TERNA ENERGY FINANCE
SOCIETE ANONYME (S.A.)

124 Kifisias Avenue & 2 Iatridou Street, 115 26 Athens

GENERAL ELECTRONIC COMMERCIAL REGISTRY (GEMI) 140274801000

SEMI-ANNUAL FINANCIAL REPORT

for the period

from 1st January to 30 June 2017

According to article 5 of L. 3556/2007 and the relevant executive Decisions by the Board of the Hellenic Capital Market Commission and International Accounting Standard 34

CONTENTS

I. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

(according to article 5 par. 2 of Law 3556/2007)

We:

1. Vasileios Delikaterinis, Chairman of the Board of Directors
2. Aristotelis Spiliotis, Managing Director
3. Dimitra Chatziarseniou, Member of the Board of Directors

The following representatives of the Board of Directors, under our capacity that is presented above, according to the provisions stipulated by law (article 5, paragraph 3 to 5 of Law 3556/2007), and also as appointed for the specific purpose by the Board of Directors of the Societe Anonyme under the name "TERNA ENERGY FINANCE SOCIETE ANONYME" (henceforth called as the "Company" for brevity reasons), we declare and verify according to the law that to the best of our knowledge:

A. The semi-annual financial statements of the company TERNA ENERGY FINANCE SA for the period from January 1st 2017 to June 30th 2017, which were prepared in accordance with the accounting standards in effect, provide a true picture of the assets, liabilities, the shareholders' equity and the results of the Company for the period, according to those stated by paragraphs 3 to 5 of article 5 of L. 3556/2007, and

b. The Semi-Annual Board of Directors' Report depicts in a true manner the information required according to those stated by paragraph 6 of article 5 of L. 3556/2007.

Athens, 26 September 2017

Chairman of the Board	Managing Director	Member of the Board
Vasileios Delikaterinis	Aristotelis Spiliotis	Dimitra Chatziarseniou

This report has been translated from the Greek Original Version

II. REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of **TERNA ENERGY FINANCE S.A.**

Introduction

We have reviewed the accompanying condensed statement of financial position of TERNA ENERGY FINANCE S.A. as of 30 June 2017 and the related condensed statement of total comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information, which is an integral part of the six-month financial report under the Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of other information of the six-month financial report, as required by article 5 of Law 3556/2007, with the accompanying interim condensed financial information.

Athens, 27th September 2017
The Chartered Accountant

Pavlos Stellakis
SOEL Reg. No 24941

Grant Thornton
An instinct for growth

III. SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 1 JANUARY 2017 – 30 JUNE 2017

Of the Board of Directors of the Single Person Societe Anonyme under the name
TERNA ENERGY FINANCE SOCIETE ANONYME

The present Semi-Annual Report of the Board of Directors concerns the period of the first half of the current fiscal year 2017. The report was prepared and is in line with the provisions of Law 3556/2007 (Gov. Gaz. 91A / 30.04.2007) as well as the related and issued executive decisions of the Board of Directors of the Hellenic Capital Market Commission and particularly the Decision under the number 7/448/11.10.2007 of the Board of Directors of the Capital Market Commission.

The present report describes in synopsis the events that took place during the first half of the current financial year and their effect on the semi-annual financial statements. It also presents and describes the major risks and uncertainties which the Company may face during the second half of the year.

Financial Developments & Performance for the Reporting Period

In the first half of 2017, the effort for stabilization and exit of the Greek economy from the continuing economic crisis continued. Within this framework, and despite the persistence of restrictions on capital movements, the Greek government issued a five-year bond before the end of July, raising 3 billion Euros from the financial markets for the first time since the year 2014. The fact of this issuance's oversubscription by 2.2 times is likely to signal the interest of foreign investors to re-examine Greece as an investment destination, prompting the country to return to a new cycle of economic growth.
This framework creates favorable conditions for the development of our Company. In its short-period of existence, the Company has not developed yet any activities. On 24th May 2017 the Company submitted a prospectus to the Hellenic Capital Market Commission with regard to a bond issue amounting to € 60,000,000 that will finance the Company's investment plan in Greece and USA.

Risks and Uncertainties

From the commencement of its activity and onwards, the Company will be subject to various risks, which will be considered and evaluated at the level of the parent company TERNA ENERGY SA and to the extent that they will be differentiated from the latter's existing risks. During the above assessment, a specific weight will be placed on the analysis of the financial markets and products' risk, in particular that of the bond market, as well as to the analysis of liquidity risk and its impact on the overall liquidity of the parent company.
In order to address the financial risks and reduce the resulting negative effects, the Company will use the existing mechanisms and management plans of TERNA ENERGY SA.

