
Income tax receivables		20,921	30,772	4,222	3,757
Financial assets at fair value through profit & loss	22	7,811	3,407	5,598	3,407
Short-term part of receivables from derivatives	32	19,220	18,865	0	0
Cash and cash equivalents	6,23	1,108,417	594,671	466,094	77,939
Total current assets		**1,799,420**	**1,295,731**	**507,581**	**147,307**
TOTAL ASSETS		**4,635,722**	**4,309,269**	**1,001,389**	**684,569**
EQUITY AND LIABILITIES					
Share capital	33	58,951	58,951	58,951	58,951
Share premium account		381,283	381,283	202,774	202,774
Reserves	34	474,523	408,005	55,850	54,877
Retained earnings		(402,514)	(352,318)	36,156	(24,616)
Total equity attributable to the		**512,243**	**495,921**	**353,731**	**291,986**
Non-controlling interests		311,625	270,954	0	0
Total equity		**823,868**	**766,875**	**353,731**	**291,986**

(Amounts in thousands Euro, unless otherwise stated)

Non-current liabilities					
Long-term loans	24	2,198,693	1,788,773	615,008	339,241
Liabilities from leases	25	15,295	13,614	297	383
Equity investments equivalent to financial liabilities	26	236,184	324,407	0	0
Other long-term liabilities	31	161,225	75,335	14,972	13,934
Other provisions	28	33,095	35,316	0	0
Provisions for staff leaving indemnities	27	6,483	7,402	156	164
Grants	29	102,266	154,699	0	0
Liabilities from derivatives	32	214,066	202,559	0	0
Deferred tax liabilities	35	42,959	41,777	2,727	4,838
Total non-current liabilities		**3,010,266**	**2,643,882**	**633,160**	**358,560**
Current liabilities					
Suppliers	30	222,749	264,344	1,983	1,870
Short term loans	24	116,505	130,598	0	0
Long term liabilities payable during the next financial year	24	109,958	105,123	8,538	12,118
Short-term part liabilities from leases	25	3,700	10,175	89	83
Liabilities from contracts with customers	19	186,813	203,658	131	564
Short-term part of equity interests having a substance of financial liability	26	45,079	51,365	0	0
Accrued and other short term liabilities	31	79,003	99,599	3,743	19,388
Short-term part of liabilities from derivatives	32	27,023	29,578	0	0
Income tax payable		10,758	4,072	14	0
Total Liabilities		**801,588**	**898,512**	**14,498**	**34,023**
Total Liabilities		**3,811,854**	**3,542,394**	**647,658**	**392,583**
TOTAL EQUITY AND LIABILITIES		**4,635,722**	**4,309,269**	**1,001,389**	**684,569**

The accompanying notes form an integral part of these Separate and Consolidated Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF TOTAL COMPREHENSIVE INCOME 2020

		GROUP		COMPANY	
	Note	**1.1-31.12.2020**	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Turnover	6,36	971,305	1,155,739	6,266	5,721
Cost of sales	37	(756,476)	(919,263)	(7,697)	(4,866)
Gross profit/(loss)		**214,829**	**236,476**	**(1,431)**	**855**
Administrative and distribution expenses	37	(79,489)	(75,658)	(11,864)	(6,478)
Research and development expenses	37	(4,516)	(3,931)	(439)	(641)
Other income/(expenses)	39	14,283	(3,162)	1,192	(1,357)
Results before taxes, financing and investing activities		**145,107**	**153,725**	**(12,542)**	**(7,621)**
Net financial income/(expenses)	43	(99,467)	(72,267)	(3,204)	(7,346)
Profit / (loss) from sale of participations and securities	40	27,194	(520)	73,438	172
Profit / (loss) from valuation of participations and securities	41	(1,808)	3,386	(23,598)	(4,547)
Income / (losses) from participations and other securities	42	856	1,408	24,354	1,824
Profit / (loss) from the consolidation of associates under the equity method	5,13	(1)	(214)	0	0
Profit / (loss) from the consolidation of joint ventures under the equity method	5,14	(452)	(7,700)	0	0
Earnings/(Losses) before taxes	6	**71,429**	**77,817**	**58,448**	**(17,518)**
Income tax	35	(13,358)	(22,086)	2,324	5,307
Net Earnings/(losses) after taxes	6	**58,071**	**55,731**	**60,772**	**(12,211)**
Other Comprehensive Income/(Expenses)					
a) Amounts that will be reclassified in the Income Statement of subsequent periods					
Proportion in Other comprehensive income of joint ventures	5,14	0	16	0	0
Cash flow hedges					
-Gain/(Losses) current period	32	(7,533)	(25,592)	0	0
-Reclassifications adjustments in Income Statement	7.3,32	6,511	0	0	0
Translation differences from incorporation of foreign entities					
-Gain/(Losses) current period		(7,556)	214	0	0
-Reclassifications adjustments in Income Statement		(65)	0	0	0
Tax corresponding to the above results	35	3,024	2,751	0	0
Total		**(5,619)**	**(22,611)**	**0**	**0**

(Amounts in thousands Euro, unless otherwise stated)

b) Other Comprehensive Income/(expenses) that will be not transferred to Income Statement in subsequent periods					
Valuation of investments in equity interests	21	646	16,703	844	16,703
Actuarial gains/(losses) on defined benefit pension plan	27	121	(333)	(4)	(22)
Proportion in Other comprehensive income of associates	5,13	(25)	(533)	0	0
Proportion in Other comprehensive income of joint ventures	5,14	37	(5)	0	0
Tax corresponding to the above results	35	(175)	(2,799)	(202)	(3,072)
Total		**604**	**13,033**	**638**	**13,609**
Net Other Comprehensive Income		**(5,015)**	**(9,578)**	**638**	**13,609**
TOTAL COMPREHENSIVE INCOME		**53,056**	**46,153**	**61,410**	**1,398**
Net earnings/(losses) attributed to:					
Shareholders of the parent	33	12,461	23,457		
Non-controlling interests		45,610	32,274		
Total comprehensive income/(losses) attributed to:					
Shareholders of the parent		8,004	15,487		
Non-controlling interests		45,052	30,666		
Basic Earnings/(losses) per share (in Euro)	33	0.12854	0.23937		
Diluted Earnings/(losses) per share (in Euro)	33	0.12854	0.23937		

The accompanying notes form an integral part of these Separate and Consolidated Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS 2020

		GROUP		COMPANY	
	Note	**1.1-31.12.2020**	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Cash flows from operating activities					
Profit/(loss) before tax	6	**71,429**	**77,817**	**58,448**	**(17,518)**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	6, 8, 9,10	128,414	122,822	587	554
Fixed assets grants amortization	6, 29	(7,034)	(8,194)	0	0
Provisions		18,825	1,073	83	20
Impairments		7,772	16,194	21,369	9,197
Other non-cash expenses/(revenue)		(26,710)	(10,468)	0	80
Interest and related revenue	43	(17,432)	(9,584)	(19,393)	(10,080)
Interest and other financial expenses	43	137,327	127,861	22,597	17,426
Results from derivatives	43	(20,428)	(46,011)	0	0
Results from associates and joint ventures	13, 14	453	7,914	0	0
Results from participations and securities		(26,317)	(3,147)	(95,984)	(5,383)
Results from investment property		351	(1,672)	75	(122)
Results from fixed assets		(800)	325	0	1
Foreign exchange differences		10,642	(1,382)	0	0
Cost of stock options valuation	34,37	3,257	0	2,778	0
Operating profit/(loss) before changes in working capital		**279,749**	**273,548**	**(9,440)**	**(5,825)**
(Increase)/Decrease in:					
Inventories		2,187	(2,248)	1,121	443
Investment property as main activity		1,377	1,985	1,073	1,851
Trade receivables		50,545	90,335	(104)	(413)
Blocked bank deposit accounts		(54,461)	12,361	(11,269)	11,883
Prepayments and other receivables		50,579	19,487	198	(165)
Increase/(Decrease) in:					
Suppliers		(20,955)	(43,619)	113	494
Accruals and other liabilities		14,978	(96,815)	(8,702)	1,231
Income tax (Payments)/Receipts		(7,782)	(16,894)	1,478	(3,043)
Net cash flows from operating activities		**316,217**	**238,140**	**(25,532)**	**6,456**
Cash flows from investing activities					
Proceeds from disposals of fixed assets		2,264	4,942	0	4
Payments for purchases of fixed assets		(124,072)	(191,894)	(28)	(349)
Proceeds from disposals of investment property		653	0	0	0
Interest and related income received		2,036	2,890	8,976	9,268
Proceeds from loss of control of subsidiaries	7	47,439	0	78,984	0
Payments for acquisition of subsidiaries	7.1	(25,040)	(53,576)	0	0

(Amounts in thousands Euro, unless otherwise stated)

Cash and cash equivalent of the companies whose consolidation was discontinued		(5)	0	0	0
Proceeds from sale or decrease in participating interest in associates and joint ventures (JVs)		239	0	239	235
Payments for acquisition or increase in participating interest in associates and joint ventures (JVs)	14	(41,520)	(2,863)	0	0
Proceeds from sale of shares, bonds and other securities		238	1,929	238	1,113
Payments for acquisition of shares, bonds and other securities		(7,119)	(1,112)	(3,999)	0
Receipts of Dividends		956	1,426	24,294	16,178
Proceeds from issued loans		0	0	197,908	94,869
Issued loans		(800)	0	(96,800)	(29,900)
Net cash flows for investing activities		**(144,731)**	**(238,258)**	**209,812**	**91,418**
Cash flows from financing activities					
Receipts from changes in subsidiaries without loss of control	12	67,095	204	0	5,000
Payments from changes in subsidiaries without loss of control	12	0	(213)	(44,928)	(13,171)
Receipts from increase of share capital in subsidiaries from non-controlling interests		21	0	0	0
Payments for share capital refund of subsidiaries to non-controlling interests		(11,995)	(20,757)	0	0
Payments to acquire treasury shares	34	(2,922)	(6,167)	(2,922)	(6,167)
Payments to acquire treasury shares of		(21,239)	0	0	0
Proceeds for short term loans	24	209,036	282,610	0	0
Payments for short term loans	24	(208,129)	(281,624)	0	0
Proceeds for long term loans	24	917,662	615,053	507,297	167,002
Payments for long term loans	24	(399,722)	(482,564)	(233,250)	(202,958)
Payments for leases		(11,088)	(10,473)	(85)	(64)
Dividends paid to non controlling interest		(25,744)	(696)	0	0
Interest and other financial expenses paid		(91,249)	(89,017)	(22,237)	(17,900)
Payments for hedging derivatives		(22,006)	(19,936)	0	0
Proceeds from equity interests having a substance of financial liability	26	1,052	120,718	0	0
Payments for equity interests having a substance of financial liability		(53,508)	(35,857)	0	0
Net cash flows from financing activities		**347,264**	**71,281**	**203,875**	**(68,258)**
Effect of foreign exchange rate differences in cash		(5,004)	266	0	0
Net increase /(decrease) of cash and cash		**513,746**	**71,429**	**388,155**	**29,616**
Cash and cash equivalents at the beginning of the	6,23	594,671	523,242	77,939	48,323
Cash and cash equivalents at the end of the period	**6,23**	**1,108,417**	**594,671**	**466,094**	**77,939**

The accompanying notes form an integral part of these Separate and Consolidated Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY 2020

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2020		**58,951**	**202,774**	**54,877**	**(24,616)**	**291,986**
Total comprehensive income		0	0	638	60,772	**61,410**
Acquisition of treasury shares	34	0	0	(2,922)	0	**(2,922)**
Granting stock options	34	0	0	3,257	0	**3,257**
31st December 2020		**58,951**	**202,774**	**55,850**	**36,156**	**353,731**

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2019		**58,951**	**202,774**	**104,587**	**(69,557)**	**296,755**
Total comprehensive income		0	0	13,609	(12,211)	**1,398**
Acquisition of treasury shares		0	0	(6,167)	0	**(6,167)**
Formation of reserves		0	0	2,910	(2,910)	**0**
Transfers / other movements		0	0	43	(43)	**0**
Reclassifications	2.5	0	0	(60,105)	60,105	**0**
31st December 2019		**58,951**	**202,774**	**54,877**	**(24,616)**	**291,986**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2020		**58,951**	**381,283**	**408,005**	**(352,318)**	**495,921**	**270,954**	**766,875**
Total comprehensive income		0	0	(4,457)	12,461	**8,004**	45,052	**53,056**
Share capital increase of subsidiaries		0	0	0	18,746	**18,746**	46,671	**65,417**
Share capital refund of subsidiaries to non-controlling interests		0	0	0	0	**0**	(12,020)	**(12,020)**
Dividends to non-controlling interests		0	0	0	0	**0**	(25,772)	**(25,772)**
Acquisition of treasury shares	34	0	0	(2,922)	0	**(2,922)**	0	**(2,922)**
Granting stock options	34	0	0	3,257	0	**3,257**	0	**3,257**
Effect from subsidiary acquisition of treasury shares	5.3	0	0	0	(7,615)	**(7,615)**	(13,624)	**(21,239)**
Change in interest of consolidated subsidiary		0	0	0	(442)	**(442)**	442	**0**
Termination in consolidation of joint entity		0	0	602	(334)	**268**	(73)	**195**
Formation of reserves		0	0	70,038	(73,012)	**(2,974)**	0	**(2,974)**
Transfers/Other		0	0	0	0	**0**	(5)	**(5)**
31st December 2020		**58,951**	**381,283**	**474,523**	**(402,514)**	**512,243**	**311,625**	**823,868**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2019		**58,951**	**381,283**	**375,193**	**(329,173)**	**486,254**	**242,744**	**728,998**
Total comprehensive income		0	0	(7,970)	23,457	**15,487**	30,666	**46,153**
Share capital increase of subsidiaries		0	0	0	0	**0**	204	**204**
Dividends to non-controlling interests		0	0	0	0	**0**	(686)	**(686)**
Acquisition of treasury shares		0	0	(6,167)	0	**(6,167)**	0	**(6,167)**
Change in interest of consolidated subsidiary		0	0	0	343	**343**	(1,849)	**(1,506)**
Termination in consolidation of joint entity		0	0	0	0	**0**	(123)	**(123)**
Formation of reserves		0	0	105,154	(105,154)	**0**	0	**0**
Transfers/Other		0	0	1,901	(1,896)	**5**	(2)	**3**
Reclassifications	2.5	0	0	(60,105)	60,105	**0**	0	**0**
31st December 2019		**58,951**	**381,283**	**408,005**	**(352,318)**	**495,921**	**270,954**	**766,875**

The accompanying notes form an integral part of these Separate and Consolidated Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1 GENERAL INFORMATION ABOUT THE GROUP AND 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 title 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 title and the amendment to 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 Euro 25,386,322.56. Thus, the share capital amounted to Euro 48,953,132.16 divided into 85,882,688 common registered shares, with a nominal value of Euro 0.57 each.

By the decision on 06.12.2013 of the A' Repetitive Extraordinary General Meeting it has been decided the increase of the Company's Share Capital by the amount of Euro 4,890,417.60 with cash deposits, through the issuance of 8,579,680 common ordinary shares on nominal value Euro 0.57 and offer price of Euro 2.5 each. The derived difference from the share premium amounting to Euro 16,558,782.40 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 stood at the amount Euro 53,843,549.76, 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 Meeting 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 (Euro 3,286,116.69) via the issuance of five million seven hundred sixty five thousand one hundred and seventeen (Euro 5,765,117) new shares, with nominal value of fifty seven cents of euro (Euro 0.57) per share and offering price of two euro and forty three cents (Euro 2.43) per share, due to the conversion of one hundred forty (140) bond securities with nominal value of one hundred thousand euro (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 Meeting 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 (Euro 1,662,725.91) with the issuance of two millions nine hundred seventeen thousand and sixty three (Euro 2,917,063) new shares, with nominal value of fifty seven cents of the euro (Euro 0.57) and with offering price two euro and forty seven cents (Euro 2.47) per share, due to the conversion of seventy (70) bonds, with nominal value of one hundred thousand each (Euro 100,000.00) of the Convertible Bond Loan of the Company, increased with the contractual interest.
Following the decision of 29.03.2016, 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 (Euro 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 (Euro 0.57) per share and with offering price of two Euros and forty three cents (Euro 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 (Euro 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 (Euro 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 (Euro 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 parks, solar and hydropower and biomass.
- **Thermal energy trading in electric energy and natural gas**: production of electric energy through fuels and natural gas and trading in electric energy and natural gas.
- **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 operating segments and trial operation of new operating segments.

At the end of the closing year, the total number of the Group's headcount worldwide was 3.400 and the Company's – 24. Respectively, at the end of the previous year, the Company's headcount was 21, and the Group's - 3.878 worldwide.

The consolidated companies included in the consolidated Financial Statements and their unaudited FYs are analytically recorded in Note 5 to the Financial Statements.

The attached separate and consolidated Financial Statements as of 31st December 2020 were approved by the Board of Directors on 27.04.2021 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 the Presentation of financial statements

The Company's separate and consolidated Financial Statements as of 31.12.2020 covering the annual period starting on January 1st until December 31st 2020, have been prepared according to the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and according to their interpretations, published by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union until 31.12.2020.

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 the periods presented.

2.2 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.

Health crisis through COVID-19 pandemic has lead global economy into a period of uncertainty and instability, and its consequences are difficult to be estimated, based on data so far, due to the evolving situation. Financial consequences will depend on the duration and the intensity of the recession as well as the formed prospects for recovery. COVID-19 effects is not expected to be significant for the Group and the Company. Moreover, the Management has considered the effects of the unprecedented and extreme weather events that hit the State of Texas in February 2021. The Management has estimated that there is no issue of material uncertainty regarding the Group's and the Company's ability to continue as a going concern (analytical description is presented in Note 46 and 51).

2.3 Basis of measurement

The accompanying separate and consolidate Financial Statements as of December 31st 2020, have been prepared according to the principle of historical cost, apart from investment property, financial derivatives, investments in equity instruments and variable consideration liability, measured at fair value.

2.4 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.

2.5 Reclassifications

An amount of 60,105 was transferred from the item "Reserves" to the item "Retained Earnings " in the Statement of Financial Position of the Group and the Company on 31.12.2019, i.e. an internal reclassification was performed between the Equity sub-accounts. In particular, this amount refers to the reserves, formed in previous years from income form dividends in accordance with the provisions of Article 48 of Law 4172/2013 and Article 18 of Law 3697/2008. Following the provisions of the tax legislation, the Company recorded them in tax exempted reserve accounts according to POL 1039/2016. Given that this reclassification relates to transfers between the Equity accounts, it has no effect on Equity, income statement and cash flows of the Group and the Company.

2.6 Use of estimates

The preparation of financial statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Judgments, 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.

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.

2.7 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 2019, apart from the adoption of several new accounting standards, whose application was mandatory in the European Union for FYs beginning as at January 1st , 2020 (see Noted 2.7.1 and 2.7.2).

2.7.1 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 01.01.2020.

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 amendments do not affect the consolidated and separate Financial Statements.

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 amendments do not affect the consolidated and separate Financial Statements.

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 amendments do not affect the consolidated and separate Financial Statements.

Amendments to IFRS 9, IAS 39 and IFRS 7: “Interest Rate Benchmark Reform” (effective for annual periods starting on or after 01.01.2020)

In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments do not affect the consolidated and separate Financial Statements.

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 amendments were taken into account while assessing the acquisition carried out in 2020 (see Note 7).

Amendments to IFRS 16 "Leases" Covid-19 – Related Rent Concessions (effective for annual periods starting on or after 01.06.2020)

In May 2020, the IASB issued amendments to IFRS 16 that provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. More specifically, the amendments clarify that if certain conditions are met, lessees are not required to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient, would account for those rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The amendments do not affect the consolidated Financial Statements.

2.7.2 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.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – Phase 2" (effective for annual periods starting on or after 01.01.2021)

In August 2020, the IASB has finalized its response to the ongoing reform of IBOR and other interest benchmarks by issuing a package of amendments to IFRS Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for a change in its hedging relationships as a result of the reform, as well as relevant information required to be disclosed. 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 01.01.2021.

Amendments to IFRS 3 “Business Combinations”, IAS 16 “Property, Plant and Equipment”, IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and “Annual Improvements 2018-2020” (effective for annual periods starting on or after 01.01.2022)

In May 2020, the IASB issued a package of amendments which includes narrow-scope amendments to three Standards as well as the Board’s Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards. More specifically

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

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 “Classification of Liabilities as Current or Non-current” (effective for annual periods starting on or after 01.01.2023)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. 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.

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, the amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that cannot 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, 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 the data whose development could affect the financial statements items in the upcoming 12 months are as follows:

3.1 Significant judgments of the Management

Key judgments of the Management, applied while implementing the Group and the Company accounting policies, which have the most significant impact on the financial statements (apart from those analyzed in Note 3.2) are analyzed as follows:

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 that can be recognized, significant judgments and estimates of the Group's Management are required, based on future taxable profits, combined with future tax strategies to be pursued, as well as the uncertainties dominating in various tax frameworks, within which the Group operates (for further information please refer to Note 35).

ii) Impairment of non-financial assets and goodwill

Non-financial assets are tested for impairment whenever events or changes in the effective conditions indicate that their book value may not be recoverable in accordance with the accounting policy described in Note 4.9. Goodwill is tested for impairment at least annually.

iii) Acquisition of "business" according to the definition provided in IFRS 3 or acquisition of assets

In accordance with IFRS 3 "Business Combinations", the Group determines whether a transaction or other event constitutes a business combination in accordance with the relevant definition of the Standard, i.e. whether the assets acquired and liabilities assumed constitute a "business". In the event the acquired assets do not constitute a business, then the Group manages the transaction or other event as an acquisition of an asset. According to IFRS 3, the term "business" is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. The accounting treatment of a business combination is carried out in accordance with the accounting policy described in Note 4.2, while the accounting treatment of acquisition of an asset (or group of assets) which do not constitute a "business" is carried out in accordance with the accounting policy described in Note 4.24.

iv) Equity instruments having a substance of financial Liabilities – Recognition

The Group has entered into agreements, through its subsidiary TERNA ENERGY, with "Tax Equity Investors" (hereinafter "TEI") in the USA. According to these agreements, the cash flows and tax benefits generated by wind farms are contractually distributed amongst Tax Equity Investors and the Group. In essence, based on these schemes, 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. The Group Management exercises judgment while assessing whether it exercises control over the wind farms, in accordance with the requirements of IFRS 10. This assessment concludes that the particular contribution of TEIs has the characteristics of a "financial obligation" in accordance with the requirements of IAS 32. Judgment is also required when assessing TEIs' participation in the scheme, after receiving the agreed rate of return. The accounting recognition of TEI is conducted based on the accounting policy described in Note 4.13.5.

3.2 Uncertainty of estimates and assumptions

Specific amounts that are either included or affect the Financial Statements and the related disclosures are estimated, necessitating to make assumptions about values or conditions that cannot be known with certainty during the period of the Financial Statements preparation. An accounting estimate is considered significant when it is material to the financial position and the income statement of the Group and requires most difficult, subjective or complex judgments of the Management. The Group assesses such estimates on an ongoing basis, based on historical results and experience, through meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as making projections regarding potential changes in the future.

i) Recognition of revenue from construction contracts

Managing revenue and expenses from a construction contract, depends on whether the final result of the contract implementation can be reliably estimated (and is expected to bring profit to the constructor or the result of the implementation are expected to be loss-bearing). When the outcome of a construction contract can be reliably estimated, then revenue and expense of the contract are recognized over the term of the contract, respectively, as revenue and expense.

The Group uses the completion stage to determine the appropriate amount of revenue and expense which it will recognize in a specific period. In particular, based on the input method under IFRS 15, the construction cost at every reporting date is compared to the total budgeted cost in order to determine the percentage of completion. The completion stage is measured on the basis of the contractual costs incurred until the reporting date in relation to the total estimated cost of every construction project. The Group, therefore, makes significant estimates regarding the gross result with which every construction contract will be implemented (total budgeted cost of the construction contract implementation).

ii) Useful lives of depreciated assets

For the purpose of calculating depreciation, the Group examines the useful life and residual value of tangible and intangible assets in every reporting period in the light of technological, institutional and economic developments as well as the experience of their exploitation. As at 31.12.2020, the Management estimates that useful lives represent the expected usefulness of assets.

iii) Fair value measurement 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 particular, due to economic conditions, the Management measures such values based on its past experience, taking into account the available data (further information is presented in Note 11).

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 consideration that market participants would pay to acquire these financial instruments.

The Management bases its assumptions on observable data, but it is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience, also taking into account the available information. Estimated fair values may differ from the actual values that would be made in the context of an ordinary transaction at the reporting date of the financial statements (further information is provided in Note 48).

The Group uses derivative financial instruments to manage a range of risks including interest rate and commodity prices risks. For the purpose of determining an effective hedging rate, the Group requires both - to declare its hedging strategy and to estimate that the hedge will be effective throughout the term of the hedging instrument (derivative). Further information regarding the use of derivatives is provided in Note 32.

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 the items 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 (further information is provided in Note 12).

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 actuarial 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 27).

viii) Provision for income tax

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 arise during tax inspections.

The Group's companies are subject to various income taxation legislations. Significant estimates are required in order to determine the total provision for income tax, as presented in the Statement of Financial Position.

The final tax determination is uncertain in respect of specific transactions and calculations. The Group recognizes liabilities for the projected tax issues based on the calculations as to the extent to which additional taxation will arise. In cases where the final tax result differs from the initially recognized amount, 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 35).

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, as at the reporting date (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 provided in Notes 4.19 and 28).

x) Provision for rehabilitation or maintenance obligation under the Motorways 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 grantor 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 judgments that have to do with the cost and timing of such projects implementation as well as the actual costs that may differ from the projected costs (further information is presented in Note 28).

xi) Equity instruments having a substance of financial liability - Measurement

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 26).

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 operations. Determining contingent liabilities and receivables is a complex procedure that includes judgments regarding future events, laws, regulations, etc. Changes in judgements 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, based on which it may also have to review its estimates (see Note 50).

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 receivables in order to adequately cover the loss that can be reliably estimated and arises from these receivables. In every reporting period, the provision that has been made is adjusted and the changes are recognized in the income statement (further information is presented in Notes 18, 19 and 20).

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 (further information is presented in Note 7).

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 (further information is presented in Note 32).

xvi) Support of operation and recognition of financial instruments receivables

The subsidiary CENTRAL GREECE MOTORWAY S.A. regarded the contractual obligation of the Greek state to support operation as a hybrid financial instrument that includes an embedded derivative and a non-derivative host contract. Subsequently, the Group's subsidiary in question unbundled the embedded derivative from the host contract and, in accordance with IAS 39 (under the initial application) and IFRS 9, recognized a derivative financial item (receivables), i.e. the component of operating support that covers future payments of interest rate derivatives. Calculation of fair value of the receivable includes estimates of the credit risk of the counterparty (Greek State), an estimate of future outflows and the existence of a contingent time difference between the payments of the derivatives and the collection of operating support. The above estimates are re-evaluated on every reporting date. Further information is provided in Notes 4.14 and 32.

4 SUMMARY OF KEY ACCOUNTING PRINCIPLES

4.1 Basis for consolidation

The accompanying consolidated financial statements include the financial statements of GEK TERNA and its subsidiaries as at 31.12.2020. 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 they 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 every 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 recorded 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, cannot materially influence decision-making.
iii) The parent company may exercise its authority over the subsidiary to influence the amount of its returns. This is the result of decision-making on subsidiary's related matters through controlling the decision-making bodies (Board of Directors and Directors).

Changes in 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 acquisition 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 consolidated using the proportionate consolidation method (if it is a joint operation) in the Company or the equity method (if it is a joint venture) in the 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 tax joint operations, which do not constitute a separate entity within the framework of the IFRS. Their assets and liabilities are incorporated according to the effective proportions in the financial statements of the Company.

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 undertaken liabilities 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 participating interest in joint ventures. Unrealized losses are also eliminated unless there is evidence of the transaction for impairment of the transferred asset.

Consolidation takes into account the percentage held by the Group, effective as at consolidation date. The structure of the business scheme is the key and determining factor in defining accounting treatment.

The accounting policies of jointly controlled entities are 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 acquisition 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 acquisition cost and then consolidated using the equity method. According to this method, investments in associates are recognized at acquisition cost less any changes in the Group's participating interest in Equity after the initial acquisition date, less any provisions for impairment of those participating interests' value.

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 the shareholding. If the associate subsequently produces profits, the investor starts once again 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 acquisition 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 acquire (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 acquire, less
- the net fair value of the acquired 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 (e.g. fees of consultants, lawyers, accountants, appraisers and other professionals and consultant’s fees) are recognized as expenses and burden the income statement for the period when they are incurred.

Otherwise, when the acquire 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 an acquisition 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 conversion

Functional and reporting currency

The consolidated financial statements are presented in Euro, which is the functional currency of the Group ’s as well as the Parent Company’s reporting currency.

Transactions and balances 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.

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.

Gains or losses arising 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 foreign operations currency translation reserves differences, equity, and are 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 operations, which vary according to the nature of every 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 internal information system is 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 acquire 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-of-use quarries and mines and operational development costs of land,

ii. Rights-of-use land plots characterized as forestry, where Wind Parks are located,

iii. licensees acquired for Wind Parks, the right acquired under the concession agreements concluded with the State

iv. providers invoicing rights arising from concessions and PPPs (see note 4.15) and

v. 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. All 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, HEIRON CONSESSIONS S.A., 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 disposal and the current value of the asset and are recognized in profit or loss for the period.

(a) Software

Maintenance of software programs is recognized as an expense when the expense is realized. On 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 amortization 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 amortization 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 to use quarries and mines includes the acquisition cost of these assets less the accumulated depreciation and any potential impairment.

(e) Concessions

In 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 additional component is recorded as a reduction of the intangible asset.

(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 Property, plant and equipment

Tangible fixed assets are recognized in the financial statements at acquisition values, less accumulated depreciation and any potential impairment losses. The acquisition cost includes all directly reimbursable costs incurred for the acquisition of these assets.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the extent that the said expenses increase the future economic benefits, expected to arise from the use of the fixed asset and that their cost can be measured reliably.

Repair and maintenance cost is recognized in the Income Statement when incurred.

Tangible assets are written off when they are sold or withdrawn or when no further economic benefits are expected from their ongoing use. Gains and losses, 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 under construction 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

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 (see Note 4.9). Upon sale of tangible assets, the differences between the received consideration 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 incurred, during the tangible assets construction period, provided that the recognition criteria are met (please refer to Note 4.8).

4.8 Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of qualifying assets, which will require considerable time until the assets are ready for the proposed use or disposal, are added to the acquisition cost of those assets until the assets are ready for the proposed use or disposal. In other cases, the borrowing costs burden gains or losses of the period when incurred.

4.9 Impairment of non-current assets (intangible 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, financial assets that are subject to impairment testing (if the relative indications are effective) are the assets measured at acquisition cost or under equity method (investments in subsidiaries and associates). The recoverable amount of investments in subsidiaries and associates is determined in the same way as that in respect of non-financial assets.

For the purpose of impairment test, assets are grouped at 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 selects the appropriate discount rate in order to calculate the present value of future cash flows.

Impairment loss is recognized for the amount, by which the book value of an asset or a Cash Generating Unit exceeds their recoverable amount. Discount factors are determined individually for every Cash Generating Unit and reflect the corresponding risk data, determined by the Management for every one of them.

Further assumptions are made that prevail in the energy market. The period, reviewed by the management exceeds five years - the period that is encouraged by IAS 36, since especially as for renewable energy units, 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. 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.

Apart from Goodwill, the Group does not possess intangible assets with indefinite useful life that are not amortized.

An impairment loss is reversed if the recoverable amount 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 (through acquisition) by the Group, either to generate rent from their lease or for the increase in their 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 regular operations.

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

The book value recognized in the Group's Financial Statements reflects the market conditions on the Statement of Financial Position reporting date. Gains or losses, arising from changes in the fair value of investment property constitute results and are recognized in the Income Statement for the period in which it has been recognized. Repairs and maintenance are recognized as expenses in the period when incurred. Significant subsequent expenses are capitalized when they increase the useful life of the property and its production capacity or reduce its 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.

Investment property is derecognized (eliminated from the Statement of Financial Position) when it is sold or when it is permanently withdrawn from use and is not expected to generate future economic benefits from its sale. Gains or losses from withdrawal or sale of investment property pertain to the balance between 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 obsolete 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 and Cash Equivalents

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 Statements 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 20).

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 all the risks and benefits, associated with the particular financial asset, are substantially transferred. 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 Statement of Comprehensive Income are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables included in operating results.

4.13.3 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 sale, 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 sale if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for sale, 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 present in other results directly in equity the subsequent changes in the fair value of an equity investment that is not held for sale.

Gains or losses 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 every equity interest separately.

The Group has chosen to classify investments in this category (please refer to Note 21).

4.13.4 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 effective under IAS 39 for recognition of realized losses with recognition of 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 provisions for impairment under IFRS 9 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.

Trade receivables, other receivables and receivables from contracts with customers

The Group and the Company apply the simplified approach, stated in IFRS 9 to trade and other receivables as well as to receivables from on construction contracts and receivables from leases, calculating 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. While calculating the expected credit losses, the Group uses a provisioning matrix, 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 Notes 18 and 19.

4.13.5 Classification and measurement of financial liabilities

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 operating framework in the form of equity instruments 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 apart from 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 the income statement (except derivatives that operate as 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 receivable less 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 amount. Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired through the amortization procedure.

(ii) Trade and other liabilities

Balances of suppliers and other liabilities are initially recognized at their fair value and are 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 has entered into agreements with "Tax Equity Investors" investors in the USA through TERNA ENERGY Group. According to these agreements, cash flows and tax benefits generated by wind farms are contractually distributed 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 they are 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 cash distributions to Tax Equity Investors, as these distributions are contractually 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 Group maintains control over the wind farms, according to the provisions of IFRS 10, which are, therefore, fully consolidated in the Group's financial statements under full consolidated method.
- Counterparties receive a significant component of tax losses and PTCs generated by wind farms, as well as a component of cash flows, until they achieve a predetermined (at the start of investment) rate of a non-guarantee return.
- Counterparties remain investors 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 to the return on the investment.

- The return on the investment of the counterparties depends solely on the performance of wind farms. Although the Group undertakes the obligation to operate these wind farms in the best possible way and to take all the appropriate measures for their sound operation, it is not obliged to pay cash to the counterparties in excess of what is required in order 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 liability is reduced through the cash distribution received by TEI and, depending on the terms of the contract and the value of the tax benefits.

4.13.6 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 every reporting date either in the income statement or in other comprehensive income, depending on the extent, to which 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 risk hedging transaction strategy. The Group also records both - when creating the hedging transaction and afterwards – the extent to which the instruments 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 the income statement. The fair value of these derivatives is determined primarily on a market value and is confirmed by the counterparty credit institutions.

Exceptions are made regarding the 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 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 rate 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 to offset this amount of hedging item.

Future cash flows hedging

The component 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 the comprehensive income in the item "Net financial Revenue/(Expenses)". Cumulative amounts in equity are recycled through the Statement of Comprehensive Income to the income statement (from other comprehensive income to the income statement) in the periods in which the hedged item affects the income statement (when the projected 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 gains or losses recognized directly in equity until that date remains in the reserves 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 gains or losses recorded in the reserves are directly transferred to the Statement of Comprehensive Income.

4.13.7 Offsetting financial assets and financial liabilities

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

4.14 Receivables on Embedded Derivatives

In the context of the operation of the concession company CENTRAL GREECE MOTORWAY, the Group recognizes a receivable for an embedded derivative. Specifically, according to article 25 of the Concession Agreement, as of 1 January 2016, the State has undertaken the obligation to provide Operating Support to 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 every successive six-month period (starting January 1st and July 1st of each year) and the Operating Support for every Calculation Period is the difference between the aggregate of the eligible project costs and the distributable base performance less 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 Notification 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 4.3.1, 4.3.3 and 4.3.4 of IFRS 9, it is determined to be a synthetic component of a hybrid 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 analytical information presented in Note 32 to 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 utility service and deals with the operation and maintenance of that infrastructure (operation 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

The 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 completion 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 assets

The 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 grantor 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 "Service Concession Arrangements". In particular, the Group recognizes a financial asset receivable and income based on the proportional completion rate method and the asset is measured at amortized cost less any impairment losses. More information is provided in Note 15.

4.16 Employee benefits

Short-term benefits: Short-term employee benefits (except for termination of employment benefits) in cash and in kind are recognized as an expense when deemed accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount 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 period to which 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 to its employees upon their dismissal or retirement. 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 (reserves from payments to an insurance company), the changes deriving from any actuarial profit or loss and the previous 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 2020, the selected interest rate follows the tendency of European Bonds of 10-year maturity as at December 31, 2020, 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 the current and past service cost, the relative financial cost, the actuarial gains or losses and potentially arising additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting treatment of defined benefit plans, including as follows:

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 including 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 31.12.2020, no active plan regarding disposal of the Group and the Company shares is effective (see Note 34).

4.17 Leases

Until 2018, leases were classified as finance or operating in accordance with the requirements of IAS 17. Finance leases were capitalized at the commencement of the lease at the lower value that arises between the fair value of the asset and the present value of the minimum lease payments, each of which were identified at the commencement of the lease. Every lease payment was allocated as liability and interest. Operating lease payments were recorded in the income statement on a straight-line basis over the term of the lease.

As of 01.01.2019, under IFRS 16, leases are no longer classified as operating leases and finance leases, and all leases are accounted for as items in the "Statement of Financial Position", through recognition of a " right-of-use asset" a "lease liability".

Recognition and initial measurement of the right-of-use asset

At the lease period commencement date, the Group recognizes a right-of-use asset and a lease liability, measuring the right-of-use asset at cost.

The cost of the right-of-use asset comprises:

- the amount of the initial measurement of the lease liability (see below),
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

  The Group undertakes the obligation for those costs either at the lease period commencement date or as a consequence of having used the leased asset during a particular period.

Initial measurement of the lease liability

At the lease period commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. When the interest rate implicit in the lease can be readily determined, the lease payments shall be discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

At the lease period commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right-of-use asset during the lease term that are not paid at the lease commencement date:

1. fixed payments less any lease incentives receivable,

2. any variable lease payments that depend on the future change in index or a rate, initially measured using the index or rate as at the lease period commencement date

3. amounts expected to be payable by the Group under residual value guarantees,

4. the exercise price of a purchase option if the Group is reasonably certain to exercise that option and

5. payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

After the lease period commencement date, the Group measures the right-of-use asset applying a cost model.

The Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any subsequent measurement of the lease liability.

The Group applies the requirements set in IAS 16 regarding the depreciation of the right-of-use asset, which it reviews for potential impairment.

Subsequent measurement of the lease liability

After the lease period commencement date, the Group measures the lease liability by

1. increasing the carrying amount to reflect financial cost on the lease liability,
2. reducing the carrying amount to reflect the lease payments made, and
3. remeasuring the carrying amount to reflect any lease reassessment or modification.

Financial cost of a lease liability is allocated over the lease term in such a way that it results in a constant periodic rate of interest on the remaining balance of the liability.

After the lease period commencement date, the Group recognizes in profit or loss, (unless the costs are included in the carrying amount of another asset applying other applicable Standards), both:

1. financial cost of the lease liability, and
2. variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Group as lessor

The Group receives rentals from operating leases of its investment properties. Income from rentals is gradually recognized over the lease term.

4.18 Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant will be collected, and the Group will comply with all relevant conditions.

Government grants related to the grants for tangible fixed assets are recognized when there is reasonable assurance that the grant will be collected, and all relevant conditions will be met. These grants are recognized as deferred income and are transferred to the income statement during the period based on the expected useful life of the asset, for which the grant was received.

Government 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.

In particular, concerning the grant for concession contracts of motorways, the Group recognized the total of financial contribution, approved through the concession agreement, as financial asset reducing the value of intangible asset, that had been created based on the same agreement, and amortized at the same period and in a way similar to the transfer of the book value of the intangible asset to the income statement.

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 reporting date of the Financial Statements and are reviewed and adjusted accordingly on evert financial statements reporting date to reflect the present value of the expense expected for the settlement of the liability.

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 made, then it is reversed.

In cases where the outflow of economic resources 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 incorporating financial benefits is minimal. Potential inflows from economic benefits for the Group which do not meet the criteria of an asset are regarded as contingent assets 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

Concerning restoration of natural landscapes, the Group recognizes the provisions made by the entities of the Group's energy sector for decommissioning wind turbines from Wind Farms and restoring 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 every reporting date of the Statement of Financial Position and are adjusted in order to reflect the present value of the expense, expected to be disbursed for settling the lability regarding decommissioning and remediation. The related provision is recognized as 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 production contract. 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 to or deducted from, respectively, the cost of the asset. The effect of discounting the estimated cost is recognized in the income statement as an interest 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 from 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. Recognise revenue when (or as) the Group 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 assigning a contract, the accounting treatment us also defined regarding the additional costs and the direct costs required to complete the contract.

Revenue 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 it would be entitled versus 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, sanctions or other similar items. The promised 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 option 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 estimates 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:

(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) Most probable 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 revenue, 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 transferred 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 implemented 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 it at least expects to recover the costs incurred to meet it.

In such cases, an entity shall recognize revenue only to the extent of the cost incurred until it is able to reasonably measure the outcome of the implementation obligation.

Revenue from rendering 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 contractual asset is recognized when the Group or the Company has settled its liabilities to the counterparty before the latter has paid 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 consideration which is postponed before the performance of the contractual obligations and transfer of goods or services. The contractual obligation is derecognized when the contract obligations are met and the revenue is recorded in the income statement.

Commitments for implementation performed at a specific time

When a commitment for implementation 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 promised asset and the entity settles an implementation commitment, the entity examines the requirements for the acquisition control, as analytically recorded in IFRS 15.

