

TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME

SEMI-ANNUAL FINANCIAL REPORT

For the period ended on 30th June 2021

(1 January – 30 June 2021)

According to article 5 of L. 3556/2017 and the relevant executive Decisions

by the Board of the Hellenic Capital Market Commission

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GENERAL ELECTRONIC COMMERCIAL REGISTRY (GEMI) 140274801000

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I. STATEMENTS BY THE 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, Chief Executive Officer
3. Dimitra Hatjiarseniou, Vice President of the Board of Directors

STATE THAT

To the best of our knowledge:

- (i) The attached semi-annual financial statements of the company TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME for the period from January 1st 2021 to June 30th 2021, which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS), as adopted by the European Union and as they are applied to the Interim Financial Reporting (International Accounting Standard 34), provide a true picture of the assets, liabilities and the shareholders' equity of the Company as of 30/06/2021 and of the total results of the first half 2021 of the Company, according to those stated by paragraphs 4 to 5 of article 5 of L. 3556/2007, and
- (ii) The attached Semi-Annual Board of Directors' Report depicts in a true and fair view the information required according to those stated by paragraph 6 of article 5 of L. 3556/2007.

Athens, 30th September 2021

Chairman of the Board

Chief Executive Officer

Vice President of the Board

Vasileios Delikaterinis

Aristotelis Spiliotis

Dimitra Hatjiarseniou

II. SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS OF “TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME” ON THE FINANCIAL STATEMENTS FOR THE PERIOD 01/01/2021 – 30/06/2021

The present Semi-Annual Report of the Board of Directors concerns the interim period from 1st January to 30th June 2021. The report is prepared and in line with the provisions of Law 4548/2018 as well as of article 5 of Law 3556/2007. The financial statements were prepared according to the International Financial Reporting Standards that were adopted by the European Union and specifically according to IAS 34.

This Report includes financial and non-financial information of the Company for the semi-annual reporting period and describes the significant events that took place during that period as well as their impact on the Company's course and prospects. It also describes the main risks and uncertainties that the Company may face in the second half of 2021. Finally, the significant transactions between the Company and the related parties are presented.

The Company was founded on 14.10.2016 under the title "TERNA ENERGY FINANCE SOCIETE ANONYME" and the distinctive title "TERNA ENERGY FINANCE S.P.S.A.".

The Company's operations focus on the following:

- investment and financing the operations of the Company and/or its affiliated companies and entities,
- intermediation in financing by third parties of the companies and businesses affiliated with the Company,
- provision of services and consultancy to companies and entities affiliated with the Company regarding the capital structure and in general their financing, and
- in general terms, undertaking any project, service and any activity or any other action which is relevant to the above scope of the Company's operations or generally is performed in the context of that scope.

The Company is fully supported by TERNA ENERGY S.A., which has a complete influence on the decisions, management and operation of the Company and exercises control over them. Substantially, this is a fund with the objective of implementing selected investments indicated by TERNA ENERGY S.A., sole shareholder of TERNA ENERGY FINANCE S.A. The Company, apart from its investment in the intra-group loan, meaning the bonds of TERNA ENERGY S.A. (hereafter called as “Intra-group Loan”), has no further business activity, no market activity and no other assets.

In case TERNA ENERGY S.A. ceases to assist the Company at the management and operating level or is unable to fulfill its contractual obligations to the Company under the terms of the Intra-Group Loan, this may have a material adverse effect on: a) Company to fulfill its obligations mainly due to inadequate cash flows and revenue b) the trading price of the Company's Bonds on the ATHEX, c) the results, the financial position and the prospects of the Company.

The operating framework, financial developments and risks / uncertainties, as well as the Company's prospects are described as follows:

A. Financial Developments and Performance of the Reporting Period (1st Half 2021)

Since the beginning of 2020, the entire planet has been experiencing the aggressive onset of COVID-19 which has caused difficult conditions for both the people who faced the coronavirus directly with tragic consequences as well as to the rest forcing everyone to adapt violently, within a short period of time and to unprecedented living conditions. These conditions have had a serious impact on the world economy, and the appearance of mutations is prolonging the negative impact of the pandemic.

In 2020, due to the pandemic, world GDP fell by 6.0%, while estimates for 2021 predict a recovery of 5.0%.

At the same time, according to the data of ELSTAT, the GDP of Greece in terms of volume, in the second quarter of 2021 presented an increase of 3.4%, compared to the first quarter of 2021, while compared to the second quarter of 2020 presented increase by 16.2%. Characteristically, triggered by the 16.2% jump in GDP, Prime Minister K. Mitsotakis in the context of the 85th Thessaloniki International Fair announced a revision of the estimate for 2021 growth to 5.9% versus 3.6%.

The Greek State constantly attempts to implement measures to protect and deal with the conditions, the consequence of which is the appearance of the first signs of recovery in the Economy after the most serious global health crisis humanity faced within the last decades. For the Greek economy, international and domestic analysts see positive signs for 2021 and 2022. According to estimates, the positive forecasts are guided by the resilience of GDP in the previous quarters, the best of the expected tourism this year and of course the funds from the Recovery Fund. This is also confirmed by the recent report of the Greek Fiscal Council, according to which, the data for the course of the Greek Economy has started to present encouraging data with the indices recording the first signs of recovery.

“Developments and prospects of the economic activity

Since the beginning of 2021 the economic sentiment has improved, in combination with the acceleration of the vaccination program and the relaxation of the restrictive measures. At the same time the announcement of the National Plan for Sustainability and Recovery “Greece 2.0” created positive expectations for the acceleration of the medium-term development through the enhancement of investments and the materialization of significant structural reforms. As a result, the Economic Situation index, which had stabilized at the level of 90 units during the 1st semester showed upward trends reaching the level of 108.6 units in May 2021.