Significant Events after the reporting date of the statement of Financial Position

On 19.07.2017 the Public Offering concerning the issuance of an Ordinary Bond Loan of the Company was completed, whereas the new bond securities were listed on the category of Fixed Income Securities at the Organized Market of the Athens Exchange, Greece. In total, 60,000 common bonds were issued with a nominal value of € 1,000 each (the Bonds) resulting into the raising of capital amounting to € 60,000,000. The total eligible demand of the investors who participated in the Public Offering amounted to € 154.4 million. The final yield of the Bonds was set at 3.85%, the Bond interest rate at 3.85% and the Bonds' offer price at €1,000 each, namely 100% of its nominal value. Bonds were allocated as follows: (a) 42,000 Bonds (70% of all Bonds' issued) were allocated to Private Investors and (b) 18,000 Bonds (30% of Bonds' Issued) were placed to Special Investors.

Athens, 26 September 2017

The Chairman of the BoD

Vasileios Delikaterinis

IV. INTERIM CONDENSED FINANCIAL STATEMENTS OF 30th JUNE 2017

(01 January - 30 June 2017)

In accordance with the International Reporting Standards

The accompanying Interim Financial Statements were approved by the Board of Directors of TERNA ENERGY FINANCE S.A. on 26.09.2017 and have been published by being posted on the internet at the websites of the Company (www.ternaenergy-finance.gr) as well as the Athens Exchange (www.helex.gr), in which they will remain at the disposal of the investment community for at least 10 years since their preparation and publication date. It is noted that the published Condensed Data and Information derived from the interim condensed financial statements, aim at providing the reader with certain general information on the financial position and results of the company, but do not provide a full picture of the financial position, financial performance and cash flows of the Company in accordance with IFRS.

TERNA ENERGY FINANCE S.A.
STATEMENT OF FINANCIAL POSITION **2**
(All amounts are expressed in €, unless stated otherwise)

	Note	30-June-2017	31-December-2016
ASSETS			
Current assets			
Prepayments and other receivables	3	9,603	260
Cash and cash equivalents	4	38,767	48,573
Total current assets		**48,370**	**48,833**
TOTAL ASSETS		**48,370**	**48,833**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	5	50,000	50,000
Accumulated losses		(7,830)	(1,167)
Total equity		**42,170**	**48,833**
Short-term liabilities			
Suppliers		6,200	-
Total short-term liabilities		**6,200**	**-**
TOTAL LIABILITIES AND EQUITY		**48,370**	**48,833**

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

TERNA ENERGY FINANCE S.A.
STATEMENT OF COMPREHENSIVE INCOME
(All amounts are expressed in €, unless stated otherwise)

	Note	1-January 30-June-2017
Continued activities		
Administrative and distribution expenses	6	(6,615)
Operating results		**(6,615)**
Net financial expenses		(48)
Results before taxes		**(6,663)**
Results after taxes		**(6,663)**
Total comprehensive losses after taxes		**(6,663)**

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

TERNA ENERGY FINANCE S.A.
STATEMENT OF CASH FLOWS
(All amounts are expressed in €, unless stated otherwise)

Cash flow from operating activities	**30-June-2017**
Cash flow from operating activities	
Losses for the year before taxes	**(6,663)**
Interest and other financial expenses	48
Operating losses before working capital changes	**(6,615)**
Increase/(Decrease) in:	
Prepayments and other short-term receivables	(9,343)
(Increase)/Decrease in:	
Suppliers	6,200
Net cash flows used in operating activities	**(9,758)**
Cash flows from financing activities	
Interest payable	(48)
Cash flows used in financing activities	**(48)**
Net decrease in cash	**(9,806)**
Cash & cash equivalents at the beginning of the period	48,573
Cash & cash equivalents at the end of the period	**38,767**

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

TERNA ENERGY FINANCE S.A.
STATEMENT OF CHANGES IN EQUITY
(All amounts are expressed in €, unless stated otherwise)

	Share capital	Accumulated Losses	Total
01-January-2017	**50,000**	**(1,167)**	**48,833**
Results for the period	-	(6,663)	**(6,663)**
30-June-2017	**50,000**	**(7,830)**	**42,170**

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

ESTABLISHMENT & ACTIVITY OF THE COMPANY

"TERNA ENERGY FINANCE S.A." (henceforth "The Company") was incorporated by the No. 19.634 / 14.10.2016 Notarial Act, according to the provisions of Law 2190/1920 and was registered in the General Electronic Commercial Registry (GEMI) of the Athens Chamber of Commerce and Industry on 14/10/2016 with GEMI number 140274801000. It has its headquarters in Athens, 124 Kifisias Str. & 2 Iatridou Str., and its duration is set for 110 years. TERNA ENERGY SA participates with a 100% equity stake in the Company.