The main categories of revenue 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. For the purpose of complying with IFRS, the proceeds from the construction activity are accounted for progressively during construction, based on the input method of measurement in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers".

The input 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 fulfil this implementation commitment.

ii. Sale of goods

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

iii. Revenue 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. Amounts collected are recognized as revenue.

iv. Revenue from sale of Electric Energy

It relates to revenue from contracts with customers and arises from implementation commitments that are fulfilled over time. Revenue from the Sale of Electric Energy is accounted for within the year it concerns. Under the preparation of the financial statements, revenue accrued unbilled, revenue from electricity purchased by LAGIE or another client not yet invoiced are regarded as collectible revenue. Moreover, the expected collections from energy production under energy sales contracts that, according to IFRIC 4, include lease elements, are proportionally recognized in revenue over the term of the contract to the extent that those receivables relate to the lease agreement. An energy sales contract is considered to contain lease terms when it concerns all the energy produced by a specific plant of the Group and the energy unit price is neither stable over the lifetime of the contract nor represents the market price as at the production date.

Regarding the Group's wind farms operating in the USA and selling electricity to specific US energy markets (ERCOT) at market prices, revenue from the sale of electricity is recognized on the basis of the amount of electricity delivered at market prices for transactions, where all the revenue recognition criteria are met. In order to reduce its exposure to changes in energy prices in these markets, the Group 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. Regarding the 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 non-realized gains/losses from valuation.

Renewable Energy Credits ("RECs") and/or Green Certificates constitute 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. As RECs are generated they are classified as inventories recognized at fair value and the related revenue deferred until sale. When RECs are sold, they are recognized as a component of revenue at fair market value. Gains and losses from the sale of RECs are 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 for the year, on proportional basis in compliance with the estimated period, during which the investor remains in the investment scheme, while the value of Production Tax Credits (PTCs), associated with the annual energy production of a wind farm, is recognized every year 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 impute 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 (CSS) or other premises.

As defined in Note 15, 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 from construction and disposal of real estate

It pertains 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 percentage 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. Income from rentals (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, it is possible that the financial benefits associated with the transaction will flow to the entity and the amount of revenue can be calculated reliably.

x. Interest

Interest income is recognized on an accrual basis.

xi. Revenue from other PPP concession agreements

At the construction stage, revenue is recognized based on the percentage of completion, 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. If 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 tax burden for the year consists of current tax, deferred tax and tax differences from previous years.

Current Income Tax

Current tax is calculated on the basis of the tax Statements of Financial Position of every company, included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Expenditure on current income tax includes income tax that is based on the profits of each company as restated in its tax returns and provisions for additional taxes and is calculated according to the statutory or substantially statutory tax rates.

Deferred Income Tax

Deferred taxes are taxes or tax relief related to financial burdens or benefits accruing in the year but already been accounted for or to be accounted for by the tax authorities in different years.

Deferred income tax is determined using the liability method, arising from the temporary differences between the carrying amount and the tax base of 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 calculated 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 every reporting date of the financial statements 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 calculated at the tax rates expected to be effective 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 as at the financial statements reporting date. In the event the time of reversing temporary differences cannot be clearly identified, the tax rate applicable on the next FY date of the Statement of Financial Position will be applied.

Income tax related to items, recognized in other comprehensive income, is also recognized in other comprehensive income.

4.22 Earnings per share

Basic earnings per share are calculated dividing net earnings by the weighted average number of common shares outstanding during the period, excluding the weighted average number of the common shares acquired by the Group as treasury shares.

Earnings per share are calculated 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 shares 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 31.12.2020 the Group held a total of 6.550.269 treasury shares (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 legislation reserves and other tax exempted 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 share capital 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.

Reserves of 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 49 of Law 4548/2018. 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:

(1) 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.

(2) 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.

4.24 Acquisition of entities that do not constitute a "business" according to the definition of IFRS 3 – Acquisition of assets

In accordance with IFRS 3 "Business Combination", the Group determines whether a transaction or other event constitutes a business combination as defined in the Standard, i.e. whether the assets acquired and liabilities assumed constitute a "business". In the event that the acquired assets are not a business, the Group shall account for the transaction or other event as an asset acquisition. According to IFRS 3, the term "business" identifies an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or to other owners, members or participants. The accounting treatment of a business combination (see accounting policy 4.2 "Business combination" does not apply to the acquisition of an asset (or group of assets) that does not constitute a "business".

In this context, in the case of acquisition of entities that do not meet the definition of "business" in IFRS 3:

- The acquirer shall identify the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for intangible assets in IAS 38) and liabilities assumed. In accordance with IFRS 3.2 (b), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.
- Goodwill or gain on a bargain purchase shall not be recognized in the transaction. The cost of the asset acquired (or group of assets) is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase.
- In accordance with IAS 12.15, recognition of deferred tax is not permitted upon initial recognition of an asset or a liability in a transaction that is not a business combination. In this context, no deferred tax is recognized on the acquisition of assets.
- Costs associated with the acquisition of assets (eg fees of consultants, lawyers, accountants, appraisers and other professional and consulting fees) are recognized as an expense and are accounted for to profit or loss for in the period they are incurred.
- Any contingent consideration given by the Group is initially recognized at its fair value at the acquisition date. Changes in the fair value of any consideration that meet the conditions for classification as an asset or liability are recognized by a corresponding change in the value of the recognized asset (e.g. IAS 38).

(Amounts in thousands Euro, unless otherwise stated)

5 GROUP AND COMPANY STRUCTURE

The following tables present the total participating interests of the parent company GEK TERNA SA per segment, direct and indirect, in the economic entities as at 31.12.2020, which were included in the consolidation or incorporated as joint operations. In cases of indirect participation, the subsidiary, in which the participating interest is consolidated, is presented.

5.1 Company Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT - JOINT VENTURES							
ALTE ATE - TERNA SA GP	Greece	50.00	0.00	50.00	Proportional consolidation	-	2015-2020
J/V GEK TERNA - TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50.00	50.00	100.00	Proportional consolidation	TERNA ENERGY SA	2015-2020

5.2 Group Structure

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT - SUBSIDIARIES							
TERNA SA	Greece	100.00	0.00	100.00	Full	-	2015-2020
J/V EUROIONIA	Greece	0.00	100.00	100.00	Full	TERNA SA	2015-2020
J/V CENTRAL GREECE MOTORWAY E-65	Greece	0.00	100.00	100.00	Full	TERNA SA	2015-2020
J/V HELLAS TOLLS	Greece	95.00	5.00	100.00	Full	TERNA SA	2015-2020
ILIOHORA SA	Greece	70.55	29.45	100.00	Full	TERNA SA	2015-2020
GEK SERVICES SA	Greece	100.00	0.00	100.00	Full	-	2015-2020
TERNA OVERSEAS LTD	Cyprus	0.00	100.00	100.00	Full	TERNA SA	2013-2020
TERNA QATAR LLC	Qatar	0.00	35.00	35.00	Full	TERNA SA	2013-2020
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full	TERNA SA	-
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full	TERNA SA	-
TERNA VENTURES WLL	Bahrain	0.00	100.00	100.00	Full	TERNA SA	-
J/V GEK TERNA - TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50.00	50.00	100.00	Full	TERNA ENERGY SA	2015-2020
AEROZEPHIROS LTD	Cyprus	0.00	100.00	100.00	Full	TERNA SA	-

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
CONSTRUCTIONS SEGMENT - JOINT VENTURES							
J/V AVAX SA-VIOTER SA-ILIOHORA SA	Greece	0.00	37.50	37.50	Proportional consolidation	ILIOHORA SA	2015-2020
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	0.00	66.00	66.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	0.00	55.00	55.00	Proportional consolidation	TERNA SA	2015-2020
J/V ALPINE MAYREDER BAU GmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	0.00	35.00	35.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA - PANTECHNIKI (OAKA SUR. AREAS)	Greece	0.00	83.50	83.50	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	0.00	65.00	65.00	Proportional consolidation	TERNA SA	2015-2020
J/V ALPINE MAYREDER BAU GmbH - TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V ALPINE MAYREDER BAU GmbH - TERNA SA (PARADEISIA TSAKONA)	Greece	0.00	49.00	49.00	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR – DOMOTECHNIKI – THEMELIODOMI – TERNA - ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	0.00	25.00	25.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	0.00	37.40	37.40	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA SA-AKTOR ATE J&P AVAX-TREIS GEFYRES	Greece	0.00	33.33	33.33	Proportional consolidation	TERNA SA	2015-2020
J/V METKA-TERNA	Greece	0.00	90.00	90.00	Proportional consolidation	TERNA SA	2015-2020
J/V APION KLEOS	Greece	0.00	17.00	17.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	0.00	33.33	33.33	Proportional consolidation	TERNA SA	2017-2020
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2017-2020
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2017-2020
J/V AKTOR-TERNA (Patras Port)	Greece	0.00	70.00	70.00	Proportional consolidation	TERNA SA	2015-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia - Kristalopigi project)	Greece	0.00	33.33	33.33	Proportional consolidation	TERNA SA	2015-2020
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	0.00	49.00	49.00	Proportional consolidation	TERNA SA	2017-2020
J/V AKTOR ATE - TERNA SA (Lignite works)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR ATE - TERNA SA (Thriasio B’)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR SA - J&P AVAX - TERNA SA (Tithorea Domokos)	Greece	0.00	33.33	33.33	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR SA - J&P AVAX - TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	0.00	44.56	44.56	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR SA - TERNA SA (Thriasio B’ ERGOSE)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V AKTOR - TERNA (Joint Venture ERGOSE No. 751)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2015-2020
J/V TERNA GCC WAC	Qatar	0.00	30.00	30.00	Proportional consolidation	TERNA SA	2016-2020
J/V RENCO TERNA (Construction of compression Station of TAP in Greece and in Albania)	Greece	0.00	50.00	50.00	Proportional consolidation	TERNA SA	2016-2020
J/V J&P AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT (Mosque)	Greece	0.00	25.00	25.00	Proportional consolidation	TERNA SA	2016-2020
J/V AVAX-TERNA INTRAKAT-MYTILINAIOS (Construction of an artificial barrier on the Greek-Turkish border of Evros)	Greece	0.00	25.00	25.00	Proportional consolidation	TERNA SA	2020
J/V TERNA - CGCE (AMAS 2)	Bahrain	0.00	50.00	50.00	Proportional consolidation	TERNA SA	-
J/V TERNA-CGCE JOINT VENTURE (AMAS 3)	Bahrain	0.00	50.00	50.00	Proportional consolidation	TERNA SA	-
J/V VINCI TERNA DOO	Serbia	0.00	49.00	49.00	Proportional consolidation	TERNA SA	2018-2020
J/V AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS)	Cyprus	0.00	40.00	40.00	Proportional consolidation	TERNA SA	2019-2020
CONSTRUCTIONS SEGMENT - JOINT VENTURES							
J/V TENERGY - INDIGITAL -AMCO	Greece	0.00	26.11	26.11	Equity	TERNA ENERGY SA	2020
RES ENERGY SEGMENT - SUBSIDIARIES							
TERNA ENERGY SA	Greece	37.30	0.00	37.30	Full	-	2015-2020
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
PPC RENEWABLES - TERNA ENERGY SA	Greece	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI SERVOUNIOU SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
IWECO HONOS LASITHIOU CRETE SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY EVROU SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI DERVENOCHORION S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI MARMARIOU EVIAS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI DYSTION EVIAS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI KARYSTIAS EVOIA S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIAS G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI STYRON EVIAS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI MALEA LAKONIAS S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI EASTERN GREECE SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI PASTRA ATTICA S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI PELOPONNISOU S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI PROVATA TRAIANOUPOULEOS	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGIAKI FERRON EVROU S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & Co AIOLIKI POLYKASTROU G.P.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ENERGEIAKI XIROVOUNIOU S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI ILIOKASTROU S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EUROWIND S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
DELTA AXIOU ENERGEIAKI S.A.	Greece	0.00	29.84	29.84	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SA & VECTOR GREECE WIND PARKS - TROULOS WIND PARK G.P.	Greece	0.00	33.57	33.57	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY SEA WIND PARKS S.A.	Greece	0.00	31.70	31.70	Full	TERNA ENERGY SA	2015-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	0.00	28.72	28.72	Full	TERNA ENERGY SA	2015-2020
VATHICHORI ENVIRONMENTAL S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ALISTRATI ENERGY Ltd	Greece	0.00	29.84	29.84	Full	TERNA ENERGY SA	2015-2020
MALESINA ENERGY SA	Greece	0.00	29.84	29.84	Full	TERNA ENERGY SA	2015-2020
ORCHOMENOS ENERGY Ltd	Greece	0.00	29.84	29.84	Full	TERNA ENERGY SA	2015-2020
DIRFIS ENERGY SA	Greece	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY AI-GIORGIS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA AIOLIKI XEROVOUNIOU SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA AIOLIKI AMARINTHOU SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ILIAKI PANORAMATOS SA.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ILIAKI PELLOPONISSOU SA.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ILIAKI VIOTIAS SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AIOLIKI CENTRAL GREECE S.A	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
VATHICHORI TWO ENERGY S.A.	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY OMALIES MAE	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EVOIKOS ANEMOS S.A.	Greece	0.00	26.11	26.11	Full	TERNA ENERGY SA	2020
ILIAKI PIKROLIMNIS S.A.	Greece	0.00	19.02	19.02	Full	TERNA ENERGY SA	2020
ILIAKA VAKOUFIA IKE	Greece	0.00	19.02	19.02	Full	TERNA ENERGY SA	2020
PHOTOVOLTAIC KILKIS IKE	Greece	0.00	19.02	19.02	Full	TERNA ENERGY SA	2020
VALE PLUS LTD	Cyprus	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
HAOS INVEST 1 EAD	Bulgaria	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EOLOS NORTH sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EOLOS POLSKA sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
EOLOS EAST sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
JP GREEN sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
WIRON sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
BALLADYNA sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
AEGIS LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2011-2020
MOHAVE VALLEY ENERGY LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
TERNA DEN LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
FLUVANNA INVESTMENTS LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
FLUVANNA HOLDINGS LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
FLUVANNA WIND ENERGY LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
FLUVANNA I INVESTOR, INC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2018-2020
FLUVANNA I HOLDING COMPANY, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2018-2020
FLUVANNA WIND ENERGY 2, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2018-2020
FLUVANNA HOLDINGS 2, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2018-2020
FLUVANNA INVESTMENTS 2, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2018-2020
CI-II BEARKAT QFPF, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2019-2020
CI-II BEARKAT HOLDING B, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2019-2020
SPONSOR BEARKAT I HOLDCO, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2019-2020
BEARKAT I TE PARTNERSHIP, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2019-2020
BEARKAT WIND ENERGY I, LLC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2019-2020
TERNA HOLDCO INC	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
RES ENERGY SEGMENT - JOINT VENTURES							
EN.ER.MEL S.A.	Greece	0.00	18.65	18.65	Equity	TERNA ENERGY SA	2015-2020
OPTIMUS ENERGY SA	Greece	0.00	19.02	19.02	Equity	TERNA ENERGY SA	2017-2020
RES ENERGY SEGMENT - ASSOCIATES							
CYCLADES RES ENERGY CENTER SA	Greece	0.00	16.78	16.78	Equity	TERNA ENERGY SA	2015-2020
ARMONIA ENERGY SOCIETY	Greece	0.00	4.66	4.66	Equity	TERNA ENERGY SA	2019-2020
AMALTHEIA ENERGY SOCIETY	Greece	0.00	6.22	6.22	Equity	TERNA ENERGY SA	2019-2020
THERMAL ENERGY SEGMENT - SUBSIDIARIES							
TERNA ENERGY TRADING EOOD	Bulgaria	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020
TETRA DOOEL SKOPJE	FYROM	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY TRADING D.O.O	Serbia	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY TRADING SHPK	Albania	0.00	19.02	19.02	Full	TERNA ENERGY SA	2018-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
THERMAL ENERGY SEGMENT - JOINT VENTURES							
HERON THERMOELECTRIC S.A.	Greece	50.00	0.00	50.00	Equity	-	2015-2020
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	0.00	25.00	25.00	Equity	TERNA SA	2015-2020
REAL ESTATE SEGMENT - SUBSIDIARIES							
IOANNINON ENTERTAINMENT	Greece	83.07	0.00	83.07	Full	-	2015-2020
MONASTIRIOU TECHNICAL DEVELOPMENT S.A.	Greece	100.00	0.00	100.00	Full	-	2015-2020
VIPA THESSALONIKI S.A.	Greece	100.00	0.00	100.00	Full	-	2015-2020
ICON EOOD	Bulgaria	83.62	16.38	100.00	Full	TERNA SA	2015-2020
ICON BOROVEC EOOD	Bulgaria	0.00	100.00	100.00	Full	ICON EOOD	2015-2020
DOMUS DEVELOPMENT EOOD	Bulgaria	0.00	100.00	100.00	Full	ICON EOOD	2015-2020
SC GEK ROM SRL	Romania	0.00	100.00	100.00	Full	ICON EOOD	2015-2020
HIGHLIGHT SRL	Romania	0.00	100.00	100.00	Full	ICON EOOD	2015-2020
MANTOUDI BUSINESS PARK S.A.	Greece	0.00	100.00	100.00	Full	TERNA SA	2015-2020
AVLAKI I BV	Netherlan.	100.00	0.00	100.00	Full	-	2018-2020
AVLAKI I BV	Netherlan.	100.00	0.00	100.00	Full	-	2018-2020
AVLAKI I BV	Netherlan.	100.00	0.00	100.00	Full	-	2018-2020
AVLAKI I BV	Netherlan.	100.00	0.00	100.00	Full	-	2018-2020
KASSIOPI BV	Netherlan.	100.00	0.00	100.00	Full	-	2018-2020
REAL ESTATE SEGMENT - JOINT VENTURES AND ASSOCIATES							
KEKROPS S.A.	Greece	37.48	0.00	37.48	Equity	-	2015-2020
GEKA S.A.	Greece	0.00	33.34	33.34	Equity	TERNA SA	2015-2020
CONCESSIONS SEGMENT - SUBSIDIARIES							
HIRON CONCESSIONS S.A.	Greece	99.56	0.44	100.00	Full	ILIOHORA SA	2015-2020
KIFISIA PLATANOU SQ. CAR PARK SA	Greece	90.64	9.36	100.00	Full	ILIOHORA SA	2015-2020
PARKING STATION SAROKOU SQUARE CORFU S.A	Greece	83.67	16.33	100.00	Full	ILIOHORA SA	2015-2020
HELLAS SMARTICKET S.A.	Greece	35.00	13.05	48.05	Full	TERNA ENERGY SA	2015-2020
PERIVALLONTIKI PELOPONNISOU MAE	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
IFORIKI IPIROU MAEES	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2017-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
NEA ODOS SA**	Greece	0.00	100.00	100.00	Full	GEK TERNA MOTORWAYS SINGLE MEMBER SA	2015-2020
CENTRAL GREECE MOTORWAY S.A.	Greece	0.00	100.00	100.00	Full	GEK TERNA MOTORWAYS SINGLE MEMBER SA	2015-2020
GEK TERNA MOTORWAYS SINGLE MEMBER SA	Greece	100.00	0.00	100.00	Full	-	2020
GEK TERNA KASTELI SINGLE MEMBER SA	Greece	100.00	0.00	100.00	Full	-	2020
CONCESSIONS SEGMENT - JOINT VENTURES							
PARKING OUIL SA	Greece	50.00	0.00	50.00	Equity	-	2015-2020
ATHENS CAR PARK S.A.	Greece	24.69	0.00	24.69	Equity	-	2015-2020
THESSALONIKI CAR PARK S.A.	Greece	24.70	0.00	24.70	Equity	-	2015-2020
AG. NIKOLAOS PIRAEUS CAR PARK S.A.	Greece	36.17	0.00	36.17	Equity	-	2015-2020
POLIS PARK SA	Greece	28.76	0.00	28.76	Equity	-	2015-2020
METROPOLITAN ATHENS PARK SA	Greece	22.91	0.00	22.91	Equity	-	2015-2020
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.	Greece	0.00	32.46	32.46	Equity	TERNA SA	2019-2020
WASTE CYCLO S.A.	Greece	0.00	19.02	19.02	Equity	TERNA ENERGY SA	2015-2020
INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES							
STROTIRES AEBE	Greece	51.00	0.00	51.00	Full	-	2015-2020
TERNA MAG SA	Greece	51.02	48.98	100.00	Full	TERNA SA	2015-2020
EUROPEAN AGENCIES OF METALS SA	Greece	0.00	100.00	100.00	Full	TERNA SA	2015-2020
VRONDIS QUARRY PRODUCTS SA	Greece	0.00	100.00	100.00	Full	TERNA SA	2015-2020
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	Full	TERNA SA	-
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full	TERNA SA	2013-2020
SEGMENT OF HOLDINGS - SUBSIDIARIES							
QE ENERGY EUROPE LTD	Cyprus	0.00	100.00	100.00	Full	TERNA SA	2013-2020
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	0.00	37.30	37.30	Full	TERNA ENERGY SA	2015-2020
TERNA ENERGY TRADING LTD	Cyprus	0.00	19.02	19.02	Full	TERNA ENERGY SA	2015-2020

(Amounts in thousands Euro, unless otherwise stated)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
TERNA ENERGY FINANCING SA	Greece	0.00	37.30	37.30	Full	TERNA ENERGY SA	2016-2020
GALLETTE LTD	Cyprus	0.00	37.30	37.30	Full	TERNA ENERGY SA	2013-2020
TERNA ENERGY OVERSEAS LTD	Cyprus	0.00	37.30	37.30	Full	TERNA ENERGY SA	2013-2020

The following table presents the joint ventures for the construction of technical projects and other companies, 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, they are not included in the consolidated financial statements.

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 ARTA-FILIPPIADA BY-PASS	98.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V VIOTER SA – TERNA SA	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 ALPINE MAYREDER BAU GmbH-TERNA SA (PARAD. TSAKONA RING ROAD)	49.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	51.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%
J/V EBEDOS-PANTECHNIKI-ENERGY	50.10%
J/V TERNA-Al OMAIER	60.00%
TERNA ENERGY AVETE & SIA LP	26.94%

Moreover, given that the consolidation has nullified the value of the associate, presented below, it has no effect on the Group's financial statements.

(Amounts in thousands Euro, unless otherwise stated)

CONSTRUCTION – ASSOCIATES OPERATING SEGMENT	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD
ATTIKAT ATE	Greece	22.15	0.00	22.15	Equity

5.3 Changes in the Group structure in 2020

During 2020 the following changes were made in the structure of the Group compared to 2019:

On 23.04.2020, the subsidiary TERNA ENERGY S.A. acquired 100% of the shares of the company RF ENERGY OMALIES S.A. which was subsequently renamed into TERNA ENERGY OMALIES MAE (see Note 7.1).

On 15.07.2020, the sub-Group TERNA ENERGY, through its subsidiary TERNA ENERGY USA HOLDING CORPORATION proceeded to the sale of 100% of the shares of the companies that constituted the facilities of the Mountain Air Wind farms in the IDAHO area of the United States (see Note 7.3).

Within 2020, GEK TERNA implemented the corporate transformation plan through its 100% subsidiary GEK TERNA MOTORWAYS SINGLE MEMBER SA (see Note 7.4)

Within 2020, sub-Group TERNA ENERGY, the companies EVOIKOS ANEMOS SA, ILIAKI PIKROLIMNIS MAE, ILIAKA VAKOUFIA IKE, PHOTOVOLTAIC KILKIS IKE were established. These companies will be operating electric renewable energy generation units.

On 06.02.2020, following the compliance with the Terms of the Concession Agreement, the Greek State granted the "License for Establishment and Construction of the New International Airport of Heraklion, Crete" to the company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. As at 31.12.2019, the company of the GEK TERNA Group, TERNA SA, participates in the joint venture with GMR Airports Limited with percentages of 60% and 40% respectively. It is to be noted that following the commencement date of the concession and in accordance with the provisions of the concession agreement, the percentages of participation in the share capital were formed as follows: TERNA SA. 32.46%, GMR Airports Limited 21.64%, and the Greek State 45.9%. The above percentages are effective from 06.02.2020.

In 2020, the company GEK TERNA KASTELLI MAE was established, with the purpose of participating in Kastelli Airport Concession .

In the first half of 2020, the participation of SC GEK ROM SRL in the company HERMES DEVELOPMENT SRL, which amounted to 100%, was sold. The sale price amounted to 2,345, and the result of the sale amounted to a loss of 75 which was recorded in the item "Profits / (Losses) from sale of holdings and securities" of the consolidated Statement of Comprehensive Income.

(Amounts in thousands Euro, unless otherwise stated)

On 24.11.2020, the decision No.12819 issued by General Electronic Commercial Registry (Geniko Emboriko Mitroo-G.E.MH.) approved the merge of the companies ATHENS CAR PARK S.A. and SMYRNI PARK S.A. by absorption of the latter by the former.

On 31.12.2020 Group holds 37.30% (31.12.2019: 38,49%) in Share Capital of TERNA ENERGY SA. The change in the aforementioned consolidation rate arose on the one hand due to the acquisition of its own shares of the subsidiary TERNA ENERGIAKI SA (increase in the consolidation rate) and on the other hand due to the private placement in the share capital by abolishing the pre-emptive right of the old shareholders (reduction in the consolidation rate). Specifically, within 2020, TERNA ENERGIAKI SA acquired treasury shares of 2.21% of its share capital of total costs 21,239 in the period.

The following joint operations arrangements - not included in consolidation – were liquidated:

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V TERNA SA – AKTOR SA – EBEDOS SA – J&P AVAX SA - IMEC GmbH	24.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%
J/V DEPA PROJECT	10.00%

Moreover, in 2020, the following companies and joint operations, consolidated until the liquidation, were liquidated but without a significant impact on the financial sizes of the Group.

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	TAX UNAUDITED YEARS
GEOTHERMIKI ENERGY ANAPTYXIAKI S.A.	Greece	0.00	19.24	19.24	Full	TERNA ENERGY SA	2014-2019
CHRISOUPOLI ENERGY Ltd	Greece	0.00	31.48	31.48	Full	TERNA ENERGY SA	2014-2019
VIOMEK ABETE	Greece	67.52	29.07	96.59	Full	TERNA SA	2014-2019
HELLINIKON ENTERTAINMENT AND ATHLETIC PARKS S.A.	Greece	31.63	0,00	31.63	Equity	-	2014-2019
J/V TERNA-CGCE (AMAS 1)	Bahrain	0.00	50.00	50.00	Proportional consolidation	TERNA SA	-
TERNA SAUDI ARABIA LTD	Saudi Arabia	0.00	60.00	60.00	Full	TERNA SA	-

Assessing the control

The companies TERNA ENERGY and TERNA QATAR LLC are fully consolidated as subsidiaries as the Group exercises control over them in accordance with the requirements of IFRS 10. Within the current year, no changes were made to the above estimates, compared to 31.12.2019 (see note 12.2).
The percentages of voting rights of GEK TERNA SA in all the above participations coincide with the percentage it holds over the share capital of the companies in circulation.

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 presented to the “Chief operating decision maker” with regard to allocation of resources to the segment and evaluation of its performance.

The above information is presented in the attached statements of financial position, total comprehensive income and cash flows according to IFRS.

It is to be noted that within the current year, the Group decided to redefine the way of presenting the financial reporting per operating segment. This decision of the Management was based on its assessment that this change leads to providing more relevant information regarding the financial performance and the evaluation of the performance of the individual operating segments of the Group. In particular, from the current year onwards, the operating segments will be presented before the eliminations made between the different operating segments for the purposes of the consolidated financial statements, in contrast to the presentation up to the previous year where the operating segments' results were presented after the eliminations between different segments. The Intersegment eliminations (which during the presentation of the individual operating segments carried out within them) are now presented separately in a separate column "Intersegment eliminations".

The Group recognizes the following operating reporting segments, whereas no less significant other segments exist that could be consolidated in the “other segments” category.

Constructions: refers, almost exclusively, to contracts for the construction of technical projects.

Electricity from RES: refers to the electricity production from wind generators (wind farms), from hydroelectric projects and other renewable energy sources.

Electricity from thermal energy and HP trading: refers to the electricity production using natural gas as fuel, trading of electric energy and natural gas.

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

Mining/Industry: refers to the production of quarry products and the exploitation of magnesite quarries.

Concessions: concerns the construction and operation of infrastructure (eg motorways), other public interest projects (Unified Automatic Collection System and municipal waste treatment plant) and other facilities (eg, car stations, etc.) 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.

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2020	Constructions	Electricity from RES	Electricity from thermal energy and HP trading	Real Estate	Mining / Industry	Concessions	Holdings	Intersegment Eliminations	Consolidated Total
Sales of products and merchandise	0	273,393	37,417	2,286	6,978	0	0	0	**320,074**
Sales of services	5,204	0	0	967	0	22,228	119	0	**28,518**
Revenues from operation of motorways	0	0	0	0	0	126,996	0	0	**126,996**
Revenues from construction services	493,116	0	0	0	0	0	0	0	**493,116**
Income from leases	0	0	0	411	95	2,042	53	0	**2,601**
Revenue from external customers	**498,320**	**273,393**	**37,417**	**3,664**	**7,073**	**151,266**	**172**	**0**	971,305
Inter-segmental turnover	27,562	0	0	535	5	7	96	(28,205)	**0**
Revenue	**525,882**	**273,393**	**37,417**	**4,199**	**7,078**	**151,273**	**268**	**(28,205)**	971,305
Cost of sales	(490,476)	(131,733)	(36,902)	(4,267)	(8,063)	(115,717)	(915)	31,597	**(756,476)**
Gross profit/(loss)	**35,406**	**141,660**	**515**	**(68)**	**(985)**	**35,556**	**(647)**	**3,392**	214,829
Administrative and distribution	(31,184)	(21,529)	(366)	(604)	(4,155)	(10,897)	(11,714)	960	**(79,489)**
Research and development expenses	(1,145)	(2,716)	0	0	(160)	(479)	(16)	0	**(4,516)**
Other revenue/(expenses) and other profit /(loss) - EBIT determinants	3,867	10,037	625	(271)	(7,909)	19,934	649	(957)	**25,975**
Results (EBIT)	**6,944**	**127,452**	**774**	**(943)**	**(13,209)**	**44,114**	**(11,728)**	**3,395**	156,799
Other revenue/(expenses) and other profit /(loss) - non-EBIT determinants	(5,477)	(5,172)	(4)	(854)	(391)	0	(4)	210	**(11,692)**
Results before taxes, financing and investing activities	**1,467**	**122,280**	**770**	**(1,797)**	**(13,600)**	**44,114**	**(11,732)**	**3,605**	145,107
Financial income	6,839	411	1	52	5	5,715	19,387	(14,978)	**17,432**
Financial expenses	(11,263)	(65,635)	(34)	(410)	(2,603)	(49,795)	(22,567)	14,980	**(137,327)**
Gains / (Losses) from financial instruments measured at fair value	0	(412)	0	0	0	20,840	0	0	**20,428**
Results from associates and Joint Ventures	0	167	(67)	4	0	(557)	0	0	**(453)**

(Amounts in thousands Euro, unless otherwise stated)

Results from participations and securities	28	27,453	0	(75)	0	0	(1,163)	(1)	**26,242**
Earnings/(losses) before taxes	**(2,929)**	**84,264**	**670**	**(2,226)**	**(16,198)**	**20,317**	**(16,075)**	**3,606**	**71,429**
Income tax	(6,799)	(15,459)	(227)	(191)	(82)	6,991	2,500	(91)	**(13,358)**
Net Earnings/(losses) after taxes	**(9,728)**	**68,805**	**443**	**(2,417)**	**(16,280)**	**27,308**	**(13,575)**	**3,515**	**58,071**

Business segments 31.12.2020	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and HP trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Intersegment Eliminations**	**Consolidated Total**
Assets	732,435	1,887,640	19,123	97,782	108,266	1,288,674	516,522	(105,977)	**4,544,465**
Investments in associates	0	62	0	1,064	0	0	0	0	**1,126**
Investments in joint ventures	0	3,074	37,857	0	2,716	46,366	139	(21)	**90,131**
Total Assets	**732,435**	**1,890,776**	**56,980**	**98,846**	**110,982**	**1,335,040**	**516,661**	**(105,998)**	**4,635,722**
Liabilities	**634,117**	**1,395,809**	**10,910**	**72,117**	**147,578**	**992,016**	**619,081**	**(59,774)**	**3,811,854**
Loans	116,796	908,136	0	61,011	92,198	650,596	596,945	0	**2,425,682**
Cash and Cash Equivalents	275,104	263,427	2,311	4,638	1,336	97,045	464,556	0	**1,108,417**
Net debt / (surplus)	**(158,308)**	**644,709**	**(2,311)**	**56,373**	**90,862**	**553,551**	**132,389**	**0**	**1,317,265**
Capital expenditure for the period 31.12.2020	**4,245**	**113,356**	**61**	**841**	**5,625**	**9,881**	**22**	**0**	**134,031**

During the year ended as at December 31st, 2020, an amount of 153.6 million euro (15.8%) (153.8 million euro - 13.3% in 2019) of the Group's turnover arises from an external customer of the electric energy sector (Customer A).

During the year ended as at December 31st, 2020, an amount of 154.5 million euro (15.9%) (295.0 million euro – 25.5 % in 2019) of the Group's turnover arises from an external customer of the constructions sector (Client B).

(Amounts in thousands Euro, unless otherwise stated)

Business segments 31.12.2019	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and HP trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Intersegment Eliminations**	**Consolidated Total**
Sales of products and merchandise	0	237,267	36,981	2,623	9,779	0	0	0	**286,650**
Sales of services	3,058	0	0	1,437	0	21,326	115	0	**25,936**
Revenues from operation of motorways	0	0	0	0	0	161,112	0	0	**161,112**
Revenues from construction services	676,993	0	0	0	0	0	0	0	**676,993**
Income from leases	2,167	0	0	629	100	2,099	53	0	**5,048**
Revenue from external customers	**682,218**	**237,267**	**36,981**	**4,689**	**9,879**	**184,537**	**168**	**0**	**1,155,739**
Inter-segmental turnover	56,908	0	0	531	3	2,595	100	(60,137)	**0**
Revenue	**739,126**	**237,267**	**36,981**	**5,220**	**9,882**	**187,132**	**268**	**(60,137)**	**1,155,739**
Cost of sales	(699,090)	(116,429)	(34,754)	(4,661)	(10,962)	(109,587)	0	56,220	**(919,263)**
Gross profit/(loss)	**40,036**	**120,838**	**2,227**	**559**	**(1,080)**	**77,545**	**268**	**(3,917)**	**236,476**
Administrative and distribution	(33,975)	(20,538)	(316)	(926)	(4,736)	(9,563)	(6,338)	734	**(75,658)**
Research and development expenses	(1,082)	(1,456)	0	0	(304)	(1,089)	0	0	**(3,931)**
Other revenue/(expenses) and other profit /(loss) - EBIT determinants	(1,332)	20,822	305	813	(4,671)	(15,233)	(40)	(291)	**373**
Results (EBIT)	**3,647**	**119,666**	**2,216**	**446**	**(10,791)**	**51,660**	**(6,110)**	**(3,474)**	**157,260**
Other revenue/(expenses) and other profit /(loss) - non-EBIT determinants	(1,477)	(2,037)	(662)	854	(135)	(283)	(355)	560	**(3,535)**
Results before taxes, financing and investing activities	**2,170**	**117,629**	**1,554**	**1,300**	**(10,926)**	**51,377**	**(6,465)**	**(2,914)**	**153,725**
Financial income	7,714	257	0	161	4	6,200	9,899	(14,651)	**9,584**
Financial expenses	(10,536)	(63,268)	(33)	(532)	(3,837)	(46,905)	(17,402)	14,651	**(127,862)**

(Amounts in thousands Euro, unless otherwise stated)

Gains / (Losses) from financial instruments measured at fair value	(674)	6,869	0	0	0	39,816	0	0	**46,011**
Results from associates and Joint Ventures	0	(26)	(6,671)	(190)	0	(1,027)	0	0	**(7,914)**
Results from participations and securities	(199)	(4)	0	0	0	0	4,477	0	**4,275**
Earnings/(losses) before taxes	**(1,525)**	**61,457**	**(5,150)**	**739**	**(14,759)**	**49,461**	**(9,491)**	**(2,914)**	**77,819**
Income tax	(8,676)	(14,939)	(602)	(485)	(6,229)	4,620	3,700	525	**(22,086)**
Net Earnings/(losses) after taxes	**(10,201)**	**46,518**	**(5,752)**	**254**	**(20,988)**	**54,081**	**(5,791)**	**(2,389)**	**55,733**

Business segments 31.12.2019	**Constructions**	**Electricity from RES**	**Electricity from thermal energy and HP trading**	**Real Estate**	**Mining / Industry**	**Concessions**	**Holdings**	**Intersegment Eliminations**	**Consolidated Total**
Assets	734,360	2,053,786	10,411	103,045	114,372	1,273,861	97,068	(128,178)	**4,258,725**
Investments in associates	0	67	0	1,085	0	0	0	0	**1,152**
Investments in joint ventures	0	2,869	37,889	0	2,716	5,940	0	(21)	**49,393**
Total Assets	**734,360**	**2,056,722**	**48,300**	**104,130**	**117,088**	**1,279,801**	**97,068**	**(128,199)**	**4,309,270**
Liabilities	**629,722**	**1,615,937**	**4,920**	**75,752**	**138,091**	**956,650**	**201,297**	**(79,976)**	**3,542,393**
Loans	136,245	963,905	0	61,886	81,205	632,631	155,470	0	**2,031,341**
Cash and Cash Equivalents	203,677	242,222	1,516	4,215	3,246	62,692	77,102	0	**594,670**
Net debt / (surplus)	**(67,432)**	**721,683**	**(1,516)**	**57,671**	**77,959**	**569,939**	**78,368**	**0**	**1,436,671**
Capital expenditure for the period 1.1-31.12.2019	**6,712**	**260,172**	**0**	**2,001**	**6,842**	**2,491**	**351**	**0**	**278,569**

(Amounts in thousands Euro, unless otherwise stated)

Geographical segments 31.12.2020	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Consolidated total**
Turnover from external customers	775,921	58,756	28,645	22,983	79,595	5,405	**971,305**
Non-current Assets (excl. deferred tax assets and financial assets)	1,690,257	42,371	942	117,860	533,826	180	**2,385,435**
Capital expenditure	102,378	1,654	285	0	28,969	745	**134,031**

Geographical segments 31.12.2019	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Consolidated total**
Turnover from external customers	946,951	67,819	51,011	20,768	61,138	8,052	**1,155,739**
Non-current Assets (excl. deferred tax assets and financial assets)	1,600,297	46,872	2,101	131,306	774,280	0	**2,554,856**
Capital expenditure	99,072	3,006	786	64	175,641	0	**278,569**

7 CHANGES IN GROUP STRUCTURE - GOODWILL

7.1 TERNA ENERGY (GEK TERNA's subsidiary) acquires the company RF ENERGY OMALIES S.A.

In February 2020, the subsidiary company TERNA ENERGY S.A. signed a non-binding, for itself, preliminary agreement with the company RF ENERGY SA regarding the future sale and transfer of the shares of the subsidiary of the latter "RF Energy Omalies SMSA", to the former. On 23.04.2020, TERNA ENERGY S.A. proceeded to the signing of a Contract for the Sale and Transfer of Shares, with the objective of acquiring 100% of the share capital of "RF Energy Omalies SMSA". The acquired company owns a cluster consisting of 11 wind farms with a total capacity of 213 MW in Evia, i.e. W/F OMALIES 30 MW, W/F OMALIES II 15 MW, W/F KORAKOVRACHOS 21 MW, W/F KORAKOVRACHOS II 6 MW, W/F KALAMAKI 12 MW, W/F KALAMAKI II 18 MW, W/F MILZA 18 MW, W/F MOLIZEZA I 18 MW, W/F DEXAMENES II 15 MW, W/F PRARO 36 MW and W/F MEGALI PETRA 24 MW (hereinafter referred to as "the Project") with a final date of connection to the National network and electrifying as that of 31.12.2021, in order to receive feed in premium sale price of electricity. It is to be noted that pursuant to paragraph 5 of article 4 of Law 4414/2016, as amended by the first subparagraph of paragraph 2 of article 124, of Law 4685/2020 (Government Gazette 92A, 07.05.2020), the date of 30.12.2022 was set as the final electrification date for the maintenance of feed in premium electricity sales price.

The objective of the aforementioned acquisition constitutes subsequent implementation of new investments of the Group in energy production from renewable sources. The assessment of the provisions of IFRS 3 has demonstrated that the assets acquired and liabilities assumed of the aforementioned company do not constitute a "business" as provided for in IFRS 3 and, therefore, do not fall within the scope of this Standard, but the specific transactions were accounted for as acquisition of assets.

The total purchase consideration of the above company, further to the December 1st, 2020 amendment of the terms of the Shares Sale and Transfer Agreement, was agreed as a cash payment of 26,028 (corresponding to up to 183 MW of the Project as well as to the cash of the acquired company at the date of purchase), from which the amount of 25,828 had been paid until the date of purchase, while the remaining amount of euro 200 was paid on January 8, 2021. Furthermore, according to the terms of the Shares Sale and Transfer Agreement, it was agreed that the consideration should be adjusted, according to the decisions of TERNA ENERGY's Management, to choose, at any time until 30.06.2021, to construct additional capacity of the Project, according to the existing licensing possibilities, or to use any licensed capacity in another project owned by the Group. This additional contingent consideration can potentially reach the amount of Euro 17,590 k, depending on the decisions of TERNA ENERGY's Management.