The measures taken by the government at the beginning of the pandemic in order to protect employment (extension of employment contracts’ suspensions, special purpose allowance, possibility of telework, extension of unemployment benefits) began to be gradually lifted in the first months of 2021 as restrictions on business operation were also suspended. These measures had an impact on the increase of public expenditures and public consumption which rose by 4.9%.

The general price level in 2020 was strongly influenced by the pandemic and the restrictive measures assumed in order to deal with it. The decline in demand, the fall in international oil prices, but also the reduction of VAT from 24% to 13%, in various categories of goods and services, have led inflation to a negative level since April 2020, having as a result its formation in December 2020 to (2.4)%. However, in the first half of 2021 it is noted a reduction in anti-inflationary pressures with the consumer price index decreasing in April by 1.1% compared to the same month last year.

TERNA ENERGY Group, member of which is TERNA ENERGY FINANCE, is committed to its development strategy and implementation of its vision, constantly improves and modernizes its structures and operating systems, carefully selects the executives the market is in need of, trains its people in modern digital systems and in the obligation to comply with the provisions of the corporate governance system, the other provisions of the Internal Operation Regulations, as well as the regulations, imposed by the competent institutions of the State on the relations of companies with the members of their Board of Directors. Moreover, reacting quickly and sensitively to its human resources, it took all the necessary measures, set up a special committee to deal with the coronavirus and made sure that ALL its employees should have absolute protection and care against COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is directly updated on any critical factors of its spread and guides the necessary actions to be taken by the Management and every employee in the entire Group to facilitate minimizing the risks of the phenomenon and its impact on the course of the company's operations.

This tactic and the nature of the Group's operations have protected it from the relevant risks and have allowed the Management to continue its development course without being directly affected by the spread of the virus. Keeping staff at readiness and limiting their communication to a few external partners, combined with the lack of contact with large groups of customers / consumers give the Group the opportunity to focus on its goals and not be directly and greatly influenced by the development of the pandemic phenomenon. For these reasons, TERNA ENERGY Group continues to invest in production of energy through Renewable Energy Sources (RES), fully focused on achieving its objective of exceeding 3,000 MB of installed capacity within the next 5 years.

Basic Financial Figures:

Within the first half of 2021, the Company realized Interest Income of € 2,654 thousand compared to € 2,669 thousand of the respective six-month period of 2020, recording a decrease of 0.56%.

The results of the Company before income tax for the six-month period recorded a profit of € 397 thousand compared to a profit of € 417 thousand during the corresponding six-month period of the previous year.

Finally, the liquidity ratio of the Company (Current Assets over Current Liabilities) settled at 4.80.

Regarding the allocation of the bond of TERNA ENERGY FINANCE SA (Common Bond Loan) amounting to € 150,000 thousand, it has been decided to use the capital proceeds for the period 22/10/2019 to 31/12/2022 as follows:

Area of investment	
4th quarter 2019	
1	Total repayment of Short-term Bank Loan of the Guarantor (used to repay CBL 2017). € 60,000
2	Partial repayment of Short-term Bank Loan of the Guarantor used to repay part of the consideration for acquisition of the wind park "Bearthat I" in Texas, USA € 30,632
Period 2019 – 2022	
3	Construction of 14 wind parks in Greece, of a total capacity of 218 MW by the Guarantor or by the Subsidiaries of the Guarantor (either through intra-group loan from the Guarantor to the subsidiaries or through a share capital increase in the Subsidiaries by the Guarantor). € 56,000
Total investments € 146,632	
	(-) Estimated CBL issuance expenses € 3,368
Total capital proceeds by the Issuer € 150,000	

Until 30/06/2021, from the above capital proceeds, a total of € 133,292 thousand had been allocated whereas the unallocated balance amounted to € 13,340 thousand.

B. Significant events during the first half of the financial year 2021

• Discontinued operations

Special reference to the unprecedented extreme weather conditions in the US state of Texas in February 2021 and impact on the Group's activities

In Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., there are described in detail the unprecedented extreme weather conditions of February 2021 in the US state of Texas (hereinafter referred to as "the Natural Phenomenon") and its direct impact on the activities of the TERNA ENERGY USA HOLDING CORP ("TERNA USA") subgroup and in particular the sub-Group TERNA DEN LLC (which includes parent company TERNA DEN LLC and US subsidiaries that own and operate the Group's 3 Texas Wind Parks - Fluvanna 1, Fluvanna 2 / Gopher Creek and Bearkat I - total power 510MW).

The previous examination of the risks (before the occurrence of the natural phenomenon) was done with the contribution of the best market consultants 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 foreseen in the risk analysis of the insurance companies.

The Management of the Group moved quickly from the first moments of Natural Phenomenon's occurrence. These conditions, as presented in detail in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., created an energy deficit of approximately \$ 30 million per day and ultimately amounted to \$ 179.4 million. In particular, Hedge Providers under the relevant hedging agreements proceeded to pricing for "Liquidated Damages invoices", which cover the period from 13 to 19 February 2021. The total amount of these claims amounted to \$ 179,410,942 and is distributed as follows: Fluvanna 1 \$32,691,587, Fluvanna 2 / Gopher Creek \$ 69,656,417 and Bearkat \$ 77,062,938. These invoices were challenged in writing by the Group on the basis of the occurrence of a force majeure event. Following the

above, Fluvanna 1 and Fluvanna 2 / Gopher Greek's Hedge Providers sent event of default notifications, and Bearkat I's Hedge Provider sent potential event of default notification. For the projects Fluvanna 2 / Gopher Greek and Bearkat 1 "Standstill Agreements" were signed (ending on 21/05/21 & 30/04/21 respectively).

Throughout the onset of the phenomenon, daily discussions with all stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity, in order to minimize the adverse effects on the Group. While these discussions were ongoing, the Management considered the following three possible actions: (a) conservation of Wind Parks and recourse to the competent courts for the initiation of legal dispute with the Hedge Providers, over "Liquidated Damages invoices", (b) finding a mutually acceptable commercial solution to the dispute with Hedge Providers and (c) divesting from the three (3) US Wind Parks (Class B interests).