The main activities of the Company comprise the investment and financing of the Company and / or its affiliated companies and business' activities, the mediation in financing by third parties of the companies and businesses affiliated with the Company and generally the raising of capital from the above entities, the provision of services and advices to companies and businesses affiliated with the Company regarding the capital structure and in general their financing and, generally, the execution of any work, project, service and in general of any activity or any other action which is relevant to the above purposes of the Company or generally is performed in the context of achieving all or some of the above purposes.

1. BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

a) Basis for the Preparation of the financial statements

The condensed interim financial statements, (henceforth the "financial statements") have been prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the Standard Interpretations Committee, as such have been adopted by the European Union and specifically according to the provisions of IAS 34 "Interim Financial Statements". The condensed interim financial statements should be read together with the financial statements as of 31 December 2016. There are no Standards that have been applied prior to the starting date. Furthermore, the financial statements have been prepared according to the principle of historic cost.

Since its establishment and going forward, the Company is obliged according to the effective legislation to prepare Statutory Financial Statements based on the IFRS which have been adopted by the European Union. The Company keeps its accounting books in accordance with the provisions of the respective tax law, as it possesses this particular right. In a following stage, the Company proceeds with adjustment entries in order to prepare the attached financial statements according to the IFRS.

b) New Standards, Interpretations and Amendments

The accounting principles applied for the preparation of the financial statements are the same with those applied for the preparation of the annual financial statements of the Company for the period ended on 31 December 2016, apart from the adoption of new accounting standards. The Company has fully adopted all IFRS and interpretations which up to the preparation date of the financial statements had been endorsed by the European Union and whose application was mandatory, according to the International Accounting Standards Board (IASB), for the financial period that ended on 30 June 2017.

i. ***New Standards, Interpretations, revisions and amendments to existing Standards that are in effect and have been endorsed by the European Union***

There are no new Standards, Interpretations, Revisions or Amendments of existing Standards that have been issued by the International Accounting Standards Board (IASB), have been endorsed by the European Union and their application is mandatory from 01/01/2017 or after.

ii. ***New Standards, Interpretations and Amendments to existing Standards that are not in effect yet or have not been endorsed by the European Union***

The following new Standards and revisions of Standards have been issued by the International Accounting Standards Board (IASB), but they have not been in effect or endorsed by the European Union.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 01/01/2018)**

In May 2014, the IASB issued a new standard, IFRS 15. This standard is fully harmonized with the requirements for the recognition of revenue in accordance with IFRS and American accounting principles (US GAAP). The basic principles of the particular Standard are in line with significant part of current practices. The new Standard is expected to improve the financial information by establishing a more solid framework for the resolution of the issues which may arise, thus strengthening the comparability among sectors and capital markets, as well as providing additional disclosures and clarifying the accounting treatment of the contracts' cost. The new standard has been formed to replace IAS 18 Revenue, IAS 11 Construction Contracts and some interpretations that are related to revenues. The Company will consider the impact of all the above in the Financial Statements of the Company, even though it is not expected to be any. These have been adopted by the European Union with the effective date set on 01/01/2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 01/01/2018)**

In July 2014 the IASB issued the final version of IFRS 9. The improvements made to the new standard refer to the existence of a logical model regarding the classification and measurement, a single proactive model for "expected losses" from impairment and also a substantially reformed approach for hedge accounting. The Company will consider the impact of all the above in the Financial Statements of the Company, even though it is not expected to be any. These have been adopted by the European Union with the effective date set on 01/01/2018.

- **IFRS 16 "Leases" (effective for annual periods beginning on or after 01/01/2019)**

In January 2016, IASB published the new Standard, IFRS 16. The aim of the project by IASB was to develop a new Standard for leases which determines the principles applied by both parties in a corresponding agreement, namely the customer ("the lessee") and the supplier ("the lessor"), concerning the provision of information for the leases in a manner that accurately depicts such transactions. In order to serve the above aim, the lessee will have to recognize the assets and liabilities emanating from the lease. The Company will consider the impact of all the above in the Financial Statements, although it is not expected to be any. These have not been adopted by the European Union.

- **Amendment to IAS 12 Deferred Taxation "Recognition of deferred tax assets for unrealized losses" (effective for annual periods beginning on or after 01/01/2017)**

In January 2016, IASB proceeded with the issuance of a narrow-scope amendment to IAS 12. The aim of the said amendments was to clarify the accounting treatment of the deferred tax assets for the unrealized losses from securities measured at fair value. The Company will consider the impact of all the above in the Financial Statements of the Company, although it is not expected to be any. These have not been adopted by the European Union.

- **Amendments in IAS 7: «Disclosure Initiative» (effective for annual periods beginning on or after 01/01/2017)**

In January 2016, IASB proceeded with the issue of amendments of limited scope in IAS 7. The aim of the amendments is to make feasible for the users of the financial statements to evaluate the changes in liabilities occurring from financial activities. The amendments require from the economic entities to provide disclosures, which will make feasible to the investors to evaluate the changes in liabilities occurring from financial activities, including the changes deriving from cash flows, as well as non-cash changes. The Company will consider the impact of all the above in the Financial Statements, although it is not expected to be any. These have not been adopted by the European Union.