At the date of purchase, the fair value of the contingent consideration was determined at 11,590 and was measured at its present value, i.e. at the amount of 9,887, using an appropriate discount rate of 6.14%. The fair value of the liability of the contingent consideration will be measured at every reporting date and until the date of final measurement and repayment, i.e. until 31.12.2022. As of December 31st, 2020, the value of the liability of the contingent consideration was presented to the financial statements of the Company and the Group in the amount of 10,290 .

(Amounts in thousands Euro, unless otherwise stated)

Cash settled consideration including cash from acquired RF Energy Omalies MAE	26,028
Plus: Contingent consideration liability (discounted)	9,887
Total consideration from acquisition	**35,915**
Less: Future consideration	(9,887)
Less Consideration paid in January 2021	(200)
Less: Cash and cash equivalent acquired	(788)
Total cash outflow for the acquisition of control	**25,040**

The accounting policy regarding the transaction recognition is described in Note 4.24 to the accompanying Consolidated and Separate Financial Statements as of 31.12.2020. The cost of the acquisition was allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase, while no goodwill arises on such a transaction.

	Fair Values at the date of acquisition of
ASSETS	
Intangible fixed assets	30,611
Property, plant and equipment	4,115
Right of use assets	582
Deferred Tax Assets	282
Prepayments and other receivables	153
Cash and cash equivalents	788
Total assets	**36,531**
LIABILITIES	
Liabilities from leases	582
Suppliers	7
Accrued and other short term liabilities	27
Total liabilities	**616**
Net assets	**35,915**

From this acquisition, TERNA ENERGY sub-Group recognized intangible assets (wind farm licenses), amounting to 30,611 (see Note 8). The fair value of the intangible assets was based on a report of an independent appraiser. The consolidated Income Statement for the year ended on 31.12.2020, includes the results from its operations of the company for the period 23.04.2020 until 31.12.2020, i.e. profit of 129.

(Amounts in thousands Euro, unless otherwise stated)

7.2 Finalization of the Purchase Price Allocation in 2019 of "Bearkat I" wind farm through TERNA DEN LLC (subsidiary of TERNA ENERGY sub-Group)

On 05.09.2019, TERNA ENERGY sub-Group, through its 100% subsidiary, TERNA DEN LLC (a subsidiary of TERNA ENERGY USA HOLDING CORPORATION) acquired 100% of Class B membership interests of the company BEARKAT I TE PARTNERSHIP LLC. The aforementioned company owns 100% of BEARKAT WIND I LLC, which owns and operates "Bearkat I" wind farm of 196.65 MW in Texas (Glasscock County), USA. The aforementioned transaction was carried out against the total consideration of 119,694 ($ 132,357 k) which was settled in cash by Euro 58,780 ($ 65,000 k) and by 60,913 ($ 67,357 k) through a long-term loan of 57,296 and a short-term loan of 3,617 from the seller Bank.

The completion of the procedure of Purchase Price Allocation in accordance with IFRS 3 "Business Combinations" was finalized within the first half of 2020 and the final fair values of the assets acquired and liabilities assumed in September 2019 are as follows:

	Fair values as at the date of obtaining control 05.09.2019
ASSETS	
Tangible fixed assets	210,987
Receivables from derivatives	7,470
Trade receivables	2,682
Prepayments and other receivables	3,255
Cash and cash equivalents	5,204
Total assets	**229,598**
LIABILITIES	
Equity investments equivalent to financial liabilities	113,685
Other provisions	1,370
Deferred tax liabilities	3,050
Short-term loans	6,613
Suppliers	1,819
Accrued and other short term liabilities	1,335
Income tax payable	571
Total liabilities	**128,443**
Net assets	**101,155**
Acquisition Cost	119,693
Less: Borrowing Interest Rate Impairment Benefit	(18,538)
Less: Net value of assets at acquisition date	(101,155)
Final Goodwill	**0**

(Amounts in thousands Euro, unless otherwise stated)

Analysis of outflows as at the date of obtaining control:	
Cash settled consideration	58,781
Consideration settled in bank borrowings	60,913
Total consideration from acquisition	119,694
Less: Consideration settled in bank borrowings	(60,913)
Less: Cash available acquired	(5,204)
Total cash outflows as at date of obtaining control 05.09.2019	**53,577**

The table, presented above, records the final fair values of the assets acquired and liabilities assumed at the date of obtaining control, i.e. on 05.09.2019. The fair values of tangible fixed assets amounting to 210,987 ($ 233,310 k) have been based on a report of an independent appraiser.

The item "Equity instruments having a substance of financial liability" was determined using a valuation technique based on the wind farm financing model, which projects future cash flows before taxes, production tax credits and applying as discount rate the return rate of IRR investment, agreed upon with the Tax Equity Investor. Furthermore, in the process of finalizing the purchase consideration, an amount of 18,538 ($ 20,499 k) was recognized, which relates to the benefit arising from a decrease in interest rates of the Group's existing loans by the seller Bank (for Fluvanna I and Gopher Greek), and which was agreed upon in the context of the transaction. In particular, based on the new reduced interest rates and in accordance with the requirements of IFRS 9, the Group derecognized a previous loan of 125,550 ($ 138,833 k) and recognized a new loan of 107,012 ($ 118,333 k). The loans were recognized at their fair value, which was provisionally assessed by the Management discounting the new cash flows at the discount rate of the loans (9%). The difference between the nominal amount of the loans and their fair value totaled 18,538. According to the provisions of IFRS 9, this amount is recognized as profit or loss. However, and since this benefit arose in the context of the acquisition transaction, in the procedure of allocating the purchase price, it was considered that the aforementioned amount constitutes an element of the transaction consideration and was recognized as a deduction to it under its accounting treatment.

In the context of all the above calculations and as presented in the above table, the Group has not recognized goodwill from the above acquisition in the consolidated financial statements. Based on the final valuation report, Tangible Assets and Borrowing (due to a change in benefit from the aforementioned decrease in interest rate) were reduced and equally increased by Euro 563 k ($ 622 k), compared to the preliminary valuation.

The contribution to the Group's turnover and profit for the period 01.01 – 31.12.2020 amounts to Euro 22,944 k and a loss of Euro 1,528 k respectively. It is noted that in the comparative period, the contribution to the Group's turnover and profit was for the period 05.05.2019 until 31.12.2019 and had reached the amounts of Euro 6,299 k and a loss of Euro 1,452 k respectively.

7.3 Disposal of subsidiaries constituting the facilities of the wind farm "Mountain Air" in IDAHO, USA

On 15.07.2020 TERNA ENERGY sub-Group, through its subsidiary TERNA ENERGY USA HOLDING CORPORATION proceeded with the disposal of 100% Class B membership interest of the company Mountain Air Alternative LLC, operating a cluster of wind parks "Mountain Air" with a capacity of 138 MW, located in the state of IDAHO, in the USA, to Innergex Renewable Energy Inc.

The total consideration for the disposal of the wind farm stands at Euro 48,866 ($ 55,922), including an amount of Euro 376 ($ 430) related to the settlement of cash flows of the Wind Farm during operation from the beginning of the year to the disposal date. Following this transaction, the profit, arising for the Group, amounted to Euro 27,453 ($ 31,342), included in the results of the current reporting period in the item "Gains / (Losses) from sale and valuation of participating interest other investments settlement" of the consolidated Statement of Comprehensive Income. It is to be further noted that TERNA ENERGY sub-Group's total borrowing decreased by Euro 94,487 ($ 108,131), the Net Debt including the receivables from the disposal decreased by Euro 136,005 ($ 155,644), while the Equity interests having a substance of financial liability decreased by Euro 41,243 ($ 47,198).

In the annual Financial Statements for FY 2020, the items of the Income Statement of the aforementioned company (for the period 01.01 – 15.07.2020), as well as the result arising from the disposal have been included in the results of the year from continuing operations and not distinctly as "Gains/(Losses) after tax from discontinued operations", since in compliance with the definition of discontinued companies and the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", this transaction does not constitute a discontinued operation for the Group.

In particular, in 2011, TERNA ENERGY sub-Group made the strategic decision to expand its investment plan to the USA market. In this context, it started its activities in the USA clean energy market and had four (4) wind farms in operation, with a total capacity of 651 MW, one of which concerns the above-sold first project of TERNA ENERGY in the USA, with a capacity of 138 MW (Mountain Air). Following the disposal of the project in Idaho, the Group operates three (3) wind farms with a total capacity of approximately 510 MW in the state of Texas. The disposal of the Mountain Air project does not represent an interruption of a significant separate line of business activity or a separate significant geographical area of activity for the Group, since it does not represent a change in its strategy. More specifically, the Group maintains its orientation towards the business activity of production and sale of electricity, as well as its stay and expansion of its operations in the USA market. The Management plans to continue the course of development of TERNA ENERGY in the USA clean energy market, established till currently, following the strategy of active management of its portfolio. The sub-Group focuses on making the best possible use of investment opportunities. Generating significant value for shareholders, including redeployment of its portfolio in the USA market, with an emphasis on securing increased returns.

(Amounts in thousands Euro, unless otherwise stated)

The carrying amounts of disposed assets and liabilities are presented below as follows:

	Book Values at the date of acquisition of control
ASSETS	
Intangible assets	5,610
Tangible fixed assets	155,836
Other long-term receivables	29,535
Trade receivables	1,164
Restricted Cash	3,971
Prepayments and other receivables	270
Cash and cash equivalents	3,376
Total assets	**199,762**
LIABILITIES	
Long-term loans	90,443
Equity interests having a substance of financial liability	38,364
Liabilities from derivatives (Long-term)	1,069
Other provisions	1,660
Grants	44,281
Long-term liabilities carried forward	4,044
Equity interests having a substance of financial liability	2,879
Liabilities from derivatives (Short-term)	259
Suppliers	1,131
Accrued and other short-term liabilities	664
Total liabilities	**184,794**
Fair value of identifiable net assets	**14,968**

Inflow analysis at the date of acquisition of control:	
Consideration transferred settled in cash the transaction day	48,490
Less: Cash and cash equivalents acquired	(3,376)
Total cash inflow of the sale	**45,114**
Consideration transferred settled in cash	376
Total cash inflow of the sale	**45,490**
Purchase consideration	48,866
Net Asset Book Value	(14,968)
Sale earning	**33,898**
Less: Reserves reclassified to P&L Statements	(6,445)
Total sale earning	**27,453**

It is to be further noted that the assets of the disposed companies include restricted deposits amounting to 3,971 ($ 4,544).

(Amounts in thousands Euro, unless otherwise stated)

Following IDAHO project disposal, the subsidiary TERNA ENERGY operates three (3) wind farms with a total capacity of approximately 510 MW in the state of Texas.

On 31.12.2020, TERNA ENERGY sub-Group did not consolidate the items of the Financial Position of the companies that constitute the above Wind Farms, while it included in the consolidated Statement of Comprehensive Income the result from the operating activities of the said companies for the period 01.01 -15.07.2020, i.e. profits of 1,563.

In particular, the net results of "Mountain Air" wind farm for the period 01.01-15.07.2020 and the comparative period 01.01-31.12.2019 are analyzed below as follows:

	GROUP	
Operation results of Wind Farm Mountain Air	**01.01 - 15.07.2020**	**01.01 - 31.12.2019**
Revenue	13,676	24,656
Cost of sales	(8,735)	(16,191)
Gross profit	**4,941**	**8,465**
Other income/(expenses)	1,383	2,600
Operating results	**6,324**	**11,065**
Financial income	5	43
Financial expenses	(4,766)	(7,898)
Profit before tax	**1,563**	**3,210**
Net profit for the year	**1,563**	**3,210**

7.4 Corporate Transformation through GEK TERNA MOTORWAYS SINGLE MEMBER SA (100% subsidiary of GEK TERNA)

Pursuant to the decisions of the Board of Directors of the Company dated 28.09.2018 and 08.07.2020 and within the framework of the approved Corporate Transformation, on 22.10.2020 was concluded the transfer of the subordinated loans and the Company's participations to the motorway concession companies NEA ODOS and ODOS CENTRAL GREECE MOTORWAYS ("the Transaction") to its 100% subsidiary GEK TERNA MOTORWAYS SA .

The Corporate Transformation was concluded within the framework of an internal financial restructuring with the aim: (a) to optimize the operational return, (b) to increase the efficiency of investment decisions, (c) in the optimization of administrative and business decisions, (d) in ensuring greater transparency and efficiency in corporate governance, and (e) in the optimization of control and supervision of the financing capacity of the company and the Group

Analysis of the aforementioned Corporate Transformation is given below:

a. Transfer through disposal of shares of its 100% subsidiary CENTRAL GREECE MOTORWAY SA to its 100% subsidiary GEK TERNA MOTORWAYS SINGLE MEMBER SA versus a total cash consideration of 78.984,

b. Participation in the share capital increase of 100% subsidiary of the company GEK TERNA MOTORWAYS SINGLE MEMBER SA through the contribution of shares of 100% subsidiary of NEA ODOS SA, and
c. Transfer through disposal of the secondary loans held by the Company, issued by the Road Concession Companies (CENTRAL GREECE MOTORWAY SA and NEA ODOS SA), to 100% subsidiary of GEK TERNA MOTORWAYS SINGLE MEMBER SA. The transfer was performed at the nominal value of the secondary loans plus the accrued interest until the date of the transfer.

For the (a) and (c) transactions, it was required to verify the fairness of the transaction for the Company and the shareholders, not constituting related parties, including minority shareholders, in accordance with the provisions of Articles 101, par. 1 of Law 4548/2018, while for transaction (b), it was required to assess the value of the shares contributed in kind based on the provisions of article 17 of law 4548/2018.

Therefore, an Audit Company independent of the Company was appointed, which proceeded with the following actions: i) preparation of the reports according to article 101 of Law 4548/2018 regarding evaluation of the fairness of the above transactions (a) and (c) and ii) preparation of the valuation report according to article 17 of Law 4548/2018 on assessment of the value of the shares contributed in kind within transaction (b).

The aforementioned Reports defined: i) the consideration of disposal of the shares of CENTRAL GREECE MOTORWAY SA amounting to 78,984, ii) the central value of all the shares of NEA ODOS held by the Company and contributed to GEK TERNA MOTORWAYS SINGLE MEMBER SA at the amount of 152,675 and iii) the nominal value of the secondary loans at the date of the Transaction plus the accrued interest until the date of transfer of a total amount of 171,017, is a representative estimate of their fair value.

For the implementation of the above Corporate Transformation, in August 2020, GEK TERNA MOTORWAYS SINGLE MEMBER SA signed a bond loan agreement of 270,000 with domestic systemic banks, while this was disbursed in October 2020. From the above amount, an amount of 250.000 was transferred to the Parent Company GEK TERNA relating to the acquisition of shares of the company CENTRAL GREECE MOTORWAY SA by an amount of 78,984 and total secondary loans of the concession companies by an amount of 171,017.

In the same date, GEK TERNA according to the clauses of above mentioned bond loan of GEK TERNA MOTORWAYS SINGLE MEMBER SA proceeded to obligatory utilization of the said cash inflows in order to :

(i) repayment of a bond loan of a total nominal value of 130,000, issued in 2019, by an amount of 125,450 and

(ii) repayment of an intragroup loan to the subsidiary TERNA SA by the remaining amount of 123,745.

Afterwards, TERNA proceeded with simultaneous equal repayment, according to the clauses of above mentioned bond loan of GEK TERNA MOTORWAYS SINGLE MEMBER SA, of its bond loan amounting to 123,745. This bond loan was related to the unamortized balance of its Common Bond Loan, which had been undertaken for the financing on behalf of the parent company GEK TERNA SA of the acquisition of the shares and the secondary loans from the pre-existing shareholders participated in the Road Concession Companies NEA ODOS SA and CENTRAL GREECE MOTORWAY SA.

(Amounts in thousands Euro, unless otherwise stated)

As a result of the above Corporate Transformation, which constitutes an internal financial restructuring (Transaction took place between entities that are under common control - in a relationship of parent and 100% subsidiary) no change procured in the results and the financial position of the Group.

At the level of GEK TERNA corporate financial statements, the accounting treatment of the above transactions was as follows:

- Regarding the Transfer through disposal of CENTRAL GREECE MOTORWAY SA, the Company recognized, a profit of 73,405 (i.e. the difference between the disposal consideration amounting to 78.984 and the accounting value of the aforementioned subsidiary in the financial statements of the Company amounting to 5.579). This amount was reversed in consolidated financial statements. . As mentioned above, the cash inflow from the cash collection as a result of the sale of the shares, was used exclusively for the repayment of Company's existing debt and/or debt with Company's corporate guarantees.
- Regarding the Transfer of shares of NEA ODOS SA as a contribution to the share capital increase of GEK TERNA MOTORWAYS SINGLE MEMBER SA, the Company recognized its participation in its by 100% subsidiary of GEK TERNA MOTORWAYS SINGLE MEMBER SA at the accounting value of the transferred 100% subsidiary to NEA ODOS, amounting to 40,361.
- Regarding the Transfer through disposal of the secondary loans of the Road Concession Companies, totaling 171,017, no result emerged for the Company, as the transaction was performed at the nominal value of the interest, accrued as till the Transaction date.

7.5 Goodwill

As at 31.12.2020, the Group has recognized in the consolidated financial statements goodwill of 3,025, which is related to the operating segment "Constructions" (in the previous year the Group, through its subsidiary TERNA S.A, acquired the remaining 66.7% of the construction join ventures EUROIONIA and E-65, with which it would carry out an additional significant construction work on existing construction contracts). The analysis of the changes in goodwill in 2020 and 2019 is as follows:

	Construction Segment
Net book value at 01.01.2019	3,183
Impairment of Goodwill	(158)
Net book value at 31.12.2019	**3,025**
Net book value at 01.01.2020	3,025

(Amounts in thousands Euro, unless otherwise stated)

Impairment of Goodwill	
Net book value at 31.12.2020	**3,025**
Gross book value on 31.12.2020	9,759
Accumulated impairment losses	(6,734)
Net book value at 31.12.2020	**3,025**

The impairment test is based on determination of the recoverable amount, which has been determined on a value-in-use basis. This determination arises using the discounted cash flows method based on the remaining estimated cash flows expected until the completion of the construction work of the joint ventures.

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 projected under the existing construction contracts of two joint ventures, b) the budgeted 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 reporting period, no need to perform an additional amount of impairment has arisen.

8 INTANGIBLE ASSETS

Intangible assets of the Group and the relative changes for the periods January 1 – December 31, 2020 and 2019, presented in the accompanying financial statements, are analyzed as follows:

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
<u>**Acquisition Value**</u>					
1st January 2020	**1,087,815**	**88,021**	**8,856**	**7,377**	**1,192,069**
Additions	2,924	0	1,720	143	**4,787**
Addition due to acquisition of entity (Note 7.1)	30,611	0	0	0	**30,611**
Change due to sale of existing entity (Note 7.3)	(8,476)	0	0	0	**(8,476)**
Sales	(41)	0	(52)	0	**(93)**
Write offs	0	0	(66)	0	**(66)**
Transfers	0	0	0	141	**141**
Foreign exchange differences	(163)	0	(24)	0	**(187)**
31st December 2020	**1,112,670**	**88,021**	**10,434**	**7,661**	**1,218,786**
<u>**Accumulated amortization and**</u>					

1st January 2020	**(343,264)**	**(86,399)**	**(6,473)**	**(975)**	**(437,111)**
Amortization	(41,721)	(381)	(970)	(143)	**(43,215)**
Change due to sale of existing entity (Note 7.3)	2,867	0	0	0	**2,867**
Sales	23	0	52	0	**75**
Write offs	0	0	66	0	**66**
Impairments	(841)	0	0	0	**(841)**
Transfers	0	0	66	0	**66**
Foreign exchange differences	51	0	24	0	**75**
31st December 2020	**(382,885)**	**(86,780)**	**(7,235)**	**(1,118)**	**(478,018)**
Net book value					
31st December 2020	**729,785**	**1,241**	**3,199**	**6,543**	**740,768**

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Acquisition Value					
1st January 2019	**1,089,230**	**88,021**	**7,622**	**5,926**	**1,190,799**
Additions	3,932	0	1,419	99	**5,450**
Change in consolidation	(97)	0	(17)	0	**(114)**
Sales	(349)	0	(60)	0	**(409)**
Write offs	0	0	(115)	0	**(115)**
Transfers	(5,065)	0	0	1,354	**(3,711)**
Foreign exchange differences	164	0	7	0	**171**
31st December 2019	**1,087,815**	**88,021**	**8,856**	**7,377**	**1,192,069**
Accumulated amortization and impairments					
1st January 2019	**(295,511)**	**(86,160)**	**(5,715)**	**(748)**	**(388,134)**
Amortization	(41,796)	(239)	(947)	(228)	**(43,210)**
Sales	74	0	60	0	**134**
Write offs	0	0	71	0	**71**
Impairments	(612)	0	0	0	**(612)**
Transfers from/(to) assets	(5,375)	0	65	0	**(5,310)**
Foreign exchange differences	(44)	0	(7)	0	**(51)**
31st December 2019	**(343,264)**	**(86,399)**	**(6,473)**	**(975)**	**(437,111)**
Net book value					
31st December 2019	**744,551**	**1,622**	**2,383**	**6,402**	**754,958**

Amortization for 2020 and 2019 has been recognized in Cost of sales by 42,656 (31.12.2019: 42,742), in Administrative and distribution expenses by 458 (31.12.2019: 373), R&D expenses by 14 (31.12.2019: 14), Other Income/(expenses) by 95 (31.12.2019: 0) and Inventory by (8) (31.12.2019: 81).

The Company's intangible assets, of a book value of 111 (31.12.2019: 140), relate to software of acquisition cost of 545 (31.12.2019: 536) and accumulated amortization of 434 (31.12.2019: 396). The amortization of 2020, amounting to 38 (31.12.2019: 32), has been recorded in Administrative and distribution expenses.

Development costs mainly refer to costs incurred in magnesite mines.

The account Concessions and Other Rights includes: (a) rights from concession agreements amounting to 657,095 (31.12.2019: 695,155), (b) paid rights for exploitation of quarries and magnesite mines of book value 24.850 (31.12.2019: 26.284), of estimated useful life of 50 years, and (c) paid rights for installation of wind parks of book value 47.834 (31.12.2019: 23.105).

Within the current reporting period, TERNA ENERGY sub- Group recognized intangible assets (wind farm licenses), amounting to 30,611 following the acquisition of the subsidiary RF ENERGY OMALIES SA, subsequently renamed into TERNA ENERGY OMALIES SA (analytic information is presented in Note 7.1). These intangible assets will start to be amortized on the date of completion of the construction of the respective farm and the date of electrification of the wind farms, with a useful life of 25 years. In the interim reporting periods, intangible assets are tested for potential impairment, in accordance with the relevant provisions of IAS 36 "Impairment of Assets".

In the value of the intangible right arising from the Concession Agreements of Motorways, the Group has recognized the financial contribution of the State as a deduction from the intangible asset generated under the agreement, in accordance with the relevant provisions of IFRIC 12 "Service Concession Arrangements".

For the construction of the Deferred Section A (ATA), the Greek State will pay as a Financial Contribution to the subsidiary company CENTRAL GREECE MOTORWAY S.A. the total amount of 305,735 in equal payments. Within the fiscal year 2020, through the subsidiary CENTRAL GREECE MOTORWAY S.A., the Group received an amount of 63,419 (31.12.2019: 97,962), which concerns the financial contribution of the State, as a subsidy for the construction of the project "Central Greece Motorway (E65)", which is in the form of a capital subsidy. Given the provisions of the Concession Agreement regarding the construction, operation and exploitation of the Deferred Section A (southern section E65 - connection of PATHE motorway with Xyniada road), based on which, firstly, the project is by 100% funded by the State through European resources and, secondly, no return has been projected for the shareholder from the operation of this Section, no profit is recognised in compliance with the provisions of IFRIC 12 during the construction stage and, moreover, since the cost of construction services is fully covered by the relative subsidy, the book value of the concession right from the construction of the southern section of E 65, equals zero.

(Amounts in thousands Euro, unless otherwise stated)

The net book value of concession rights amounting to 657,095 (31.12.2019: 695,155) is analyzed as follows:

COMPANY	CONCESSION	COST 31.12.2020	NET BOOK VALUE	REMAINING CONCESSION	NOTES
NEA ODOS SA	Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida	578,279	290,713	17	In operation
CENTRAL GREECE MOTORWAY SA	Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches	421,248	357,996	17	In operation
HERON CONCESSIONS SA	Tsalapata preserved pottery Center in Volos	6,672	328	9	In operation
HERON CONCESSIONS SA	Car park station	2,916	2,059	34	In operation
AEIFORIKI EPIRUS MAEES	Waste management in Ioannina	1,801	1,723	23	In operation
PARKING STATION PLATANOU SQ. KIFISIA S.A.	Parking station in Kifisia Square	8,020	4,175	17	In operation
PARKING STATION SAROKOU SQ. CORFU S.A.	Parking station in Corfu	101	101	-	Termination of development
TOTAL		**1,019,037**	**657,095**		

The rights from concession contracts on 31.12.2019 are as follows:

COMPANY	CONCESSION	COST 31.12.2019	NET BOOK VALUE 31.12.2019	REMAINING CONCESSION PERIOD	NOTES
NEA ODOS SA	Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida	576,257	307,233	18	In operation
CENTRAL GREECE MOTORWAY SA	Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches	421,248	379,055	18	In operation
HERON CONCESSIONS SA	Tsalapata preserved pottery Center in Volos	6,672	337	10	In operation
HERON CONCESSIONS SA	Car park station	2,916	2,118	35	In operation
AEIFORIKI EPIRUS MAEES	Waste management in Ioannina	1,801	1,795	24	In operation
PARKING STATION PLATANOU SQ. KIFISIA S.A.	Parking station in Kifisia Square	8,020	4,516	18	In operation
PARKING STATION SAROKOU SQ. CORFU S.A.	Parking station in Corfu	101	101	-	Termination of development
TOTAL		**1,017,015**	**695,155**		

(Amounts in thousands Euro, unless otherwise stated)

Impairment test of depreciable intangible assets

Group has not recognized non-depreciable intangible assets and for that reason, the Management proceeds to relevant impairment tests according to IAS 36, only when and where relevant indications of impairment arise.

Within 2020, total impairment losses standing at 841 (31.12.2019: 612) were recognized over the value of intangible assets and were charged to the consolidated results of the Group and were recognized in the account "Other Income / (Expenses)" of the Income Statement for the year (Note 39). This amount refers to impairment losses of exploitation rights of quarries and mines of TERNA sub-group. The assumptions used in determining value for use are set out in section 12.3.

For the impairment test of the assets of energy parks by RES of the Group, the recoverable value is determined according to the calculation of the use value of the park (value in use). This calculation uses cash flow forecasts, based on financial budgets, which have been approved by the Group's management and cover the remaining useful life of the park. During the fiscal year 2020, there were no indications of impairment of assets.

Regarding the rights deriving from the Concession Agreements, the management assessed that there are no indications of impairment of their value, as there are no discrepancies in relation to their business plan.

9 RIGHT-OF-USE ASSETS

Right-of-use assets and changes for the periods 1 January to 31 December 2020 and 2019, presented in the accompanying financial statements, are analyzed as follows:

	GROUP					
	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2020	**8,793**	**9,332**	**25,920**	**8,705**	**2**	**52,753**
Additions	3,492	2,489	145	368	0	**6,494**
Addition due to acquisition of entity (Note 7.1)	582	0	0	0	0	**582**
Transfers	0	0	(21,070)	(5,898)	0	**(26,968)**
Termination of contracts	(234)	(936)	(1,522)	(220)	(2)	**(2,914)**
Foreign exchange differences	(302)	(83)	(3)	(1)	0	**(389)**
31st December 2020	**12,331**	**10,802**	**3,470**	**2,954**	**0**	**29,558**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated amortization and impairments						
1st January 2020	**(768)**	**(2,947)**	**(10,242)**	**(4,130)**	**(2)**	**(18,089)**
Amortization	(864)	(2,355)	(1,244)	(995)	0	**(5,458)**
Transfers	0	0	9,119	3,099	0	**12,218**
Termination of contracts	138	557	1,451	211	2	**2,359**
Foreign exchange differences	59	43	2	0	0	**104**
31st December 2020	**(1,435)**	**(4,702)**	**(914)**	**(1,815)**	**0**	**(8,866)**
Net book value						
31st December 2020	**10,896**	**6,100**	**2,556**	**1,139**	**0**	**20,692**

GROUP

	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments from IFRS 16	5,972	8,429	1,382	2,100	2	**17,885**
Transfers from tangible assets due to implementation of new standard	0	0	24,290	6,428	0	**30,718**
1st January 2019, Readjusted Balance	**5,972**	**8,429**	**25,672**	**8,528**	**2**	**48,603**
Additions	2,962	1,561	300	627	0	**5,450**
Transfers	0	0	29	0	0	**29**
Termination of contracts	(185)	(673)	(81)	(451)	0	**(1,390)**
Foreign exchange differences	44	16	(1)	1	0	**60**
31st December 2019	**8,793**	**9,332**	**25,920**	**8,705**	**2**	**52,753**
Accumulated amortization and impairments						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**

(Amounts in thousands Euro, unless otherwise stated)

Transfers from tangible assets due to implementation of new standard	0	0	(8,469)	(2,868)	0	**(11,337)**
1st January 2019, Readjusted Balance	**0**	**0**	**(8,469)**	**(2,868)**	**0**	**(11,337)**
Amortization	(767)	(2,948)	(1,774)	(1,262)	(2)	**(6,753)**
Foreign exchange differences	(1)	1	1	0	0	**1**
31st December 2019	**(768)**	**(2,947)**	**(10,242)**	**(4,130)**	**(2)**	**(18,089)**
Net book value						
31st December 2019	**8,025**	**6,385**	**15,678**	**4,575**	**0**	**34,664**

COMPANY

	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2020	**0**	**525**	**0**	**6**	**0**	**531**
Additions	0	4	0	0	0	**4**
31st December 2020	**0**	**529**	**0**	**6**	**0**	**535**
Accumulated amortization and impairments						
1st January 2020	**0**	**(72)**	**0**	**(1)**	**0**	**(73)**
Amortization	0	(91)	0	(1)	0	**(92)**
31st December 2020	**0**	**(163)**	**0**	**(2)**	**0**	**(165)**
Net book value						
31st December 2020	**0**	**366**	**0**	**4**	**0**	**370**

COMPANY

	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**

(Amounts in thousands Euro, unless otherwise stated)

Adjustments from IFRS 16	0	331	0	0	0	**331**
1st January 2019, Readjusted Balance	**0**	**331**	**0**	**0**	**0**	**331**
Additions	0	194	0	6	0	**200**
31st December 2019	**0**	**525**	**0**	**6**	**0**	**531**
<u>Accumulated amortization and impairments</u>						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Transfers from tangible assets due to implementation of new standard	0	0	0	0	0	**0**
1st January 2019, Readjusted Balance	**0**	**0**	**0**	**0**	**0**	**0**
Amortization	0	(72)	0	(1)	0	**(73)**
31st December 2019	**0**	**(72)**	**0**	**(1)**	**0**	**(73)**
<u>Net book value</u>						
31st December 2019	**0**	**453**	**0**	**5**	**0**	**458**

Amortization of the Group’s right-of-use assets for FY 2020 was recorded in Cost of Sales at 4,128 (31.12.2019: 4,263), in Administrative and distribution expenses at 1,224 (31.12.2019:1,829), in Research and development expenses at 0 (31.12.2019: 5), in Other income/ (expenses) at 120 (31.12.2019: 553) and in Inventory at (14) (31.12.2019: 103).

Amortization of the Company’s right-of-use assets for FY 2020 was recorded in Cost of Sales at 15 (31.12.2019: 14), in Administrative and distribution expenses at 77 (31.12.2019: 59).

The total transfers of the Group for FY 2020 of unamortized balance amounting to 14,750, relate to repurchased bank lease assets, which were transferred to the item "Property, plant and equipment".

10 PROPERTY, PLANT AND EQUIPMENT

The Group's and the Company's tangible fixed assets and their movements for the periods from 1 January to 31 December 2020 and 2019, in the accompanying financial statements, are analyzed as follows:

(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 asset**	**Total**
Acquisition Value							
1st January 2020	**25,198**	**180,797**	**1,955,983**	**43,325**	**41,633**	**62,858**	**2,309,794**
Additions	180	4,120	57,422	873	4,420	33,727	**100,742**
Addition due to acquisition of entity (Note 7.1)	200	0	(563)	0	0	3,915	**3,552**
Change due to sale of existing entity (Note 7.3)	0	(13,260)	(221,098)	0	0	0	**(234,358)**
Cost of borrowing	0	0	1,900	0	0	507	**2,407**
Provisions for restoration	0	0	960	0	0	0	**960**
Sales	0	(864)	(9,366)	(1,785)	(1,536)	(269)	**(13,820)**
Write offs	(83)	(247)	(3,919)	(473)	(5,317)	0	**(10,039)**
Transfers	(1,684)	19,543	50,834	8,066	8	(51,333)	**25,434**
Foreign exchange differences	0	(2,326)	(66,373)	(145)	(163)	(89)	**(69,096)**
31st December 2020	**23,811**	**187,763**	**1,765,780**	**49,861**	**39,045**	**49,316**	**2,115,576**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated amortization and impairments							
1st January 2020	**(6,721)**	**(61,320)**	**(505,471)**	**(32,543)**	**(32,673)**	**(320)**	**(639,047)**
Depreciation	(280)	(6,467)	(68,082)	(2,234)	(2,579)	0	**(79,642)**
Change due to sale of existing entity (Note 7.3)	0	4,485	74,037	0	0	0	**78,522**
Sales	0	661	8,057	1,550	1,131	0	**11,399**
Write offs	0	235	3,883	473	5,301	0	**9,892**
Impairments	(447)	(405)	(48)	0	(1)	(5)	**(906)**
Reversal of Impairments	0	0	20	5	0	801	**826**
Transfers	(325)	(13)	(9,099)	(3,140)	1	(476)	**(13,052)**
Foreign exchange differences	0	427	9,389	118	147	0	**10,081**
31st December 2020	**(7,773)**	**(62,397)**	**(487,314)**	**(35,771)**	**(28,673)**	**0**	**(621,927)**
Net book value							
31st December 2020	**16,039**	**125,367**	**1,278,466**	**14,090**	**10,372**	**49,316**	**1,493,649**

(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 asset	Total
Acquisition Value							
1st January 2019	**25,395**	**171,220**	**1,501,714**	**50,107**	**40,518**	**113,193**	**1,902,148**
Transfers to Right of use assets	0	0	(24,290)	(6,428)	0	0	**(30,718)**
1st January 2019, Readjusted Balance	**25,395**	**171,220**	**1,477,424**	**43,679**	**40,518**	**113,193**	**1,871,430**
Additions	85	3,314	153,364	1,289	2,928	50,906	**211,886**
Addition due to acquisition of entity (Note 7.2)	(0)	(0)	227,031	0	0	0	**227,031**
Cost of borrowing	(0)	(0)	4,946	0	0	0	**4,946**
Provisions for restoration	(0)	(0)	1,897	0	0	0	**1,897**
Sales	(167)	(3,074)	(10,613)	(1,437)	(2,609)	0	**(17,900)**
Write offs	(0)	(888)	(1,924)	(450)	(520)	(308)	**(4,090)**
Transfers	(113)	9,463	98,402	174	1,214	(102,813)	**6,327**
Foreign exchange differences	0	763	5,454	69	101	1,880	**8,267**
31st December 2019	**25,198**	**180,797**	**1,955,983**	**43,325**	**41,633**	**62,858**	**2,309,794**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated depreciations and							
1st January 2019	**(6,343)**	**(50,262)**	**(445,808)**	**(35,004)**	**(32,039)**	**0**	**(569,455)**
Transfers to Right of use assets	0	0	8,469	2,868	0	0	**11,337**
1st January 2019, Readjusted Balance	**(6,343)**	**(50,262)**	**(437,339)**	**(32,136)**	**(32,039)**	**0**	**(558,118)**
Depreciation	(280)	(6,615)	(61,988)	(1,895)	(2,642)	0	**(73,420)**
Addition due to acquisition of entity (Note 7.2)	0	0	(15,481)	0	(0)	0	**(15,481)**
Sales	0	1,150	9,184	1,240	2,329	0	**13,903**
Write offs	0	175	2,006	415	471	0	**3,067**
Impairments	(212)	(804)	(824)	0	0	0	**(1,840)**
Reversal of Impairments	0	787	0	0	0	375	**1,162**
Transfers	113	(5,610)	787	(113)	(698)	(695)	**(6,216)**
Foreign exchange differences	0	(141)	(1,816)	(54)	(93)	0	**(2,104)**
31st December 2019	**(6,721)**	**(61,320)**	**(505,471)**	**(32,543)**	**(32,673)**	**(320)**	**(639,047)**
Net book value							
31st December 2019	**18,478**	**119,478**	**1,450,512**	**10,782**	**8,960**	**62,538**	**1,670,747**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Quarries/Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed	Total
Acquisition Value							
1st January 2020	**2,113**	**12,821**	**126**	**365**	**1,687**	**0**	**17,112**
Additions	0	0	0	0	18	0	**18**
31st December 2020	**2,113**	**12,821**	**126**	**365**	**1,705**	**0**	**17,130**
Accumulated depreciation and impairments							
1st January 2020	**0**	**(6,481)**	**(125)**	**(80)**	**(1,649)**	**0**	**(8,335)**
Depreciation	0	(387)	0	(52)	(17)	0	**(456)**
31st December 2020	**0**	**(6,868)**	**(125)**	**(132)**	**(1,666)**	**0**	**(8,791)**
Net book value							
31st December 2020	**2,113**	**5,954**	**1**	**232**	**39**	**0**	**8,339**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Quarries/Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed asset	Total
Acquisition Value							
1st January 2019	**2,113**	**12,821**	**126**	**72**	**1,686**	**0**	**16,818**
Transfers to Right of use assets	0	0	0	0	0	0	**0**
1st January 2019, Readjusted Balance	**2,113**	**12,821**	**126**	**72**	**1,686**	**0**	**16,818**
Additions	0	0	0	305	1	0	**306**
Sales	0	0	0	(6)	0	0	**(6)**
Write offs	0	0	0	(6)	0	0	**(6)**
31st December 2019	**2,113**	**12,821**	**126**	**365**	**1,687**	**0**	**17,112**
1st January 2019	**0**	**(5,930)**	**(125)**	**(42)**	**(1,635)**	**0**	**(7,732)**
Transfers to Right of use assets	0	0	0	0	0	0	**0**
1st January 2019, Readjusted Balance	**0**	**(5,930)**	**(125)**	**(42)**	**(1,635)**	**0**	**(7,732)**
Depreciation	0	(391)	0	(44)	(14)	0	**(449)**
Write offs	0	0	0	6	0	0	**6**
Impairments	0	(160)	0	0	0	0	**(160)**
31st December 2019	**0**	**(6,481)**	**(125)**	**(80)**	**(1,649)**	**0**	**(8,335)**
Net book value							
31st December 2019	**2,113**	**6,341**	**1**	**284**	**38**	**0**	**8,777**

The additions of the Group for 2020 totaling 100,742 relate mainly to investments of the sub-group TERNA ENERGY, amounting to 84,164. In particular, these investments include additions amounting to 55.971 regarding the wind farms of Greek subsidiaries, investments under construction and advances for asserts acquisitions amounting to 24,287 related to the wind farms in Greece and the USA.

The line "Change due to sale of an existing business" of unamortized value of 155,836 concerns the sale, performed within the third quarter of 2020, of the wind farm "Mountain Air" in Texas, United States by TERNA ENERGY sub-group (see Note 7.3).

The line "Additions from acquisition of companies" amounting to Euro 3,552 arises from the acquisition of the company RF ENERGY OMALIES SA at 4,115 k (see Note 7.1) and from the finalization of the allocation of the acquisition price of the wind farm "Bearkat I" in Texas (Glasscock County), the USA, which had a negative effect on the value of property, plant and equipment by 563 in relation to the preliminary evaluation (see analytical information in Note 7.2)

Transfers from the "Assets under construction" are mainly due to the completion within 2020 of the construction of the wind farm by TERNA ENERGY sub-group. Additional transfers of net balance amount of 14.750 relate to repurchased bank lease assets, transferred from the account "Right-of-use assets".

Depreciation of the Group for 2020 has been recognized in Cost of sales at 75,677 (31.12.2019: 70,213), in Administrative and distribution expenses at 3,179 (31.12.2019: 2,510), in Research and development expenses at 126 (31.12.2019: 47), in Other income/ (expense) at 737 (31.12.2019: 273) and in inventory at (77) (31.12.2019: 376).

Depreciation of the Company amounting to 456 (31.12.2019:449), is presented in the Statement of comprehensive income at 306 (31.12.2019:307) in Cost of sales and at 150 (31.12.2019:142) in Administrative and distribution expenses.

The account “Technological and mechanical equipment” includes Wind Farm wind generators of the RES Segment, totalling 1,213,483 which have been collateralized in favour of banks to secure long-term loans.

The categories “Land-plots”, “Buildings and installations” and “Technological and mechanical equipment”, include fixed assets of a net book value of 73,078 and 78,672 on 31 December 2020 and 2019 respectively, which concern Installations of Distribution Networks constructed by TERNA ENERGY 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 Farm. However, ever after their transfer, such installations continue to serve the purpose, for which they had been 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 end of the 25-year depreciation period of Wind Farms.