According to what it is detailed referred in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., the Management chose as the most appropriate action the divestment, namely the loss of control of the sub-Group TERNA DEN LLC's subsidiaries, which owns and operates the three (3) Wind Parks in Texas USA. The de-consolidation of these subsidiaries ("Disposal Team") on 30/06/2021 led to the recognition of total accounting loss in a burden of the consolidated semi-annual financial results of € 94.4 million (\$ 119.1 million).

The obligations arising from all the above projects in the USA have no recourse either to the subsidiary TERNA ENERGY USA HOLDING CORP (parent company of TERNA DEN LLC) or nor to the senior parent company TERNA ENERGY SA. Therefore, given the loss of the above investments, in addition to the accounting loss that was recognized in burden of the consolidated financial statements for the first semester 2021, did not lead to the emergence of liquidity or financing issues for the Group and the Company for the following 12 months, as this event has no further impact on the cash flows of the Group and the Company.

C. Significant Events after the reporting date of the Statement of Financial Position

On July 23, 2021, the TERNA ENERGY Group, through its subsidiaries SPONSOR BEARKAT I HOLDCO, LLC, FLUVANNA INVESTMENTS 2, LLC and FLUVANNA I INVESTOR, INC, exercised the right of sale acquired through the Put & Call Option Agreement, as notified in detail in Note 6.4 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A.. As a result of this exercise, the Purchase & Sale Agreement of the Class B shares of the three (3) Wind Parks "Disposal Group of entities" was signed on September 30, 2021. With the signing of this contract, the process of transferring the aforementioned company shares to CIP is completed.

D. Prospects, risks and uncertainties for the first half of the financial year

Based on what has been extensively mentioned in the "Introduction", the Company is operatively supported by TERNA ENERGY SA, which fully influences the decisions, the Management and the operation of the Company and exercises control over them.

During the second half of 2021, TERNA ENERGY is expected to play a leading role in the effort to achieve a sustainable and equitable energy transition in Greece, through the implementation of its integrated business plan.

Sustainable development, according to the management of TERNA ENERGY, is not meaningful without the transition to the era of clean energy and the circular economy. In these areas, after all, it has been a pioneer for more than twenty years. A new generation of investments is already being planned to be followed even before the completion of the existing investment plan of 2 billion euro.

Furthermore, the President of the Company, Mr. George Peristeris stated that, “with the investments that are in progress and those that will follow, we create thousands of well-paid jobs, giving the opportunity to the Greek scientific manpower, to our young people, to live with dignity and optimism for the future in their homeland, but we also give the opportunity to those who left, to return slowly back to us”.

Taking into account the above, we find that the main risks and uncertainties in the activities of the Company are directly related to those of the TERNA ENERGY SA.

We briefly report the main risks and uncertainties in the activities of the TERNA ENERGY SA Group, as described in the published interim condensed consolidated financial statements and which are summarized as follows:

Credit risk

The total of the energy segment receivables relates to the broader domestic (including DAPEEP and HEDNO) and foreign Public Sector, while the same is the case regarding the main part of the construction segment receivables.

Given the nature of its operations, the Group is not, as a rule, exposed to significant credit risk from trade receivables except delays in collections from DAPEEP, which have been significantly reduced by the application of Law 4254/14 as well as the extraordinary levy imposed, for the financial year 2020, for encountering the side effects of the coronavirus pandemic, to the producers of electricity from Renewable Energy Sources (RES) stations, and particularly for those which have been put into normal or test operation until 31 December 2015 (Government Gazette 245 / 09.12.2020).

Foreign Exchange Risk

Apart from Greece, the Group operates in USA and Eastern Europe and, therefore, it may be exposed to foreign exchange risk, potentially arising from the exchange rate of Euro against other currencies. To address this risk, the Group's financial management department systematically monitors exchange rate fluctuations and ensures that they do not adversely affect its cash flows.

Interest Rate Risk

The Group's policy is to minimize its exposure to cash flow interest rate risk with regards to its long-term financing. In this context, long-term loans received by the Group either bear a fixed interest rate or are hedged for almost the entire duration.

Market risk analysis

The Group's financial assets are not exposed to market risk.

Liquidity risk analysis

The Group's liquidity is considered satisfactory, as apart from the effective cash and cash equivalents, currently operating Wind Parks generate satisfactory cash flows on an on-going basis.

E. Alternative Performance Measures ("APMs")

In the context of applying the Guidelines "Alternative Performance Measures" of the European Securities and Markets Authority (ESMA/2015/1415el) which are applied from 3rd of July 2016 in the Alternative Performance Measures Indicators (APMI)

The Company uses Alternative Performance Measures (APMs) in decision-making regarding its financial and operational planning, as well as for the evaluation and publication of its performance. These APMs serve to better understand the financial and operational results of the Company and its financial position. Alternative indicators should always be considered in conjunction with the financial results prepared in accordance with IFRS and in no way replace them.

When describing the Company's performance, the following indicators are used:

"Net debt / (Surplus)" is a ratio by which the Company's Management assesses each time the respective cash position. The ratio is defined as total long-term loan liabilities, short-term loan liabilities, long-term liabilities payable in the next fiscal year, less cash and cash equivalents.

Loan Liabilities to Total Capital Employed is a ratio with the Management assesses the Company's financial leverage. As **Loan Liabilities** are defined Long - Term Loans and Long-term liabilities payable in the next fiscal year. The **Total Capital Employed** is defined as the sum of the total equity, plus the Net debt / (surplus).

Gross Profit Margin is an indicator by which the Company's management evaluates its profitability and is defined as the percentage of net income / (expenses) from interest to interest income.

EBIT (Earnings before Interest & Taxes) - Operating Profit before interest and taxes: is an indicator by which the Company's Management assesses its operating performance. The figure is defined as: Profit / (loss) of the year less income tax.