- **Clarification to IFRS 15 «Revenue from Contracts with Customers» (effective for annual periods beginning on or after 01/01/2018)**

In April 2016, IASB proceeded to the issuance of clarifications concerning IFRS 15. The amendments of IFRS 15 do not alter the basic principles of the Standard, but provide clarifications regarding the application of these standards. The amendments clarify the pattern with which a commitment for the execution of contract is recognized, how it is determined whether an economic entity constitutes the entity giving or receiving a mandate, as well as how it is determined whether the income from a license should be recognized at a particular point in time or gradually with the passage of time. The Company will consider the impact of all the above in the Financial Statements, although it is not expected to be any. These have not been adopted by the European Union.

- **Amendment in IFRS 2: «Classification and Measurement of Share-based Payment Transactions» (effective for annual periods beginning on or after 01/01/2018)**

In June 2016, IASB proceeded with the issuance of an amendment of limited scope in IFRS 2. The aim of the particular amendment is to provide clarifications regarding the accounting treatment of certain types of share-based payment transactions. More specifically, the amendment introduces the requirements regarding the accounting treatment of the effect of the vesting and non-vesting conditions in the measurement of share-based payments arranged in cash, the accounting treatment of the share-based payment transactions which carry a characteristic of settlement on an offsetting basis regarding the obligation for withheld tax, as well as an amendment in the conditions and terms of share-based payment, which alters the classification of the transaction from arranged in cash to arranged based on shares. The Company will consider the impact of all the above in the Financial Statements, although it is not expected to be any. These have not been adopted by the European Union.

- **Amendments to IFRS 4: "Application of IFRS 9 Financial Instruments in Accordance with IFRS 4 Insurance Contracts" (effective for annual periods beginning on or after 01/01/2018)**

In September 2016, the IASB issued amendments to IFRS 4. The purpose of these amendments is to determine the treatment of temporary accounting effects due to the different date of entry into force of IFRS 9 Financial Instruments and the current version of the Standard on Insurance Contracts. The amendments to the existing requirements of IFRS 4 allow to entities whose main activities are related with insurance to postpone the application of IFRS 9 by 2021 ("temporary exemption") and allow all issuers of insurance contracts to recognize the other comprehensive Income, rather than profits or losses, the volatility that may result from the application of IFRS 9 before the issuance of the new Standard on Insurance Contracts ("overlapping approach"). The Company will examine the impact of all of the above on its Financial Statements, although they are not expected to have any. These have not been adopted by the European Union.

- **Annual Improvements to IFRSs - Cycle 2014-2016 (effective for annual periods beginning on or after 01/01/2017 and 01/01/2018)**

In December 2016, the IASB issued the "Annual Improvements to IFRS - Cycle 2014-2016", which consists of a series of amendments to some Standards and is part of the program for annual improvements to IFRSs. The amendments included in this circle are as follows: IFRS 12: Clarification of the implementation context of the Standard, IFRS 1: Deletion of short-term exemptions for first-time IFRS adopters, IAS 28: Measurement of a related or a joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 with respect to IFRS 12 and on or after 1 January 2018 with respect to IFRS 1 and IAS 28. The Company will examine the impact of all of the above in its Financial Statements Situations, although it is not expected to have any. The above have not been adopted by the European Union.

- **IFRIC 22 "Foreign Currency Transactions and Advance Payments" (effective for annual periods beginning on or after 01/01/2018)**

In December 2016, the IASB issued a new IFRIC 22 Interpretation. This Interpretation includes the exchange rate requirements to be used when presenting foreign currency transactions (e.g. revenue transactions) when payment has been received or paid in advance. The Company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

- **Amendments to IAS 40 "Transfers of Property Investments from or to Other Categories" (effective for annual periods beginning on or after 01/01/2018)**

In December 2016, the IASB issued amendments of limited scope to IAS 40. The purpose of these amendments is to strengthen the principle of transfers from or to investment property so as to determine that (a) a transfer from, or to Property investments should be made only if there is a change in the use of the property and (b) such a change in the use of the property would include the valuation of the property that meets the criteria for classification as an investment property. This change in use should be supported by relevant documentation / evidence. The Company will examine the impact of all of the above in its Financial Statements, although it is not expected to have any. These have not been adopted by the European Union.

- **IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, replacing an interim Standard, IFRS 4. The IASB's aim was to develop a single principle-based Standard for the accounting treatment of all types of insurance contracts, including reinsurance contracts held by an insurer. A single principle-based Standard will enhance the comparability of the financial reporting between economic entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should apply on financial reporting that is related to insurance contracts that it issues and reinsurance contracts that it holds. The Company will examine the impact of all of the above on its Financial Statements, although it is not expected to have a material effect. The above has not been adopted by the European Union.