(Amounts in thousands Euro, unless otherwise stated)

11 INVESTMENT PROPERTY

For the period from January 1st to December 31, 2020 and 2019, the Group's and the Company's investment property is analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance 1st January	**40,916**	**41,030**	**9,536**	**11,290**
Additions	0	7	0	0
Fair value adjustments	(530)	1,507	(140)	(43)
Reductions	(4,399)	(1,873)	(1,049)	(1,730)
Transfers	69	244	0	19
Foreign exchange differences	(13)	0	0	0
Balance 31st December	**36,043**	**40,916**	**8,347**	**9,536**

Investment property is determined using the fair value method under 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 2020, assigning its valuation work to independent property appraisers. Revaluation of fair value of investment property resulted in a net loss of 530 (31.12.2019: profit 1,507) (see Note 39).

The following table presents data concerning the key assumptions taken into consideration for the valuation of the investment property on 31.12.2020:

Property	Fair Value 31.12.2020	Method	Market value	Interest rate	Inflation	Return	Cost of developme
Port of Thessaloniki - Parking spaces	930	Capitalization	60 euro per sqm per month	-	-	10%	-
Metaxourgeio-Apartments and Stores	2,085	Real estate market for apartments	Prices are based on offers as the whole property is for sale	-	-	-	-
Palaia Volos - Mall	4,090	Capitalization of revenues with cash flow discounting and replacement cost	500-750 euro per sqm	8,4%-11,06%	-	8,5% - 9,5%	-
Oropos –Site plot	252	Real estate market	20.50 euro per sqm	-	-	-	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2020	Method	Market value	Interest rate	Inflation	Return	Cost of developme
Ipiros street (Athens)-transfer right of building factor	140	Real estate market	44 euro per sqm	-	-	-	-
Site plot, Agios Stefanos, Attica	850	Real estate market	Sale 350 euro per sqm	-	-	-	-
Monastiriou street, (Thessaloniki) – Site plot	8,336	Exploitation/Real estate market	650-1,000 euro per sqm	3.95%	-	7,5%-8,0%	5-12 euro per sqm/month
Lakeside (Ioannina)-Mall	5,430	Capitalization, replacement cost, with weight factors 75% and 25% respectively	2 - 10 euro per sqm 300 - 550 euro per sqm for the building and 70-200 euro per sqm for the land	9,40%-12,06%	"-1,1%-1,6%"	9,5% - 10,5%	-
Kos - Land	900	Real estate market	26,5 euro per sqm	-	-	-	-
Building and Plot position of Lezides Aliveri Evoia	1,087	Real estate market and capitalization of revenues	Building 2.00-5 euro/sqm, land 4.8-11.4 euro/sqm, lease of building 1.6 euro/sqm	12.25	-	12.25%	-
Plot in Posidonia position, Laurio, Attica	13	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	624	Real estate market	5.50 euro per sqm	-	-	-	-
3rd Septemvriou street (Athens)-Offices	0	Real estate market and capitalization of revenues	1,022euro per sqm 4.93 euro per sqm per month	-	-	8.50%	-
Bulgaria-Plots for Logistics	677	Real estate market	15,44 euro per sqm	-	-	-	-
Bulgaria-Plots (Batac)	590	Real estate market /Exploitation	16-20 euro per sqm, 35.94 euro per sqm	-	-	-	-
Bulgaria-Plots for Logistics/Bulgaria-Plots (Batac)	248	Real estate market /Exploitation	19-20 euro per sqm	-	-	-	-
Bulgaria-Plots	5,421	Real estate market	34.85 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	263	Real estate market	31.53 euro per sqm	-	-	-	

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2020	Method	Market value	Interest rate	Inflation	Return	Cost of developme
Bulgaria-Sofia – Plot	534	Real estate market /	2,158 euro per sqm	-	-	-	-
Romania-Plot	1263	Real estate market	13 euro per sqm	-	-	-	-
Romania-Plot	0	Real estate	153 euro per sqm	-	-	-	-
Romania-Plot	2,310	Real estate market	404 euro per sqm	-	-	-	-
	36,043						

The relative data regarding the key assumptions taken into consideration for the valuation of the investment property on 31.12.2019, are as follows:

Property	Fair Value 31.12.2019	Method	Market value	Interest rate	Inflation	Return	Cost of development
Port of Thessaloniki - Parking spaces	930	Capitalization of revenues with cash flow discounting and replacement cost	60 euro per sqm per month	-	-	10%	-
Metaxourgeio- Apartments and Stores	3,134	Real estate market for apartments	Prices are based on offers as the whole property is for sale	-	-	-	-
Palaia Volos - Mall	4,230	Capitalization of revenues with cash flow discounting and replacement	850-1,100 euro per sqm	9,3%-9,44%	-	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	850	Real estate market	Sale 350 euro per sqm	-	-	-	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2019	Method	Market value	Interest rate	Inflation	Return	Cost of development
Monastiriou street, (Thessaloniki) – Site plot	8,995	Exploitation	550-1,150 euro per sqm	4.51%	-	-	3,50-10 euro per sqm,per month
Lakeside (Ioannina)- Mall	5,270	Capitalizatio, replacement cost, with weight factors 80% and 20%	2 - 10 euro per sqm 310 - 776 euro per sqm for the building and 75 euro per sqm	9,30%- 9,44%	0,94% - 1,80%	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 1.50-4 euro/sqm, land 6-10.5 euro/sqm, lease of building 1.66	12.25	-	12.25%	-
Plot in Posidonia position, Laurio, Attica	13	Real estate market	1.87 euro per sqm	-	-	-	-
Madoudi, (Evoia) – Plots	624	Real estate market	5.50 euro per sqm	-	-	-	-
3rd Septemvriou street (Athens)- Offices	540	Real estate market and capitalization of revenues	1,022euro per sqm	-	-	8.50%	-
			4.93 euro per sqm per month	-	-	-	
Bulgaria-Plots for Logistics	687	Real estate market	15,44 euro per sqm	-	-	-	-
Bulgaria-Plots (Batac)	601	Real estate market /Exploitation	16-20 euro per sqm, 35.94 euro per sqm	-	-	-	-
Bulgaria-Plots for Logistics/Bulgaria-Plots (Batac)	248	Real estate market /Exploitation	19-20 euro per sqm.	-	-	-	-
Bulgaria-Plots	5,426	Real estate market /Exploitation	34.85 euro per sqm	-	-	-	-
Bulgaria-Sofia – Plot	320	Real estate market	31,53 euro per sqm	-	-	-	
Bulgaria-Sofia – Plot	535	Real estate market /	2,158 euro per sqm	-	-	-	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2019	Method	Market value	Interest rate	Inflation	Return	Cost of development
Romania-Plot	808	Real estate market	13 euro per sqm	-	-	-	-
Romania-Plot	194	Real estate market	153 euro per sqm	-	-	-	-
Romania-Plot	2,590	Real estate market	404 euro per sqm	-	-	-	-
Romania-Plot	2,450	Exploitation	1,125 euro per sqm	-	-	-	-
	40,916						

The Group received rentals from investment property amounting to 411 and 629 in 2020 and 2019 respectively.

Group's companies investment property is burdened with mortgage liens amounting to a total of 5,430 as collaterals for bond loans.

12 INVESTMENTS IN SUBSIDIARIES

12.1 Analysis of changes of investments in subsidiaries for the year 2020

The subsidiaries of the Company are presented in details in Note 5.

The change in the book value of investments in subsidiaries in the Company's financial statements is as follows:

	COMPANY	
	2020	**2019**
Balance 1st January	**264,731**	**400,308**
Additions	45,392	26,575
Sales / Write Off	(5,582)	(4,533)
Capital return	(463)	(4,705)
Impairment loss	(21,792)	(9,894)
Recovery of impairment	2	1,781
Transfer to Subordinated Debt	0	(144,801)
Other movements	479	0
Balance 31st December	**282,767**	**264,731**

Additions performed within 2020 are analyzed as follows:

- an amount of 20,000 pertains to share capital increase in the subsidiary GEK TERNA KASTELLI S.A.
- an amount of 20,465 pertains to share capital increase in the subsidiary TERNA LEFKOLITHI S.A.
- an amount of 4,925 pertains to share capital increases in the subsidiaries IOANNINON ENTERTAINMENT DEVELOPMENT S.A., KIFISIA PLATANOU SQ. CAR PARK S.A. and GEK TERNA MOTORWAYS SINGLE MEMBER S.A.

Within 2020, the parent company received in the form of a capital return an amount of 463 from the subsidiary VIOMEK.

Furthermore, in the context of the Corporate Transformation (see Note 7.4), and amount of 5,579 concerns the disposal of 100% of the Company's participation in the subsidiary CENTRAL GREECE MOTORWAY S.A. to its 100% subsidiary GEK TERNA MOTORWAYS SINGLE MEMBER SA. The above disposal was performed versus a total cash consideration of 78,984, which was collected in full on 22.10.2020. The result of this transaction amounted to an accounting profit of 73,405 and was included in the item "Gains / (Losses) from the sale of holdings and securities" in the corporate Income Statement for the year ended as at 31.12.2020. From this transaction, no profit arose in the consolidated financial statements of the Group as it concerns the sale of investments between companies that are under common control. The cash inflow from the sale of share was utilized exclusively and obligatorily to repay existing debt of Company and/or debt with Company's corporate guarantee.

Impairment losses recognized within the year stood at 21.792 and are analyzed in Note 12.3 below.

12.2 Assessment of control under IFRS 10

- As at 31.12.2020, the Group holds 37.30% (31.12.2019: 38.49%) in the issued share capital of TERNA ENERGY SA. 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 through appointing the members of the Board of Directors. The parent company also holds rights with variable returns from its participation in the subsidiary. GEK TERNA holds the largest share among the shareholders. The remaining percentage of shares not owned by the Company and/or its affiliated parties is highly dispersed and therefore cannot materially influence decision-making.

  Furthermore, the parent company can use the power over the subsidiary to influence the amount of its returns. This is the result of the decision-making on subsidiary's matters through the control of the decision-making bodies.

- The company 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 documented 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, no changes were made in the estimates versus 31.12.2019.

12.3 Impairment test

In accordance with the applied accounting policies and in line with provisions 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. The test can be performed earlier if any evidence of impairment arises. The arising evaluation focuses on both - extrinsic and intrinsic 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 amount and evaluates the possibility of reversing part or all of the impairment recognized in prior periods.

Within the year ended on December 31, 2020 there was an impairment of the value of the participations in subsidiaries totaling 21,792 (31.12.2019: 9,894).

These amounts are included in the account "Profits / (Losses) from valuation of participations and other securities" of the corporate Income Statement (see Note 41). The impairment losses of 21,792 (31.12.2019: 9,894) are further analyzed as losses: of TERNA LEYKOLITHI S.A. amounting to 19,422 (31.12.2019: 8,991), of ICON EOOD amounting to 0 (31.12.2019: 124), of STROTIRES S.A. amounting to 241 (31.12.2019: 122), of VI.PA THESSALLONIKIS SA amounting to 403 (31.12.2019: 342), of MONASTIRIOU TECHNICAL DEVELOPMENT S.A. amounting to 636 (31.12.2019: 0), IOANNINON ENTERTAINMENT DEVELOPMENT S.A. amounting to 176 (31.12.2019: 65) and KIFISIA PLATANOU SQ. CAR PARK S.A. amounting to 913 (31.12.2019: 250).

The indications that led the Management to check for any impairments of these subsidiaries were the valuation losses of the investment properties recorded for the subsidiaries of the real estate segment, and the recording of impairment of stocks in the subsidiary STROTIRES SA. Within the year 2020, Management considered that there are indications of impairment of the subsidiary Terna MAG, therefore an impairment test was carried out in accordance with the requirements of IAS 36 (the company as a whole is a separate and individual Cash Generating Unit - CGU). The main reasons that led to this impairment test are the continuing losses for the last years as well as the turnover decrease of the years 2019 and 2020; the latter year was additionally burdened due to Covid-19 implications which led to the temporary cessation of production in the period April-September 2020. Due to the above events, Management of the company proceeded to the revision of the budget for the next 5 years considering the redesign of the production activity. As a result, an impairment loss amounting to 19,442 was recorded on the company's' financial statements for the year ended December 31, 2020.

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 flows method, i.e., cash flows projections based on budgets and management's projections.

b. For the subsidiaries that are principally engaged in holding one or more investment properties, from which no income from leases arises (ex. Land plots), the recoverable amount was based on the fair value of the net assets, as determined by a study of independent valuers. Consequently, their impairment losses and/or reversals resulted in changes in the fair value of the investment property. 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.

The assumptions used for fair value measurement are analytically recorded above, in Note 11.

Assumptions used to determine value in use

For the cases, where evidence of impairment was identified, an impairment test was performed in accordance with the requirements of IAS 36. The recoverable amount of each CFGU 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) Preparation of business plans per CFGU: The calculations for determining the recoverable value of CFGU were based on the business plans approved by the Management, based on recently prepared budgets and estimates of the Management, regarding which budgeted operating profit margins and EBITDA are used as well as future estimates, using reasonable assumptions. b) The weighted average cost of capital (WACC): WACC reflects the discounted interest rate on future cash flows of each CFGU, according to which the cost of equity and the cost of long-term borrowing are weighed in order to calculate the total capital cost of the company capital. The discount rate used for the purposes of determining the value in use ranged from 7.72% to 9.12% per case.

Recoverable amounts sensitivity analysis

The Management is not currently aware of any other event or condition that would reasonably result in a potential change in any of the key assumptions on which the determination of the recoverable amount of CFGU was based. Nevertheless, on 31.12.2020, the Company analyzed the sensitivity of the recoverable amounts per CFGU in relation to a change in some of the key assumptions presented above. Indicatively, a change in a valuation by (i) 0.25 percentage points in WACC, (ii) 0.25 percentage points in EBITDA margin in perpetuity or (iii) 0.25 percentage points in growth rate in perpetuity can cause an impairment amount ranging from Euro 2.7 million to a maximum of Euro 4.7 million.

(Amounts in thousands Euro, unless otherwise stated)

12.4 Subsidiaries with significant percentage of non-controlling interests

The data and the accounts of the financial statements of the significant subsidiary, in which there are minority interests concern TERNA ENERGY S.A., in which as at 31.12.2020 GEK TERNA holds participating interest of 37.30% (31.12.2019: 38.49%). The scope of this subsidiary's operations is production of electricity from wind, hydroelectric power and other renewable sources and construction services.

The financial data of the consolidated sub-group TERNA ENERGY, in which the minority interest hold significant percentage are as follows:

	31.12.2020	31.12.2019
Percentage of non-controlling interests	62.70%	61.51%
Capital return and dividends paid to non-controlling interests	37,739	21,447
Statement of Financial Position		
Non-current assets	1,492,539	1,682,410
Current assets	482,089	435,988
(Long-term liabilities)	(1,259,310)	(1,430,595)
(Short-term liabilities)	(219,648)	(249,341)
Net fixed assets	**495,670**	**438,462**
Total equity attributable in non-controlling interests	**(315,000)**	**(274,297)**
Total equity attributable to the owners of the parent	**180,670**	**164,165**
Statement of Comprehensive Income		
Turnover	328,091	299,144
Shareholders of the parent from continuing operations	26,776	19,840
Non-controlling interests from continuing operations	46,612	33,405
Net Earnings	**73,388**	**53,245**
Shareholders of the parent from continuing operations	26,375	18,803
Non-controlling interests from continuing operations	45,946	31,768
TOTAL COMPREHENSIVE INCOME	**72,321**	**50,571**
Statement of Cash Flows		
Net cash flows from operating activities	180,137	168,751
Net cash flows from investing activities	(87,267)	(222,771)
Net cash (outflows) /inflows from financing activities	(55,332)	145,261
Net increase/(decrease) in cash and cash equivalents	**37,538**	**91,241**

(Amounts in thousands Euro, unless otherwise stated)

Opening cash and cash equivalents	257,464	166,359
Effect of exchange rate changes on cash & cash	(4,095)	(136)
Closing cash and cash equivalents	**290,907**	**257,464**

The above financial data of the subsidiary are prior to consolidation entries of the broader Group.

13 INVESTMENTS 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	
	31.12.2020	**31.12.2019**
Profit/(loss) after tax from continuing operations	(1)	(214)
Other comprehensive income	(25)	(533)
Total comprehensive income	**(26)**	**(748)**
Total participating interest of the Group in the carrying amount of theses associates	**1,126**	**1,152**

Change in investments in associates in 2020 and 2019 is as follows:

	GROUP		**COMPANY**	
	2020	**2019**	**2020**	**2019**
Balance 1st January	**1,152**	**4,572**	**4,800**	**4,800**
Transfer to joint ventures (Note 14)	0	(2,672)	0	0
Results from the application of the equity consolidation method	(26)	(748)	0	0
Balance 31st December	**1,126**	**1,152**	**4,800**	**4,800**

(Amounts in thousands Euro, unless otherwise stated)

Investments in associates also include the investments of the Group in ATHEX listed Company KEKROPS S.A. of the carrying amount in the Group standing at 1,044. The stock market value of KEKROPS S.A. as at 31.12.2020 was 22,447 (31.12.2019: 14,175).

14 INVESTMENTS IN JOINT ARRANGEMENTS

14.1 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 in 2020 and 2019 are presented below as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance 1st January	**49,394**	**51,443**	**5,104**	**5,159**
Additions	41,520	3,118	0	20
Sales / Write Off	0	(22)	0	(4)
Capital return/dividends	(401)	(251)	(240)	(251)
Impairment loss	0	0		180
Profit/(loss) from liquidation of joint	0	0	32	0
Results from the application of the equity consolidation method	(415)	(7,689)	0	0
Transfer from/(to) Participations in associates (Note 13)	0	2,672	0	0
Transfer from/(to) investments in subsidiaries	33	123	0	0
Balance 31st December	**90,131**	**49,394**	**4,896**	**5,104**

On 06.02.2020 following the fulfillment of the Conditions of the Concession Agreement, the State provided to the company INTERNATIONAL AIRPORT HERAKLION CRETE SA. the "License for the “Establishment and Construction of a New International Airport of Heraklion, Crete". As a result, the Group, through its subsidiary TERNA SA, raises share capital in the specific concession company totaling 41,520.

The most significant joint ventures included in this account are HERON II VOIOTIA S.A., HERON THERMOELECTRIC S.A. and INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. (see Note 5). The total data and items of the financial statements of these joint ventures during the year 2020 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	HERON II VOIOTIA SA	HERON THERMOELECTRIC SA	INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.
Interest	**25.00%**	**50.00%**	**32.46%**
	31.12.2020	**31.12.2020**	**31.12.2020**
Non-current assets	123,170	30,237	109,186
Cash and cash equivalents	8,466	19,131	37,921
Other current assets	27,213	145,097	27,562
Total assets	**158,849**	**194,466**	**174,668**
Long-term financial liabilities (less trade and	67,144	358	228
Other long-term liabilities	25,982	596	100,000
Short-term financial liabilities (less trade and other liabilities and provisions)	15,293	9,493	60
Other short-term liabilities	7,279	129,807	1,847
Total liabilities	**115,698**	**140,254**	**102,135**
Net assets	**43,151**	**54,211**	**72,534**
Carrying amount of investments in financial	**10,788**	**27,106**	**43,566**
Turnover	74,260	463,047	17,262
(Depreciation / Amort.)	(9,694)	(3,552)	(43)
(Financial expenses)	(8,868)	(787)	(9)
Financial income	28	11	0
Tax expenses	(3,379)	109	51
Results from continuing operations	**1,441**	**(855)**	**(162)**
Other comprehensive income	18	62	0
Total Results	**1,459**	**(793)**	**(162)**
Share in the results of the Group	360	(428)	(53)
Share in the other	5	31	0
Share in the total	**365**	**(397)**	**(53)**

It is noted that after starting date of the concession and in accordance with the provisions of the concession agreement, the participation percentages in the share capital were formed as: TERNA SA. 32.46%, GMR Airports Limited 21.64%, and Greek State with 45.9%. However, according to the Concession Agreement, TERNA and GMR Airports Limited have undertaken the obligation to fully cover the remaining amount of the share capital increase proportionally to participation percentage 60% and 40% respectively.

(Amounts in thousands Euro, unless otherwise stated)

The respective data and items of the financial statements of these significant joint ventures during the year 2019 are as follows:

	HERON II VOIOTIA	HERON
Interest	**25.00%**	**50.00%**
	31.12.2019	**31.12.2019**
Non-current assets	129,048	27,025
Cash and cash equivalents	12,348	10,363
Other current assets	38,055	159,162
Total assets	**179,451**	**196,550**
Long-term financial liabilities (apart from trade and other liabilities and provisions)	68,600	759
Other long-term liabilities	22,457	1,820
Short-term financial liabilities (apart from trade and other liabilities and provisions)	13,566	489
Other short-term liabilities	33,135	138,476
Total liabilities	**137,759**	**141,545**
Net fixed assets	**41,692**	**55,005**
Proportion in the net fixed assets	**10,423**	**27,503**
Turnover	144,363	462,343
(Depreciation / Amort.)	(10,951)	(3,275)
(Financial expenses)	(7,517)	(815)
Financial income	63	15
(Expense)/Income from income tax	(3,794)	(285)
Results from continuing operations	(32,197)	2,756
Other comprehensive income	(10)	(4)
Total Results	**(32,207)**	**2,752**
Share in the results of the Group	(8,049)	1,378
Share in the other comprehensive results of the Group	(3)	(2)
Share in the total comprehensive results of the Group	**(8,052)**	**1,376**

During the years 2020 and 2019, no dividends were collected from the above joint ventures.

The major items of the Other Joint Ventures (with credit net equity), that form their equity, are as follows:

	31.12.2020	31.12.2019
Non-current assets	32,397	35,539
Current assets	2,395	7,514
Long-term liabilities	(16,347)	(8,746)
Short-term liabilities	(6,881)	(16,188)

(Amounts in thousands Euro, unless otherwise stated)

Net fixed assets	**11,565**	**18,119**
Proportion in the net fixed assets	**8,672**	**11,468**

	1.1-31.12.2020	**1.1-31.12.2019**
Turnover	5,160	6,367
Results from continuing operations	(2,021)	(652)
Other comprehensive income	3	42
Total results	**(2,019)**	**(610)**
Share in the results of the Group	(331)	(1,029)
Share in the other comprehensive results of the Group	1	16
Share in the total comprehensive results of the Group	**(330)**	**(1,013)**

14.2 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 with their shareholders that 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 2020 and 2019 and represent the Group's share in assets and liabilities and profit after tax of the jointly controlled entities:

	GROUP		**COMPANY**	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Non-current assets	8,007	8,264	95	145
Other current assets	157,980	137,804	2,009	2,071
Total assets	**165,987**	**146,068**	**2,104**	**2,215**
Long-term liabilities	17,036	2,124	72	84
Other short-term liabilities	145,039	137,179	280	446
Total liabilities	**162,075**	**139,303**	**352**	**529**
Equity	**3,912**	**6,765**	**1,752**	**1,686**
Turnover	99,215	83,713	1,811	1,355
Total income after tax	2,892	2,433	830	339
Profit after tax	**(1,024)**	**546**	**564**	**218**

15 FINANCIAL ASSETS – CONCESSIONS

The Group, through its sub-group TERNA ENERGY, constructs and operates the following concession agreements:

A. Unified Automatic Fare Collection System: On 29.12.2014, a partnership agreement (PPP) for study, financing, installation, maintenance and technical management of a Unified Automatic Fare Collection System was signed between OASA (Athens Transport) Group and the Company's subsidiary "HST SA" for the companies of OASA Group. The total duration of the agreement is 12 years and 6 months. The construction and installation were completed in 2017, while during the first half of 2017, the operation started, which is expected to last 10 years and 4 months**.**

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 agreement 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 was completed in the 1st quarter of 2019, when the service period started.

C. Urban Waste Treatment Plant of Region Peloponnisos: On 14.06.2018, a partnership agreement was signed between the Region of Peloponnisos and the subsidiary company "PERIVALLONTIKI PELOPONNISOU MONOPROSOPI S.A. for the implementation of the project for the urban waste treatment plant of the Region of Peloponnisos. The agreement entails the construction of three (3) waste units and three (3) landfills in Arcadia, Messinia and Laconia, as well as two (2) waste management transit stations in Korinthia and Argolida. The Partnership Agreement includes study, licensing, financing, construction, insurance, operation and maintenance of the Project for the next 28 years. The construction term is 24 months, and from the 10th month after the agreement enters into force, a transitional waste management plant is projected to alleviate the major problem of the Region.
On 29.01.2021 the above partnership agreement (PPP) entered into force and during the year 2020 expenditures were made for the development of the project, preparation of construction sites as well as the studies for the implementation of the construction phase.

Analytical information on the accounting policy followed and the concession agreements mentioned above is presented in Note 4.15.

The analysis of the changes of the generated Concession Financial Statements as well as the revenue per category are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

Financial Assets - Concessions	**Unified Automated System for Ticket Collection**	**Installation of civil waste processing Epirus Region**	**Installation of civil waste processing Peloponnese Region**	**Total**
Opening balance 01.01.2019	**24,818**	**12,112**	**0**	**36,930**
(Decreases)/Increases in financial item	(4,496)	3,309	3,308	2,121
Reversal of repayment	4,132	1,154	0	5,286
Impairment/Reverse of	(13)	84	0	71
Closing balance as of	**24,441**	**16,659**	**3,308**	**44,408**
Opening balance 01.01.2020	**24,441**	**16,659**	**3,308**	**44,408**
(Decreases)/Increases in financial item	(6,151)	(314)	3,574	(2,891)
Reversal of repayment	3,859	1,268	240	5,367
Impairment/Reverse of	30	39	(1)	68
Closing balance as of	**22,179**	**17,652**	**7,121**	**46,952**
Analysis of revenues per category 1.1-31.12.2019				
Income from construction services	2,131	5,621	3,308	11,060
Income from operation services	7,276	1,740	0	9,016
Reversal of repayment	4,132	1,154	0	5,286
Total	**13,539**	**8,515**	**3,308**	**25,362**
Analysis of revenues per category 1.1-31.12.2020				
Income from construction services	0	332	3,574	3,906
Income from operation services	7,500	4,320	0	11,820
Reversal of repayment	3,859	1,268	240	5,367
Total	**11,359**	**5,920**	**3,814**	**21,093**

Cumulative provisions for credit losses based on IFRS 9 amounted to 5 compared to 73 in the previous year, as in 2020 provisions of 69 were reversed and new provision of 1 were made.

16 OTHER LONG-TERM RECEIVABLES

The account “Other long-term receivables” on 31.12.2020 and 31.12.2019 in the accompanying financial statements is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Loans to joint ventures and other related companies	38,165	36,491	118,811	179,138
Approved but not collected grants	10,441	10,441	0	0
Given guarantees	3,486	4,285	14	14
Withheld amounts of invoiced receivables	10,854	6,809	0	0
Other long-term receivables	1,866	31,837	11	12
Provision for impairment of long-term financial assets	(844)	(886)	(20)	(200)
Total	**63,968**	**88,977**	**118,816**	**178,964**

The change for the Company is mainly due to the transfer TO THE 100% SUBSIDIARY GEK TERNA MOTORWAYS SA, of the secondary Bond loans held by the Company and issued by the Motorway Concession Companies (CENTRAL GREECE MOTORWAY SA and NEA ODOS SA) that took place in October 2020. The transfer took place in the context of the Corporate Transformation (see note 7.4) in the notional amount of the secondary Bond loans plus the accrued interest up to the date of transfer, ie a total of 171,017. In addition, loans amounting to 96,800 were granted to affiliated parties.

An amount of 10,440 relates to an approved grant for the industrial unit producing ferrous magnesia based on the specific business plan (initial and modified) which has been duly submitted to the Ministry of Development. The aforementioned grant has not yet been received either as an advance or in full, while a relevant request is expected to be submitted to the Ministry within the second half of 2021. This claim has been pledged against a loan.

The change for the Group in "Other long-term receivables" is mainly due to derecognition of long-term receivables due to disposal of assets of Mountain Air Wind Farm by TERNA ENERGY sub-Group in 2020 (see Note 7.3).

Provisions for impairment of other long-tern receivables under IFRS 9 are analyzed as follows:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**106**	**0**	**106**
Provision of credit loss	0	592	0	592
Recovery of provision of credit loss	0	(112)	0	(112)
Eliminations	0	(110)	0	(110)
Other transfers	0	410	0	410
Balance 31.12.2019	**0**	**886**	**0**	**886**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**886**	**0**	**886**
Provision of credit loss	0	10	0	10
Recovery of provision of credit loss	0	(52)	0	(52)
Balance 31.12.2020	**0**	**844**	**0**	**844**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**0**	**0**	**0**
Provision of credit loss	0	204	0	204
Eliminations	0	(4)	0	(4)
Balance 31.12.2019	**0**	**200**	**0**	**200**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**200**	**0**	**200**
Recovery of provision of credit loss	0	(180)	0	(180)
Balance 31.12.2020	**0**	**20**	**0**	**20**

17 INVENTORIES

The account "Inventories" on 31.12.2020 and 31.12.2019 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Raw-auxiliary materials	5,559	4,273	0	0
Spare parts of fixed assets	4,595	4,753	0	0
Merchandise and Finished and semi-finished products	22,159	24,677	0	500
Property finished	22,876	23,253	944	0
Property to be developed	13,683	13,576	5,059	5,021
Property under construction	1,917	1,917	0	0
Impairment	(19,664)	(14,840)	(3,232)	(1,811)
Total	**51,125**	**57,609**	**2,771**	**3,710**

The account "Finished and semi-finished goods" mainly pertains to mined magnesite ore (processed and unprocessed).

(Amounts in thousands Euro, unless otherwise stated)

As a total, the Group recognized under the annual procedure of reviewing the net realizable value of inventories and real estate items the amount of loss standing at 4,827 (31.12.2019: 5,171) in the account "Other income/(expenses)" in the Statement of comprehensive income (see Note 39). From this loss, amount 4,430 (31.12.2019: 4,468) concerns products of the operational sector of industry / quarries Moreover, the Group recognized losses from writing off inventory amounting to 745 in the account "Other income/(expenses)" in the Statement of comprehensive income (see Note 39).

Regarding the Company, within the current year, a total profit of 141 (31.12.2019: 801 loss) was recognized) in the account "Other income/(expenses)" in the Statement of comprehensive income (see Note 39).

With the exception of the above cases, there was no need for impairment of inventories on 31.12.2020.

The inventories are not burdened with liens.

18 TRADE RECEIVABLES

Trade receivables of the Group and the Company on 31.12.2020 and 31.12.2019 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Trade receivables	249,990	315,035	3,609	3,377
Customers – Doubtful and litigious	15,326	15,218	317	317
Notes / Checks Receivable overdue	868	868	0	0
Checks Receivable	1,144	2,320	0	0
Minus: Provisions for doubtful trade receivables	(36,282)	(35,846)	(948)	(1,058)
Total	**231,046**	**297,595**	**2,978**	**2,636**

The above trade receivables also include trade receivables from the Energy segment clients amounting to 53,971 (31.12.2019: 55.917) which are pledged to banks as security against provided long-term and bond loans to finance the construction of Wind Farms.

The book values of trade receivables represent their fair value.

At every reporting date, the Group examines the need to recognize potentially arising impairment and expected credit losses, in accordance with the requirements of IFRS 9. The maximum exposure to credit risk at the financial statements reporting date is the book value of every category of receivables as recorded above. Provisions for impairment of trade receivables regarding 2020 and 2019 are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**745**	**33,126**	**33,871**
Provision of credit loss	0	655	2,990	3,645
Recovery of provision of credit loss	0	(883)	(685)	(1,568)
Eliminations	0	0	(425)	(425)
Other transfers	0	0	299	299
Foreign exchange differences	0	5	19	24
Balance 31.12.2019	**0**	**522**	**35,324**	**35,846**

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**522**	**35,324**	**35,846**
Provision of credit loss	0	1,006	416	1,422
Recovery of provision of credit loss	0	(451)	(386)	(837)
Eliminations	0	0	0	0
Change due to sale of existing entity	0	(8)	0	(8)
Other transfers	0	231	(180)	51
Foreign exchange differences	0	(9)	(183)	(192)
Balance 31.12.2020	**0**	**1,291**	**34,991**	**36,282**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**37**	**1,094**	**1,131**
Provision of credit loss	0	28	66	94
Recovery of provision of credit loss	0	(33)	0	(33)
Eliminations	0	0	(134)	(134)
Balance 31.12.2019	**(0)**	**32**	**1,026**	**1,058**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**(0)**	**32**	**1,026**	**1,058**
Provision of credit loss	0	64	0	64
Recovery of provision of credit loss	0	(24)	(150)	(174)
Balance 31.12.2020	**(0)**	**72**	**876**	**948**

The following table analyzes the total of trade receivables as well as the maturity of outstanding overdue trade receivables:

	GROUP		COMPANY	
	31.12.2020	31.12.201	31.12.2020	31.12.2019
Not overdue balances	211,413	266,002	2,196	1,013
Overdue balances	55,914	67,440	1,730	2,680
Total trade receivables	**267,328**	**333,441**	**3,926**	**3,694**

(Amounts in thousands Euro, unless otherwise stated)

The maturity of outstanding overdue balances trade receivables is analyzed as follows:

	GROUP 2020					
	Not overdue balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	211,413	2,792	14,549	6,480	32,093	267,328
Expected credit loss	(805)	(105)	(4,957)	(3,651)	(26,76	(36,282)
Total	**210,609**	**2,688**	**9,592**	**2,828**	**5,329**	**231,046**

	GROUP 2019					
	Not overdue balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	266,002	7,804	17,174	10,193	32,269	333,441
Expected credit loss	(602)	(752)	(143)	(7,250)	(27,09	(35,846)
Total	**265,400**	**7,052**	**17,030**	**2,942**	**5,171**	**297,596**

	COMPANY 2020					
	Not overdue balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	2,196	91	358	710	571	3,926
Expected credit loss	(426)	0	0	0	(523)	(948)
Total	**1,770**	**91**	**358**	**710**	**48**	**2,978**

	COMPANY 2019					
	Not overdue balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	1,013	225	690	638	1,127	3,694
Expected credit loss	0	0	0	0	(1,058)	(1,058)
Total	**1,013**	**225**	**690**	**638**	**69**	**2,636**

Not overdue amounts include an amount of Euro 34.9 million (31.12.2019: 64.5 million euro), which relates to good performance retentions.

As a total, as far as the Group is concerned, impaired and post-dated receivables after impairments that are overdue for more than 12 months amount to 8,157 for the Group and 758 for the Company. These receivables relate to Public Bodies, Related Parties and Third Parties and are, according to the Management's estimates, recoverable.

In the context of the Group's operations, necessary measures are taken on a case basis to ensure collectability of receivables.

(Amounts in thousands Euro, unless otherwise stated)

Finally, the factor, ensuring collectability of balance, is the received prepayments concerning construction contracts, which on 31.12.2020 amounted to Euro 231.3 million (31.12.2019: 163.7 million euro).

19 RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The receivables from contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.202	**31.12.201**	**31.12.202**	**31.12.201**
Receivables from construction contracts with customers	108,475	91,510	37	0
Receivables from other contracts with customers	19,603	17,493	13	178
Less: Impairments of receivables from contracts with customers	(10,090)	(10,465)	0	(1)
Total	**117,988**	**98,538**	**50**	**177**

Provisions for impairment of receivables from contracts with customers are analyzed according to the IFRS 9 as following:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**6,176**	**(75)**	**6,101**
Provision of credit loss	0	4,507	27	4,534
Recovery of provision of credit loss	0	(171)	0	(171)
Other transfers	0	1	0	1
Balance 31.12.2019	**0**	**10,513**	**(48)**	**10,465**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**10,513**	**(48)**	**10,465**
Provision of credit loss	0	118	75	193
Recovery of provision of credit loss	0	(54)	0	(54)
Other transfers	0	23	(27)	(4)
Foreign exchange differences	0	(510)	0	(510)
Balance 31.12.2020	**0**	**10,090**	**0**	**10,090**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**0**	**0**	**0**
Other transfers	0	1	0	1
Balance 31.12.2019	**0**	**1**	**0**	**1**

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**1**	**0**	**1**
Recovery of provision of credit loss	0	(1)	0	(1)
Balance 31.12.2020	**0**	**0**	**0**	**0**

In 2017, the Group filed and initiated a Demand for Arbitration, claiming contractual receivables (plus interest and arbitration costs) relating to a construction project carried out by TERNA sub-Group (through its TERNA Contracting subsidiary) in Bahrain. At that time, the amount of the Group's recognized non-invoiced receivables from the execution of the specific construction contract amounted to Euro 15.4 million (BD 6.5 million). On 31.12.2019, the Group on the above balance has recognized cumulative provisions for possible credit losses of Euro 10.5 million (BD 4.6 million). The multi-page court decision of the ICC International Court of Arbitration was issued in 2020 - on 25.05.2020, in particular - stating that the amount of Euro 11.1 million (BD 4.7 million) is awarded for the benefit of the Group. The company initiated the proceedings for the execution of the above decision of the ICC, while in October 2020, the opposing company filed an appeal to the High Court against the execution of the decision, and as the appeal was rejected on 29 December, it filed the second appeal to the Supreme Court in February 2021, once again seeking a suspension of the execution of the above decision of the ICC. The 2nd appeal was also rejected and thus, the Execution Court, after the first instance acquittal of the company by the High Court, has started the process of execution of the decision of the ICC, having submitted an application to the Central Bank of Bahrain to investigate and find opponent Sharaka for Housing Projects BSCC deposits in commercial banks, in order to satisfy the Court decision.

In 2021, upon completion of this process the Management will consider reversing the already recognized credit loss forecasts (which may amount to as much as Euro 6.5 million - BD 2.8 million).

Liabilities in relation to contracts with customers are analysed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.20**
Customer advances	101,123	109,817	131	475
Non-completed liabilities from construction contracts	84,448	93,841	0	89
Non-completed liabilities from other contracts with customers	1,242	0	0	0
Total	**186,813**	**203,658**	**131**	**564**

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

(Amounts in thousands Euro, unless otherwise stated)

Receivables from contracts with customers	**GROUP**
Balance 01.01.2019	**215,364**
Effect due to execution of existing contracts	(109,900)
Income for the period from new contracts	3,148
Foreign exchange differences	391
Balance 31.12.2019	**109,003**
Balance 01.01.2020	**109,003**
Effect due to execution of existing contracts	19,197
Income for the period from new contracts	1,287
Foreign exchange differences	(1,409)
Balance 31.12.2020	**128,078**

Liabilities due to contracts with customers	**GROUP**
Balance 01.01.2019	**92,448**
Effect due to execution of existing contracts	(21,653)
Income for the period from new contracts	22,972
Foreign exchange differences	75
Balance 31.12.2019	**93,841**
Balance 01.01.2020	**93,841**
Effect due to execution of existing contracts	(18,597)
Income for the period from new contracts	10,522
Foreign exchange differences	(76)
Balance 31.12.2020	**85,690**

The Group's contractual obligations amount to 85,690 (31.12.2019: 93,841). The income recognized during 2020, relating to contractual obligations effective as at 31.12.2019 stands at 93,841.

(Amounts in thousands Euro, unless otherwise stated)

20 PREPAYMENTS AND OTHER RECEIVABLES

The account "Prepayments and other receivables" on 31.12.2020 and 31.12.2019 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
Prepayments and other short-term non-financial receivables	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Advances to suppliers	30,823	35,518	1	0
VAT for rebate – offsetting	23,754	32,871	1,327	635
Receivables from Wind Parks' grants	1,479	1,479	0	0
Prepayment to insurance funds (Social Security Organization of technical works)	4,766	4,942	0	0
Accounts for the management of prepayments and credits	1,334	2,026	5	0
Receivables from other taxes other than income tax	79	1,921	0	1,919
Other deferred and prepaid expenses	13,439	15,620	326	1,305
Other transitory asset accounts	509	288	0	0
Total	**76,183**	**94,665**	**1,659**	**3,859**

	GROUP		COMPANY	
Other short-term financial receivables	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Receivables from J/V, related companies and other associates	14,004	7,536	2,991	2,853
Short-term part of granted long-term loans	469	424	3,772	42,783
Financial receivables from other various debtors	10,389	12,541	144	136
Receivables from to indemnities in relation to concession projects	24,524	10,250	0	0
Operational support of Concession projects	23,501	29,689	0	0
Blocked bank deposit accounts	106,008	51,547	18,504	7,235
Doubtful – Litigious other receivables	1,132	1,132	0	0
Less: Impairments of other short-term financial receivables	(13,318)	(13,510)	(1,202)	(1,185)
Total	**166,709**	**99,609**	**24,209**	**51,822**
Total prepayments and other receivables	**242,892**	**194,274**	**25,868**	**55,681**

(Amounts in thousands Euro, unless otherwise stated)

The Group includes in the account "Operational Support for Concession Contracts" the Operational Support that the subsidiary concession company CENTRAL GREECE MOTORWAY receives from the Greek State for every Calculation Period (calculation on a semi-annual basis as from 01.01.2016) and defined as the difference between the sum of eligible project expenses and distributed base performance, deducting the net income for every Calculation Period. According to the Concession Agreement, Operational Support received by the subsidiary constitutes gross income for income taxation purposes and is not subject to withholding tax and is charged with the corresponding VAT (further information is presented in Note 32.2).

The account "Receivables from Indemnities in relation to Concession Projects Compensations" includes receivables income loss compensation within 2020. In particular, within 2020, Concession Companies NEA ODOS S.A. and CENTRAL GREECE MOTORWAY S.A., the following compensations were recognized in the account "Other income/(expenses)" of the Statement of Comprehensive income (see Note 39): a) Incidents of Public Sector Delay (toll stations which have not been put into operation under the responsibility of the State) amounting to 10,771 and b) Reimbursement of loss of revenue arising from the restrictive measures imposed in order to address COVID-19 pandemic, amounting to 33,756. Concession Companies recognize the total amount of eligible compensation as it is certain that these amounts will be collected in full, since their calculation is based on the relevant provisions of the Concession Agreement. From the above amounts, in October 2020, an amount of 5,003 was collected, which corresponds to the compensation for loss of revenue in the first six-month period of 2020 due to non-operation of Toll Stations under the responsibility of the Greek State. Moreover, in December 2020, the amount of 15,100 was collected, corresponding to compensation for loss of revenue due to COVID-19 in the first six-month period of 2020.