EBITDA (Earnings before Interest Taxes Depreciation & Amortization): It is an indicator by which the management evaluates the operational performance of the Company. The ratio adds to the operating profit before taxes and interest (EBIT), the total depreciation/amortization of tangible and intangible fixed assets and deducts the corresponding amortization of the fixed asset grants, if any.

The following table presents the Alternative Performance Measures, which were measured in accordance with the Interim Financial Statements for the first half of 2021 and 2020 respectively:

Amounts in € thousand	2021	2020
Long-term loan liabilities (Note 8)	147,011	146,756
Long-term liabilities carried forward (Note 8)	748	758
Loan Liabilities (a)	147,759	147,514
Cash and cash equivalents (Note 6) (b)	1,406	1,116
Net debt/(surplus) (a) - (b) = (c)	146,353	146,398
Total equity (Note 9) (d)	2,363	2,048
Total Employed Capital (c) + (d) = (e)	148,716	148,446
Loan Liabilities (a)/Total Employed Capital (e)	99,36%	99,37%
Interest income (Note 9) (f)	2,654	2,669
Interest and other financial expenses (Note 10) (g)	(2,216)	(2,221)
Net income from interest (f) - (g) = (h)	438	448
Gross profit margin (h)/(f)	16,50%	16,79%
Net profit for the period (i)	315	322
Income Tax (j)	(82)	(95)
EBIT (i)-(j)	397	417
EBITDA (i)-(j)	397	417

F. Treasury Shares

Since its establishment and until today, the Company has not proceeded with the acquisition of treasury shares.

G. Personnel Management

The Company employed one person both during the reporting period as well as during the corresponding period of the previous year. The Company implements human resource management policies which are the same as the policies implemented by the "TERNA ENERGY SA" Group to which it belongs.

H. Transactions with Related Parties

The Company's transactions with related parties in the concept of IAS 34 have been carried out according to market norms. The amounts of sales and purchases during the 1st half of 2021 as well as the balances in terms of receivables and payables as of 30/06/2021 for the Company that have been derived from transactions with related parties are presented in Note 13 of the financial statements.

Transactions and balances for the period ending on 30/06/2021 are as follows:

	30.6.2021			
	Purchases/Expenses	Sales/Income	Receivables	Laibilities
Parent Company	0	2,654	147,673	0
Total	0	2,654	147,673	0

Regarding the above transactions the following clarifications are provided:

- Interest income of TERNA ENERGY FINANCE S.P.S.A. from TERNA ENERGY S.A. amounting to € 2,654,046 concern the Intragroup Loan.
- Receivables of the Company from TERNA ENERGY S.A. amounting to € 147,673,490 relate to the Intragroup Loan (capital and interest).

Within the period 01.01 – 30.06.2021 no benefits were granted to the Company's members of the management or directors.

	Athens, 30 September 2021	
The Chairman of BoD	The Chief Executive Officer	The Chief Accountant
Vasileios Delikaterinis ID No AI 036060	Aristotelis Spiliotis ID No AK 127469	Artan Tzanari ID No AM 587311 License Reg. No 064937 A' Class

III. INDEPENDENT AUDITOR'S REVIEW REPORT

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

To the Board of Directors of "TERNA ENERGY FINANCE SOCIETE ANONYME"

Review Report on Interim Financial Information

Introduction

We have reviewed the accompanying condensed statement of financial position of TERNA ENERGY FINANCE SOCIETE ANONYME as of 30 June 2021 and the related condensed statements of 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 forms an integral part of the six-month financial report under 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 statements 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 Auditing Standards as incorporated into the Greek Law 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.



Report on Other Legal and Regulatory Requirements

Based on our review, we did not identify any material misstatement or error in the representations of the members of the Board of Directors and the information included in the six-month Board of Directors Management Report, as required under article 5 and 5a of Law 3556/2007, in respect of interim condensed financial information.

Athens, 30 September 2021

The Certified Auditor Accountant

Dimitra Pagoni

SOEL Reg. No.30821



TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME

IV. INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE 6-MONTH PERIOD ENDED ON 30TH JUNE 2021 (1 January – 30 June 2021)

**In accordance with the International Financial Reporting Standards (IFRS)
as adopted by the European Union and in particular in accordance with IAS 34**

The accompanying Interim Condensed Financial Statements were approved by the Board of Directors of TERNA ENERGY FINANCE SA on 30 September 2021 and have been posted on the internet at the websites of the Company (www.ternaenergy-finance.gr) as well as of the Athens Exchange.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30th 2021

	Note	<u>30.6.2021</u>	<u>31.12.2020</u>
ASSETS			
Long-term assets			
Other long-term receivables	4	146,632	146,632
Total Long-term assets		146,632	146,632
Current assets			
Other short-term financial assets	5	1,046	1,094
Receivables from Income Tax	11	1,197	796
Cash and cash equivalents	6	1,406	1,116
Total current assets		3,649	3,006
TOTAL ASSETS		150,281	149,638
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	7	1,850	1,850
Reserves		44	12
Retained earnings / (losses)		469	186
Total equity		2,363	2,048
Long-term liabilities			
Long-term loans	8	147,011	146,756
Deferred tax liabilities		147	65
Total long-term liabilities		147,158	146,821
Short-term liabilities			
Suppliers		1	0
Long-term liabilities payable in the next fiscal year	8	748	758
Accrued and other short-term liabilities		11	11
Total short-term liabilities		760	769
Total liabilities		147,918	147,590
TOTAL LIABILITIES AND EQUITY		150,281	149,638

The accompanying notes form an integral part of the interim condensed semi-annual financial statements.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01/01-30/06/ 2021

	Note	01.01 - 30.6.2021	01.01 - 30.6.2020
Income from interest	9	2,654	2,669
Interest and other financial expenses	10	(2,216)	(2,221)
Net interest income		438	448
Third party fees and expenses		(18)	(9)
Other operating expenses		(3)	(2)
Personnel fees and Expenses		(20)	(20)
Operating Results		397	417
Earnings before income tax		397	417
Income tax	11	(82)	(95)
Net profit for the yea		315	322
Other comprehensive income			
Items not subsequently reclassified in the Income Statement		0	0
Total comprehensive income for the year		315	322