- **IFRIC 23 "Uncertainty regarding the Treatment of Income Tax" (effective for annual periods beginning on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation of IFRIC 23. IAS 12 "Income Tax" specifies the accounting treatment of current and deferred tax, but it does not specify the way through which the effects of the uncertainty will be reflected. IFRIC 23 includes the additional to IAS 12 requirements, specifying the way through which the effects of uncertainty will be reflected on the accounting treatment of income tax. The Company will examine the impact of all of the above on its Financial Statements, although it is not expected to have a material effect. The above have not been adopted by the European Union.

c) Approval of Financial Statements

The accompanying interim financial statements of the period 1 January 2017 to 30 June 2017 were approved by the Board of Directors on 26th September 2017.

d) Use of Estimates

The Company makes estimations, assumptions and judgments in order to choose the best accounting principles related to the future evolution of events and transactions. These estimations, assumptions and judgments are periodically assessed in order to reflect current information and risk and are based on the management's previous experience related to level/volume of relevant transactions or events.

The main assumptions and judgments referring to elements, the evolution of which may affect the items of the financial statements in the coming 12 months are as follows:

a) Provision for income tax: The provision for income tax according to IAS 12 is calculated with the estimation of taxes to be paid to tax authorities and includes the current income tax for each financial year and a provision for additional taxes that may occur from tax audits. The final settlement of income tax may differ from the relevant amounts recognized in the financial statements.

b) Impairment of assets and recovery: The Company performs evaluation of the technological, institutional and financial developments by examining indications of impairment of all assets (fixed, trade and other receivables, financial assets etc.) as well as their recovery. The establishment of possible impairment requires, among others, estimation of the value in use, which is estimated using the discounted cash flow method. During the application of this method, the Company relies on a series of factors, which include future operating results as well as market data.

c) Fair value of financial assets and liabilities: The Company applies an estimation of the fair value of financial assets and liabilities.

2. KEY ACCOUNTING PRINCIPLES

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

a) Operation and Presentation Currency and Foreign Exchange Conversion

The operation and presentation currency of the Company is the Euro. Transactions in foreign currencies are translated into Euro using the exchange rates prevailing at the date of the transactions. Receivables and liabilities denominated in a foreign currency are adjusted to reflect the exchange rates at the date of the financial position statement.
Gains and losses arising from transactions in foreign currencies and from the valuation of monetary items in foreign currencies are included in the income statement for the year, except for transactions that qualify for cash flow hedging that are presented in equity.

b) Impairment of Value of Assets:

Financial Assets:

The Company assesses at each closing date the data as to whether a financial asset or a group of financial assets has been impaired. Financial assets that are subject to impairment testing (provided that relevant indications incur) are assets measured at amortized cost (long-term receivables). The recoverable / collectible value of other financial assets in order to perform the related impairment testing is generally determined on the basis of the present value of the estimated future cash flows discounted at either the initial real discount rate of each asset or group of assets or with the current performance factor of a similar financial asset. The resulting impairment losses are recognized in the income statement.

c) Accounts receivable:

Short-term receivables are stated at their nominal value less provisions for doubtful debts, while long-term receivables (balances beyond the normal credit terms) are measured at amortized cost using the effective interest rate method. At each financial position date, all arrears or bad debts are estimated to determine whether or not a provision for doubtful debts is required. The balance of this provision for doubtful debts is appropriately adjusted at each balance sheet closing date so as to reflect the probable relevant risks. Any deletion of customers' balances is charged to the existing provision for bad debts.

d) Investments and other financial assets:

Financial assets that are subject and regulated by the provisions of IAS 39 are classified according to their nature and characteristics into one of the four categories:

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

They are initially recognized at acquisition cost that represents the fair value plus, in some cases, direct acquisition costs.
The classification of the above financial assets is made with the initial recognition and, where allowed, is reviewed and revised periodically.

(i) Receivables and Loans: Receivables and loans arising from the Company's operation (that are beyond the normal credit limits) are valued at amortized cost using the effective interest rate method. Gains and losses are recognized at income statement when the relevant items are written off or impaired, as well as through the amortization process.

(ii) Financial assets at fair value through income statement: It relates to the trading portfolio and includes investments that acquired for the purpose of liquidation in the near future. Gains or losses from the valuation of the specific items are recognized in the income statement.

(iii) Investments held to maturity: Financial assets (primary) with defined flows and fixed maturity are classified as held to maturity when the Company has the intent and ability to hold them to maturity. Investments that are held for an indefinite or pre-determined period cannot be classified in this category. Investments held to maturity are valued, after the initial recognition, at amortized cost based on the effective interest rate method. Gains and losses are recognized in the income statement when the relevant items are written off or impaired, as well as through the amortization process.