Change in "Blocked bank deposit accounts" is due to contractual obligations of new loans disbursed within 2020 mainly by the parent company and by GEK TERNA MOTORWAYS SINGLE MEMBER SA.

The change in the account "Short-term part of long-term loans granted" to the Company pertains to redemption of receivables from loan agreements of concessions subsidiaries NEA ODOS S.A. and CENTRAL GREECE MOTORWAY S.A. from GEK TERNA MOTORWAYS SINGLE MEMBER SA in the context of the Corporate Transformation (see Note 7.4)

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 01.01.2019	**0**	**348**	**11,364**	**11,712**
Provision of credit loss	0	29	3,389	3,418
Recovery of provision of credit loss	0	(175)	(517)	(692)
Eliminations	0	0	(940)	(940)
Other transfers	0	0	9	9
Foreign exchange differences	0	0	4	4
Balance 31.12.2019	**0**	**202**	**13,309**	**13,511**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**202**	**13,309**	**13,511**
Provision of credit loss	0	152	0	152
Recovery of provision of credit loss	0	(193)	0	(193)
Eliminations	0	0	(98)	(98)
Other transfers	0	4	(47)	(43)
Foreign exchange differences	0	(1)	(10)	(11)
Balance 31.12.2020	**0**	**164**	**13,154**	**13,318**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**0**	**1,139**	**1,139**
Provision of credit loss	0	5	32	37
Other transfers	0	0	9	9
Balance 31.12.2019	**0**	**5**	**1,180**	**1,185**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**5**	**1,180**	**1,185**
Provision of credit loss	0	14	0	14
Recovery of provision of credit loss	0	(3)	0	(3)
Other transfers	0	0	6	6
Balance 31.12.2020	**0**	**16**	**1,186**	**1,202**

21 INVESTMENTS IN SECURITIES

The movement in investments in securities in 2020 and 2019 is analyzed as follows:

	GROUP		COMPANY	
	2020	2019	2020	2019
Balance 1st January	**65,434**	**48,135**	**64,752**	**48,049**
Additions	774	596	0	0
Reductions	(234)	0	(234)	0
Adjustment at fair through the Other Comprehensive Income	646	16,703	844	16,703
Balance 31st December	**66,620**	**65,434**	**65,362**	**64,752**

All the above investments refer to shares of unlisted securities, the most important of which are analytically described in Note 48.

(Amounts in thousands Euro, unless otherwise stated)

Profit from fair value measurement was included in Other Comprehensive Income account in the Statement of Comprehensive Income, not reclassified in the Income Statement in later periods.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

Financial assets at fair value through profit & loss are recorded as follows:

	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
Balance 1st January	**3,407**	**1,264**	**3,407**	**1,264**
Additions	6,377	0	3,999	0
Disposals	0	(1,243)	0	(1,243)
Adjustment at fair through Earnings	(1,808)	3,386	(1,808)	3,386
Foreign exchange differences	(165)	0	0	0
Balance 31st December	**7,811**	**3,407**	**5,598**	**3,407**

As of 31.12.2020, the amount of 7,811 for the Group is further analyzed to mutual funds 2,373 and third party shares 5,438 (183 and 3,223 as of 31.12.2019 respectively).

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group and the Company on 31.12.2020 and 31.12.2019 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Cash in hand	1,133	2,250	29	29
Sight Deposits	665,231	589,137	25,465	77,910
Term Deposits	442,053	3,284	440,600	0
Total	**1,108,417**	**594,671**	**466,094**	**77,939**

Term deposits have a usual duration of 3 months and carry interest rates ranged during the year between 0,1%-0,35% (31.12.2019: 0,2%-1%).

The Group's cash and cash equivalents include amounts for repayment from subsidiary companies of 3,024 (31.12.2019: 3,024), relating to the grants received due to the cancellation of the construction or the expiry of the time limits of the inclusion decisions of certain wind parks. The aforementioned amount of the grant to be returned has not been returned until the date of approval of the accompanying financial statements, as the relevant audit by the competent authorities has not been completed.

(Amounts in thousands Euro, unless otherwise stated)

For 2020 the increase in Cash and Cash Equivalents in the Company and the Group is due to the issuance of the Bond Loan amounting to 500 million of the Company, out of which amount of 400 million remains unallocated on 31.12.2020

Furthermore, the Group has blocked deposits amounting to 106,008 (31.12.2019: 51,547), which are held in specific bank accounts in order to settle its short-term operating and financial liabilities. These blocked deposits are classified in the account "Advances and other receivables" (see Note 20).

24 BORROWINGS

Long-term loans in the accompanying separate and consolidated financial statements are analysed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Long-term loans	2,308,651	1,893,896	623,546	351,359
Less: Long term liabilities payable during the next financial year	(109,958)	(105,123)	(8,538)	(12,118)
Long-term part of loan	**2,198,693**	**1,788,773**	**615,008**	**339,241**

Repayment period of long-term loans is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Up to 1 Year	109,958	105,123	8,538	12,118
Between 1 - 5 Years	702,251	509,889	110,827	92,811
Over 5 Years	1,496,442	1,278,884	504,181	246,430
Total	**2,308,651**	**1,893,896**	**623,546**	**351,359**

The total financial cost of long-term and short-term loan liabilities, for 2020, and the corresponding comparative period of 2019) is included in the account "Net financial income/(expenses)" of the consolidated and separate Income Statement. The average interest rate of the Group for the period ended 31.12.2020 stood at 4.38% (31.12.2019: 5.38%).

The Group's long term debt is by 91.99% in euro (90.49% at the end of the previous year), by 1.14% in PLN (1.77% at the end of the previous year) and by 6.87 % in USD (7.74% at the end of the previous year), and represents approximately 95.18% of the Group's total debt (93.23%

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 2020, the amount of 399.7 million euro (2019: 482.56 million euro) was repaid for long-term bank debt, whereas the amount of 917.7 million euro (2019: 615.05 million euro) was collected from new bank loans.

It is noted that the total borrowing includes subordinated, non-recourse loans of the amount of Euro 1,762.7 million (versus Euro 1,573.3 million on 31.12.2019), while the amounts of recourse debt stood at Euro 663 million (versus Euro 458 million on 31.12.2019).

Significant changes in the Group's loans for the period ended 31.12.2020 are described in the following paragraphs.

(a) Loans of the Company (GEK TERNA)

As of 31.12.2020 the total Company's loan liabilities amounted to Euro 623,546 million, of which an amount of 616,208 pertains to common negotiable bond loans and an amount of 7,338 pertains to intragroup loans. Regarding the amount of intragroup loans, an amount of 8,538 pertains to long-term loan liabilities payable in the next 12 months.

Within the current year, the Company repaid bank loan liabilities of 148,500 and intragroup loan liabilities of 84,750.

Issuance of Common Bond Loan (CBL) of Euro 500 million:

On 22.06.2020, the meeting of the Hellenic Capital Markets Commission approved the Prospectus of the Company of the public offer through cash payment and listing for trading on the Athens Stock Exchange of up to 500,000 common, bearer bonds, totaling Euro 500 million.

The terms of the loan are as follows: (a) yield of the bonds is 2.75% and is fixed for the entire term of the loan, (b) interest rate is six months, and (c) the term of the loan is seven (7) years and its repayment will be implemented at the end of the period of seven (7) years. The new CBL makes provisions for compliance with financial ratios at every financial statements reporting date (six-month and annual) and the calculation date starting at 31.12.2020.

For the specific Bond Loan Funds raised up to 31.12.2020 have been allocated a) for the total repayment of the common bond loan of amortized value of 18,500 of the Company b) for the total repayment of the bank loans amount of 40,113 of the subsidiary TERNA LEFKOLITHOI SA and c) for the total repayment of the short-term bank loans of the subsidiary TERNA SA amount of 17,379.

(b) Loans of the sub-group TERNA ENERGY

The TERNA ENERGY sub-Group's loans pertain to financing its business activities and mainly concern financing of construction and operation of installations in relation to renewable energy sources.

Within 2020, the sub-Group refinanced part of its bank loan liabilities in Greece, improving its financing terms, regarding the borrowing cost.

In 2020, TERNA ENERGY sub-Group issued a new loan from financial institutions amounting to 295,640. The liquidity raised was mainly used to finance investments in wind farms of subsidiaries, and repayment of short-term bank loans, issued to finance uninterrupted and timely compliance with the construction schedule, namely:

i. Regarding wind farms in Greece, TERNA ENERGY sub-Group, through its five (5) subsidiaries in Greece, issued common bond loans of nominal value 139,867 repaying the outstanding borrowings of 103,772.
ii. TERNA ENERGY sub-Group issued domestic and foreign short-term bank loans amounting to 75,014, while at the same time repaying 57,000 short-term financing.

Moreover, bank borrowings were reduced by 94,487 following the disposal of Mountain Air Wind Farm in Texas (see Note 7.3).

(c) Loans of the sub-group TERNA

As of 31.12.2020 the total bank liabilities amount to 106,184, of which an amount of 12,500 relates to long-term bank bond loans of TERNA sub-group, an amount of 4,633 relates to long-term loan liabilities payable in the next 12 months and an a mount of 89,054 relates to the total short-term bank loans of TERNA sub-Group. During the year, TERNA sub-Group repaid bank loan liabilities amounting to 206,501.

Furthermore, within 2020, TERNA sub-group issued a new short-term bank loan of 50,620 from financial institutions. The liquidity raised was mainly used for financing the investment in a concession company, in which TERNA participates, and repayment of existing short-term bank loans.

(d) Loans of motorways concession companies

As of 31.12.2020, the bank bond loans of the companies NEA ODOS and CENTRAL GREECE MOTORWAY amount to 479,941, of which an amount of 10,500 relates to loan liabilities payable in the next fiscal year. The companies NEA ODOS SA and CENTRAL GREECE MOTORWAY have signed bond loan agreements amounting to 241,700 and 470,915 respectively, in order to cover their needs for approved project costs during the T1 motorways construction period.

In 2020, the above companies repaid bank loan liabilities amounting to 9,421.

In August 2020, GEK TERNA MOTORWAYS SINGLE MEMBER SA signed a bond loan agreement of 270,000, disbursed in October 2020 in the framework of the Group Corporate Transformation (see Note 7.4).

(Amounts in thousands Euro, unless otherwise stated)

(e) Loan guarantees

To secure some of the Group's and other affiliated companies' loans:

- Wind parks' generators have been pledged amounting to 1,213,483 (31.12.2019: 1,398,600),
- Insurance contracts, receivables from the sale of electric energy to LAGIE or DEDDIE and from construction services, motorways concession contracts and cash have been assigned to lending banks,
- Lien mortgages of various series have been written on the real estate of some of the Group's companies amounting to 5,430 (31.12.2019: 26,541) and,
- Shares and secondary loans of subsidiaries and other related companies have been provided as collaterals with a nominal value of 181,337 (31.12.2019: 70,874).

The table below presents the changes in the Group and Company's short-term and long-term loans as of 31.12.2020 and 31.12.2019:

	GROUP		COMPANY	
Long-term loans	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Opening balance	**1,893,896**	**1,713,363**	**351,359**	**388,549**
Capital withdrawals	917,662	615,053	507,297	167,002
Capital payments	(399,722)	(482,564)	(233,250)	(202,958)
Interest payments	(79,170)	(76,261)	(22,004)	(17,785)
Loan interest in financial results (note 43)	73,363	74,643	20,144	16,342
Other loan interest (capitalized etc.)	546	3,865	0	0
Consideration settled in bank borrowings due to acquisition of new entity (note 7.2)	0	60,913	0	0
Change due to acquisition of new entity (Note 7.2)	(563)	(17,975)	0	0
Change due to sale of existing entity (Note 7.3)	(94,487)	0	0	0
Foreign exchange differences	(17,752)	3,826	0	0
Transfers / reclassification from short term loans	14,878	(967)	0	209
Closing balance	**2,308,651**	**1,893,896**	**623,546**	**351,359**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP	
Short-term loans	**31.12.2020**	**31.12.2019**
Opening balance	**130,598**	**125,421**
Capital withdrawals	209,036	279,426
Capital Payments	(208,129)	(281,624)
Interest payments	(6,739)	(6,785)
Loan interest in financial results (note 43)	6,248	6,387
Other loan interest (capitalized)	1,861	1,080
Addition from company acquisition (note 7.2)	0	6,613
Foreign exchange differences	(1,492)	80
Transfers / Reclassification to long term loans	(14,878)	0
Closing balance	**116,505**	**130,598**

25 LEASE LIABILITIES

Lease liabilities as of 31 December 2020 and 31 December 2019 are analyzed as following in the accompanying financial statements:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Liabilities from bank leases (long-term)	200	506	0	0
Liabilities from bank leases (short-term)	326	6,342	0	0
Sub-total of bank leases (a)	**526**	**6,848**	**0**	**0**
Liabilities from third parties leases (long-term)	15,095	13,109	297	383
Liabilities from third parties leases (short-term)	3,374	3,832	89	83
Sub-total of third parties leases (b)	**18,469**	**16,941**	**386**	**466**
Total leases (a)+(b)	**18,995**	**23,789**	**386**	**466**

The repayment period of lease liabilities is analyzed in the tables below as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Up to 1 Year	3,700	10,175	89	83
Between 1 - 5 Years	5,785	6,751	244	304
Over 5 Years	9,510	6,863	53	78
Total	**18,995**	**23,790**	**386**	**466**

(Amounts in thousands Euro, unless otherwise stated)

Changes in these liabilities in 2020 and 2019 are presented below as follows:

	GROUP		COMPANY	
Liabilities from leases	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Opening balance	**23,789**	**11,882**	**466**	**0**
Effect due to IFRS 16	0	17,885	0	331
1st January, Readjusted Balance	**23,789**	**29,767**	**466**	**331**
Repayments of lease contracts	(10,874)	(10,285)	(84)	(64)
Payments of interest	(1,006)	(982)	(23)	(18)
Liabilities from new contracts	6,368	5,219	4	199
Foreign exchange differences	(298)	67	0	0
Financial cost for the period (note 43)	1,006	1,393	23	18
Addition from company acquisition (note 7.1)	582	0	0	0
Termination of lease	(572)	(1,390)	0	0
Closing balance	**18,995**	**23,789**	**386**	**466**
Long-term liabilities from leases	**15,295**	**13,615**	**297**	**383**
Short-term liabilities from leases	**3,700**	**10,174**	**89**	**83**

26 EQUITY INSTRUMENTS 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, in order to make the best use of the tax benefits provided by local legislation, the sub-group TERNA ENERGY has entered into agreements with "Tax Equity Investors" investors (hereinafter "TEI"). According to these agreements, the cash flows and tax benefits generated by wind farms are contractually distributed amongst TEI investors and sub-group TERNA ENERGY.

Equity instruments having a substance of financial liabilities (long and short-term component) as of December 31st 2020 and December 31st 2019 are analysed in the accompanying Financial Statements as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP	
	31.12.2020	**31.12.2019**
Financial liabilities	193,654	272,582
Deferred income (*)	42,530	51,825
Long-term part	**236,184**	**324,407**
Long-term financial liabilities payable in the following year	45,079	51,365
Short-term part	**45,079**	**51,365**
Total	**281,263**	**375,772**

(*) The item pertains to the value of financial losses attributable to Tax Equity Inventors and is recognized in other income for the year, on a pro rata basis according to the estimated period of investor's stay in the investment scheme.

Changes in equity instruments having a substance of financial liabilities are analysed as follows in the Statement of Financial Position:

Financial liabilities	GROUP	
	2020	**2019**
Balance 1 January	**323,947**	**133,474**
Collectibles from TEI	1,052	120,718
Cash distribution from TEI	(4,334)	(6,662)
Addition from acquisition of entity(note 7.2)	0	113,685
Change due to sale of existing entity (note 7.3)	(41,243)	0
Value of tax benefits	(43,893)	(53,673)
Interest for the period (Note 43)	26,362	15,885
Foreign exchange differences	(23,158)	520
Balance 31st December	**238,733**	**323,947**

Deferred income	GROUP	
	2020	**2019**
Balance 1 January	**51,825**	**26,916**
Value of tax benefits	1,430	31,140
Amortization of tax benefits (Note 39)	(6,711)	(6,663)
Foreign exchange differences	(4,014)	432
Balance 31st December	**42,530**	**51,825**

Financial liabilities are measured at amortized cost using the effective interest method. This liability is decreased by the distribution of cash received by the TEI and, depending on the terms of the contract and the value of the tax benefits.

In 2020, the value of tax losses attributable to TEI and recognized in other income (Note 39), based on the straight-line method over the term of the contract, amounts to 6.711 (2019: 6.663). The value of PTCs, which are linked to the wind farm's annual energy production based on actual production, is recognized in turnover and amounts to 42.463 (2019: 22.533).

- **Financial liability to TEI Met Life:**

In 2012, TERNA ENERGY sub-Group entered the USA market with a transaction, in which the company Met Life (TEI) paid the amount of Euro 49.693 k to acquire the right to receive, mainly cash and tax losses. In FY 2013, the construction was completed and the Wind Farm Mountain Air, of total capacity of 138 MW, located in the state of Idaho, USA, started operating.

On 15.07.2020 the Group proceeded with the disposal of the wind park "Mountain Air" to Innergex Renewable Energy Inc. In particular, the Group, through its subsidiary in the USA, Mountain Air Resources LLC, disposed Class B membership interest of the wind park “Mountain Air” (see Note 7.3). As a result of the disposal, TERNA ENERGY sub-Group derecognised the unamortized balance of the aforementioned liability on 15.07.2020, amounting to 41,243.

- **Financial liability to TEI AEG Fluvanna Wind LLC:**

On 31.12.2020, the unamortized liability of the Group to TEI AEG Fluvanna Wind LLC, c/o Special Situations Investing Group II LLC (affiliated company of Goldman Sachs) amounts to 90.953 (including 21.640 relating to unamortized value of tax benefits).

In 2017, construction was completed and the Fluvanna I Wind Farm, of 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 FY 2017.

As a result of the aforementioned tax treatment of the construction cost of the project, significant tax losses will be incurred in FY 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 Wind Farm (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, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna I Wind Farm, with a limited amount of tax equity investment. In FY 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.

- **Financial liability to TEI MidAmerican Wind Tax Equity Holdings, LLC:**

On 31.12.2020, the unamortized liability of the Group to TEI MidAmerican Wind Tax Equity Holdings, LLC (affiliated company of Berkshire Hathaway) amounts to 98,748 (including 19,277 relating to unamortized value of tax benefits).

In 2019, construction was completed for Fluvanna II Wind Farm, of total capacity of 158 MW, located in the state of Texas, USA and was set in operation. Under the tax law in the USA, this Wind Farm is eligible to depreciate for tax purposes almost all of its construction costs within its operating year, namely in FY 2019. As a result of the aforementioned tax treatment of the construction cost of the project, significant tax losses will be incurred in FY 2019.

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 Wind Farm (Production Tax Credits - PTCs).

On 13.09.2019, the Group entered into a transaction in which Berkshire Hathaway paid the amount of 120.250 (including issuance fees) to acquire 50% of the membership interests, the contractual rights of which stipulate that the TEI will receive, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna II Wind Farm, with a limited amount of tax equity investment. In FY 2019, TEI received 82,58% of the tax benefits, and from the 2020 year and until it achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

- **Financial liability to TEI BAL & ANTRIM:**

On 31.12.2020, the unamortized liability of the Group to TEI Antrim Corporation and BAL Investment & Advisory, Inc., (affiliated company of Merrill Lynch) amounts to 91,562 (including 1,613 relating to unamortized value of tax benefits).

In September 2019, the acquisition of the membership interest in the Wind Farm “Bearkat I”, in Texas, USA, was competed. The wind farm of total capacity of 196,65 MW, started operating in December 2017. Following the finalization of the acquisition, the Group has a financial liability to TEI BAL & ANTRIM. The Wind Farm is eligible to receive tax benefits linked to the annual Production Tax Credits – PTCs. The TEI will receive, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the wind farm Bearkat I, with a limited amount of tax equity investment. In FY 2019 and until the TEI achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

27 PROVISIONS FOR EMPLOYEE COMPENSATION

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.

(Amounts in thousands Euro, unless otherwise stated)

Estimates 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 Statement of Comprehensive Income for the FY 2020 and the change of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of financial position for the year ended on 31.12.2020.

The expense for staff indemnities, recognized by the Group in Income Statement and recorded in Cost of sales at 2,084, in Administrative and distribution expenses at 920 and in financial expenses ay 50 (1,196, 333 and 67 during the previous year, respectively), and by the Company in Administrative and distribution expenses (during the closing and previous year), is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Current service cost	1,194	1,102	26	12
Financial cost	50	67	2	2
Effect of cut-backs or settlements	1,905	638	57	13
Recognition of actuarial (profits) / losses	(121)	333	3	22
Total	**3,028**	**2,140**	**88**	**49**

The changes in the relative provisions in the Statement of financial positions are as follows:

	GROUP		COMPANY	
	2020	**2019**	**2020**	**2019**
Balance as of 1 January	**7,402**	**8,572**	**164**	**137**
Provision recognized in Net earnings	3,054	1,596	85	27
Provision recognized in Other Comprehensive Income	(121)	333	3	22
Provision recognized in inventories	95	207	0	0
Foreign exchange differences	(117)	85	0	0
Compensation payments	(3,830)	(3,391)	(96)	(22)
Balance 31 December	**6,483**	**7,402**	**156**	**164**

The key actuarial assumptions for the years 2020 and 2019 are as follows:

	2020	**2019**
Discount rate	0.60%	1.00%
Future salaries increases	1.25%	1.25%
Inflation	1.50%	1.50%
Movement of salaried workers (departure under their own will)	1%	1%
Mortality	EVK 2000	MT_EAE2012P

(Amounts in thousands Euro, unless otherwise stated)

The following table presents the sensitivity of the provisions for staff indemnities in case changes have occurred in certain actuarial assumptions.

	GROUP	COMPANY
Change in discount rate +0,5%	(422)	(17)
Change in discount rate -0,5%	622	19
Change in salaries + 0,25%	404	18
Change in salaries - 0,25%	(417)	(17)

28 OTHER PROVISIONS

Changes in other provisions of the Group and the Company in 2020 and 2019 are as follows:

	GROUP		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**
1st January 2020	**20,770**	**14,546**	**35,316**
Provision recognized in the results	0	15,840	**15,840**
Provision recognized in fixed assets	960	0	**960**
Provisions used	0	(9,587)	**(9,587)**
Interest from provisions recognized in Net Profit	1,133	0	**1,133**
Transfer from/ (to) another account	0	(8,091)	**(8,091)**
Unused provisions recognized in profit	0	(10)	**(10)**
Change due to sale of existing entity (note 7.3)	(1,660)	0	**(1,660)**
Foreign exchange differences	(637)	(169)	**(806)**
31st December 2020	**20,566**	**12,529**	**33,095**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**
1st January 2019	**16,455**	**27,431**	**43,886**
Provision recognized in the results	993	301	**1,294**
Provision recognized in fixed assets	1,897	0	**1,897**
Provisions used	0	(9,129)	**(9,129)**
Transfer from/ (to) another account	0	(4,066)	**(4,066)**
Addition from company acquisition (note 7.2)	1,370	0	**1,370**
Foreign exchange differences	55	9	**64**
31st December 2019	**20,770**	**14,546**	**35,316**

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

	GROUP	
	31.12.2020	**31.12.2019**
Provisions for tax for tax non-inspected years	3,610	4,610
Provisions for litigations	5,875	4,838
Provision for loss-bearing construction contracts	0	1,433
Other provisions	3,044	3,665
Total	**12,529**	**14,546**

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.

The item “Provisions for rehabilitation of the natural landscape" records the provisions made by the companies of the Group’s the energy segment, as well as some provisions made by the companies of the industrial segment 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 20,566 (31.12.2019: 20,770) 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 MOTORWAY 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. Additional provisions were made in 2020, standing at 16,544 (31.12.2019: 7,005), while the total amount of 15,261 (31.12.2019: 8,306) is recorded in accrued and other liabilities, as the Group estimates that the respective operations will be carried out within 2021.

(Amounts in thousands Euro, unless otherwise stated)

29 GRANTS

Grants on 31 December 2020 and 31 December 2019 in the accompanying financial statements are analyzed as follows:

	GROUP	
	2020	**2019**
Balance 1st January	**154,699**	**162,000**
Refunds of grants	0	(36)
Change due to sale of existing entity (Note 7.3)	(44,281)	0
Foreign exchange differences	(1,138)	981
Amortization of grants on fixed assets recognized in net results (Note 39)	(7,034)	(8,194)
Amortization of grants on fixed assets recognized in inventories	20	(52)
Balance 31st December	**102,266**	**154,699**

The Group's grants refer to those provided by the State for the development of wind parks of TERNA ENERGY sub-group at 82,140 (31.12.2019: 134,322), industrial / trade zones, car park stations and industrial development. The grants are amortized in accordance with the granted assets' depreciation or utilization rates.

The account includes approved but not collected grants, of a total amount of 11,920, (see Notes 16 and 20) which were recognized on the basis of the Group's management's assurance that all the conditions for the collection of these grants are normally met and that these amounts will be collected following the final approval of the completion of the relevant investments.

30 SUPPLIERS

As of 31 December 2020 and 31 December 2019, Suppliers in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Suppliers	218,068	261,490	1,983	1,870
Checks and notes payable	4,681	2,854	0	0
Total	**222,749**	**264,344**	**1,983**	**1,870**

(Amounts in thousands Euro, unless otherwise stated)

The balance of the item arises from the amount of 161,797 (31.12.2019: 188,659) from the construction segment, 24,623 (31.12.2019: 41,036) from the RES segment, 18,169 (31.12.2019: 22,825) from the concessions segment and 18,160 (31.12.2019: 11,824) from other operating segments of the Group.

31 ACCRUED AND OTHER LIABILITIES

As of 31st December 2020 and 31st December 2019, Accrued and other liabilities (long and short term) in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
Other long-term financial liabilities	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Withheld amounts and guarantees to suppliers	123	1,436	0	0
Liabilities from acquisition of companies	25,176	13,839	14,886	13,839
Guarantees of leased property	366	385	86	95
Other long-term financial liabilities	49	195	0	0
Total	**25,714**	**15,855**	**14,972**	**13,934**

The account "Liabilities from acquisition of companies" in the Group pertains to:

(a) the amount of 14.886 of the present value of the credited consideration from the acquisition by the parent GEK TERNA of percentages of the companies NEA ODOS CONCESSION SA and CENTRAL GREECE MOTORWAY CONCESSION SA, which took place in a previous year. The consideration will be repaid gradually through installments till 2028, with the next payment effective in 2024.

(b) the amount of 10.290 concerns the liability of a contingent consideration related to the acquisition of the company "RF Energy Omalies Single Member SA ", by TERNA ENERGY sub-Group, is expected to be paid after 31.12.2021, in accordance with the terms of the acquisition contract. This liability is discounted using an appropriate discount rate of 6.14%. Further information is presented in Note 7.1.

	GROUP		COMPANY	
Other long-term non-financial liabilities	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Collected advances from contracts with customers	135,492	59,452	0	0
Other long-term non-financial liabilities	19	28	0	0
Total	**135,511**	**59,480**	**0**	**0**
Total other long-term liabilities	**161,225**	**75,335**	**14,972**	**13,934**

(Amounts in thousands Euro, unless otherwise stated)

The balance of the account "Collected advances from customers relating to construction agreements" concerns an advance payment from the client for the project of INTERNATIONAL AIRPORT OF HERAKLION CRETE amounting to 91,065.

	GROUP		COMPANY	
Accrued and other short-term financial liabilities	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Liabilities from dividends payable and capital return	221	59	0	0
Liabilities to members of j/v and other associates	2,959	1,239	2,097	844
Accrued expenses	24,242	18,256	275	134
Acquisition under settlement	630	9,753	0	0
Liabilities from acquisition of companies	200	8,700	0	8,700
Sundry Creditors	6,117	8,384	989	1,848
Total	**34,369**	**46,391**	**3,361**	**11,526**

The change in the account "Liabilities from acquisitions of companies" pertains to settlement of the acquisition consideration of companies KASSIOPI BV, AVLAKI I BV, AVLAKI II BV, AVLAKI III BV and AVLAKI IV BV, acquired within 2019.

	GROUP		COMPANY	
Other short-term non-financial liabilities	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Liabilities from taxes and duties	16,415	21,454	262	691
Social security funds	4,677	4,692	120	86
Income carried forward and other transit accounts	5	10,632	0	7,085
Approved and collected grants to be returned	3,024	3,024	0	0
Provisions for loss-bearing construction contracts	5,252	5,100	0	0
Provision for major maintenance of motorways	15,261	8,306	0	0
Total	**44,634**	**53,208**	**382**	**7,862**
Total Accrued and other short-term liabilities	**79,003**	**99,599**	**3,743**	**19,388**

The account "Grants to be reimbursed" includes 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 grants.

The change in the account "Income carried forward and other transit accounts" mainly concerns recognition of financial income amounting to 7,085 This amount arose during the acquisition in a previous year and at a value lower than the nominal, of certain series of the Bond loans of the concession companies NEA ODOS SA. and ODOS CENTRAL GREECE SA, by third parties. The amount, consequence of the Corporate Transformation (see Note 7.4) was recognized as financial income in the account "Net financial income / (expenses)" (see Note 43) of the Statement of comprehensive income of the Company and the Group.

(Amounts in thousands Euro, unless otherwise stated)

32 FINANCIAL DERIVATIVES

The Group and the Company financial derivatives as of 31.12.2020 and 31.12.2019 are analyzed as follows:

	GROUP	
Liabilities from derivatives	**31.12.2020**	**31.12.2019**
- Hedging cash flows		
Interest rate swaps (note 32.1)	29,810	27,269
Interest rate swaps CENTRAL GREECE MOTORWAY (note 32.2)	207,024	196,137
Electricity options (collar) (note 32.3)	1,873	2,625
Future contract for the sale of electric energy (physical forward) (note 32.3)	2,382	6,031
- For trading purposes		
Electricity options (collar) (note 32.3)	0	76
Total Liabilities from Derivatives	**241,089**	**232,137**
- Long-term liabilities from derivatives	*214,066*	*202,559*
- Short-term liabilities from derivatives	*27,023*	*29,578*
Receivables from derivatives		
- Hedging cash flows		
Electricity options (collar) (note 32.3)	6,753	5,716
Electricity options (swaption) (note 32.3)	780	510
Future contract for the sale of electric energy (physical forward)- Hedging cash flows (note 32.3)	7,011	8,096
Total	**14,544**	**14,322**
Embedded derivative according to the concession agreement (CENTRAL GREECE MOTORWAY) (note 32.2)	196,410	193,177
Total Receivables from Derivatives	**210,954**	**207,500**
- Long-term liabilities from derivatives	*191,734*	*188,635*
- Short-term liabilities from derivatives	*19,220*	*18,865*

All the aforementioned financial instruments are measured at their fair value (see Notes 4.13.6 and 4.14).

In particular, in 2020, from all the aforementioned derivatives, a total profit of 20.428 (31.12.2019: profit 46.011) was recognized in the income statement of the year from changes in fair value, which is included in the item "Net financial income/(expenses)" as analysed in Note 43 in the line “Derivatives valuation results ”. Furthermore, total changes in fair value recognized in other comprehensive income totally amounted to a loss of 7.533 (31.12.2019: loss 25,952). Furthermore, during the year and following the disposal of the wind farm "Mountain Air", a loss of 6,511 was reclassified from the relevant account " Differences from cash flows risk hedges reserves” to the income statement (Note 7.3). More analytically:

32.1 Forward Interest Rate Swaps

In order to manage the interest rate risk it is exposed to, the Group has entered into forward interest rate swaps.

The objective of interest rate swaps is to offset the risk of adverse cash flows of future cash flows arising from interest on loan contracts entered into as a result of activities, in particular the electricity generation segment. Specifically, interest rate swaps relate to contracts whereby the variable interest rate on the loan is converted to fixed over the entire term of the loan, so that the Group is protected against any increase in interest rates. The fair value of these contracts was estimated by displaying the effective interest rate (euribor) curve as of 31.12.2020 throughout the time horizon of such contracts.

The fair value of these contracts as of 31.12.2020 amounted to a total liability of 29.810 (the total nominal value of the contracts is 467,410 for Greece and Bulgaria). As of 31.12.2020, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9 and - from their measurement at fair value - loss of 4.682 and profit of 808 were recognized in the income statement of the period. These financial liabilities have been classified in the hierarchy of fair value at level 2 (see Note 48).

32.2 Liabilities and Receivables on derivatives of CENTRAL GREECE MOTORWAY: Derivative financial instruments and Operational Support

The Group has recognized, through the 100% subsidiary company CENTRAL GREECE MOTORWAY SA, a derivative obligation of interest rate swaps of 207,024, (nominal value 358,941, beginning 2008 and ending 2036 and interest rate 4.766% fluctuating euribor) and respectively a receivable from an embedded derivative financial asset (i.e. the part of the Operating Support Scheme covering future payments of the exchange derivatives interest rates) of 196,410. Detailed information on the Concession Agreement and the basis for recognition of the imbedded derivative receivable, since the Group (through the 100% subsidiary company CENTRAL GREECE MOTORWAY SA) 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 annual financial statements for the period ended on 31 December 2020.

- The fair value of the financial asset receivable from embedded derivative on 31.12.2020 of 196,410 reflects the present value from future payments on interest rate swaps (31.12.2019: 193,177). The Group has taken into account the following for discounting future flows: a) future outflows as derived from the financial model of CENTRAL GREECE MOTORWAY SA, approved by all parties (Lenders, State, Company), b) Government credit risk as embodied in the multi-maturity Greek government bond yield curve, c) Potential time difference between Derivative Payments and Operational Support Collection. The Group, at each reporting date, reviews the financial asset for impairment. The Group assessed that there is no indication of impairment as of December 31st 2020.

  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 December 31st 2020 amounting to 18.704 (31.12.2019: 18.715). Subsequently, any change in the valuation of the derivative is recognized in profit or loss in the period it arises, i.e. as of December 31st 2020, the arising profit of 21.937 which substantially reflects the change in interest rates, was recognized in the "Net financial income/(expense)" item of the consolidated Income Statement (see Note 43). This financial asset is classified at fair value hierarchy level 3 (see Note 48).

- Interest rate swaps are contracts where the variable interest rate on the loan is converted to fixed over the entire term of the loan so that the subsidiary is protected against any interest rate rise. These contracts meet the requirements for cash flow hedging in accordance with IFRS 9.

  The fair value of these contracts was assessed by recording the effective interest rate (euribor) curve as of 31.12.2020 throughout the entire period of these contracts. As of 31.12.2020, the fair value of these contracts amounted to 207,024 in total and the Group recognized from its valuation of derivatives a total loss of 10,887, of which an amount of 1,904 relates to the ineffective part of the cash flow hedging derivatives reclassified from other comprehensive income to Income Statement of the period. This financial liability is classified at fair value hierarchy level 2.

32.3 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 01.01.2024. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary constructed and operated a wind park of 155,4 MW-capacity in West Texas of the United States.

In September 2019, the Group proceeded to amendment of the aforementioned derivatives, according to which a decrease of the quantity to be offset was agreed by 50% from collar and by 75% from swaption. This transaction resulted to an income of 5,226 in FY 2019 which was recorded in "Net financial income/(expenses)".

As of 31.12.2020, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivatives was determined at 2,569 (net receivables) as of 31.12.2020 (31.12.2019: 514 – net receivable) and the derivatives were classified at fair value hierarchy level 3 (see Note 48).

In July 2018, the Group issued a balance of hedge, through which it will swap variable income from sale of wind farm electricity to the USA for a fixed payment. The contract in question is only financially settled and does not include product swap. The Group entered into the aforementioned contracts with the ultimate purpose of using them to hedge the risk of market price changes and, secondary, their effect on revenue from sale of electric energy. The balance changes transaction effective date was 03.07.2018. During the FY 2020 the balance of hedge agreement was terminated, according to the original contract conditions and therefore its fair value changed to zero. The aforementioned contract did not comply with hedging of cash flow risk provisions stated in IFRS 9.

As of 31.12.2019, the fair value was determined at 76 (net liability) and was classified at fair value hierarchy level 3 (see Note 48).

In FY 2020, the unrealized profit from the valuation of the balance of hedge amounting to 75 (FY 2019: unrealized profit 464), constitutes operating profit of the wind farm in question and, therefore, has been additionally recorded in Turnover.

In September 2018, the Group issued two derivatives, a forward contract for sale of electricity at a predetermined price, physical, and a collar option. Regarding the physical contract, the effective date was 01.11.2019, while regarding the collar - 01.11.2024. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary constructs and will operate the second wind park of 158 MW-capacity in West Texas of the United States.

On 31.12.2020 and 31.12.2019, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivative was determined at 3,587 (net receivable as of 31.12.2020 (31.12.2019: 591 – net receivable) and the derivative has been classified at fair value hierarchy level 3 (see Not 48).

On September 5th 2019, through acquisition of subsidiary, the Group issued a derivative, a forward contract for sale of electricity at a predetermined price, physical. The effective date was 01.04.2018. The Group entered into this derivative with the ultimate purpose of using it to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary operates wind park of 196,65 MW-capacity in Texas of the United States.

(Amounts in thousands Euro, unless otherwise stated)

As of 31.12.2020 and 31.12.2019, this contract met the conditions set for cash flow hedging, in accordance with the requirements of IFRS 9. The fair value of the derivative was set at 4,133 (net receivable) as of 31.12.2020 (31.12.2019: 4,562 (net receivable) and has been classified in the fair value hierarchy level 3 (see Note 48).

As of 30.09.2019, this derivative did not meet the cash flow hedge requirements in accordance with the provisions of IFRS 9. During the first nine-month period of 2019, unrealized losses from the derivative valuation of 1.595 constitute operating loss for the wind farm in question and have therefore been deducted from turnover.

Summarizing the above, in 2020, from the aforementioned derivatives used for the purpose of hedging changes in energy market prices, a total loss from changes in fair value of 412 (2019: profit 6.870), in the income statement and in particular in the item "Net financial income/ (expenses) (see Note 43). The changes in fair value recognized in the “Cash flow hedging risk” item of the statement of other comprehensive income totally amounted to profit of 5.893 (31.12.2019: loss 1.594).

33 SHARE CAPITAL – EARNINGS PER SHARE

On 31.12.2020 the share capital of the Company amounted to Euro 58,951,275.87, was fully paid and divided into 103,423,291 common shares of a nominal value of Euro 0.57 each. Each share of the Company entitles one vote. The share premium account on 31.12.2020 stands at 381.283.

In addition, on 31.12.2020 the Group held directly through the parent 5,245,229 equity shares and indirectly through subsidiaries 1,305,040, a total of 6,550,269 equity shares of a total acquisition value of 25,787, i.e. 6.3335% of the share capital (see Note 34).

Earnings per share

Basic earnings per share for the period 01.01.-31.12.2020 and the corresponding comparative period were calculated as follows:

	GROUP	
(a) Basic earnings / (losses) per share (Amounts in Euro / Share)	**1.1-31.12.2020**	**1.1-31.12.2019**
Profit / (Losses)		
Net gains / (losses) attributable to the shareholders of the parent for basic earnings per share (Amounts in Euro)	12,461	23,457
Number of Shares		
Average Weighted Number of Common Shares Used to Calculate Basic Earnings / (Losses) Per Share	96,945,620	97,995,857
Basic earnings / (losses) per share (Amounts in Euro / Share)	**0.1285**	**0.2394**

Basic earnings per share were calculated applying the weighted average number of common shares, subtracting the weighted average number of treasury shares. No adjustments have been made to earnings (numerator). Finally, no diluted earnings per share are effective for the Group and the Company for the period ended on 31.12.2020 and the respective comparative period.

(Amounts in thousands Euro, unless otherwise stated)

34 RESERVES

The reserves for the fiscal years 2020 and 2019, in the accompanying 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 participating 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
1st January 2019	**29,563**	**(16,698)**	**15,136**	**(569)**	**(3,630)**	**46**	**359,185**	**(7,840)**	**375,193**
Earnings from other comprehensive income	0	0	13,874	(20,134)	(522)	(281)	0	(907)	(7,970)
Formation of reserves	3,378	0	0	0	0	0	101,776	0	105,154
Acquisition of treasury	0	(6,167)	0	0	0	0	0	0	(6,167)
Transfers to minority interest and other changes	0	0	(3,073)	(3,114)	(1)	(23)	(354)	8,465	1,900
Reclassifications (Note 2.5)	0	0	0	0	0	0	(60,105)	0	(60,105)
31st December 2019	**32,941**	**(22,865)**	**25,937**	**(23,817)**	**(4,152)**	**(258)**	**400,502**	**(283)**	**408,005**

(Amounts in thousands Euro, unless otherwise stated)

1st January 2020	**32,941**	**(22,865)**	**25,937**	**(23,817)**	**(4,152)**	**(258)**	**400,502**	**(283)**	**408,005**
Earnings from other comprehensive income	0	0	592	(4,622)	12	(514)	0	75	(4,457)
Formation of reserves	3,061	0	0	0	0	0	66,977	0	70,038
Acquisition of treasury shares	0	(2,922)	0	0	0	0	0	0	(2,922)
Granting stock options	0	0	0	0	0	0	0	3,257	3,257
Transfers to minority interest and other changes	(43)	0	0	0	0	70	575	0	602
31st December 2020	**35,959**	**(25,787)**	**26,529**	**(28,439)**	**(4,140)**	**(702)**	**468,054**	**3,049**	**474,523**

(Amounts in thousands Euro, unless otherwise stated)

	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
COMPANY						
1st January 2019	**7,007**	**(10,158)**	**12,063**	**95,669**	**5**	**104,587**
Earnings from other comprehensive income for the year	0	0	13,874	0	(265)	13,609
Formation of reserves	0	0	0	2,910	0	2,910
Acquisition of treasury shares	0	(6,167)	0	0	0	(6,167)
Transfers and other changes	0	0	0	(1)	44	43
Reclassifications (Note 2.5)	0	0	0	(60,105)	0	(60,105)
31st December 2019	**7,007**	**(16,325)**	**25,938**	**38,473**	**(216)**	**54,878**
1st January 2020	**7,007**	**(16,325)**	**25,938**	**38,473**	**(216)**	**54,878**
Earnings from other comprehensive income for the year	0	0	642	0	(4)	638
Acquisition of treasury shares	0	(2,922)	0	0	0	(2,922)
Granting stock options	0	0	0	0	3,257	3,257
Transfers and other changes	0	0	0	(1)	0	(1)
31st December 2020	**7,007**	**(19,247)**	**26,580**	**38,472**	**3,037**	**55,850**

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 but can be used for loss write off.