The accompanying notes form an integral part of the interim condensed semi-annual financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01-30/6/2021

	Note	01.01 - 30.6.2021	01.01 - 30.6.2020
Cash flow from operating activities			
Earnings before income tax		397	417
<i>Adjustments for reconciliation of net flows from operating activities</i>			
Interest income	9	(2,654)	(2,669)
Interest and other financial expenses	10	2,216	2,221
Operating losses before changes in working capital		(41)	(31)
(Increase)/Decrease in:			
Prepayments and other short term receivables		33	(17)
Interest and related income received		2,669	2,683
Increase/(Decrease) in:			
Suppliers		1	(11)
Accruals and other short-term liabilities		0	(19)
Interest Paid		(1,972)	(1,983)
Income tax payments		(400)	(403)
Net Cash inflows from operating activities		290	221
Cash flows from investing activities			
Cash flows from financing activities			
Shareholders deposits for share capital increase and related expenses	7	0	(20)
Net cash outflows from financing activities		0	(20)
Net increase in cash		290	201
Cash balance at the beginning of the period	6	1,116	526
Cash balance at the end of the period	6	1,406	727

The accompanying notes form an integral part of the interim condensed semi-annual financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01/01-30/6/2021

	Share Capital	Share Premium	Reserves	Retained earnings / (losses)	Shareholders deposits	Total
1st January 2020	50	0	8	(424)	1.800	1.434
Results for the period	0	0	0	322	0	322
Other comprehensive income						
Total comprehensive income for the year	0	0	0	322	0	322
Issuance of share capital and other shareholders' contributions	1.800	0	0	(20)	(1.800)	(20)
Transactions with the Company's	1.800	0	0	(20)	(1.800)	(20)
30th June 2020	1.850	0	8	(122)	0	1.736
1st January 2021	1.850	0	12	185	0	2.047
Results for the period	0	0	0	315	0	315
Other comprehensive income						
Total comprehensive income for the year	0	0	0	315	0	315
Formation of reserves	0	0	32	(32)	0	0
Transactions with the Company's	0	0	32	(32)	0	0
30th June 2021	1.850	0	44	468	0	2.362

The accompanying notes form an integral part of the interim condensed semi-annual financial statements.

V. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY

"TERNA ENERGY FINANCE S.P.S.A." (henceforth "The Company") was incorporated following No. 19.634/ 14.10.2016 Notary 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, under GEMI number 140274801000. It has its headquarters in Athens, 124 Kifisias Str. & 2 Iatridou Str., and its term is set for 110 years.

The Company's operations focus on the following:

- investment and financing the operations of the Company and/or its affiliated companies and entities,
- intermediation in financing by third parties of the companies and businesses affiliated with the Company,
- provision of services and consultancy to companies and entities affiliated with the Company regarding the capital structure and in general their financing, and
- in general terms, undertaking any project, service and any activity or any other action which is relevant to the above scope of the Company's operations or generally is performed in the context of that scope.

The Company is operationally supported by its sole shareholder TERNA ENERGY INDUSTRIAL COMMERCIAL TECHNICAL SOCIETE ANONYME (hereinafter referred to as "TERNA ENERGY S.A."), which controls decision making, operations and management of the Company to the utmost extent.

The attached Condensed Financial Statements for the six-month period that ended on June 30, 2021, were approved by the Board of Directors on 30/9/2021.

The accompanying financial statements of the Company are consolidated under full consolidation method in the financial statements of TERNA ENERGY S.A., which is located in Greece, listed at ATHEX, and whose participating interest in the Company on 30/6/2021 amounted to 100% (31/12/2020: 100%).

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for Financial Statements Presentation

The interim condensed financial statements of the Company as of 30 June 2021 that refer to the semi-annual period from 1st January to 30th June 2021 are in accordance with the International Financial Reporting Standards (IFRS) that have been issued from the International Accounting Standards Board (IASB), as well as with their Interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union up to 30th June 2021. The Financial Statements of the semi-annual period ended on 30th June 2021 have been prepared according to the provisions of the International Accounting Standard (henceforth IAS) 34 "Interim financial Reporting".

The Company applies all the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and their Interpretations that apply to its operations. The relevant accounting policies, a synopsis of which is presented in following Note 2.6, have been consistently applied in all the presented periods.

Going Concern

On operational level, the Company is supported by TERNA ENERGY SA which affects to a significant extent the decisions, the management and the broader functioning of the Company exerting at the same time control over the above operations. The Company's management estimates that the Company possesses sufficient resources, which ensure its operation as "Going Concern" in the foreseeable future.

The decision of the Management to use the principle of "going-concern" of the business activity is based on the estimates related to the possible effects coming from both the appearance and spread of COVID-19, as well as from the extreme weather conditions that hit the State of Texas, USA, in February 2021. These factors have been taken into account by the Management for the preparation of the financial statements for the year ended 30/6/2021.

In particular, the most significant events that were taken into account when assessing the appropriateness of the preparation of the financial statements in the accounting basis of "going-concern", are as follows:

- **(COVID-2019) pandemic**

The outbreak of the COVID-19 pandemic in 2020 and the measures taken to limit its spread significantly affected the global and Greek economy and disrupted the global economic stability. The economic impact will depend on the duration and intensity of the recession, as well as the prospects for recovery. However, the start of the vaccination program as well as the gradual easing of strict containment measures during May 2021 led to a partial recovery of the domestic economy.

TERNA ENERGY Group, member of which is TERNA ENERGY FINANCE, holds a leading position in the sector of renewable energy sources. With a portfolio of projects of total capacity approximately 1,300 MW (in operation or under construction), is one of the largest investors in the Renewable Energy sector in Greece, with a significant presence in the Southeast Europe. The Management's position is that the Group operates in the segments that are more defensive during the phases of the business cycle, which investors recognize as "safe haven" that provide stable recurring cash flows even in times of turmoil and uncertainty, such as the current one. Furthermore, during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe), the Group has already proven its ability to grow and strengthen its market position.