(iv)Investments available for sale: Financial assets (primary) that cannot be classified in any of the above categories are characterized and classified as available-for-sale investments. After initial recognition, the available-for-sale investments are measured at fair value and the resulting gains and losses are recognized directly in a separate account of the equity. Upon sale or write-off or impairment of the investment, the accumulated profits or losses are included in the income statement. The current value of these investments that are traded on an organized stock market derives from the relative market value of the investment at the date of the financial position statement. For investments that are not traded on an active market, the fair value is calculated based on relevant valuation techniques. These techniques are based on recent, arm’s length transactions of similar investments, with reference to the market value of another investment with characteristics similar to those of being valued, analysis of discounted cash flows and investment valuation models.

e) Cash Reserves:

The Company considers time deposits and other highly liquid investments with maturity of less than three months as cash and cash equivalents.
For the preparation of cash flow statements, cash and cash equivalents are consisted of cash and bank deposits as well as cash as stated above.

f) Income recognition:

Revenues are recognized to the extent that there is reasonable assurance that the economic benefits will flow into the Company and that the relevant amounts can be reliably quantified. The following specific recognition criteria should also be met when recognizing revenue.

Income from rendering of services

Revenue from provision of services is accounted in the financial year to which they relate.

Dividends:
Dividends are recognized as income of the fiscal year when the right to receive them has been approved by the competent bodies that approve them

Interest:
Interest income is recognized as income of the fiscal year to which it accrues based on accrual accounting policy.

g) Financial Instruments and Risk Management:
The financial assets and liabilities of the Financial Position Statement include cash and cash equivalents, receivables and other short-term liabilities. The Company does not use derivatives of financial products. The accounting policies for recognizing and measuring these items refer to the relevant accounting principles presented in this Note. Financial products are presented as receivables, liabilities or equity items based on the substance and the content of the relevant contracts from which they arise. Interest, dividends, gains and losses arising from financial assets that are designated as assets or liabilities are recognized as expenses or income, respectively. Dividend distribution to shareholders is accounted for directly to equity. Financial products are been offset when the Company, in accordance with the legislation, has this right and intends to offset them on a net basis (among them) or to recover the asset and set off the liability at the same time. Financial risk management aims to minimize potential adverse effects, and in particular:

(i) Interest rate risk and exchange rate risk: No such risk exists

(ii) Fair value:
The amounts presented in the accompanying Financial Position Statement for cash and cash equivalents, short-term receivables and other short-term liabilities approximate their respective fair values due to their short-term nature. The fair value of short-term bank loans does not differ significantly from their book value.

(iii) Liquidity risk: The Company manages liquidity risk by monitoring its cash flows. In relation to the above, the Management ensures the existence of cash and cash equivalents and bank credit limits to cover the Company's financing needs.

h) Income Tax (Current and Deferred)
Current and deferred tax is calculated on the basis of the Company's financial statements in accordance with the tax laws in force in Greece. Income tax is calculated on the basis of the Company's profits as restated in its tax return, additional income taxes resulting from tax audits by tax authorities and deferred income taxes based on statutory tax rates.
Deferred income tax is calculated using the liability method in all temporary differences at the date of the financial position statement between the tax base and the carrying amount of the assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.
Deferred tax assets are recognized for all deductible temporary differences and the transferred tax losses to the extent that it is probable that a taxable profit will be available and will be used against the deductible temporary differences and the transferred unused tax losses.
Deferred tax assets are measured at each date of the financial position statement 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 liabilities are calculated based on the tax rates that are expected to be in force for the year in which the asset will incur or the liability will be settled and are based on the tax rates (and tax laws) that are in force or are enacted at the date of the financial position statement. Income tax relating to items that are recognized directly in equity is recorded directly in equity and is presented in the Statement of Comprehensive Income.

i) Long-term bank loans

All long-term loan liabilities are initially recorded at cost which is the actual value of the borrowed loan reduced by any issue costs associated with the loan. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest rate method. The amortized cost is calculated after taking into account the issuing costs and the difference between the original amount and the maturity amount. Gains and losses are recognized in the income statement either on the write-off or impairment of liabilities or through the amortization process.

j) Borrowing Costs

Interest on loans is recognized as an expense in the period that is carried out in accordance with the accrual principle.

k) Provisions, Contingent Liabilities and Contingent Receivables:

Provisions are recognized when the Company has a present legal or implied liability as a result of past events, it is probable that it will be cleared through an outflow of resources and a reliable estimate of the liability can be made. Provisions are reviewed at each financial position date and are adjusted to reflect the present value of the expense that is expected to be required in order to settle the liability. If the effect of the time value of money is significant, the provisions are calculated by discounting expected future cash flows with a pre-tax rate that reflects current market estimates for the time value of money and, where appropriate, the risks that are related to specifically to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources involving economic benefits is low. Contingent receivables are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

l) Share capital:

The share capital reflects the value of the Company's issued and outstanding shares. The consideration paid in excess of the nominal value per share is recorded in the share premium account in Equity. Direct expenses incurred in connection with the issue of new shares or rights are recorded in the equity deductively from the proceeds of the issue.

m) Deletion of Financial Receivables and Liabilities

(i) Financial assets: Financial assets (or, if applicable, part of a financial asset or part of a group of financial assets) are deleted from the financial position statement when:

- The rights of cash inflow have expired.
- The Company retains the right in the cash inflow from that asset but has also undertaken a liability to third parties to repay fully without undue delay in the form of a transfer contract.