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 CENTRAL GREECE MOTORWAY SA amortize the total investment cost for tax purposes, including the cost of interests within the 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 60,955.

Cash flows risk hedging reserves

Cash flows hedging reserves are used to record profit or losses on derivative financial instruments, which may be designated as cash flow hedges and recognized in other comprehensive income. When the transaction to which the hedging relates affects the statement of comprehensive income, then the corresponding amounts are also transferred from the other comprehensive income to the statement of comprehensive income. During the fiscal year 2019, the Group recognized as a reduction to these reserves, derivative losses of 1.022 with the total of these reserves amounting to a debt balance of 28.439 at 31.12.2020 (see Note 32).

Treasury shares

On 31.12.2019 the Company directly holds 4,806,536 treasury shares, i.e. a percentage of 4.6474%, of acquisition value Euro 16,325,939. In 2020, the Company acquired 438,693 treasury shares of value 2,922,319.34, i.e. a percentage of 0.4242%. The subsidiary TERNA SA holds a total of 688,205 shares, i.e. a percentage of 0.6654% of the acquisition value Euro 1,566,451. The subsidiary ILIOCHORA SA, holds 616,835 treasury shares, i.e. 0.5964% of the acquisition value Euro 3,751,325.

(Amounts in thousands Euro, unless otherwise stated)

In the context of the aforementioned changes, on 31.12.2020 GEK TERNA SA holds directly and indirectly through its subsidiaries a total of 6,550,269 treasury shares, i.e 6.3335% of the share capital of a total acquisition value of Euro 25,787,338.87.

Stock Options:

The Extraordinary General Meeting of GEK TERNA S.A. held on 09.12.2019 approved the Company's Remuneration Policy, in accordance with Articles 110 and 111 of Law 4548/2018. In the context of the preparation of the Remuneration Policy, a new plan (abolishing the plan approved on 27.06.2018 by the General Meeting) was introduced to provide stock options up to the limit of 4,000,000 shares of the Company for the five-year period 2019-2023, which will address up to 20 executives. In particular, it was proposed that 50% of the options should be allocated to the Chief Executive Officer, 30% to senior executives and members of the Board of Directors of the Company and the companies of the Group and 20% to other executives holding managerial or general managerial positions or positions of responsibility in the Group's companies. The plan will be implemented, provided that the objectives set by the BoD are fulfilled, through the issue of new shares or allocation of treasury shares, in accordance with article 113 par. 2 of Law 4548/18. The share distribution price offered to the beneficiaries is proposed to stand at Euro 2.00 per share. The Board of Directors has been authorized to determine the beneficiaries, the way the option is exercised as well as the other terms of the plan and settle all the relevant regulatory issues for the implementation of the decision.

As of 20.02.2020, during the meeting of the Company's Board of Directors the sale price of the shares to the beneficiaries at the amount of 2.00 euro per share was approved and the Board of Directors appointed numerically 16 executives to be included in the Plan, as well as defined the specific conditions of the plan, mainly related to meeting the performance conditions, not related to the market (e.g. EBITDA of operating segment, distributions in the parent company, etc.). On 08.07.2020, at a new meeting, the Board of Directors approved further terms of the plan, related to meeting the terms of market performance (share price). At the meeting held as of 23.12.2020, the Board of Directors determined the final beneficiaries of the plan and the allocation percentage according to the proposal of the Nomination and Remuneration Committee (hereinafter "NRC").

In order to proceed with the Plan's measurement, the Company the requirements of IFRS 2 "Equity based Payments".

The data regarding the stock option plan are presented below as follows.

				No. Stock Options	
Year	**Rights Exercise Period**	**Expiration date**	**Exercise price**	**31.12.2020**	**31.12.2019**
2020	2019-2023	31.12.2023	2 € per	4,000,000	0

(Amounts in thousands Euro, unless otherwise stated)

No options were exercised within 2020, and therefore, the total of 4,000,000 options remain unpaid.

For valuation of the shares related to the Company's share price (VWAP), the fair value of the options was calculated using the Monte Carlo Black – Scholes simulation as the most appropriate method in projecting the probability of different results when random variables intervene. The entry data in this model are the share price at the announcement date, the exercise price, the dividend yield 0%, the discount rate or risk free return (-0.447%) and the volatility of the share price standing at 49.824%. Based on the above, the fair value was determined within the range of 3.57 to 3.95.

For valuation of shares related to other non-market equity (KPIs), the fair value was determined using the Black-Scholes valuation model. The entry data in this model are the share price, standing at Euro 6.20 on the announcement date, the exercise price (Euro 2.00), the discount rate or risk-free return (-0.447%) and its volatility share price, standing at 49.824%. Based on the above, the fair value was determined within the range of 4.20 to 4.34.

The benefits in equity securities recognized in the income statement for the year ended 31.12.2020, amounted to 3,257 for the Group and 2,777 for the Company.

35 INCOME TAX – DEFERRED TAX

In 2020 and 2019, the tax rate for legal entities in Greece was 24%.

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 Law 4172/2013, and the ability of companies to generate tax-exempted discounts and tax-exempted reserves.

(a) Income Tax Expense

Income tax in the Statement of comprehensive income is analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Current tax	17,485	20,736	(11)	(62)
Tax adjustments of previous years	(530)	(154)	0	(159)
Adjustments for tax audit differences	2,247	(210)	0	(1,360)
Total	**19,202**	**20,372**	**(11)**	**(1,581)**
Deferred tax expense/(income)	(5,844)	1,714	(2,313)	(3,726)
Total expenses/(income)	**13,358**	**22,086**	**(2,324)**	**(5,307)**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Profit before income tax expense	**71,429**	**77,817**	**58,448**	**(17,518)**
Nominal tax rate	**24%**	**24%**	**24%**	**24%**
Income tax expense/(income) based on the nominal tax rate	**17,143**	**18,676**	**14,028**	**(4,204)**
Results not included in the calculation of tax	(59,071)	(20,781)	(47,907)	1,213
Impact due to change in tax rate	0	(2,068)	0	60
Adjustments of tax of previous years and additional taxes	(527)	(155)	0	(159)
Difference in taxation of foreign companies	(4,188)	(977)	0	0
Write-off/(Offsetting) of tax losses	8,057	12,480	(350)	716
Adjustments for tax audit differences	2,247	(210)	0	(1,360)
Taxable differences of previous years for which no deferred tax has been	(7)	0	0	0
Effect of net temporary tax differences for which no deferred tax has been recognized	49,555	13,599	31,905	(1,573)
Effect of participating in net results of associates and joint venture	149	1,522	0	0
Income tax expense	**13,358**	**22,086**	**(2,324)**	**(5,307)**

Tax return statement is submitted on an annual basis but declared profits or losses remain provisional until the tax authorities inspect the taxpayer's books and records and issue a final audit report. The Group annually assesses any contingent liabilities, expected to arise from the audit of past years, making relevant provisions where appropriate. Information regarding unaudited tax years is presented in Notes 5 and 50.1 to the Financial Statements.

(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 profit.

(Amounts in thousands Euro, unless otherwise stated)

It is noted that a deferred tax asset amounting to 373.750 (31.12.2019: 353.352) 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. The above Deferred Tax Asset on the recognized losses for taxation purposes, includes a deferred tax asset for an amount of 358.035 (31.12.2019: 345.062) in relation to the reported tax losses of NEA ODOS SA and CENTRAL GREECE MOTORWAY SA, which mainly derive from performing accelerated 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).

From the approved Financial Models of the particular companies, it is demonstrated that until the end of the concession period, meaning until 2037, there will be taxable earnings, which can be offset against the accumulated tax losses.

TERNA ENERGY sub- Group's USA subsidiaries, due to their agreements with Tax Equity Investors, recognize deferred tax assets from tax losses carried forward, production tax credits and interest. Deferred tax assets recognized as of December 31, 2020 and 2019 amount to Euro 24.4 million and Euro 33 million, respectively, offsetting the respective amount of Euro 24.4 million and Euro 33 million, respectively, of deferred tax obligations, arising from differences between tax and accounting base.

The Group offsets deferred tax assets and obligations, when there is an effective legal right to offset the current tax assets against current liabilities provided that the deferred taxes relate to the same tax authority. The offset amounts in 31.12.2020 and 31.12.2019 for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Deferred tax assets	81,594	71,228	0	0
Deferred tax liabilities	(42,959)	(41,777)	(2,727)	(4,838)
Net deffered asset/ (liability)	**38,635**	**29,451**	**(2,727)**	**(4,838)**

The change of the net deferred tax asset / (liability) in the Statement of Financial Position is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Net deferred tax asset / (liability)	**38,635**	**29,451**	**(2,727)**	**(4,838)**
Opening Balance	**29,451**	**34,240**	**(4,838)**	**(5,494)**
Effect of discontinued operations/acquisitions of entities	282	(2,946)	0	0

(Amounts in thousands Euro, unless otherwise stated)

(Expense)/Income recognized in net earnings	5,844	(1,714)	2,313	3,726
(Expense)/Income recognized in Other comprehensive income	2,849	(48)	(202)	(3,073)
Foreign Exchange Translation Differences	206	(82)	0	0
(Expense) / Income recognized directly in the equity	3	2	0	3
Closing Balance	**38,635**	**29,451**	**(2,727)**	**(4,838)**

(Amounts in thousands Euro, unless otherwise stated)

Deferred taxes (assets and liabilities) in 2020 and 2019 are analyzed as follows:

			GROUP				
Deferred tax	**01.01.2020**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income**	**Equity**	**Foreign exchange differences**	**Acquisition, sale of a Subsidiary**	**31.12.2020**
Investment property	132	(52)	0	0	0	0	80
Tangible and Intangible Assets	(27,267)	(11,623)	(7)	0	330	(161)	(38,728)
Investments	(13,808)	283	(155)	0	0	0	(13,680)
Contract Assets/Contract Liabilities	18,862	(10,397)	0	0	0	0	8,465
Recognized tax losses	353,352	20,385	0	0	0	13	373,750
Recognition of assets from concession contracts	(335,297)	146	0	0	(14)	430	(334,735)
Other non-current liabilities	2,895	204	0	0	(71)	0	3,028
Provision for staff indemnities	1,215	111	(26)	0	0	0	1,300
Companies' acquisitions and sales	10,862	(495)	0	0	0	0	10,367
Derivatives	7,136	(513)	3,035	0	0	0	9,658
Trade receivables	4,921	(77)	0	0	0	0	4,844
Other Provisions	5,247	2,074	0	0	0	0	7,321
Lease Contracts	(2,153)	4,006	0	0	(45)	0	1,808
Other	3,354	1,792	2	3	6	0	5,157
Total	**29,451**	**5,844**	**2,849**	**3**	**206**	**282**	**38,635**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP						
Deferred tax	**01.01.2019**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**Foreign exchange differences**	**Acquisition, sale of a Subsidiary**	**31.12.2019**
Investment property	2,879	(2,747)	0	0	0	0	132
Tangible and Intangible Assets	(6,505)	(17,639)	(77)	0	(100)	(2,946)	(27,267)
Investments	(10,489)	(285)	(3,034)	0	0	0	(13,808)
Contract Assets/Contract Liabilities	12,481	6,381	0	0	0	0	18,862
Recognized tax losses	341,527	11,825	0	0	0	0	353,352
Recognition of assets from concession contracts	(346,588)	11,289	0	0	2	0	(335,297)
Other non-current liabilities	2,991	(105)	0	0	9	0	2,895
Provision for staff indemnities	1,119	(3)	99	0	0	0	1,215
Companies' acquisitions and sales	14,413	(3,551)	0	0	0	0	10,862
Derivatives	6,698	(2,591)	3,029	0	0	0	7,136
Trade receivables	5,358	(437)	0	0	0	0	4,921
Other Provisions	6,440	(1,193)	0	0	0	0	5,247
Lease Contracts	74	(2,233)	0	0	6	0	(2,153)
Other	3,842	(425)	(65)	2	0	0	3,354
Total	**34,240**	**(1,714)**	**(48)**	**2**	**(83)**	**(2,946)**	**29,451**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

Deferred tax	**01.01.2020**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**31.12.2020**
Investment property	859	(133)	0	0	726
Tangible and Intangible Assets	31	(123)	0	0	(92)
Investments	(10,308)	434	(203)	0	(10,077)
Contract Assets/Contract Liabilities	(1,930)	221	0	0	(1,709)
Recognized tax losses	5,148	1,340	0	0	6,488
Provision for staff indemnities	39	(3)	1	0	37
Trade receivables	255	(65)	0	0	190
Other Provisions	1,753	59	0	0	1,812
Lease Contracts	2	2	0	0	4
Other	(687)	581	0	0	(106)
Total	**(4,838)**	**2,313**	**(202)**	**0**	**(2,727)**

(Amounts in thousands Euro, unless otherwise stated)

			COMPANY		
Deferred tax	**01.01.2019**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**31.12.2019**
Investment property	826	33	0	0	859
Tangible and Intangible Assets	114	(83)	0	0	31
Investments	(7,543)	269	(3,034)	0	(10,308)
Contract Assets/Contract Liabilities	(2,372)	442	0	0	(1,930)
Recognized tax losses	835	4,313	0	0	5,148
Provision for staff indemnities	34	(1)	6	0	39
Trade receivables	221	34	0	0	255
Other Provisions	807	946	0	0	1,753
Lease Contracts	0	2	0	0	2
Other	1,584	(2,229)	(45)	3	(687)
Total	**(5,494)**	**3,726**	**(3,073)**	**3**	**(4,838)**

(Amounts in thousands Euro, unless otherwise stated)

36 TURNOVER

The turnover as of 31 December 2020 and 2019 in the accompanying financial statements is analyzed as follows:

Revenues from contracts with customer per segment

	GROUP	
1) Revenues from contracts with customer per segment	**1.1-31.12.2020**	**1.1-31.12.2019**
Revenues from construction services' segment		
Infrastructure Projects– Motorways - Airport	274,949	300,434
Industrial –Energy	218,168	376,559
Other services of construction services' segment	5,204	5,225
	498,321	**682,218**
Revenues of electric power energy production from RES		
Electric power energy production from wind parks and hydro-electric plants	224,837	214,662
Revenues from tax benefits (PTCs)	42,463	22,533
Other revenues of electric power energy segment from RES	6,093	72
	273,393	**237,267**
Revenues from real estate segment		
Revenues from real estate exploitation segment	3,663	4,689
	3,663	**4,689**
Revenues from concession exploitation segment		
Revenues from motorways' tolls	126,997	150,977
Revenue from the operation of waste management plants	2,771	1,740
Revenues from operation of ticket system	10,438	10,108
Other services from concession exploitation segment	11,060	21,711
	151,266	**184,536**
Revenues from industry segment		
Sales of industrial products - quarries	7,074	9,879
	7,074	**9,879**
Revenues from thermo-electric energy power production and trading of electric energy		
Trading of electric energy	**37,417**	**36,981**
	37,417	**36,981**
Revenues from Holding segment and other presented operating segments		
Other revenues of Holding segment	171	169
	171	**169**
Total revenues from contracts with customers	**971,305**	**1,155,739**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP	
2)The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:	**1.1-31.12.2020**	**1.1-31.12.2019**
Transfer of goods and services at a specific time	455,787	459,014
Services rendered with the passage of time	515,518	696,725
Total turnover from contracts with customers	**971,305**	**1,155,739**

3) The backlog of the projects from construction contracts of the Group amounts to 1.616 million euro on 31.12.2020 (see Note 50.2). The time analysis of the expected implementation of the backlog of contracts with customers is analyzed as: (a) Euro 535 million in 2021 b)Euro 1,081 million for a period until 2025

4) Turnover for the period per country and operating segment is analyzed below as follows**:**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP						
	1.1-31.12.2020						
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Total**
Revenue of Construction Segment	438,328	31,581	28,412	0	0	0	498,321
Revenue of Electricity from RES Segment	166,403	5,110	0	22,285	79,595	0	273,393
Revenue of Real Estate Segment	2,780	883	0	0	0	0	3,663
Revenue of Concessions Segment	151,266	0	0	0	0	0	151,266
Revenue of Industry Segment	644	94	233	698	0	5,405	7,074
Revenue of Electricity from thermal energy and HP trading	16,329	21,088	0	0	0	0	37,417
Revenue of Holding and other presented operating segments	171	0	0	0	0	0	171
Total	**775,921**	**58,756**	**28,645**	**22,983**	**79,595**	**5,405**	**971,305**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP						
	1.1-31.12.2019						
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**USA**	**Other regions**	**Total**
Revenue of Construction Segment	596,108	35,127	50,983	0	0	0	682,218
Revenue of Electricity from RES Segment	150,420	4,961	0	20,748	61,138	0	237,267
Revenue of Real Estate Segment	3,577	1,112	0	0	0	0	4,689
Revenue of Concessions Segment	184,536	0	0	0	0	0	184,536
Revenue of Industry Segment	1,539	240	28	20	0	8,052	9,879
Revenue of Electricity from thermal energy and HP trading	10,602	26,379	0	0	0	0	36,981
Revenue of Holding and other presented operating segments	169	0	0	0	0	0	169
Total	**946,951**	**67,819**	**51,011**	**20,768**	**61,138**	**8,052**	**1,155,739**

* Other Regions pertain to sales to clients in Greece, Balkans, Middle East, Eastern Europe and the USA.

(Amounts in thousands Euro, unless otherwise stated)

37 COST OF SALES - ADMINISTRATIVE AND DISTRIBUTION EXPENSES - RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales as of 31 December 2020 and 2019 in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Inventory cost-construction materials	201,298	337,556	2,204	2,425
Employee remuneration	71,357	69,771	1,480	892
Sub-contractors	158,243	200,475	41	16
Fees of civil engineers, technical consultants and other third parties	78,592	87,294	2,914	724
Other third-party expenses	12,786	12,958	148	160
Taxes-duties	12,629	12,579	113	99
Provisions	15,280	(852)	0	0
Transportation expenses	1,190	1,973	3	13
Lab audit expenses	304	494	0	0
Impairments/Recovery of	0	(100)	0	(113)
Depreciation	122,461	117,218	322	321
Litigation and other indemnities	20	86	0	0
Expenses concerning litigation cases	517	144	3	0
Operating leases	14,257	14,381	0	0
Insurance premiums	12,823	10,509	95	9
Transportation expenses	7,573	8,113	6	10
Repairs-Maintenance expenses	31,238	30,369	24	6
Commissions and other financial	11,391	11,523	285	293
Other	4,517	4,772	59	11
Total	**756,476**	**919,263**	**7,697**	**4,866**

Administrative and distribution expenses as of 31 December 2020 and 2019 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Employee remuneration	19,347	21,410	463	856
Fees of civil engineers, technical consultants and other third parties	32,184	28,334	3,940	2,412
Stock options expense (note 34)	3,257	0	2,778	0
Other third-party expenses	1,509	1,738	45	29
Travel expenses	437	994	30	158
Subscriptions and contributions	718	912	39	72
Promotion and advertising expenses	2,970	3,873	1,339	1,516
Depreciation	4,861	4,712	265	233

(Amounts in thousands Euro, unless otherwise stated)

Impairments/Recovery of	0	3	0	0
Repairs - Maintenance	954	1,273	7	5
Insurance Premiums	630	700	56	17
Remuneration of BoD	1,896	1,639	1,086	939
Operating leases	1,173	1,056	5	5
Taxes - Duties	3,115	2,243	1,759	204
Transport expenses	1,289	1,795	0	0
Expenses concerning litigation cases	263	1,403	5	9
Other	4,886	3,573	47	23
Total	**79,489**	**75,658**	**11,864**	**6,478**

Research and Development expenses as of 31 December 2020 and 2019 in the accompanying financial statements are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Employee remuneration	400	510	0	0
Fees of civil engineers, technical consultants and other third parties	2,905	2,939	439	641
Other third party expenses	14	0	0	0
Depreciation	140	66	0	0
Taxes - Duties	654	60	0	0
Transportation expenses	23	30	0	0
Travel expenses	56	201	0	0
Insurance Premiums	1	4	0	0
Other	323	121	0	0
Total	**4,516**	**3,931**	**439**	**641**

38 AUDITORS' FEES

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Total	1,379	1,301	96	64

The above fees relate to the fees of Certified Public Accountants for the total of the Group companies.

For the year ended on 31 December 2020, the expenses include fees for the Group's statutory auditor and the auditing firm of 40 (31.12.2019: 41) for the Group and 3 (31.12.2019: 8) for the company, that concern non-prohibited non-auditing services (excluding statutory audit services and tax audit services).

(Amounts in thousands Euro, unless otherwise stated)

It is noted that during 2020 services have been provided amounting to 118 for the Company related to the execution of special financial audit, in the context of the issuance of the Corporate Bond Loan of Euro 500 million. (see Note 24). The aforementioned fees have been deducted from the relevant loan obligation, as issuance costs.

39 OTHER ICOME/(EXPENSES)

Other income/ (expenses) for the period, in the accompanying financial statements as of 31 December 2020 and 2019 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Other income				
Amortization of grants on fixed assets	7,034	8,194	0	0
Operational support income of Motorway Concession	12,014	10,821	0	0
State's indemnities towards Motorway Concession company (Note 20)	44,627	14,640	0	0
Income from insurance indemnities	1,933	5,116	0	0
Amortization of tax benefits (Note 26)	6,711	6,663	0	0
Income from legal indemnities	0	242	0	169
Foreign exchange differences on payments	0	2,359	0	0
Recovery of impairments of fixed, intangible assets and right of use assets	843	1,162	0	0
Recovery of impairments of inventories	198	131	198	0
Recovery of impairments of assets	1,205	2,616	359	33
Gains from sale of fixed assets	1,088	1,182	0	0
Gains from valuation of Investment Property	345	2,243	0	0
Earnings from elimination of liabilities	2,186	631	0	0
Other services rendered	2,102	3,176	0	0
Other revenue	5,656	1,793	1,130	66
Total	**85,942**	**60,969**	**1,687**	**268**
Other Expenses				
Depreciation not included in the cost	(952)	(826)	0	0
Operational support expense of Motorway	(37,153)	(41,277)	0	0
Expenses related to insurance indemnities	(127)	(163)	0	0
Foreign exchange differences on payments	(10,641)	0	(1)	0
Impairments/Write off of fixed, intangible	(1,894)	(2,452)	0	(160)

(Amounts in thousands Euro, unless otherwise stated)

Impairments/Write off of inventories	(5,571)	(5,302)	(57)	(801)
Impairments/Write off of receivables	(2,489)	(7,693)	(78)	(336)
Other impairments and provisions	(550)	(158)	0	0
Losses from sale of fixed assets	(145)	(942)	0	(1)
Loss from valuation of Investment Property	(875)	(736)	(140)	(43)
Taxes – duties	(650)	(792)	(16)	(193)
Employee remuneration	(2,384)	(2,655)	0	0
Other expenses	(8,228)	(1,135)	(203)	(91)
Total	**(71,659)**	**(64,131)**	**(495)**	**(1,625)**
Total other income/(expenses)	**14,283**	**(3,162)**	**1,192**	**(1,357)**

The change in the "Other Expenses" is mainly due to the one-time imposition of an extraordinary contribution for the financial year 2020 - for addressing the side effects of the coronavirus pandemic - for RES projects in Feed-in Tariff regime, put into operation prior to December 31, 2015. The contribution is estimated at an amount equal to 6% of the turnover for 2020 and amounted to 5,252.

40 PROFIT/(LOSSES) FROM SALE OF PARTICIPATIONS AND DEBT SECURITIES

Profit/(losses) from the sale of participations and debt securities in the accompanying financial statements as of 31 December 2020 and 2019, are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Profit / (loss) from disposal of subsidiary	27,228	0	73,402	467
Profit / (loss) from disposal of shares and other Equity interests	4	(291)	4	(291)
Profit / (loss) from liquidation of associates, joint ventures and joint operations	(38)	(229)	32	(4)
Total	**27,194**	**(520)**	**73,438**	**172**

In the context of the Corporate Transformation, the Company recognized in favor of the results of the profit of 73,405 from the sale of its 100% subsidiary ODOS CENTRAL GREECE SA. to the 100% subsidiary of GEK TERNA MOTORWAY SINGLE MEMBER SA (see details Note 7.4) From this transaction, no effect arose on the consolidated financial statements of the Company.

(Amounts in thousands Euro, unless otherwise stated)

The Group recognized in the current year a profit of 27,453, which concerns the sale of the Wind Farm "Mountain Air" through the sub-Group TERNA ENERGY (see in detail Note 7.3).

41 GAINS/(LOSSES) FROM VALUATION OF INTERESTS AND SECURITIES

Gains / (Losses) from valuation of interests and securities, as of 31 December 2020 and 2019, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Profit / (loss) from valuation of financial assets at fair value through profit & loss (Note 22)	(1,808)	3,386	(1,808)	3,386
Loss /reverse of loss from valuation on interest in subsidiaries (Note 12)	0	0	(21,790)	(8,113)
Loss/reverse of loss from valuation on interest in joint ventures (Note 14)	0	0	0	180
Total	**(1,808)**	**3,386**	**(23,598)**	**(4,547)**

42 GAINS / (LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INSTRUMENTS

Gains / (Losses) from participations and other equity instruments, as of 31 December 2020 and 2019, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Dividends of subsidiaries	0	0	23,350	420
Dividends on joint ventures and equity instruments	856	1,408	1,004	1,404
Total	**856**	**1,408**	**24,354**	**1,824**

The account “Dividends of subsidiaries” mainly includes as follows:

(i) On 18.12.2019, TERNA ENERGY decided on increasing the share capital by the amount of 19,366 through capitalizing part of the special purpose reserve from the issue of share premium and, at the same time, with its corresponding equal decrease and return of the reduction amount (ie Euro 0.17 per share) to the Shareholders. On

(Amounts in thousands Euro, unless otherwise stated)

24.01.2020 it was registered in the General Commercial Registry the No. 7893 Decision of the Ministry of Development and Investments - General Secretariat of Commerce, approving the amendment of paragraph 1 of article 5 of the Company's Articles of Association as a result of the increase and decrease of the share capital. Following the above, from 05.03.2020, the shares of TERNA ENERGY are traded on ATHEX at the new nominal value of Euro 0.30 per share and without the right to participate in the return of capital by paying cash to the shareholders at the amount of Euro 0.17 per share. From the above corporate transaction, GEK TERNA recognized revenue of 7,346, which was collected on 13.03.2020.

(ii) On 29.04.2020, the Regular General Meeting of the Shareholders of TERNA ENERGY S.A. approved distribution of dividend of Euro 0.17 per share, i.e. a total amount of 19,060 for FY 2019. This amount was increased by the dividend corresponding to treasury shares held by TERNA ENERGY at the date of the cut off, i.e. a total amount of dividend stood at Euro 0.174505 per share. On 29.06.2020, TERNA ENERGY proceeded with payment of dividend, as decided. From the above corporate action, GEK TERNA recognized revenue of 7,541, which was collected in June and July 2020.

(iii) On 16.12.2020, Extraordinary General Meeting of TERNA ENERGY Shareholders approved distribution of profits and reserves according to article 48 of law 4172 /2013 of the Company, of the financial years up to 31.12.2019, in accordance with article 162 par. 3 of Law 4548/2018, of a total amount of Euro 19,695,365.30, i.e. an amount of Euro 0.17 per share. On 28.12.2020, TERNA ENERGY proceeded with the payment of the above dividend, as decided. From the above corporate action of TERNA ENERGY, GEK TERNA recognized revenue of 7,346, which was collected on 28.12.2020 and 29.12.2020.

43 FINANCIAL INCOME/(EXPENSES)

Financial income/(expenses) as of December 31st 2020 and 2019, are analysed as follows in the accompanying financial statements:

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Deposit interest	1,268	1,740	240	262
Loan interest	9,576	2,339	19,147	9,818
Other financial income	1,221	220	6	0
Income from unwinding of long-term receivables	5,367	5,285	0	0
Total financial income (a)	**17,432**	**9,584**	**19,393**	**10,080**
Interest and expenses of short-term loans	(6,248)	(6,387)	0	0
Interest and expenses of long-term loans	(73,363)	(74,643)	(20,144)	(16,342)
Financial cost from lease contracts	(1,006)	(1,393)	(23)	(18)

(Amounts in thousands Euro, unless otherwise stated)

Bank commissions and expenses	(6,095)	(5,105)	(1,381)	(102)
Tax equity investor financial cost (Note 26)	(26,362)	(15,885)	0	0
Contracts of interest/financial instruments swaps services expenses	(22,023)	(21,977)	0	0
Other financial expenses	(2,230)	(2,472)	(1,049)	(964)
Total financial expenses (b)	**(137,327)**	**(127,862)**	**(22,597)**	**(17,426)**
Net interest income/(expenses) (a+b)	**(119,895)**	**(118,278)**	**(3,204)**	**(7,346)**
Gains from financial instruments measured at fair value (Note 32)	22,611	50,776	0	0
Losses from financial instruments measured at fair value (Note 32)	(2,183)	(4,765)	0	0
Derivatives valuation results (c)	**20,428**	**46,011**	**0**	**0**
Net financial income/(expenses) (a+b+c)	**(99,467)**	**(72,267)**	**(3,204)**	**(7,346)**

The change in the account "Loan interest" mainly derives from the recognition of financial income amounting to 7,085 (see Note 31). This amount, consequence of the Corporate Transformation, (see Note 7.4) recognized as financial income in Statement of Comprehensive Income of Company and Group.

44 PAYROLL COST

Payroll cost expenses in 2020 and 2019 are analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Wages and related employee benefits	74,616	77,372	1,506	1,386
Social security fund contributions	15,868	15,445	354	337
Provision for employee indemnities	3,004	1,529	83	25
Total	**93,488**	**94,346**	**1,943**	**1,748**

At the end of the closing period, the Group employed 3,400 people worldwide and the Company 24. Respectively, at the end of the previous year, the Company employed 21 and the Group employed 3,878 people worldwide.

(Amounts in thousands Euro, unless otherwise stated)

45 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01.01-31.12.2020 and 01.01-31.12.2019, as well as the balances of receivables and liabilities arising from such transactions as of 31.12.2020 and 31.12.2019 are as follows:

Year 31.12.2020	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	38,354	4,140	104,227	9,442
Joint Ventures	21,705	9,172	21,412	118,829	264	446	163	19
Associates	9	0	810	6	9	0	809	0

Year 31.12.2019	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Subsidiaries	0	0	0	0	11,519	4,315	203,872	86,124
Joint Ventures	6,854	10,764	17,098	4,433	118	921	12	381
Associates	0	1	0	7	0	1	0	2

Transactions with related parties take place under the same terms effective for transactions with third parties.

Within the year, the Company paid amounts of 4.900 (31.12.2019: 17.876) and 0 (31.12.2019: 0) for the share capital increase of subsidiaries and joint ventures and associates respectively. It also granted loans of 96.000 (31.12.2019: 29.900) to subsidiary and 800 in a associate company, collected from loan repayments from subsidiaries the amount of 194.283 (31.12.2019: 93.041) and 0 (31.12.2019: 160) from Joint Ventures. Respectively, it received loans of 7.296 (31.12.2019: 37.002) from its subsidiaries and repaid 84.750 (31.12.2019: 77.545) loans to its subsidiaries. Finally, the company received 78,984 from a subsidiary for the sale of a participation. The amounts are not included in the aforementioned tables.

Also, within the fiscal year, the Company received dividends and capital return of 22.431 (31.12.2019: 14.792) from subsidiaries. Similarly, in 2020 it received from repayments of joint venture's share capital 0 (31.12.2019: 251).The amounts are not included in the aforementioned 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 31.12.2020 and 31.12.2019, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2020 and 31.12.2019 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2020	**1.1-31.12.2019**	**1.1-31.12.2020**	**1.1-31.12.2019**
Remuneration for services rendered	5,463	3,654	347	141
Remuneration of employees	814	868	295	244
Remuneration for participation in Board meetings	1,863	1,609	990	860
Stock options expense	3,257	0	2,778	0
Total	**11,397**	**6,131**	**4,410**	**1,245**
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Liabilities	373	192	180	28
Receivables	15	31	0	8

46 RISK MANAGEMENT POLICIES AND PROCEDURES

The Group is exposed to multiple 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 arise from uncertainty in financial markets and the changes in costs and sales. The risk management policy is applied by the financial services of the Group.

The procedure followed is as follows:

- Evaluation of risks related to Group's activities and operations.
- Planning the methodology and selecting the necessary financial products for decreeing the 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.

46.1 FOREIGN EXCHANGE RISK

Euro is the functional currency of the parent company and the reporting currency of the Group.

Foreign exchange risk is the risk 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 arise, 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 functional 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.

(Amounts in thousands Euro, unless otherwise stated)

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 operations concern construction projects, real estate development and development of production of electricity from renewable energy resources.

Regarding 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 euro. 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. Sales (and receivables), are performed in euro, and thus the exposure to foreign exchange risk is limited.

Regarding 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 related to the US dollar (USD) and thus there is exposure to foreign exchange from change in the USD exchange rate against Euro.

Electricity production from renewable energy sources activity is performed in Poland, the U.S.A., Serbia and North Macedonia, where the local currency fluctuates in relation to euro and may lead to foreign exchange translation differences and exposure to foreign exchange risk from the fluctuations of the exchange rate of USA dollar (USD), the Polish zloty (PLN), the Serbian dinar (RSD), the dinar of North Macedonia (MKD) and the Albanian lek (ALL) against Euro.

The following table presents the financial assets and liabilities in foreign currency:

	2020											
(amounts in euro)	**RON**	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Financial assets	97	79	4,159	3,397	19,698	36,919	1	1,428	90,740	2,381	14,822	14,799
Financial liabilities	(217)	(5,330)	(2,622)	(3,078)	(15,394)	(14,819)	(79)	(701)	(87,458)	(7)	(4,615)	(8,521)
Total current	**(120)**	**(5,251)**	**1,537**	**319**	**4,304**	**22,100**	**(78)**	**727**	**3,282**	**2,374**	**10,207**	**6,278**
Financial assets	3	0	0	116	10	727	68	0	14,560	0	130	180
Financial liabilities	0	0	0	(533)	(388)	(180)	0	(23)	(387,420)	0	(27,189)	(40)
Total non-current assets	**3**	**0**	**0**	**(417)**	**(378)**	**547**	**68**	**(23)**	**(372,860)**	**0**	**(27,059)**	**140**

(Amounts in thousands Euro, unless otherwise stated)

	2019											
(amounts in euro)	**RON**	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Financial assets	85	256	3,718	8,824	22,261	47,304	1,183	1,819	53,857	2,528	10,166	8,687
Financial liabilities	(439)	(5,175)	(2,328)	(4,754)	(14,674)	(21,478)	(1,346)	(845)	(92,966)	(13)	(7,085)	(3,940)
Total current	**(354)**	**(4,919)**	**1,390**	**4,070**	**7,587**	**25,826**	**(163)**	**974**	**(39,109)**	**2,515**	**3,081**	**4,747**
Financial assets	3	0	0	192	14	433	92	0	43,336	0	120	10
Financial liabilities	0	0	0	(5,071)	(325)	(443)	(117)	(48)	(579,841)	0	(33,543)	(32)
Total non-current	**3**	**0**	**0**	**(4,879)**	**(311)**	**(10)**	**(25)**	**(48)**	**(536,505)**	**0**	**(33,423)**	**(22)**

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 BGN currency we did not examine the sensitivity as it maintains a stable exchange rate against euro. For all other currencies, we examined the sensitivity at a change of +/- 10%.

The table presents the effects of the +10% change. The effects of the -10% change are represented by the opposite amount.

	2020											
	RON	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Effect on Net earnings	0	0	0	(9)	0	0	0	0	89	0	383	0
Effect on other comprehensive income	(12)	(761)	155	38	485	2,205	(167)	122	(37,015)	237	(2,129)	(696)

	2019											
	RON	**ALL**	**MKD**	**AED**	**QAR**	**BHD**	**IQD**	**SAR**	**USD**	**LYD**	**PLN**	**RSD**
Effect on Net earnings	0	0	0	(3)	0	0	0	0	98	0	16	0
Effect on other comprehensive income	32	(833)	148	(435)	812	2,918	(358)	143	(57,437)	251	(3,033)	(1,448)

To manage this category of risk, the Group’s Management and financial department make sure that the largest possible part of receivables (income) and liabilities (expenses) are realized in euro or in currencies pegged to euro (i.e. the Bulgarian lev, BGN) or in the same currency in order to be matched against each other.

(Amounts in thousands Euro, unless otherwise stated)

46.2 INTEREST RATE RISK SENSITIVITY ANALYSIS

The Group's policy is to minimize its exposure to cash flows interest regarding long-term financing. On 31.12.2020, 40.75% of the Group's total debt puritans to fixed rate loans, 34.07% refer to floating rate loans that are covering by cash flow hedges against changes in interest rates, while 25,17% refer to floating interest rate loans based on euribor or wibor on case basis.

The following table presents the sensitivity of net profit for the year towards a reasonable change in interest rates (on receivables and liabilities) amounting to +/-20% (2019: +/-20%) on the variable part of the interest rate (eg Euribor 6M). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2020		**2019**	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(66)	66	(195)	195
Net earnings after income tax (from interest earning assets)	49	(49)	84	(84)

The Group is not exposed to other interest rate risks or price risk of securities whose price is traded on a financial market.

46.3 CREDIT RISK

The credit risk exposure of the Group is limited to financial assets, which are as follows:

	31.12.2020	**31.12.2019**
Receivables from derivatives	210,954	207,500
Cash and cash equivalents	1,108,417	594,671
Loans and receivables	626,663	629,127
Total	**1,946,034**	**1,431,298**

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases when deemed necessary, external reports related to current or potential customers are used.

The Group is not exposed to significant credit risk from trade receivables. This is attributed to - on one hand- to the Group's policy which is focused on the cooperation with reliable clients and - on the other - to the nature of the Group's operations.

(Amounts in thousands Euro, unless otherwise stated)

In particular, the total amount of receivables, whether related to the narrow or the broader public segment, or clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, the size of each of them, regardless of whether they are a broader public or private entity, for possible implications, in order to take the necessary measures to minimize any implications for the Group.

It is to be noted, however, that there are some delays in payments by the public sector and the companies controlled by it.

Credit risk in respect of cash available and other receivables is considered limited, given that the counterparties are reliable banks with high quality capital structure, the Greek State and the broader public sector and strong business Groups.

The Management assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality.

46.4 LIQUIDITY RISK

The Group manages its liquidity needs by closely monitoring its long-term financial liabilities and 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 Group 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 on December 31st 2020 is analyzed as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	109,958	702,251	1,496,442	2,308,651
Securities equivalent to financial liabilities	45,079	178,478	57,706	281,263
Liabilities from leases	3,700	5,785	9,510	18,995
Liabilities from derivatives	27,023	91,671	122,395	241,089
Short-term borrowing	116,505	0	0	116,505
Suppliers	222,749	0	0	222,749
Accrued and other short-term financial liabilities	34,369	0	0	34,369
Total	**559,383**	**978,185**	**1,686,053**	**3,223,621**

The respective maturity of financial liabilities for December 31st 2019 was as follows:

(Amounts in thousands Euro, unless otherwise stated)

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	105,123	509,889	1,278,884	1,893,896
Securities equivalent to financial liabilities	51,365	205,345	119,062	375,772
Liabilities from leases	10,175	6,751	6,863	23,790
Liabilities from derivatives	29,578	85,513	117,047	232,137
Short-term borrowing	130,598	0	0	130,598
Suppliers	264,344	0	0	264,344
Accrued and other short-term financial liabilities	46,391	0	0	46,391
Total	**637,574**	**807,497**	**1,521,856**	**2,966,927**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities as of the balance sheet date.

46.5 GLOBAL PUBLIC HEALTH CRISIS ARISING FROM COVID-19 PANDEMIC

GEK TERNA Group is one of the most significant Greek business groups, which holds a leading position in the sectors of infrastructure, clean energy, electricity generation, and concessions. The Management determines that the Group operates in the sectors that are more defensive during the phases of the economic cycle and are recognized by the investors as "safe haven" that provides stable repeatable cash flows even in times of turmoil and uncertainty, such as the current crisis. Furthermore, during the Greek financial crisis, (i.e. the most difficult and longest financial crisis in Europe), the Group has already demonstrated its ability to develop and strengthen its position in the market.