Applying an extremely high sense of responsibility, towards its customers, employees, suppliers, partners and investors, the Group's Management monitors the developments in respect of the coronavirus pandemic (COVID-19), assessing the potential risk factors that could affect the Group's financial position, operations and results.

Employee safety has been and still is an absolute priority. For this purpose, TERNA ENERGY during the first half of 2021 maintains, through the special committee, which reports to the Supreme Administration, the plan to ensure business continuity by monitoring all relevant developments. Internal and external protocols for regular and urgent communication with employees and other key stakeholders have been maintained and the actions taken since the beginning of the pandemic continue unabated. The Company's actions are reported in detail in the Annual Financial Statements of 2020.

Effects arising from the coronavirus pandemic (COVID-19) 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 implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment.

In particular, the Management examined the specific conditions that could have a significant impact on the business activities of the RES operating segment as well as the risks to which it is exposed. Based on current events and conditions regarding the COVID-19 pandemic, such issues are analysed as follows.

No interruption or other adverse impact on the Group's facilities that are in operation occurred in the RES electricity segment in Greece. Regarding RES facilities under construction, no delays have been caused due to the coronavirus pandemic (COVID-19) until today and the estimated time of completion and commissioning of the projects has not changed.

Regarding the collection of the Group's revenues, no delays were recorded in 2021. Any delay in the collection of the Group's revenues by the Renewable Energy Sources Operator & Guarantees of Origin Administrator (DAPEEP) does not currently seem to exceed the production value of six months, mainly due to the implementation of the measures of Law 4414/2016.

Although estimates regarding the impact of the pandemic on the global and domestic economy vary, the Management estimates that the Group's operations, financial performance, cash flows and financial position will not be significantly affected. In any case, the Management ensures maintenance of the smooth operation - both in the Greek territory and abroad, where the Group operates, applying procedures of ongoing identification and evaluation of all risks that may arise in the near future. The Management plans and implements measures to address any identified risk in order to limit its adverse effects to the minimum possible, in direct, ongoing and systematic collaboration with the Risk Managers and the Group's executives. The Group's organizational efficiency and the ongoing care of the Management to assign its managers by project and specific issue, depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for addressing any possible crisis in any Group's company whenever required. Following this basic principle, the Management as well as the aforementioned mechanism immediately react in order to address the epidemic crisis with prudence, calm and strategic perspective.

The impact from COVID-19 is not expected to be significant for TERNA ENERGY Group and the Management has estimated that there is no substantial uncertainty regarding the continuation of the business activity of the Group and the Company.

Special reference to the unprecedented extreme weather conditions in the US state of Texas in February 2021 and impact on the Group's activities

In Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., there are described in detail the unprecedented extreme weather conditions of February 2021 in the US state of Texas (hereinafter referred to as "the Natural Phenomenon") and its direct impact on the activities of the TERNA ENERGY USA HOLDING CORP ("TERNA USA") subgroup and in particular the sub-Group TERNA DEN LLC (which includes parent company TERNA DEN LLC and US subsidiaries that own and operate the Group's 3 Texas Wind Parks - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I - total power 510MW).

The previous examination of the risks (before the occurrence of the natural phenomenon) was done with the contribution of the best market consultants 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 foreseen in the risk analysis of the insurance companies.

The Management of the Group moved quickly from the first moments of Natural Phenomenon's occurrence. These conditions, as presented in detail in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., created an energy deficit of approximately \$ 30 million per day and ultimately amounted to \$ 179.4 million. In particular, Hedge Providers under the relevant hedging agreements proceeded to pricing for "Liquidated Damages invoices", which cover the period from 13 to 19 February 2021. The total amount of these claims amounted to \$ 179,410,942 and is distributed as follows: Fluvanna 1 \$32,691,587, Fluvanna 2 / Gopher Creek \$ 69,656,417 and Bearkat \$ 77,062,938. These invoices were challenged in writing by the Group on the basis of the occurrence of a force majeure event. Following the above, Fluvanna 1 and Fluvanna 2 / Gopher Greek's Hedge Providers sent event of default notifications, and Bearkat I's Hedge Provider sent potential event of default notification. For the projects Fluvanna 2 / Gopher Greek and Bearkat 1 "Standstill Agreements" were signed (ending on 21/05/21 & 30/04/21 respectively).

Throughout the onset of the phenomenon, daily discussions with all stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity, in order to minimize the adverse effects on the Group. While these discussions were ongoing, the Management considered the following three possible actions: (a) conservation of Wind Parks and recourse to the competent courts for the initiation of legal dispute with the Hedge Providers, over "Liquidated Damages invoices", (b) finding a mutually acceptable commercial solution to the dispute with Hedge Providers and (c) divesting from the three (3) US Wind Parks (Class B interests).

According to what it is detailed referred in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., the Management chose as the most appropriate action the divestment, namely the loss of control of the sub-Group TERNA DEN LLC's

subsidiaries, which owns and operates the three (3) Wind Parks in Texas USA. The de-consolidation of these subsidiaries ("Disposal Team") on 30/06/2021 led to the recognition of total accounting loss in a burden of the consolidated semi-annual financial results of € 94.4 million (\$ 119.1 million).

The obligations arising from all the above projects in the USA have no recourse either to the subsidiary TERNA ENERGY USA HOLDING CORP (parent company of TERNA DEN LLC) or nor to the senior parent company TERNA ENERGY SA. Therefore, given the loss of the above investments, in addition to the accounting loss that was recognized in burden of the consolidated financial statements for the first semester 2021, did not lead to the emergence of liquidity or financing issues for the Group and the Company for the following 12 months, as this event has no further impact on the cash flows of the Group and the Company.

2.2 Basis of Measurement

The attached financial statements as of 30th June 2021 have been prepared on the basis of the historic cost.