- The Company has transferred the right to receive cash resources from that asset while at the same time either (a) it has transferred substantially all the risks and benefits; or (b) has not transferred substantially all the risks and benefits but has transferred the control of that item. Where the Company has transferred the rights to receive cash flows from that asset but has not transferred substantially all the risks and benefits or control of the asset, then the asset is recognized to the extent of the Company's continuing involvement in that asset element. Continued involvement which has the form of a guarantee on the transferred asset is valued at the lower value among the initial balance of the asset and the maximum amount that the Company may be called upon to pay. When the continuing involvement is in the form of purchase and / or selling rights on the asset (including cash settled rights), the degree of continued involvement of the Company is the value of the transferred asset that the Company may repurchase, except in the case of a right to sell the asset measured at fair value where the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the exercise price of the right.

(ii) Financial Liabilities: The financial liabilities are deleted when the liability is canceled, expires or no longer exists. In the case where an existing liability is replaced by another by the same creditor but under substantially different terms or where there are substantial changes to the terms of an existing liability, then the original liability is written off and a new liability is recognized and the difference arising on the balances is recognized in the Statement of Comprehensive Income.

3 PREPAYMENTS AND OTHER RECEIVABLES

The prepayments and other receivables in the attached financial statements are analyzed as follows:

Prepayments and other receivables	**30-June-2017**	**31-December-2016**
VAT to be offset in the following fiscal year	1,604	260
Prepaid expenses	7,999	-
Total	**9,603**	**260**

4 CASH AND CASH EQUIVALENTS

The cash reserves depicted in the attached financial statements are analyzed as follows:

Cash Reserves	**30-June-2017**	**31-December-2016**
Sight deposits in €	38.767	48.573
Total	**38.767**	**48.573**

5 SHARE CAPITAL

"TERNA ENERGY FINANCE S.A." (henceforth "The Company") was incorporated by the No. 19.634 / 14.10.2016 Notarial Act, according to the provisions of Law 2190/1920 and was registered in the General Electronic Commercial Registry (GEMI) of the Athens Chamber of Commerce and Industry on 14/10/2016 with GEMI number 140274801000. TERNA ENERGY SA participates with a 100% equity stake in the Company.

The Company's share capital accounts for € 50,000 and is divided into 50,000 common registered shares with nominal value of € 1 per share. The share capital is fully paid.

6 ADMINISTRATIVE AND DISTRIBUTION EXPENSES

The operating expenses of the Company are analyzed as follows:

Administrative and distribution expenses	**1-January 30-June-2017**
Fees and auditors' expenses	5,993
Other taxes and duties	247
Other expenses	375
Total	**6,615**

7 TRANSACTIONS WITH RELATED PARTIES

The company is fully owned (by 100%) by Terna Energy SA. There are no transactions and balances with related parties at the preparation date of the statement of financial position.

8 CONTINGENT LIABILITIES

During the execution of projects, the Group may face contingent legal claims by third parties. According to the Management, as well as the Legal Counselor of the Company there are no cases under litigation or arbitration from judicial or arbitrator bodies with regard to the Company.

9 EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

On 19.07.2017 the Public Offering of common non-registered bonds of the Company was completed. In total, 60,000 common bonds were issued with a nominal value of € 1,000 each (the Bonds) resulting into the raising of capital amounting to € 60,000,000. The total eligible demand of the investors who participated in the Public Offering amounted to € 154.4 million. The final yield of the Bonds was set at 3.85%, the Bond interest rate at 3.85% and the Bonds' offer price at €1,000 each, namely 100% of its nominal value. Bonds were allocated as follows: (a) 42,000 Bonds (70% of all Bonds' issued) were allocated to Private Investors and (b) 18,000 Bonds (30% of Bonds' Issued) were placed to Special Investors.

The Chairman of the Board	THE MANAGING DIRECTOR
Vasileios Delikaterinis	Aristotelis Spiliotis
THE FINANCE DIRECTOR	THE HEAD ACCOUNTANT
Vasileios Delikaterinis	Nikolaos Manaveris

V. DATA AND INFORMATION OF THE PERIOD 01.01-30.06.2017

TERNA ENERGY FINANCE S.A.