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. During the following months, coronavirus disease (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic. The COVID-19 pandemic has led to an unprecedented crisis in global health and the economy. In Greece, the virus was first detected in late February 2020, leading to a national quarantine. In the beginning of May, a gradual lifting of quarantine restrictions started, which lasted until June. During the summer, however, the increase in COVID-19 cases in Greece led to the early end of the tourist season and imposition of restrictive measures. Measures of limited reopening of stores were implemented during the festive period of Christmas. Throughout the pandemic, the Group constantly acts based on the instructions and decisions of all the competent institutions, observing the requirements and the action plan adopted by the Greek authorities.

In the context of public health protection, many countries have adopted emergency, temporary and costly restraining measures (some countries have required companies to restrict or even suspend their usual business activities). The Greek Government, in an effort to keep cases and deaths low to the point where a large percentage of the population could be vaccinated, has taken stricter measures than in other European countries, imposing repeated restrictive measures in the segments of tourism, trade, catering and entertainment. To support employees and businesses, it has taken fiscal measures through combined measures to safeguard employment and suspend payments, to measures that have reduced the adverse impact on the economy.

According to the Bank of Greece, all these measures resulted in a recession in the Greek economy of 8.2% for 2020, while at the Eurozone level, the economy decreased by 6.6%.

The global impact of the pandemic has resulted in the European Union being forced to approve € 1.824 billion in funding to help its members deal with the effects of the COVID-19 pandemic on the European economy. Greece is expected to raise 72 billion euro, 31 billion through Recovery and Durability Fund (18 billion euro in the form of grants and 13 billion euro in the form of loans) and 40 billion euro through the Cohesion Fund NSRF for the period 2021-2027.

The health crisis caused by coronavirus pandemic (COVID-19) has led the global economy to a period of uncertainty and instability, whose consequences are difficult to assess based on the currently effective data, since the pandemic is still ongoing. The economic impact will depend on the term and intensity of the recession, as well as the prospects for recovery. To address the health and, consequently, economic aspects of the pandemic, governments around the world have already launched ongoing mass vaccination programs to cover the entire population and build the required immune wall, which will lead to a normality. Based on the fact that the pandemic has not yet been fully controlled, in combination with the presence of mutations in the virus altering its transmissibility and effectiveness of vaccines, this risk remains one of the main risks faced by the Group.

The Group's Management, applying an extremely high sense of responsibility, towards its customers, employees, suppliers, partners and investors, monitors the developments regarding the coronavirus pandemic (COVID-19), studying the possible risk factors that could affect the financial position, operations and results of the Group.

(i) Group Organizational Planning

Following the first announcements, the Group's Management with the highest priority health and safety of its employees and associates, acted with speed and determination, designed and immediately started implementing a plan of measures and actions, mainly aimed at: creating a safe working environment for all the employees in parallel with the adoption of distance working policies, when deemed possible and necessary, securing and utilizing the most modern information technology to limit transportation and minimize travel, implementing teleconferencing (video calls), as well as modern, flexible ways of working depending on the individual or special needs of groups of employees.

Extremely strict operating regulations have been introduced at all points of presence and operation of the Group in Greece and abroad, in order to constantly confirm the highest possible level of security for all.

At the same time, the Group implemented a program for the safe repatriation of its executives and employees from Cyprus in full implementation of the decisions and instructions of the national competent authorities. Specifically, on 01.04.2020, TERNA SA (100% subsidiary of GEK TERNA) announced the completion of safe repatriation procedures from Cyprus for about 400 employees in its subsidiary projects, following the decision of the Cypriot government to proceed with the temporary suspension of works in construction sites in country (the relevant decision was revoked on 04.05.2020). The repatriation was done for the vast majority of employees, with special flights organized by the subsidiary TERNA SA in collaboration with Aegean. For the repatriated employees, all the procedures provided by the State and EODY were followed and GEK TERNA Group took care of their safe passage to their places of residence, inside and outside Athens.

(ii) Effects of COVID-19 per major operating segment of the Group and measures to limit them

The Group has taken all the necessary measures in order to continue the development of its core operations, continuing the exploitation of RES and Concessions and implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment. More analytically per segment

- **Construction Operating Segment**

In the Construction Operating Segment some delays occurred, despite the fact that none of the existing signed contracts was cancelled. In particular, for some projects there was a short-term suspension of work due to measures to avoid cases caused by COVID-19. Due to the time limit in respect of the outbreak of the pandemic, construction work resumed, again without achieving the execution rate in accordance with the initial plan.

Regarding the current delays that have existed the Group does not face the risk of non-compliance with the contractual schedules, as the relevant deadlines are extended respectively. It is to be noted that the construction contracts also include relevant terms regarding force majeure events, providing an additional conventional level of security regarding the progress of the projects and their performance/compensation.

The credit risk, in the context of the coronavirus pandemic, is limited to the possibility that customers might not comply with the agreed repayment terms. Significant delays in repayment of invoiced operations were not found in 2020. Within 2021, even in a potentially moderate delay in collections, the Management estimates that it could not generate a cash problem in the sector.

The Management estimation is based on the following factors: (a) initially, that the Greek State and entities of the broader State are the Employers in most of the construction projects undertaken by the Group, and, in most cases, have a constantly uninterrupted flow of resources (e.g. European resources or resources secured by concession companies, which have assigned construction projects to Group's subsidiaries (b) the Group's customers with great financial potential and (c) the support packages for the economy of European countries, already expected to be delivered by the European Central Bank (ECB) in order to mitigate the economic effects of coronavirus.

It should be noted that, despite the extraordinary circumstances due to the global public health crisis, the Greek State has not currently announced the suspension of any tender procedure, as an initiative to support the Greek economy in practice.
Given the need to boost the economic recovery as a result of COVID-19 crisis, the Minister of Infrastructure and Transport has stated that starting the major projects constitutes an immediate priority for the Greek Government. In particular, the Greek Government intends to alter the institutional framework for tender procedures, so as to speed up licensing to include in strategic investments the major infrastructure projects, exceeding 13 billion Euro.

A significant delay in the implementation of tender procedures due to changing priorities, from the Greek State, could procure significant problems to the construction industry, and to that extent to Group's construction sector.

The subsidiary TERNA S.A. is in favorable position due to (a) its leading position in the construction industry, in combination with the experienced and proven effective management team, and (b) the strong financial position of the company, able to support timely completion of
all projects it has undertaken and or will undertake.

- **Electric Energy Operating Segment (Electricity Generation from Renewable Energy Sources [RES]):**

In the segment of electricity from RES, in Greece there was no interruption or other adverse impact on the activity of the Group's facilities that are in operation. As far as the RES facilities under construction are concerned, until today no delays have been caused due to the coronavirus pandemic (COVID-19) and the estimated time of completion and launching of the projects has not changed.

In 2020, an extraordinary contribution for the Feed-in tariff regime was imposed on electricity producers from Renewable Energy Sources (RES) stations, which have been put into regular or trial operation until December 31, 2015 (Government Gazette 245/09.12.2020). This extraordinary contribution amounted to 6% of electricity sales for the year 2020. For the Group, the relevant extraordinary contribution amounted to euro 5,252 thousand and was included in the item "Other income/(expenses)" of the consolidated Statement of Comprehensive Income. The total estimated increase in ELAPE revenues from the above contribution stood at 110 million euro.

Regarding the collections of the Group's revenues, no delays occurred in 2020. The Management estimates that 1) any delay in collecting the Group's revenues from DAPEEP does not currently seem to exceed the production value of six months, as happened in the past. Within the next year, a delay in collecting of six months will create, albeit temporarily, a cash issue of special attention of approximately 118 million Euro. This risk is general, applies to all RES producers and does not only concern TERNA ENERGY. Cash liquidity in the Department of Energy Production of the Group's RES, allows the Management to manage any potential cash problem with relative ease, without interrupting the pace of implementation of the investment plan. In case the delay exceeds 6-8 months of production, the Management will reschedule its investment plan, business and cash planning so as to meet the increased cash needs and reduce the adverse consequences to a minimum. Orderly easing of the pace of deceleration and/or, where appropriate, cancellation of planned investments will prove inevitable, if the delay in recovery exceeds the reasonable limits and market operating practices. Even so, even in such a case, the Group, due to its size, ability, experience and determined strategy, is estimated to maintain its leading position in the market..

- **Real Estate Operating Segment**

The Group continues to maintain a conservative approach towards investment activities in the domestic real estate market. Taking into account the current financial conditions, the Group has decided to disinvest regarding particular properties. At the same time, it is considering alternative scenarios for the exploitation of a part of its investments and it will continue its investments when deemed appropriate.

- **Concession Operating Segment – Self/co-financed projects**

Concession operating segment mainly includes motorways concessions companies (NEA ODOS CONCESSION S.A. and CENTRAL GREECE MOTORWAY CONCESSION S.A.) and Kastelli airport concession (INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.).

In order to limit the spread of the COVID-19 pandemic, since February 2020, the Greek State has taken extraordinary measures, i.e. a number of Legislative Content Acts (PNP), as well as joint ministerial decisions (K.Y.A.), measures which directly affected the traffic in the Projects of the Motorway Concession Companies. In particular, restrictive measures were imposed on specific periods of traffic with a universal ban on movement within the territory, as well as with foreign countries. The ban on the movement of the population within the territory was not substantially normalized in its entirety by 2020, despite the fact that in some periods, transfers were permitted.

During 2020 and especially due to the implemented travel restrictive measures, the turnover of the subsidiaries "NEA ODOS CONCESSION S.A.” and “CENTRAL GREECE MOTORWAY CONCESSION S.A.” (hereinafter referred to as “Motorway Concession Companies”) significantly decreased compared to 2019.

As a result of the above, the Motorway Concession Companies proceeded with notifications provided for in the relevant Concession Agreements and submitted claims for compensation for loss of income to the Greek State, pursuant to the relevant terms of the concession agreements. In particular, pursuant to Articles 20 (Public intervention), 22 (Force Majeure Event) and 26 (Public Liability Event) of the Concession Agreements (hereinafter "the CA"), the above legal bases create a right to compensation of the Motorway Concession Companies for the loss of revenue they are subject to during 2020 due to COVID 19. The State has acknowledged that the traffic restriction measures it has taken constitute Authorised State Intervention, which adversely affect the operation and exploitation of the MCCs and in accordance with the relevant articles of the Concession Agreements implemented the respective contractual clauses. The calculation of the compensation is determined on the basis of the concession agreements with an amount equal to the difference between the Revenues realized in the semester, when this event took place or in any subsequent semester, during which the relevant event or its consequences continue, and the Provision for Revenue of the Updated Approved Financial Models for the same period.

Pursuant to the above provisions of the Concession Agreements, the aforementioned companies of the Group submitted to the State claims for compensation for the loss of income suffered in 2020 amounting to Euro 33.7 million, which were recognized benefitting the consolidated Statement of Comprehensive Income for the annual period ended 31.12.2020 and included in the item "Other income / (expenses)". From the above amount, an amount of 15.1 million euro has been collected until the approval date of the accompanying financial statements.

Regarding the concession company of the New International Airport of Heraklion in Crete, after the start date of the concession in February 2020, the study-construction period of the Project has started (five years) which continues according to the concession agreement. In addition, as during the first period of the construction period, the project is in the process of completing technical studies for a period of at least six (6) additional months, no impact is expected.

In addition, it is worth noting that the concession agreement of the project in Kastelli, is structured to protect the Concessionaire from force majeure events - such as COVID-19 - providing an additional conventional level of security in respect of the development of the project and its performance.

- **Quarry / Industry Operating Segment**

The segment's activity in extracting and processing whitewash and subsequent production of magnesium products, which are almost entirely exported to various countries, has decreased significantly due to the COVID-19 pandemic, as a result of the problems created in the transportation of goods to the customers' countries.

Consequently, the subsidiary TERNA LEFKOLITHI has decreased the production waiting for normalization of the market, while at the same time rescheduling the operation of the production procedures for the optimal use of existing inventory of whitewash and existing equipment.

(Amounts in thousands Euro, unless otherwise stated)

Summary

The coronavirus pandemic (COVID-19) has led the global economy to a period of uncertainty and instability, the consequences of which are difficult to assess based on the currently available data, since the situation is evolving. The economic impact will depend on the term and intensity of the recession as well as the emerging recovery prospects.

The management of the Group estimates that the operation, financial performance, cash flows and financial position of the Group will not be significantly affected. In any case the management of the Group ensures the preservation of orderly operation both in Greece and in other countries where the Group operates, applying procedures for continuous identification and evaluation of all risks that may arise in the near future. The Management in direct, continuous and systematic cooperation with the Risk Managers and the executives of the Group, plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible. The organizational efficiency of the Group and the continuous foster of the Management to use its managers by project and specific topic, depending on the required ability and experience have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group and if it appears. Due to the existence of this basic principle, stems the immediate reaction of the Management and the above mechanism for dealing with the epidemic crisis with prudence, calm and strategic perspective.

47 PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

Financial assets as well as financial liabilities the end of the reporting period can be classified as follows:

	31.12.2020			
Financial Assets	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Listed shares and Mutual funds	0	7,811	0	**7,811**
Investments in securities	0	0	66,620	**66,620**
Financial assets from concessions	46,952	0	0	**46,952**
Other long-term receivables	63,968	0	0	**63,968**
Receivables from derivatives	0	196,410	14,544	**210,954**
Trade and other receivables	515,743	0	0	**515,743**
Cash and cash equivalents	1,108,417	0	0	**1,108,417**
Total	**1,735,080**	**204,221**	**81,164**	**2,020,465**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2019			
Financial Assets	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Listed shares and Mutual funds	0	3,407	0	**3,407**
Investments in securities	0	0	65,434	**65,434**
Financial assets from concessions	44,408	0	0	**44,408**
Other long-term receivables	88,977	0	0	**88,977**
Receivables from derivatives	0	193,177	14,322	**207,500**
Trade and other receivables	495,742	0	0	**495,742**
Cash and cash equivalents	594,671	0	0	**594,671**
Total	**1,223,798**	**196,584**	**79,756**	**1,500,139**

	31.12.2020			
Financial Liabilities	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	2,308,651	0	0	**2,308,651**
Securities equivalent to financial liabilities	281,263	0	0	**281,263**
Other long-term liabilities	25,714	0	0	**25,714**
Trade and other receivables	257,118	0	0	**257,118**
Short-term borrowing	116,505	0	0	**116,505**
Liabilities from leases	18,995	0	0	**18,995**
Liabilities from derivatives	0	0	241,089	**241,089**
Total	**3,008,246**	**0**	**241,089**	**3,249,335**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2019			
Financial Liabilities	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	1,893,896	0	0	**1,893,896**
Securities equivalent to financial liabilities	375,772	0	0	**375,772**
Other long-term liabilities	15,855	0	0	**15,855**
Trade and other receivables	310,735	0	0	**310,735**
Short-term borrowing	130,598	0	0	**130,598**
Liabilities from leases	13,614	0	0	**13,614**
Liabilities from derivatives	0	76	232,061	**232,137**
Total	**2,740,470**	**76**	**232,061**	**2,972,607**

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the Group's Statement of Financial Position are classified under the following 3 level hierarchy in order to determine and disclose the fair value of financial instruments per valuation technique:

- **Level 1:** Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for comparable assets or liabilities.
- **Level 2:** Investments that are valued at fair value, using valuation techniques for which all inputs that significantly affect the fair value, are based (either directly or indirectly) on observable market data.
- **Level 3:** Investments that are valued at fair value, using valuation techniques, in which the data that significantly affects the fair value, is not based on observable market data.

The Group's financial assets and liabilities measured at fair value on 31.12.2020 and 31.12.2019 are classified in the aforementioned levels of hierarchy as follows:

	31.12.2020			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed shares (Financial assets at fair value through	1,438	0	0	1,438
Non listed shares (Financial assets at fair value through results)	0	0	4,000	4,000
Mutual Funds (Financial assets at fair value through	2,373	0	0	2,373
Investments in securities	0	0	66,620	66,620
Receivables from derivatives	0	0	210,954	210,954
Total	**3,811**	**0**	**281,574**	**285,386**
Financial Liabilities				

Liabilities from derivatives	0	236,834	4,255	241,089
Contingent consideration from acquisition of assets (Note 7.1)	0	0	10,290	10,290
Total	**0**	**236,834**	**14,545**	**251,379**
Net fair value	**3,811**	**(236,834)**	**267,029**	**34,007**

	31.12.2019			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed shares (Financial assets at fair value through	3,223	0	0	3,223
Mutual Funds (Financial assets at fair value through results)	184	0	0	184
Investments in securities	0	0	65,434	65,434
Receivables from derivatives	0	0	207,500	207,500
Total	**3,407**	**0**	**272,934**	**276,341**
Financial Liabilities				
Liabilities from derivatives	0	223,481	8,656	232,137
Total	**0**	**223,481**	**8,656**	**232,137**
Net fair value	**3,407**	**(223,481)**	**264,278**	**44,204**

There were no changes in valuation technique applied by the Group within the period. There were no transfers between Levels 1 and 2 during financial year 2020 and financial year 2019.

Valuations at fair value through Level 3

Changes in financial instruments classified in Level 3 of the Group for 2020 and 2019 are presented as follows:

	1.1-31.12.2020				1.1-31.12.2019	
	Investments in securities	**Financial assets at fair value through profit & loss**	**Derivatives**	**Contingent consideration from acquisition of assets (Note 7.1)**	**Investments in securities**	**Derivatives**
Opening	**65,434**	**0**	**198,844**	**0**	**48,135**	**167,851**
Proceeds	0	0	(18,704)	0	0	(18,715)
Additions	774	4,000	0	(10,290)	596	0
Sales	(234)	0	0	0	0	0
Effect from	0	0	0	0	0	7,470

(Amounts in thousands Euro, unless otherwise stated)

Effect valuation in Profit / (loss)	0	0	21,525	0	0	43,946
Profit /(loss) in Other Comprehensive Income	646	0	5,893	0	16,703	(1,594)
Foreign exchange differences	0	0	(858)	0	0	(113)
Closing balance	**66,620**	**4,000**	**206,699**	**(10,290)**	**65,434**	**198,844**

Regarding the above, the amount of 206.699 (31.12.2019: 198.845) pertains to the value of embedded derivative and the value of the receivables from electric energy prices risk hedging derivatives 210.954 (31.12.2019: 207.500) and liability 4.255 (31.12.2019: 8.655).

Assets of level 3 are related to investments in non-listed companies with participation less than 20% (Note 21) and assets from imbedded derivatives (Note 32). These investments are analyzed as follows:

	Fair value of investment 31.12.2020	**Fair value of investment 31.12.2019**	**Fair value calculation method**	**Other Information**
Embedded Derivative	196,410	193,177	Discount of future cash flows	The following data was used for the discounting: - Estimated flows for the period 2020 - 2038 203 million euro. - Average interest rates for the period 2020-2038 0,46% -
Receivables / (Obligations) from Interest Rate Swap Derivatives (IRS)	10,289	5,667	Discount of future cash flows	The following data was used discounting the estimated future value into present value
Contingent consideration from acquisition of assets	(10,290)	0	Approximation of weighted probabilities	Measurement at present values using a discount rate of 6.14%
OLYMPIA ROAD	51,160	51,700	Discounted dividend yield	Cost of Capital 9,12%
OLYMPIA ROAD OPERATION	8,591	7,100	Discounted dividend yield	Cost of Capital 9,12%
OTHER INVESTMENTS	10,869	6,635	Equity method at fair values	Fair value of equity on 31.12.2020
Total	**267,029**	**264,278**		

Level 2 financial assets and liabilities pertain to risk hedging derivatives. These investments are analyzed as follows:

	Fair value of investment 31.12.2020	Fair value of investment 31.12.2019	Fair value calculation method	Other Information
Receivables / (Obligations) from Interest Rate Swap Derivatives (IRS)	(236,834)	(223,482)	Valuation by credit institutions combined with an internal valuation using interest rate curves	
Total	**(236,834)**	**(223,482)**		

The carrying amounts of the following financial assets and liabilities approximate their fair value due to their short-term nature:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities

49 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The objectives of TERNA ENERGY Group regarding the management of its capital are as follows:

- ➢ To ensure the Group’s ability to continue as a going-concern, and
- ➢ To ensure satisfactory capital structure and returns for the shareholders.

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 Management monitors the financial leverage of the Group on the basis of the ratio, defined as: Total Bank debt/ Total Capital Employed. “Total bank debt” is defined as the aggregate of Short Term Loans, Long Term Loans, Bank lease liabilities and Long term liabilities payable during the next financial year. The "Total Capital Employed" is defined as the aggregate of Total Equity, Total bank debt and Equity investments equivalent to financial liabilities (Note 26), 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.

(Amounts in thousands Euro, unless otherwise stated)

The ratio at the end of 2020 and 2019 was as follows:

	GROUP	
	31.12.2020	**31.12.2019**
Total bank debt (Note 6) (a)	2.425.682	2.031.342
Total equity	823.868	766.875
Equity investments equivalent to financial liabilities (Note 26)	281.263	375.772
Grants	102.266	154.699
Sub total (b)	**3.633.079**	**3.328.688**
Less:		
Cash and cash equivalents (Note 23)	(1.108.417)	(594.671)
Blocked bank deposit accounts (Note 20)	(106.008)	(51.547)
Approved and collected grants to be returned (Note 31)	3.024	3.024
Sub total (c)	**(1.211.401)**	**(643.194)**
Total Capital Employed (b+c)=(d)	**2.421.678**	**2.685.494**
Total Bank Debt / Total Capital Employed (a)/(d)	**100,17%**	**75,64%**

50 CONTINGENT LIABILITIES AND ASSETS

50.1 Tax unaudited years

The tax obligations of the Group are not definitive as there are unaudited tax years, which are analysed in Note 5 to the Financial Statements for the six-month period ended as of 31.12.2020.

For the unaudited tax years it is possible that additional taxes and surcharges can be imposed at the time when they are 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 3,610 (31.12.2019: 4,610).

Under circulars POL 1154/2017, POL 1191/2017, POL 1192/2017, POL 1194/2017 and POL. 1208/2017, the Governor of the Independent Public Revenue Authority (AADE) provided instructions for the equable implementation of what was approved under num. StE 1738/2017 (Olom.), StE 2932/2017, StE 2934/2017 and StE 2935/2017 decisions of the Council of State (StE) as well as num. 268/2017 Opinion of the Legal Council of the State (NSK).

The above circulars present a five-year limitation period - based on the general rule - for FYs from 2012 thereafter, as well as for the tax years for which the Code of Tax Procedure - CTP applies (from 2014 thereafter), except for special exceptions as defined in the relevant provisions of the CTP.

Therefore, and in accordance with the provisions of POL. 1192/2017, the right of the State for tax attribution until the fiscal year 2014 has expired within the fiscal year 2019, unless there is a case of application of the special provisions regarding 10, 15 and 20 years of limitation. The unaudited years per Group Company are analytically presented in Note 5.

The Management considers that in addition to the provisions made, any tax amounts that may arise will not have a material impact on equity, profit or loss and cash flows of the Group and the Company.

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 Tax Compliance Certificate according to par. 5 of article 82 of Law 2238/1994 and Article 65A paragraph 1 of Law 4174/2013, 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 and 2017 was received by the parent company and the Greek subsidiaries of the renewable energy segment. For the years 2018 and 2019, most of the Group companies in Greece received tax compliance certificate.

Regarding the Group companies in Greece, the special audit for the issuance of the Tax Compliance Certificate for the year 2020 is in progress and the relevant tax certificates are to be issued after the publication of the annual financial statements as of 31.12.2020. At the end of the tax audit, the 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 2014 has lapsed unless the specific provisions on 10-year, 15-year, and 20-year limitation periods apply.

50.2 Commitments from construction contracts

The backlog of the construction contracts of the Group amounts to 1,616 million euro on 31.12.2020 (31.12.2019:1,661 million euro). Under these commitments, the Group has issued letters of guarantee totaling 1.165 million euro (31.12.2019: 897 million euro).

50.3 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 potentially adverse outcome of such court cases.

The Group makes provisions in the financial statements for outstanding legal cases 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 31.12.2020 provisions of 5,875 (31.12.2019: 4,838) for litigations (see Note 28).

The Management, as well as the legal consultants, consider that, apart from 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 Joint Venture “SIEMENS A.G. - AKTOR SA - TERNA SA” in which the Group participates, and the counterpart claim of the Joint Venture

On 29.12.2015, the Hellenic Railways Organization ("OSE") filed a litigation to the Piraeus Court of Appeal against the joint venture under the title “SIEMENS A.G. - AKTOR SA - TERNA SA”, whose member is a subsidiary of the Issuer, TERNA SA.

The legal dispute arose from the project “Renovation of a railway line and manufacture of signalling electrification, - telecommunication in the part of Piraeus - Athens - Three bridges - SKA - Acharnes / Three bridges - Ano Liossia (connection to SKA – Korinthos High Speed Railway Line)", whose contractor was the aforementioned joint venture, following the decision made by OSE on the final cessation of operations and termination of no. 994/2005 project implementation agreement.

OSE demands that the joint venture should pay the amount of 22,062 plus interest as from 5.12.2014, otherwise from 31.12.2015, as unduly paid, on the ground that this amount does not correspond to a contractual benefit that OSE received from the joint venture. In particular, based on the aforementioned litigation, this amount constitutes a deviation, on the one hand between the work invoiced by the joint venture "Siemens AG - Aktor SA - Terna SA" and paid by OSE to the joint venture, and, on the other hand, the revised (by OSE) final measurement of the conducted work and the project.

In addition, a payment of Euro 624 plus interest is requested as from 01.09.2011, otherwise from 31.12.2015, which corresponds to the unamortized part of the prepayment that had been paid to the joint venture contractor of the project, in the context of its implementation.

The hearing of the case had been initially scheduled for 21.09.2017, however, after cancellations and postponements, was rescheduled for 05.12.2019, when it was also cancelled. It had already been rescheduled for hearing on 18.03.2021 and was postponed. The new hearing date is expected to be defined by the Court.

At a stage prior to the aforementioned OSE litigation, the joint venture contractor of the project and the companies participating in it, as of 30.03.2012 have filed an appeal against OSE and against the final measurement of the project so that it should be revised. This appeal, initially rejected by the Piraeus Court of Appeal for formal reasons, was again referred to the five-member Piraeus Court of Appeal under no. 1038/2017 decision of the Supreme Court published on 16.06.2017. The above appeal was heard, after being postponed, on 17.1.2019 and the decision 330/2020 was issued which refers to hearing the said appeal at the Piraeus Court of Appeal in a three-member court panel. Following the above, the joint venture filed a relevant summons to determine a hearing at the Piraeus Court of Appeals in a three-member court panel and was appointed to be heard on 17.03.2022. The decisions issued so far on the above dispute by both the Piraeus Court of Appeal and the Supreme Court, do not address the substance of the legal dispute, but only concern the formal issues.

The members of the joint venture "Siemens AG - Aktor SA - Terna SA" are jointly and severally liable to OSE. Regarding the internal relations between the members of the joint venture, every member bears relative responsibilities according to its participation rate, i.e. TERNA SA - by 37.5%, AKTOR SA - by 37.5% and SIEMENS AG - by 25%, as arising from the no. 15158 / 26.08.2003 Act of the notary of Athens, Eleni Theodorakopoulou.

According to the Company, regarding the case in question, the legal consultants who handle it, estimate that a positive outcome is possible. Furthermore, no provision has been recognized, as according to the Company's Management a) the existence of a commitment has not been finalized so far, b) it is not probable that there will be an outflow of financial resources and c) the relevant amount cannot be reliably estimated.

Claims against Joint Venture «TERNA SA – SICES Construction SPA» in which the Group participates

On 20.12.2019, VIOTEK Anonymous Technical Commercial and Industrial Company (hereinafter "VIOTEK") filed a litigation to the Athens Multi-Member Court of First Instance against the joint venture under the title "TERNA SA – SICES Construction SPA", whose member the subsidiary of the Issuer, TERNA S.A, is. The legal dispute arose under the project "Upgrading ELPE Elefsina refineries-Mechanical Works (Area 1)", regarding the contracting joint venture, which subcontracted to VIOTEK the operations of "Pre-construction and construction of the pipelines – construction of supports of the U32 unit", in compliance with the agreement signed in July 2010. This project has been completed and was finally delivered to the client on 02.05.2014.

VIOTEK's potential claim against the joint venture amounts to Euro 14,534, plus legal interest and VAT.

The members of the joint venture "Terna SA - SICES Construction SPA" are jointly and severally liable to VIOTEK. Regarding the internal relations between the members of the joint venture, every member bears relative responsibilities according to its participation rate, i.e. TERNA SA - by 50% and SICES Construction SPA - by 50%, as arising from the private joint venture agreement as of 28.05.2010, as amended

On 04.03.2020 VIOTEK submitted to Athens Multi-Member Court of First Instance its resignation from the above lawsuit, it was expressly reserved regarding its re-exercising. However, to date, the other party has not returned through a new action. However, the J/V, in the face of a possible negative outcome of this case, has burdened the results of previous years through the revision of the budgeted costs of the project.

Legal claims against TERNA ENERGY sub-group/ Contingent receivables

- Legal action was taken against Terna Energy S.A. by the residents of the Municipality of Sitia, Lassithi, Crete regarding a total amount of € 2.523 k. for tort law property and moral damage due to the Company's acquisition of a license for a locally established Wind Farm electricity production. The lawsuit was to be heard on 15.10.2015, when it was postponed at the request of the plaintiffs for 07.12.2017. However, on 15.11.2017 the plaintiffs disclosed a similar lawsuit for the same requested amount, resigning from the previous lawsuit. The new lawsuit was heard on 7-3-2019. Regarding this hearing, Num. 1589/2020 decision was issued, dismissing the lawsuit. The opponents have not filed an appeal and the Management and the Company's legal consultants assume that they will not do so.
- Legal action was taken against Terna Energy S.A., of Terna S.A., and the joint venture under the title EUROIONIA Joint Venture by the Company FERROVIAL AGROMAN S.A.. The claim totals € 1.241 k as compensation for moral damage. The main lawsuit and the Notice of Trial - Appeal - Compulsory Intervention in line with the By-Lawsuit was set to be heard for 22.09.2016, but was postponed for 13-12-2018, when it was discussed. Regarding this hearing, Num. 1997/2020 decision was issued, rejecting the Notice of Trial - Appeal that had been brought against "TERNA ENERGY S.A.".
- There is a legal lease dispute between an individual and the companies TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", regarding the lease of the island of Agios Georgios Attica from the other party to TERNA ENERGY. It is to be noted that on the island there is an installation of two wind farms of the subsidiary "TERNA ENERGY AI GIORGIS S.A.", with a total installed capacity of 69 MW.

  In particular, on 01.07.2019 the opponent filed a lawsuit to the Athens Single Member Court of First Instance against TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", demanding the return of the island of Agios Giorgis, Attica. The lawsuit was heard on

September 6, 2019. Regarding the aforementioned lawsuit, No. 619/2020 decision of the above court was issued, which accepted the lawsuit, and stated that TERNA ENERGY S.A. should return the island of Agios Georgios to the plaintiff or whoever draws rights from it, including "TERNA ENERGY AI GIORGIS SA." (it is understood that TERNA ENERGY S.A. has transferred the Lease to this company, or has subleased a lease to it) and declared the decision temporarily enforceable. On 15.06.2020, "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." received a court order for voluntary compliance with the above decision, otherwise the court decision would be enforced. The companies "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." filed an application for suspension of execution of the above order, requesting an interim injunction, heard on 18 June 2020 and granted on 19 June 2020 until the hearing of the Application for Interim Measures on 28 July 2020, as well as an appeal against no. 619/2020 of decision, scheduled to be discussed on March 2, 2021, which, however, following a preference request of the other party, was heard on 13.10.2020. Regarding this hearing, no. 548/2021 decision of the Athens Court of Appeals was issued, accepting the appeal of the Group companies, annulling no. 619/2020 decision, re-hearing the lawsuit and rejecting it in its entirety. On 1-3-2021, the other party filed the Appeal under prot. number 1293/132/2021, which has not yet been served or determined. According to the Group's legal consultants, it is estimated that the appeal will not succeed.

On 30.06.2020 the opponent filed a lawsuit EAK 5258/2020 to the Athens Single Member Court of First Instance against “TERNA ENERGY S.A.” and "TERNA ENERGY AI GIORGIS S.A.", disclosed on 20.07.2020, under which, on one hand, it waives the lawsuit as of 13.01.2020 against the same parties and on the other hand, demands compensation of 235.2 due to tort, according to article 914 of the Civil Code, reporting the occupation of the island of Agios Giorgis and interruption of payment of rentals to the plaintiff. The lawsuit is being heard under the new Code of Civil Procedure and, therefore, the date of hearing has not been defined yet. According to the estimates of the Company's legal consultants, it is probable that this lawsuit will be rejected.

On 10.07.2020 the other party filed a lawsuit against "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", requesting the Application for Precautionary Measures, which was also heard on July 28, 2020, with a request for the termination of the Provisional Order as of 19.06.2020 of the Chairman of the Court of First Instance, Maria Skarpou, granted in respect of as of 16.06.2020 Application for Suspension of Enforcement of the companies "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." or - alternatively - continuation of validity of the above Interim Order under the condition of payment to the applicant of the amount of 8.9 per month as compensation for the use of its property. Both claims were heard on July 28, 2020 and regarding those claims, no. 4555/2020 decision was issued, accepting the application for precautionary measures of "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", focusing on the issue of the installation of the latter, based on the protocols and not any type of lease relationship, speculating that this reason will be accepted in the Court of Appeal. A guarantee was ordered to be submitted in favor of Ms. Mantzourani in the Deposits and Loans Fund, amounting to 6 . Following the issuance of the above Decision 548/2021 of the Athens Court of Appeals, the Company will request the return of the given guarantee.

Finally, the same opponent, succeeded in issuing against the Company no. 10898/2019 Payment Order of the Judge of the Single Member Court of First Instance of Athens, Mr. Evangelos Stergiopoulos, Chairman of the Court of First Instance, pursuant to which and from the order dated as of 04.12.2019 placed under a copy of the first executable inventory of the above payment order, the Company was ordered to pay to the other party a total amount of 369.3 plus legal interest. The Company timely filed (GAK 108200/2019 and EAK 13627/2019) an Application for suspension of execution of the above payment order with a request for a temporary order, regarding which the temporary order as of 10.12.2019 of the Chairman of the Single Member Court of First Instance of Athens was issued, granting - temporarily and until the discussion of the above application on 11.03.2020 and given the course of the hearing - a suspension according to article 632 § 3 KPold of the execution of the above payment order no. 10898/2019 setting the condition of the payment of guarantee by the Company amounting to € 50,000 within 15 working days from the publication of the temporary order. In this regard, a Letter of Guarantee of the NATIONAL BANK OF GREECE SA no. 633/7404778 / C was issued, which was submitted to the Athens Court of First Instance, drafted under no. 519 / 31.12.2019 Guarantee Report. Moreover, the Company has filed an Interruption Lawsuit against the Payment Order (GAK 108204/2019 and EAK 5972/2019) as above under no. 10898/2019. The application for precautionary measures was heard on 11.03.2020 and the validity of the effective interim injunction was extended until the issuance of the relative decision on it. No. 3804/2020 decision was issued, suspending the Payment Order until the issuance of a final decision regarding the case as of 19.12.2019, without the provision of a guarantee, therefore, will be requested in court the return of the above letter of guarantee.

- Epirus Prefecture, with prot. no. 45431/142 / 01.04.2019 letter notified the company of a penalty amount of Euro 690,000 due to failure to make available the Epirus Prefecture Waste Treatment Plant Services at the Scheduled Date, in accordance with the terms of 21.07.2017 Agreement. The Company considers that the delay in not achieving service availability on the Scheduled Date is not due to its fault, and will therefore resort to the arbitration procedure provided for in the Agreement to cancel that penalty. The Group's Management estimates that the penalties imposed will not be settled successfully and the company will not be subject to financial burdens.

  This assessment is also based on the submitted Arbitration Appeal – Arbitrator Appointment and Arbitrator Referee Appointment Invitation with which AEIFORIKI EPIRUS MAE raises its own objections, claims and demands. Specifically, on 23.07.2019, the 19.07.2019 Arbitration Appeal - Appointment of Arbitrator and Invitation of Arbitration Appointment was handed to Region of Epirus with which AEIFORIKI EPIRUS MAE seeks to declare that the penalty of 690 was unlawfully imposed and to be repaid to the company with the default interest and the following amounts to be paid: (a) Euro 989 k as compensation for positive losses due to the prolongation of the working period,

(b) Euro 697 k as compensation for loss of revenue during the above period, (c) Euro 325 k as compensation for the cost of performing additional control tests for MEA Epirus, (d) Euro 817 k as compensation for loss of income during the first year of operation of MEA Epirus, (e) Euro 1,048 k as compensation for loss of income during the second year of operation of MEA Epirus. The dispute will be resolved in accordance with the provisions of the Code of Civil Procedure on Arbitration.

The parties have already appointed each of their arbitrators and, in the absence of arbitrators' agreement, the company has lodged an application for arbitrator designation with the Athens Court of First Instance, on which the Region has intervened in the main proceedings seeking its dismissal. The application and the main clause were discussed on 10.01.2020 and the court issued the decision no. 502/2021, appointing an arbitrator.

- AIOLIKI MARMARIOU EVIAS S.A.

  On 06.11.2020, individuals filed before the Magistrate Court of Karystos, prot. number 17/2020, a Lawsuit against the Company with a request to recognize unlawful actions in the specific areas within the installation polygon of "Karabila" Wind Farm, requesting that these areas should be returned and the contractions on them – removed. The lawsuit is to be heard under the new KPold procedure and, therefore, no hearing date has been determined yet. According to the assessment of the company's lawyers, it is probable that this lawsuit will be rejected.

  Moreover, on 23.10.2020, an individual filed before the Single Member Court of First Instance of Chalkida the Lawsuit against the company with a request to recognize a conjuncture of rights by 12.5% and draw the company away from the specific areas within the installation polygon of "Karabila" Wind Farm, requesting compensation for non-pecuniary damage at an amount of Euro 120,000. The lawsuit is to be heard under the new KPold procedure and, therefore, no hearing date has been determined yet. According to the assessment of the company's lawyers, it is probable that this lawsuit will be rejected.

- ENERGIAKI STYRON EVIAS S.A.

  On 09.06.2020, individuals filed before the Magistrate Court of Karystos, prot. number 2/11.06.2020, a Lawsuit against the Company with the main request for their recognition as nominees and holders by a percentage ¾ the former and ¼ the latter of a real estate area 193.48 sq.m. in the position DERBA EMPOUTE and WXISTIS of the real estate area DE Styron, Municipality of Karystos. Since this is an occupied forest area, managed by the competent Forest Office as public, the company, which has been legally established in the disputed area by the Karystos Forest Office, has appealed to the Greek State to support it in this lawsuit, which, as we estimate, is not going to succeed. The Greek State intervened in the lawsuit in support of the company.

  Lawsuit was filed against Panama domiciled company SILVER SUN SHIPPING S.A., which also operates office premises in Greece, regarding tort law payment of Euro 18.514 k in compensation of loss and adverse effect of profits suffered by the Company due to damage. On 13.03.2018, decision No. 1291/2018 was issued justifying a part of the lawsuit, and the TERNA ENERGY AIGIORGIS S.A. is to receive an amount of Euro 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. On these, no. 563/2019 non-final decision of the court of appeal of Piraeus was issued, ordering the conduct of an expert examination, which is already under process. In the course of the case development, the experts submitted a request for a six-month extension for the completion of their expertise. The application was heard on 24.09.2020 and a decision is expected. The expertise is still ongoing. According to the assessment of the Company's lawyers, it is probable that the appeal filed by our Company will succeed and the appeal filed by the opposing company will be rejected.

- At the same time, TERNA ENERGY AI-GIORGIS S.A. 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 Euro 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.

50.4 Tender procedures

Law 4782/2021, published on 09.03.2021, reformed the existing regulatory framework for public procurement under Law 4412/2016, which incorporates in the Greek Legislation Directives 2014/24 /EU (L 94/65) and 2014/25/ EU (L 94/243) as well as Laws 3433/2006 (A’ 20), 3883/2010 (A’ 167) and 3978/2011 (A '137) which regulate the issues of public procurement in defense and security sectors. According to the explanatory memorandum, Part A ' reforms provisions of Law 4412/2016 that constitutes the existing regulatory framework for issues of public procurements, services and projects in order to simplify and clarify the legal provisions, reduce bureaucracy, increase the effectiveness of public procurement and projects implementation, expand the use of electronic means (e-procurement), increase participation of small and medium-sized enterprises in public procurement procedures and address irregularities, such as the issue of excessively low bids and excessive attachment to formality to the substance of the bids. Law 4412/2016 presented a number of problems that contracting authorities as well as the economic operators had identified. The attempt to address such irregularities was fragmented and, quite often, insufficient. It is symptomatic that the provisions of Law 4412/2016 had been amended more than 300 times. However, the current economic conditions have generated the need to increase the efficiency of the procedures for preparation, assignment and implementation of public procurements in order to speed up the relevant procedures, while improving the quality of goods, services and projects supplied by the State without jeopardizing the issues of transparency and integrity. Moreover, the effectiveness of the public procurement system is expected to reinforce the capacity of the Greek State in public investments, as well as in faster absorption and utilization of EU funds and financial facilities, in particular, in view of NSRF 2021-2027 program period and the Recovery of and Resilience Fund (RRF) aimed at supporting reorganization and improving resilience to crises of the economies of the European Union Member States. Realization of the above objectives will be evident through the implementation of the above institutional framework.