2.3 Currency of Presentation

The currency of presentation is the Euro (meaning the currency of the company's country) and all amounts are expressed in Euro thousand, unless stated otherwise.

2.4 Comparability

The comparative figures of the Financial Statements have not been revised.

2.5 Use of estimates

Management's judgments, assumptions and estimates affect the amount at which certain assets and liabilities are valued, the amount recognized during the year for certain income and expenses, and the presented estimates for contingent liabilities.

Assumptions and estimates are evaluated on an ongoing basis and in the light of historical evidence and other factors, including expectations for the outcome of future events that are considered reasonable under the circumstances. These estimates and assumptions relate to the future and as a consequence, the actual results are likely to differ from the accounting estimates.

The preparation of the interim condensed Financial Statements for the six-month period ended on June 30, 2021, requires the performance of estimates and the adoption of assumptions that affect the application of the accounting principles and book values of assets and liabilities, income and expenses.

During the preparation of these Financial Statements, the significant accounting estimates and judgments adopted by the Management for the application of the Company's accounting principles, as well as the main sources of uncertainty are consistent with those applied in the annual Financial Statements of December 31, 2020, and which are analyzed in explanatory note 3 thereof.

Regarding the global health crisis from the coronavirus pandemic (COVID-19), it is pointed out that the revision of the assumptions and estimates of the Management was not required in relation to those applied in the annual financial statements of the Company for the year 2020.

2.6 New Standards, Interpretations and Amendments of Standards

The interim condensed financial statements for the semi-annual period ended 30/06/2021 contain limited information compared to the information presented in the annual Financial Statements. The accounting policies which are the basis for the preparation of the Financial Statements are in line with ones applied for the preparation of the annual Financial Statements for the year ended on 31/12/2020, apart from the adoption of amendments to certain standards, the application of which became mandatory in the European Union for the years beginning on 1 January 2021 (see Notes 2.6.1 and 2.6.2). As result, the attached interim semi-annual Financial Statements should be read and used along with the latest available published annual Financial Statements as of 31/12/2020, which entail a full analysis of the accounting policies and the valuation methods used.

2.6.1. New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments to 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 01/01/2021.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform - Phase II" (effective for annual periods beginning on or after 01/01/2021)

In August 2020, the IASB completed the assessment and response process to the reform of interbank interest rates and other interest rate benchmarks by issuing a series of amendments to five Standards. The amendments complement those issued in 2019 and focus on the impact on the Financial Statements when a company replaces the old reference rate with an alternative reference rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in contractual cash flows, how it will account for a change in hedging relationships as a result of the reform, and related information that it will need to disclose. The Company will consider the impact of all the above on its Financial Statements, although they are not expected to have any. The amendments have no effect on the separate Financial Statements.

Amendments to IFRS 16 "Leases" Related to COVID-19 Lease Concessions after 30th June 2021 (effective for annual periods beginning on or after 01/04/2021)

In March 2021, the IASB issued amendments to the practical application of IFRS 16 extending the period of application by one year to include Covid-19-related lease concessions which reduce lease payments that become payable on or before June 30, 2022. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any.

2.6.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union until 30/6/2021

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 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 beginning on or after on 01/01/2022)

In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three Standards, as well as the Board's Annual Improvements. These amendments have provided clarifications regarding the wording of the Standards or have corrected minor implications, omissions or conflicts between the requirements of the Standards. More specifically:

Amendments to IFRS 3 "Business Mergers" update a reference to IFRS 3 in the Conceptual Framework of the Financial Reporting without amending the accounting requirements relating to business combinations.

The amendments to IAS 16 "Property, Plant and Equipment" prohibit a company from deducting from the cost of fixed assets amounts received from the sale of items produced during the preparation of such fixed assets in order for the latter to be ready for use. Instead, the company recognizes these sales revenues and related costs in the Income Statement.

Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" determine the costs that a company should include in assessing whether a contract is loss-making.

The Annual Improvements of IFRS - Cycle 2018-2020 make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and to the Explanatory Examples accompanying IFRS 16 "Leases".

The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to generate any effect. The above have not been adopted by the European Union on 01/01/2022.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01/01/2022)

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. In addition, in July 2020, the IASB issued an amendment to postpone by one year the date of entry into force of the amendment originally issued in IAS 1, as a result of the spread of the Covid-19 pandemic. The

Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods beginning on or after 01/01/2023)

In February 2021, the IASB issued limited-purpose amendments relating to disclosures in accounting policies. The purpose of the amendments is to improve the disclosures of accounting policies in order to provide more useful information to investors and other users of the Financial Statements. More specifically, the amendments require the disclosure of important information relating to accounting policies, rather than the disclosure of significant accounting policies. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods beginning on or after 01/01/2023)

In February 2021, the IASB issued limited-purpose amendments that clarify the difference between a change in accounting estimate and a change in accounting policy. This distinction is important, as the change in accounting is applied without retroactive effect and only for future transactions and other future events, in contrast to the change in accounting policy that has retroactive effect and applies to transactions and other events of the past. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 12 "Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction" (effective for annual periods beginning on or after 01/01/2023)

In May 2021, the IASB issued targeted amendments to IAS 12 to determine how entities should handle deferred tax arising on transactions such as leases and decommissioning obligations that entities recognize both an asset and a liability at the same time. In certain cases, entities are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that this exemption does not apply and entities are required to recognize deferred tax on those transactions. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. The above have not been adopted by the European Union.