General Commerce Reg. No. (GEMI) 140274801000
124 Kifisias Ave. & 2 Iatridou, Athens, Greece

DATA AND INFORMATION FOR THE PERIOD FROM 1/1/2017 TO 30/6/2017

In accordance with the Decision No. 4/507/28.4.2009 issued by the Board of Directors of the Hellenic Capital Market Commission

The following data and information that are derived from the financial statements, aim at providing general information on the financial position and results of the Company. Therefore, before proceeding with any kind of investment choice or other transaction with the company, readers should refer to the company's website where the financial statements are posted, together with the review report by the legal auditor, when applicable.

COMPANY INFORMATION

Responsible Authority:
Attica District, Central Division Development Section
Department of Trade & Tourism

Board of Directors' Composition:
Chairman: Vasileios Delikaterinis
Vice Chairman: Dimitra Chatziarseniou
Managing Director: Aristotelis Spiliotis
Members: Konstantinos Baslis, Angelos Tagmatarchis

Approval date by the Board of the Interim Financial Statements *(from which the brief information was derived):*	26 September 2017
Legal Auditor:	Pavlos Stellakis (SOEL REG. NO.: 24941)
Auditing firm:	GRANT THORNTON SA (SOEL Reg. No.: 127)
Type of review report by the legal auditor:	Unqualified
Company website:	www.ternaenergy-finance.gr

STATEMENT OF FINANCIAL POSITION

Amounts in €

	30/6/2017	31/12/2016
ASSETS		
Cash & cash equivalents	38.767	48.573
Other current assets	9.603	260
TOTAL ASSETS	**48.370**	**48.833**
EQUITY & LIABILITIES		
Share Capital	50.000	50.000
Other equity items	(7.830)	(1.167)
Total equity	**42.170**	**48.833**
Other short-term liabilities	6.200	-
Total liabilities	**6.200**	**-**
TOTAL EQUITY & LIABILITIES	**48.370**	**48.833**

STATEMENT OF COMPREHENSIVE INCOME

Amounts in €

	1/1-30/6/2017
Losses before interest and taxes (EBIT)	(6.615)
Losses before taxes	(6.663)
Losses after taxes (A)	**(6.663)**
Other comprehensive income after taxes (B)	-
Total comprehensive losses after taxes (A) + (B)	**(6.663)**
Losses before interest, tax, depreciation and amortization (EBITDA)	(6.615)

STATEMENT OF CHANGES IN EQUITY

Amounts in €

	30/6/2017
Total Equity at the beginning of the period	**48.833**
Results after tax	(6.663)
Total Equity at the end of the period	**42.170**

ADDITIONAL DATA AND INFORMATION

Amounts in €

1. There was no change in the accounting policies and estimations by the Company and there has been no correction of errors and reclassifications of accounts in the financial statements during the present financial year.
2. The same accounting principles and calculation methods as those used in the financial statements of 31/12//2016, were followed.
3. The Company's financial statements have been included with the full consolidation method in the consolidated financial statements of TERNA ENERGY SA. The latter parent company, which is based in Athens, indirectly owned 100% of the Company's share capital.
4. The company has not been audited for tax purposes since its establishment.
5. The company employed no personnel during the closing as well as during the previous period.
6. There are no legal or under arbitration differences of judicial or arbitration bodies that may have a material effect on the financial position of the Company.
7. The company is fully owned (by 100%) by Terna Energy SA. There are no transactions and balances with related parties at the preparation date of the statement of financial position.

STATEMENT OF CASH FLOWS (indirect method)

Amounts in €

	1/1-30/6/2017
Operating activities	
Losses before taxes	**(6.663)**
Plus / minus adjustments for:	
Debit interest and similar expenses	48
Operating losses before changes in working capital	**(6.615)**
Plus/minus adjustment for changes in working capital accounts or those related to operating activities:	
Decrease / (increase) in receivables	(9.343)
(Decrease) / increase in liabilities (apart from banks)	6.200
Net Cash flows used in operating activities (a)	**(9.758)**
Financing activities	
Interest and related expenses paid	(48)
Net cash flows used in financing activities (b)	**(48)**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b)	**(9.806)**
Cash & cash equivalents at the beginning of the period	48.573
Cash & cash equivalents at the end of the period	**38.767**

Athens, 26 September 2017

THE CHAIRMAN OF THE BOARD	THE MANAGING DIRECTOR	THE FINANCE DIRECTOR	THE HEAD ACCOUNTANT
DELIKATERINIS VASILEIOS ID No.: AI 036060	ARISTOTELIS SPILIOTIS ID NO.: AK-127469	DELIKATERINIS VASILEIOS ID No.: AI 036060	MANAVERIS NIKOLAOS ID No.: AE 567798 CPA Lic. Reg. No. 09674