Furthermore, on 08.01.2021, the Hellenic Competition Commission, taking into consideration article 11 of Law 3959/2011 on regulatory intervention in sectors of economy, decided ex officio to initiate the relevant procedure in the construction sector and sent out relevant questions to ensure provision of information from construction sector companies. On 07.04.2021, the Hellenic Competition Commission published its preliminary views on the aforementioned matter regarding the competition conditions in the construction sector, asking all the interested parties to contribute to the public consultation on the published text. The consultations last from 08.04.2021 until 07.05. 2021 and the Group considers its active participation in the procedure, aiming, among other things, at pointing out any incorrect data identified in the text published by the Hellenic Competition Commission.

51 SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD 01.01 – 31.12.2020

The following significant events took place as from 01.01.2021 until the date of approval of the accompanying financial statements:

- On 08.01.2021, the Hellenic Competition Commission, taking into consideration article 11 of Law 3959/2011 on regulatory intervention in sectors of economy, decided ex officio to initiate the relevant procedure in the construction segment and sent out relevant questionnaires to ensure provision of information from construction companies. On 07.04.2021, the Hellenic Competition Commission published its preliminary views on the aforementioned matter regarding the competition conditions in the construction segment, requesting all the interested parties to contribute to the public consultation on the published text. The consultation period lasts from 08.04.2021 until 07.05.2021 and the Group considers its active participation in the procedure, aiming, among others, at pointing out any incorrect data identified in the text published by the Hellenic Competition Commission.

- On 18.01.2021, the European Commission approved the financing, by the Greek State of the construction of the northern part of the E65 motorway, amounting to Euro 442 million. The project is part of the Central Greece Motorway (E65), which has been granted with a Concession Agreement to the subsidiary CENTRAL GREECE MOTORWAY SA, and will be executed by the construction joint venture CENTRAL GREECE MOTORWAY (E65). The approval was given following the notification submitted by the Greek State of a state aid measure to the General Department for Competition of the European Commission, by which the Greek State activated its rights and expressed interest in fully financing the construction of Deferred Section B or "ATB", which includes the subdivisions M/W Trikala

– M/W Grevena (32,450km) and M/W Grevena – M/W Egnatia "(30,610km). The Amendment of the Concession Agreement is expected to be signed and approved by the Parliament, so that the construction works to be initiated within 2021.

- On 19.01.2021, the subsidiary TERNA ENERGY SA announced the expansion of its activities in the segment of floating photovoltaic parks. In this context, the company submitted to RAE applications for the issuance of a producer certificate for (3) three floating photovoltaic park installations in an equal number of artificial reservoirs of total capacity amounting to 265 MW. More specifically, the applications for the development of projects of this innovative clean energy production technology concern the installation of Artificial Reservoirs, 120 MW in the Kastraki Artificial Reservoir, 103 MW in the Pournari Artificial Reservoir and 42 MW in the Stratos Artificial Reservoir. The total amount of investment for the development of the three RES facilities will exceed Euro 170 million.

- On 29.01.2021, the Public Private Sector Partnership (PPP) project "Integrated Waste Management of the Peloponnese Prefecture" was launched, between the Environmental Peloponnese, a company of the TERNA ENERGY Group, and the Peloponnese Prefecture. The agreement of the project "Integrated Waste Management of Peloponnese Prefecture" provides for the construction and operation of three (3) Waste Treatment Units (WWUs) and an equal number of Landfills in Arkadia, Messinia and Laconia as well as (2) Waste Transfer Stations in Corinth and Argolida. The total duration of the agreement is 28 years and includes a two-year construction period and a 26-year operating period.. The amount of the investment amounts to Euro 152 million, of which Euro 62.5 million arise from an NSRF grant.

- On 25.02.2021, the subsidiary TERNA ENERGY signed the agreement for the project «Digital Transformation, Telematics and Unified Automatic Fare Collection System for the Transport Authority of Thessaloniki (TheTA)». Contractor of the project is the joint venture TERNA ENERGY (70%) – INDIGITAL (15%) – AMCO (15%). The total budget amounts to Euro 30 million plus VAT while installation works are scheduled to begin by 2nd three month of 2021. The project concerns the complete digital transformation of the Transport Authority of Thessaloniki, according to the standards of good practice of other transport operators in Europe. The agreement provides for the construction period (12 months) and the provision of maintenance and operation support services for five (5) years from completion, while the Contracting Authority reserves the right to extend the maintenance and operation support period for another five (5) years.

- On 02.03.3021, the subsidiary TERNA ENERGY and OCEAN WINDS (a Joint Venture between EDP Renewables and ENGIE) have signed a collaboration agreement to co-develop floating offshore wind projects in the Greek seas of capacity over 1,5 GW, which will be developed the next decade. OCEAN WINDS has a wide portfolio of fixed and floating offshore wind farms under development, construction and operation in various markets throughout Europe, North America and Asia composed of 1.5 GW under construction and 4 GW under development, and 5 to 10 GW in the advanced development stages by 2025.

- Following the catastrophic earthquake of 03.03.2021 that hit the municipality of Tyrnavos, which resulted in irreparable damage to the school in Damasi Tyrnavos, subsidiary TERNA SA applied to make a donation for the construction of a new school, replacing the old one.

  On 05.03.2021, following the approval of the Greek State, the Operation and Maintenance Contracts (the "O&M Contracts") were signed between GEK TERNA SA, which is the parent company of the GEK Group TERNA (the "Officer"), and the Concession companies Nea Odos SA and Odos Central Greece SA (the "Concessionaires"). The O&M Contracts provide for the contracting assignment of the operation and maintenance of the Concession Projects to GEK TERNA SA.

  The O&M Contracts are expected to enter into force within May 2021 and according to them, GEK TERNA SA, as the Operator, will undertake to provide until the end of the Concession Period all the services of operation and maintenance of the Concession Projects, that today are performed by the Concessionaires, in a regime of absolute correspondence (back to back).

  The Operation & Maintenance Services of the Concession Project undertaken by the Operator concern the daily operation and maintenance of the Concession Works, including the execution of all the obligations of the Concessionaires ,under the respective Concession Contracts related to the operation and maintenance of the projects.

  The Operation and Maintenance Contracts will expire at the end of the Concession Period in accordance with the Concession Contracts of the projects, subject to the provisions for early termination. Estimated expiration time is 2037 and if the Concession Period is extended in accordance with the provisions of the Concession Agreements.

- In order to enable the execution of the project of the Operator , according to a relevant term of each O&M Contract, the Concessionaires undertook to transfer to the Operator all the staff involved in the maintenance and operation of the Project, the contracts with subcontractors and suppliers, the vehicles used for the maintenance and operation of the projects as well as the relevant consumables and spare parts.

- On 08.03.2021 the subsidiary TERNA SA signed with the company SEGER GREECE SA, an agreement for the execution of the project "Renovation and reuse of MIRAMARE Hotel unit in Moraitika, Corfu", with a contractual object of Euro 7.8 million and duration 5 months.

- On 23.03.2021 the subsidiary TERNA SA signed with the National Railway Infrastructure Company of Bulgaria (NRIC) for the construction of the project "Construction of railway infrastructure and electrification of the Petrarch - Dragoman department and study, construction and supervision by the road signs and telecommunication project manager of the Voluiak – Dragoman part", with a contractual object of Euro 154.7 million and duration of 48 months.

- On 30.03.2021, the subsidiary TERNA ENERGY, signed agreement for the project "Hybrid system for the production of electricity and heat from RES on the island of Ag. Efstratios". The project pertains to study, supply, installation and operation of:

  - a Hybrid Station (YVS) for generating power from Renewable Energy Sources (RES) on Ag. Efstratios island, comprising a wind turbine (A/G), a photovoltaic station (PV), storage accumulators and an Energy Management and Monitoring System.
  - an integrated system of remote heating of the Ai Stratis community, including building facilities. Thermal energy produced, will suffice for covering heating and hot water needs of all houses at the entire Ag. Efstratios settlement.

  The contractor will also undertake the operation and maintenance of the project for twelve (12) years. Total budget of the project (construction of the hybrid system and operation and maintenance service fees for 12 years) stands at €7,712,800 (inclusive of VAT). Construction period is 25 months.

- On 07.04.2021, the Company announced that the reassessment of its creditworthiness by the company ICAP S.A. reclassified it into "A" rating. The A rating implies a very low credit risk and is attributed to companies that are able to meet their obligations even in adverse economic conditions and, therefore, their credit rating remains consistently high. A-rated companies are characterized by their significant financial sizes, their upward course of development and their significant market position.

- According to Law 3556/2007, GEK TERNA SA informed Investors that in 11.03.2021, received a notification from shareholder REGGEBORGH INVEST B.V. that they have decided to proceed with divestment from the Company and will follow all necessary procedures for the gradual reduction of their participation in GEK TERNA SA which at that day amounted at 28.181%. On 20.04.2021 shareholder REGGEBORGH INVEST B.V. informed the Company that on 16.04.2021 after several reductions, which were notified to the competent authorities, there was a change (reduction) in voting rights of the said shareholder, whose rights fell below the 5% threshold.

- According to Law 3556/2007, GEK TERNA SA informs the Investors that in 12.03.2021, received a notification from the shareholder LATSCO HELLENIC HOLDINGS S.A.R.L, on the acquisition of its voting rights, in 12.03.2021 and specifically that following a share purchase transaction the number of shares and an equal number of voting rights amounted to 7,858,571, ie a percentage of 7.5985% of the total voting rights of the Company, amounting to 103,423,291.

- During the period from 18.03.2021 until 20.04.2021 the participation percentage, direct and indirect, of the shareholder Mr. Georgios Peristeris, after several transactions which were notified to the competent authorities, raised from 15.984% to 29.7542% of the Share Capital of the Company. Specifically, Mr. Peristeris directly holds 16,576,307 shares and voting rights, ie a percentage of 16.0276% of the share capital and indirectly 14,196,428 shares and voting rights, ie a percentage of 13.7265% of the share capital. The indirect participation concerns the acquisition of shares of GEK TERNA SA, through the related legal entities PERGE LTD, GARDENIA AKTEXE and SNAKOS SERVICES LTD in accordance with the notifications that have taken place to the competent authorities and to the Company by the shareholder.

- **Unprecedented extreme weather conditions in the US state of Texas in February 2021 and impact on the Group's activities**

On 21.02.2021 the unprecedented extreme weather conditions, prevailing in the State of Texas, USA (hereinafter referred to as the "Natural Phenomenon") and their impact on the operations of the Group (through TERNA ENERGY sub-Group and, in particular, TERNA DEN LLC sub-Group (which includes subsidiaries in the USA [2] that own and operate the Group’s 3 Texas Wind Farms - Fluvanna 1, Fluvanna 2/Gopher Creek and Bearkat I – of total capacity 510MW), is regarded as a non-adjusting event according to the provisions of IAS 10 "Events after the Reporting Period" and, therefore, is not recorded in recognition and measurement of assets and liabilities in the annual financial statements of the TERNA ENERGY sub-Group and GEK TERNA Group for the year ended 31.12.2020.

All the aspects of the aforementioned event are presented in the specific analysis below as follows:

(I) General description of the Natural Phenomenon

On 11.02.2021, conditions of bad weather of unprecedented intensity and severity hit most areas of the State of Texas, affecting all three wind farms of the Group - Fluvanna 1, Fluvanna 2/Copher Creek and Bearkat I of total capacity 510MW (hereinafter "the Wind Farms"), as well as a significant number of other power plants in Texas (not only renewables, but also gas, coal and nuclear power plants). The effects started to hit the State severely and as early as 12.02.2021, state of disaster was declared in 254 counties of Texas. Extremely low temperatures down to -22^{o}C were observed, with alternating pattern of snowfall and icy rain, while ice on the wings of the Wind Farms engines had already started accumulating, resulting in downtime of their operation due to excessive load.

(II) Effects of the Natural Phenomenon on Energy Consumption, Energy Infrastructure and Energy Costs

Extremely low temperatures resulted in:

a. an upward increase in gas and electricity consumption (20% higher electricity consumption was recorded compared to that projected by the network operator).

[2] Fluvanna Wind Energy, LLC (“Fluvanna 1”), Fluvanna Wind Energy 2, LLC (“Fluvanna 2”) και Bearkat Wind Energy, LLC (“Bearkat”).

b. shortage of available energy production that could not meet the increased demand. Deep cold has greatly affected the electromechanical mechanism in energy infrastructure. The electricity transmission and distribution network suffered significant damage. The electricity generation capacity was significantly affected due to a combination of the aforementioned factors.

c. in order to avoid a total blackout, the Electric Reliability Council of Texas (ERCOT) started to impose controlled and rolling blackouts in the entire state of Texas in its attempt to decrease the electricity energy demand against the (decreased) production available. The productivity in the Texas system was at 50% of what was declared available before the commencement of the Natural Phenomenon.

d. combined conditions of increased consumption and reduced production led to a dramatic increase in energy price, which was increased from a level of $ 20/ MWh to $ 9,000/MWh, which is the maximum permitted by ERCOT.

(III) Effects of the Natural Phenomenon on TERNA ENERGY sub-Group's operations

(a) Special energy market operation and financial burden on energy producers

Due to the generally strong fluctuations in electricity producer prices in Texas, 85% of total electricity generation at ERCOT is allocated through tariff risk hedging contracts, which, in practice share the risk between producers and their counterparties. In particular, the producers assume the obligation and the risk of production according to a promised profile (which is different per day, per season, or per hour, depending on the producer), while the counterparty assumes the obligation and the risk of purchasing the produced energy according to the agreed energy profile, at a specific price. In case the energy production deviates from the contractual profile, the market price is used. In this case, as the producers could not produce energy for disposal to their counterparties according to the contractual provisions (as happened in the TERNA ENERGY sub-Group's Wind Farms), the counterparties purchased this energy from the free market at the prevailing price of $ 9,000/MWh and invoiced to the producers the difference between the energy acquisition price and the respective agreed/contractual price (approximately $ 20/MWh), thus causing huge financial burdens on the producers.

It is to be noted that all three Wind Farms in Texas returned to full operation between 20 and 23 February 2021.

(b) Financial burden on the Group as a result of the Natural Phenomenon

In the case of TERNA ENERGY sub-Group's three Wind Farms, the particular conditions generated an energy shortfall of approximately $ 30 million per day and ultimately amounted to $ 179.4 million. In particular, the pre-sale contractual counterparties Merrill Lynch Commodities, Inc., Morgan Stanley Capital Group Inc., JPMorgan Chase Bank respectively (hereinafter referred to as "Hedge Providers"), on the basis of the existing hedging contracts effective for the three Wind Farms, issued Liquidated Damages invoices, covering the period from 13 to 19 February 2021, totally amounting to $ 179,410,942, allocated as follows: Fluvanna 1 $ 32,691,587, Fluvanna 2/ Gopher Creek $ 69,656,417 and Bearkat $ 77,062,938.

These invoices were contested in writing by TERNA ENERGY sub-Group, as the TERNA ENERGY sub-Group's Management invokes the occurrence of a Force Majeure Event.

(IV) The TERNA ENERGY sub-Group's Management Actions – Contingent effects on the Group's operations and financial position for FY 2021

Previous risk assessment was implemented with the contribution of the best consultants in the market without relevant indications regarding the risk of a corresponding event. At the same time, insurance coverage could not cover the event, as such an event was not provided in the risk analysis of the insurance companies.

TERNA ENERGY sub-Group's Management acted quickly from the first moments of the occurrence of the Natural Phenomenon and proceeded with all the necessary actions, in order to inform the Hedge Providers in time for a Force Majeure Event. With this action, the goal of the TERNA ENERGY sub-Group's Management was to activate the contractual provision for the exemption of 3 Wind Farms from the obligation to provide energy to Hedge Providers due to force majeure.

The Hedge Providers did not accept the occurrence of a Force Majeure event, as a result, in February 2021, they issued "Liquidated Damages invoices", which cover the period from 13 to 19 February 2021. The total amount of these invoices stood at $ 179,410,942 and is allocated as follows: Fluvanna 1 $ 32,691,587, Fluvanna 2/Gopher Creek $ 69,656,417 and Bearkat $ 77,062,938.

Fluvanna 1 and Fluvanna 2 /Gopher Creek Hedge Providers sent event of default notifications, and Bearkat I Hedge Provider sent potential event of default notification. For the projects Fluvanna 2/ Gopher Greek and Bearkat 1 "Standstill Agreements" have been signed (expiring on 21.05.2021 & 30.04.2021 respectively without excluding the possibility of further extension). As far as Fluvanna 1 project is concerned, the period has begun, within which the Tax Equity Investor can, if the Tax Equity Investor so desires, exercise the contractual treatment option by repaying the amount of the Morgan Stanley Capital Group Inc. invoice, while at the same time making efforts aimed at signing a similar "Standstill Agreement" if the deadline for exercising the treatment option of the Tax Equity Investor expires without any action taken.

Throughout the period from the beginning of the phenomenon and until the accompanying financial statements approval date, the daily discussions with all the stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity in order to minimize the adverse effects for TERNA ENERGY sub-Group. While these discussions are ongoing, the TERNA ENERGY sub-Group's Management is considering three potential actions: (a) applying to the authorized courts and initiating legal action against the Hedge Providers; (b) finding a mutually acceptable commercial solution to the dispute with the Hedge Providers; and (c) divestment from investing in the USA (Class B interests). No final decisions have been made at this time.

In case, due to objective circumstances, the TERNA ENERGY sub-Group's Management decides on the third of the aforementioned actions, namely the disinvestment, then the most unfavourable version of that choice will be that of disposing the sub-Group TERNA DEN LLC companies versus $ 1 to the one that will ultimately be decided upon to treat every respective event of hedging contracts termination invoked by the Hedge Providers (it is clarified that the amount of $ 1 mentioned above and in the following sections, is purely symbolic and is used solely for the purpose of assessing the impact of the worst case scenario in case of disinvestment on TERNA ENERGY sub-Group's financial position).

As at 31.12.2020, the financial sizes of sub-Group TERNA DEN LLC stood at total assets of Euro 565.8 million, i.e. representing 12.21% of the total assets of GEK TERNA Group, while the liabilities amounted to Euro 466.6 million, i.e. representing 12.24% of GEK TERNA Group. A potential deconsolidation of the companies, constituting TERNA DEN LLC Sub-Group as a result of their disposal for $ 1, would lead to recognition of accounting loss on the consolidated financial results that is estimated to amount to approximately $ 115 million (i.e. approximately Euro 97.4 million, depending on exchange rate fluctuations).

From the aforementioned total loss, an amount of approx. Euro 36.2 million would be attributed to the owners of the parent company, and the remaining amount would be distributed to the non-controlling interests of the Group.

The liabilities of all projects in the USA are non-recourse to the TERNA ENERGY sub-Group. Therefore, in case of a potential loss of the above project investments, apart from accounting loss, no liquidity or financing issues for TERNA ENERGY sub-Group and the GEK TERNA Group are expected to arise for the next 12 months, as the specific event is not expected to have further impact on the future cash flows of the TERNA ENERGY sub-Group and the GEK TERNA Group.

The Management of the Group examined in detail all the above events when assessing their impact on the 2020 activity, given the events and circumstances at the date of approval of the attached financial statements. Furthermore, the consequences of the above events may have a significant negative impact on the Group's financial position in 2021. However, the Management of the Group has assessed that these consequences do not create uncertainty regarding the activity of the Group and the Company being going concern, ie they do not affect the appropriateness of the basis of preparation of the consolidated and standalone financial statements according to the principle of going concern.

52 APPROVAL OF FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the year ended 31.12.2020 were approved by the Board of Directors of GEK TERNA S.A. on April 27th 2021.

CHAIRMAN of BoD & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN of BoD
GEORGIOS PERISTERIS	CONSTANTINOS VAVALETSKOS
CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
CHRISTOS ZARIBAS	NIKOLAOS VALMAS

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V. REPORT ON USE OF FUNDS RAISEDFROM THE ISSUANCE OF COMMON BOND LOAN OF 120 MILLION

GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS

General Commercial Registry No. 153001000 (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 04.04.2018 to 31.12.2020

At the meeting of the Capital Markets Commission as of 21.03.2018, the Prospectus of 21st March 2018 of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTION SA (hereinafter referred to as “Company”) for the public offer with cash payment and the approval of admission for trading by Athens Exchange up to 120,000 dematerialized, common, bearer bond of a total amount Euro 120,000,000 was approved. Following the completion of the option exercise period, the aforementioned issuance of the common bond loan (hereinafter referred to as "CBL") was fully covered.

The distribution price of the Bonds was defined at Euro 1,000 each, i.e. 100% of its nominal value. The characteristics of this loan are the following: (a) The bond yield is 3.95% and is fixed over the term of the loan, (b) Interest is calculated on six-month basis, (c) The term 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 completion of the Public Offer on March 29th, 2018, and according to the aggregated allocation reporting generated using the Athens Stock Exchange Electronic Book Building (EBB), a total of 120,000 dematerialized, common, bearer bonds of the Company were issued with nominal value Euro 1,000 each and raised funds of Euro 120,000,000.

The allocation of issued bonds is as follows: 78,000 Bonds (65%) of all issued Bonds were allocated to Private Investors and 42,000 Bonds (35%) of all issued Bonds were allocated to Special Investors.

On 16.03.2018, the Company's Board of Directors conducted the certification of payment of the capital raised. Following, one hundred twenty thousand (120 k) dematerialized, common, bearer bonds issued were listed for trading on the Fixed Income Securities of the Organized Market of the Athens Exchange with the approval of the Athens Exchange Board of Directors as of 22.03.2018.

In view of the above, it is hereby disclosed that an amount of **Euro 117,097.4 k**, i.e. an amount of Euro 120,000 k in cash raised from the CBL coverage preference and subscription rights holders, less the amount of Euro 2,902.6 k related to issuance expenses, as also incorporated without deviation into the section 4.1.3 “CBL Issuance Expenses” of the Company's Prospectus of 21 March 2018, was made available as till 31.12.2020 as follows:

(Amounts in thousands Euro, unless otherwise stated)

Table of allocation of the Capital Proceeds from the issuance of the Common Bond Loan of € 120.000.000
(amounts in thousand Euro)

Allocation of the Capital Proceeds based on the objective of the Prospectus (section 4.1.2 "Reasons for Issuing the CBL and Use of Capital")	Allocation of the Capital Proceeds based on the objective of the Prospectus	Capital proceeds for the period from 04.04.2018 to 31.12.2018	Capital proceeds for the period from 01.01.2019 to 31.12.2019	Capital proceeds for the period from 01.01.2020 to 31.12.2020	Total capital proceeds till 31.12.2020	Non allocated balance as at 31.12.2020 (4)	Note
(a) Amount of €64.642.734 will be allocated within 2 months of the CBL receipt as follows: Direct allocation for the partial repayment of a bank bond loan of €193.947.597 as of 01.12.2017.	64.643	64.643			64.643	0	**1**
Total (a)	**64.643**	**64.643**	**0**	**0**	**64.643**	**0**	
b) Amount of €52.454.666 will be used within three years (2018-2020) as follows: (i) half by the Issuer, or through intragroup borrowing or through subsidiaries' Share Capital Increase to finance new or existing investments	26.227	967	10.665	14.595	26.227	0	**2**
- *Up to 70% for direct or indirect (through share capital increase and/or borrowing, which upon termination will be changed to share capital increase) participation in projects via PPP contracts or concession contracts*	*up 18.359*	*345*	*4.850*	*4.000*	*9.195*		**2 (a)**
- *Up to 20% for participation in TERNA LEFKOLITHI SA share capital increase*	*up 5.245*	-	*5.245*	*0*	*5.245*		**2(b)**
The remainder to finance (through share capital increase and/or borrowing, which upon termination will be changed to share capital increase) investments in other segments of the companies activities and legal entities in which the Issuer participates	*Remaining*	*622*	*570*	*10.595*	*11.787*		**2(c)**
(ii) the other half to finance the Company's working capital needs, including the bank borrowing decrease	26.227	26.227	0	*0*	*26.227*	*0*	**3**
Total (b) *[(i)+(ii)]*	**52.454**	**27.194**	**10.665**	**14.595**	**52.454**	**0**	
Total investments *[(a)+(b)]*	**117.097**	**91.837**	**10.665**	**14.595**	**117.097**	**0**	
CBL issuance expenses	2.903						
Total capital proceeds	**120.000**						

Notes:

1) On 01.12.2017, the Company signed a Euro 193.95 million Collateral Common Bond Loan Program with Greek Credit Institutions to refinance existing bank borrowing contractually matured in 2018, which relates to borrowing of: (a) Euro 101 million of the parent, (b) Euro 81.7 million of TERNA SA subsidiary and (c) Euro 11.2 million of other Group's subsidiaries. On 30.01.2018 the coverage at total, of the aforementioned as of 01.12.2017 signed Collateral Common Bond Loan amounting to Euro 193,95 million (two A & B Bond series), from Greek Credit Institutions was completed and the objective to refinance the existing borrowings of the parent and Group companies was implemented. On 10.04.2018, the aforementioned Bond Loan was partially repaid by an amount of Euro 64.6 million from the issue of the new Common Bond Loan of the Company amounting to Euro 120 million, according to section 4.1.2. "Reasons for Issuing the CBL and Use of Capital" of the Company's Prospectus as of 21st March 2018.

2) An amount of Euro 26.227 from the amount of Euro 26.227 has been allocated from 04.04.2018 to 31.12.2020, which will be used within three years (2018-2020) by the Issuer, or through intra-group borrowing or from its subsidiaries share capital increase to finance new or existing investments. The analysis of the aforementioned amount is as follows:
a) For the purposes of participating in projects, implemented under PPPs contracts or concession agreements, an amount of 9,195 was allocated, analyzed as follows:

   i. The Company has allocated to PARKING PLATANOS SQUARE SA (100% its subsidiary) the amount of 695 related to the participation of the Company in the subsidiary share capital increase according to the General Meeting dated 25.06.2018 and 25.06.2019 respectively. In particular, on 21.05.2018 and 21.11.2018, the Company paid the amounts of 100 and 245 respectively. On 21.10.2019, the Company paid an amount of 350. Based on the decision of the General Meeting of the subsidiary dated 04.12.2020, the Company participated in the share capital increase of the total amount of the subsidiary by the amount of 1,400 through cash payment and issue of 400 thousand of new shares of a nominal value of Euro 3.5 per share and a distribution price of Euro 10.00. The difference between the nominal value and the distribution price of Euro 2,600 was transferred to a special reserve from the issue of Share Premium. As at 18.12.2020 and 23.12.2020 the Company paid amounts of 1,400 and 2,600 respectively.

   ii. The Company has allocated to its 100% subsidiary TERNA A.E. (issuer) the amount of 4,500 so that Company could participate in the issuance of a bond loan of the subsidiary. On 15.02.2019, the cash transaction amounting to 4,500 was made by the Company to the issuer. The amount of disposal is aimed at ensuring TERNA's participation according to its percentage in the capital of the concession company "INTERNATIONAL AIRPORT HERAKLION CRETE SA". TERNA paid the amount of its participation on 08.02.2019.

b) For the purposes of participating in share capital increase of TERNA LEFKOLITHI S.A., an amount of 5,245 was allocated:
In particular, the Company has allocated to the subsidiary company TERNA LEFKOLITHI S.A. the amount of 5,245 that concerns the participation of the Company in the share capital increase of the subsidiary company based on the decision of the Extraordinary General Meeting as of 09.12.2019. On 19.12.2019, the Company paid the amount of 5,245 in the context of the share capital increase of the subsidiary.

c) For the purposes of financing investments in other operating sectors, the Company has allocated an amount of 11,787, analyzed as follows:

i. The Company has allocated to IOANNINON ENTERTAINMENT DEVELOPMENT S.A. subsidiary an amount totaling 2,092, which is analyzed below:
   - On 24.10.2018, IOANNINON ENTERTAINMENT DEVELOPMENT S.A. (issuer) issued a bond loan of 550 in which the Company participated with the amount of 540 corresponding to equal amount of bonds. On 06.11.2018 a cash transaction of 540 was performed by the Company to the issuer. The above amount will be capitalizes at the loan’s maturity.
   - On 30.03.2018, the Extraordinary General Meeting of IOANNINON ENTERTAINMENT DEVELOPMENT S.A. subsidiary decided on its share capital increase by 300 (171,428 new shares), in which the Company participated, fully covering the amount of the share capital increase. On 24.08.2018, the Company paid the amount of 82, which corresponds to 47 k new shares.
   - On 24.06.2019, the General Meeting of the subsidiary IOANNINON ENTERTAINMENT – DEVELOPMENT S.A. decided on its share capital increase by 570 (1,425,000 new shares), in which the Company participated fully covering the amount of increase. On 27.09.2019 and 21.10.2019, the Company paid the amount of 418 and 152 respectively, which corresponds to 1,425 k new shares.
   - On 24.07.2020, the General Meeting of the subsidiary IOANNINON ENTERTAINMENT – DEVELOPMENT S.A. decided on its share capital increase by an amount of through the issue of 2,250 k new nominal shares. On 18.09.2020 and 11.11.2020, the Company paid the amount of 704 and 196 respectively.

ii. Based on the decision of the Company's Board of Directors as of 25.11.2020, the Company would participate up to the amount of 4,000 in the share capital increases of other investments and participations totaling € 80.1 million. On 18.12.2020, the Company allocated an amount of 995 in the context of the aforementioned share capital increases.

iii. In 2020, the Company allocated an amount of 8,700 pertaining to the total consideration for the acquisition of companies KASSIOPI BV, AVLAKI I BV, AVLAKI II BV, AVLAKI III BV and AVLAKI IV BV. The acquisition was performed by the Company in December 2019.

3) The amount of 26,227 to be used within three years (2018-2020) by the Issuer to cover the needs of the Company in working capital, including the reduction of bank borrowing, was allocated until 31.12.2018 and used to cover other needs and for the Company's working capital.

4) On 31.12.2020, the issuer has made available all the CBL funds raised less the issuance costs, i.e. 117,097, of which an amount of 540 is a temporary allocation and will become final following the conversion of the loan into the company capital.

27th April, 2021

CHAIRMAN of BoD & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN of BoD
GEORGIOS PERISTERIS	CONSTANTINOS VAVALETSKOS
CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
CHRISTOS ZARIBAS	NIKOLAOS VALMAS

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Report on the Findings from the Conduct of Agreed-upon Procedures on the "Report on Allocation of the Capital Proceeds"

To the Board of Directors of **"GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS"**

Pursuant to the order we received from the Board of Directors of "GEK TERNA SOCIETE ANONYME

HOLDING REAL ESTATE CONSTRUCTIONS" (hereinafter referred to as the "Company"), we conducted the following agreed-upon procedures within the regulatory framework of the provisions of Athens Stock Exchange and the relevant legislative framework of Hellenic Capital Market Commission regarding the Report on Allocation of the Capital Proceeds (hereinafter referred to as "the Report) of the Company regarding the issue of a Common Bond Loan. The Company's Management is responsible for preparation of the aforementioned Report in accordance with the effective regulations of Athens Stock Exchange and Hellenic Capital Market Commission and the Prospectus as of March 21st 2018. We undertook this assignment in compliance with the International Standard on Related Services (ISRS) 4400, "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" Our responsibility is to conduct the below agreed-upon procedures and disclose our findings to you.

Procedures

The procedures we conducted can be summarized as follows:

1. We compared the consistency of the content of the Table of Allocation of the Capital Proceeds of the Report with the data reported in the Prospectus issued by the Company on March 21, 2018. In particular, we compared the consistency of the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report with the data recorded in the Prospectus as of March 21st, 2018.
2. We compared the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report with the corresponding amount recognized in the key accounting records of the company until December 31st, 2020.
3. We compared the consistency of the capital proceeds arising from the Common Bond Loan until December 31st, 2020, inclusively with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of March 21st 2018, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries.

Findings

Under performing the above procedures, our findings are:

i. Regarding the procedure (1) mentioned above, we have ascertained that the content of the Table of allocation of the Capital Proceeds of the Report is consistent with the data reported in the Prospectus issued by the Company on March 21st, 2018. In particular, we have ascertained that the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report are consistent with the data recorded in the Prospectus as of March 21st, 2018.

ii. Regarding the procedure (2) mentioned above, we have ascertained that the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report arise from the key accounting records of the company until December 31st, 2020.

iii. Regarding the procedure (3) mentioned above, we have ascertained that the capital proceeds arising from the Common Bond Loan until December 31st, 2020, inclusively are consistent with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of March 21st 2018, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries.

Given that the performed procedure do not constitute an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance beyond what is mentioned above. If we had conducted additional procedures, or if we had conducted 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, which we would have disclosed to you.

Restrictions on the Use of the Report

The current report is addressed exclusively to the Company's Board of Directors, in compliance with its obligations under the effective Regulatory Framework of Athens Stock Exchange. Therefore, this report shall not be used for any other purpose, as it is limited to the items listed above and does not extend to the interim separate and consolidated financial statements prepared by the Company for the period ended on December 31st 2020, for which we have issued a separate Audit Report dated on 27 April 2021.

Athens, 27th April 2021

The Certified Auditor Accountant

Dimitra Pagoni

SOEL Reg. No 30821

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

VI. REPORT ON USE OF FUNDS RAISED OF THE COMMON BOND LOAN OF 500 MILLION

GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS
General Commercial Registry No. 153001000 (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 05.07.2020 to 31.12.2020

At the meeting of the Capital Markets Commission as of 22.06.2020, the Prospectus of 22 June 2020 of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTION SA (hereinafter referred to as "Company") for the public offer with cash payment and the approval of admission for trading by Athens Exchange up to 500,000 dematerialized, common, bearer bond of a total amount Euro 500,000,000 was approved. Following the completion of the option exercise period, the aforementioned issuance of the common bond loan (hereinafter referred to as "CBL") was fully covered.

The distribution price of the Bonds was defined at Euro 1,000 each, i.e. 100% of its nominal value. The characteristics of this loan are the following: (a) The bond yield is 2.75% and is fixed over the term of the loan, (b) Interest is calculated on six-month basis, (c) The term 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 completion of the Public Offer on July 5th, 2020, and according to the aggregated allocation reporting generated using the Athens Stock Exchange Electronic Book Building (EBB), a total of 500,000 dematerialized, common, bearer bonds of the Company were issued with nominal value Euro 1,000 each and raised funds of Euro 500,000,000.

On 17.06.2020, the Company's Board of Directors conducted the certification of payment of the capital raised. Following, the issued five hundred thousand (500 k) dematerialized, common, bearer bonds issued were listed for trading on the Fixed Income Securities of the Organized Market of the Athens Exchange with the approval of the Athens Exchange Board of Directors as of 06.07.2020.

In view of the above, it is hereby disclosed that an amount of **Euro 489,398 k**, i.e. an amount of Euro 500,000 k in cash raised from the CBL coverage preference and subscription rights holders, less the amount of Euro 10,602 k related to issuance expenses, as also incorporated without deviation into the section 4.1.3 "CBL Issuance Expenses" of the Company's Prospectus of 22 June 2020, available as till 31.12.2020 as follows:

(Amounts in thousands Euro, unless otherwise stated)

Table of allocation of the Capital Proceeds from the issuance of the Common Bond Loan of € 500,000,000 (amounts in thousand Euro)					
Allocation of the Capital Proceeds based on the objective of the Prospectus (section 4.1.2 "Reasons for Issuing the CBL and Use of Capital")	**Allocation of the Capital Proceeds based on the objective of the Prospectus**	**Capital proceeds for the period from 05.07.2020 to 31.12.2020**	**Total capital proceeds till 31.12.2020**	**Non allocated balance as at 31.12.2020**	**Note**
Within 4 months as from collecting raised funds					
1. Full repayment of (a) common bond loan as of 23.12.2019 of the initial amount up to € 35,612,500 of the subsidiary TERNA LEFKOLITHI, for which the Issuer and TERNA have provided a guarantee and (b) a short-term loan of the subsidiary TERNA of 5,000,000 with of the Issuer and TERNA	40.113	40.113	40.113	0	(1)
2. Full repayment of the common bond loan as of 31.01.2017 of the initial amount of € 20,000,000, issued by the Issuer	18.500	18.500	18.500	0	(2)
3. Full repayment of the short-term borrowings of the subsidiary TERNA SA amounting to € 17,387,500, for which the Issuer has provided a guarantee	Up 17.388	17.379	17.379	0	(3)
Period 2020-2027					
4. for financing (through share capital increases and/or borrowing) of investments in concessions, infrastructure and energy projects according to the judgment of the Company's Management	400.000	0	0	400.000	
5. тthe remaining amount of the total funds raised will be used to cover the working capital needs of the Issuer	Remaining	13.407	13.407	0	(4)
Total	**489.398**	**89.398**	**89.398**	**400.000**	
CBL issuance expenses	10.602				
Total capital proceeds	**500.000**				

Notes:

1. In the period 05.07.2020 to 31.12.2020, the Company has allocated, through Share Capital Increase (SCI) of the subsidiary TERNA LEFKOLITHI and through intra-group loan to the subsidiary TERNA, to the subsidiary TERNA LEFKOLITHI the total amount of 40.112. In particular, 10.07.2020, the cash transaction of the amount of 40,112 was performed, of which an amount of 20,465 was allocated directly to TERNA LEFKOLITHI via SCI and an amount of 19,647 was allocated to TERNA LEFKOLITHI through an intragroup loan to the subsidiary TERNA, holding a 49% % participation in TERNA LEFKOLITHI and, afterwards, through SCI of TERNA LEFKOLITHI. The above amounts were allocated by the subsidiary TERNA LEFKOLITHI for the purpose of full repayment of a) a common bond loan as of 23.12.2019 of up to Euro 5,612,500, for which the Issuer and the subsidiary TERNA have provided a guarantee and (b) short-term borrowings of the subsidiary TERNA LEFKOLITHI amounting to Euro 5,000,000 with a guarantee of the Issuer and a TERNA company subsidiary.

2. In the period 05.07.2020 to 31.12.2020, the Company has allocated the amount of 18,500 for the full repayment of as of 31.01.2017 common bond loan of initial amount of Euro 20,000,000, issued by the Issuer. On 10.07.2020 the Company performed the cash transaction of 18,500 to the Bank.

3. In the period 05.07.2020 to 31.12.2020, the Company has allocated the amount of 17,379 through intragroup loan to the subsidiary company TERNA for full repayment of short-term borrowing of TERNA amounting to Euro 17,387,500, for which the Issuer provided the guarantee. On 10.07.2020 the subsidiary TERNA performed the cash transaction of 17,387 to the Bank.

4. From the remaining amount of 13,407 that the Issuer will use within a seven year period (2020-2027) to cover the needs of the Company in working capital, until 31.12.2020, the total amount of 13,407 was allocated, used to cover the other working capital needs of the Company including interest on loans totaling 7,840.

5. CBL unallocated funds amounting to 400,000 are included in the item "Cash and cash equivalents" of the separate Statement of Financial Position of 31.12.2020 and are deposited to the Company's bank accounts.

27th April, 2021

CHAIRMAN of BoD & CHIEF EXECUTIVE OFFICER	VICE CHAIRMAN of BoD
GEORGIOS PERISTERIS	CONSTANTINOS VAVALETSKOS
CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
CHRISTOS ZARIBAS	NIKOLAOS VALMAS

Report on the Findings from the Conduct of Agreed-upon Procedures on the "Report on Allocation of the Capital Proceeds"

To the Board of Directors of **"GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS"**

Pursuant to the order we received from the Board of Directors of "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS" (hereinafter referred to as the "Company"), we conducted the following agreed-upon procedures within the regulatory framework of the provisions of Athens Stock Exchange and the relevant legislative framework of Hellenic Capital Market Commission regarding the Report on Allocation of the Capital Proceeds (hereinafter referred to as "the Report) of the Company regarding the issue of a Common Bond Loan. The Company's Management is responsible for preparation of the aforementioned Report in accordance with the effective regulations of Athens Stock Exchange and Hellenic Capital Market Commission and the Prospectus as of June 22st 2020. We undertook this assignment in compliance with the International Standard on Related Services (ISRS) 4400, "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" Our responsibility is to conduct the below agreed-upon procedures and disclose our findings to you.

Procedures

The procedures we conducted can be summarized as follows:

1. We compared the consistency of the content of the Table of Allocation of the Capital Proceeds of the Report with the data reported in the Prospectus issued by the Company on June 22, 2020. In particular, we compared the consistency of the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report with the data recorded in the Prospectus as of June 22st, 2020.
2. We compared the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report with the corresponding amount recognized in the key accounting records of the company until December 31st, 2020.
3. We compared the consistency of the capital proceeds arising from the Common Bond Loan until December 31st, 2020, inclusively with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of June 22st 2020, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries.

Findings

Under performing the above procedures, our findings are:

i. Regarding the procedure (1) mentioned above, we have ascertained that the content of the Table of allocation of the Capital Proceeds of the Report is consistent with the data reported in the Prospectus issued by the Company on June 22st, 2020. In particular, we have ascertained that the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital

Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report are consistent with the data recorded in the Prospectus as of June 22st, 2020.

ii. Regarding the procedure (2) mentioned above, we have ascertained that the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report arise from the key accounting records of the company until December 31st, 2020.

iii. Regarding the procedure (3) mentioned above, we have ascertained that the capital proceeds arising from the Common Bond Loan until December 31st, 2020, inclusively are consistent with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of June 22st 2020, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries.

Given that the performed procedure do not constitute an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance beyond what is mentioned above. If we had conducted additional procedures, or if we had conducted 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, which we would have disclosed to you.

Restrictions on the Use of the Report

The current report is addressed exclusively to the Company's Board of Directors, in compliance with its obligations under the effective Regulatory Framework of Athens Stock Exchange. Therefore, this report shall not be used for any other purpose, as it is limited to the items listed above and does not extend to the interim separate and consolidated financial statements prepared by the Company for the period ended on December 31st 2020, for which we have issued a separate Audit Report dated on 27 April 2021.

Athens, 27th April 2021

The Certified Auditor Accountant

Dimitra Pagoni

SOEL Reg. No 30821

Grant Thornton

Chartered Accountants Management Consultants
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