Decision of the IFRS Interpretations Committee on "Allocation of benefits to periods of service" (IAS 19)"

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision on the agenda entitled "Allocation of benefits to periods of service (IAS 19)" (which includes explanatory material regarding the allocation of benefits to periods of service with regard to a certain defined benefit plan analogous to that defined in article 8 of Law 3198/1955 as regards the provision of compensation due to retirement (the "Defined Benefit Plan of Labor Law"). This explanatory information differentiates the way in which, the basic principles and rules of IAS 19 were applied over the past in Greece in this regard, and therefore, in accordance with the provisions of the "IASB Due Process Handbook (paragraph 8.6)", the business entities that prepare their financial

statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the final decision of the Committee's daily agenda will be treated as a Change in Accounting Policy. The implementation of the above decision will be done in accordance with paragraphs 19-22 of IAS 8. The Group, which allocates the benefits in the period from the recruitment until the date of retirement of the employees, examines the effects of this decision in order to complete the respective assessment by the end of the year so that the particular effects are reflected retrospectively on the financial statements as at 31 December 2021.

3. INFORMATION REGARDING OPERATING SEGMENTS

An operating sector 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 function of the Company that is responsible for the allocation of resources and the assessment of the economic entity's operating segments. For the application of IFRS 8, this function is assigned to the Managing Director (Chief Executive Officer). An entity presents separately the information on each operating segment that meets certain criteria of characteristics and exceeds certain quantitative limits. The above information is presented in the accompanying consolidated statements of financial position, comprehensive income and cash flows according to the IFRS, whereas previously recorded operating segments – as presented in the financial statements of the previous financial year - require no modifications.

The Company recognizes only one operating reporting segment while there are no less significant segments that would be consolidated into the category of other segments. In particular, the only sector in which the Company operates is the Investment and Finance sector in Greece and therefore the total amounts of the Statement of Financial Position and the Statement of Comprehensive Income relate exclusively to the Company's activity in this field.

4. OTHER LONG-TERM RECEIVABLES

The Company's other long-term receivables as at 30/6/2021 and 31/12/2020, are analyzed as follows:

	30.6.2021	31.12.2020
Receivables form Intra-group Loan 2019	146,632	146,632
Total	146,632	146,632

The interest income from the Intragroup Loan for the six-month period ended 30/06/2021 amounted to € 2,654 thousand (see Note 9) and is included in the item "Interest income" of the Statement of Comprehensive Income.

Intragroup Loan

The Company ("Issuer") following the decision of 10/10/2019 by which the content of its Prospectus was approved by the Capital Markets Commission, received an amount of € 146,632 thousand, i.e. an amount of € 150,000 thousand that was raised in cash by the CBL coverage, minus the amount of € 3,368 thousand which concerns issue costs, as they have been incorporated without any deviation in the Prospectus. The funds raised were disbursed, as provided in the Prospectus, from the Issuer to Terna Energy (Guarantor) through an intragroup loan.

Specifically, on 21.10.2019, TERNA ENERGY SA issued a bond loan ("Intragroup Loan"), in accordance with the provisions of Law 4548/2018 and the provisions of Law 3156/2003 that remain in force, which is governed by Intragroup Loan Program and which was covered by the Issuer in the amount of € 146,632 thousand. In this way, the amount of net capital proceeds was transferred to the Guarantor within 2019, in order for the latter to use it for its investment program as analyzed in 4.1.2 "Reasons for Issuing the CBL and Utilization of Funds" of the Prospectus dated October 10, 2019.

The annual interest rate was set equal to that of the CBL (see Note 8), plus a 1% margin on the outstanding nominal capital per bond security, starting from the date of bond issuance, i.e. 3.6%. The maturity of the Intra-group Loan was set 5 working days prior to the maturity of CBL of the Company.

As at 30/06/2021, the long-term component of the aforementioned receivable stood at € 146.632 k.

5. OTHER SHORT-TERM FINANCIAL ASSETS

The Company's other short-term financial assets comprise essentially the short-term component of the Intra-group Loan between TERNA ENERGY S.A. and the Company (see Note 4).

Prepayments and other financial receivables

	30.6.2021	31.12.2020
Short-term component of Intra-group Loan 2019	1,041	1,056
Other Financial Receivables	0	25
Total	1,041	1,081

Prepayments and other non-financial receivables

	30.6.2021	31.12.2020
Prepaid expenses and other transitory asset accounts	5	14
Total	5	14

6. CASH AND CASH EQUIVALENTS

Cash & cash equivalents as at 30/6/2021 and 31/12/2020 are analyzed as follows:

	30.6.2021	31.12.2020
Sight deposits	1,406	1,116
Total	1,406	1,116

7. SHARE CAPITAL

The share capital of the Company amounts to € 1,850,000 divided into 1,850,000 common voting shares of nominal value one euro (€ 1.00) each. The share capital is fully paid up.

8. BORROWINGS

As at 30/6/2021 and 31/12/2020, the Company's loans are analyzed as follows:

	30.6.2021	31.12.2020
Long-term loans		
Opening balance	146,756	146,252
Interest in the income statement	255	504
Closing balance	147,011	146,756
	30.6.2021	30.6.2020
Long-term liabilities carried forward		
Opening balance	758	758
Interest in the income statement	1,962	3,966
Interest paid	(1,972)	(3,966)
Closing balance	748	758
Total borrowing	147,759	147,514

Common Bond Loan € 150 MILLION (CBL – Common Bond Loan)

In compliance with the Finance Prospectus as of 10/10/2019 and as of 10/10/2019 Bond Loan Issue Plan up to € 150 million and pursuant to the Agreement for Appointment of a Bondholders' Representative (the "CBL Plan"), between TERNA ENERGY FINANCE S.A. (the Issuer), TERNA ENERGY S.A. (the Guarantor) and ATHEXCSD S.A. (Bondholders' Representative), provisions are made for the issue of a CBL with a term of seven (7) years and amounting to one hundred and fifty million Euro (€ 150.000 k), divided into up to 150.000 intangible, common anonymous bonds with a nominal value of € 1.000 each.

On 22.10.2019, the Board of Directors of TERNA ENERGY MAEX announced that the proceeds of the Public Offer amounted to € 150 million listing the Company's bonds for trading in the ATHEX Regulated Market Securities Category. In particular, 150.000 common, bearer bonds of the Company with a nominal value of €1.000 (the Bonds) each have been allocated and as a result capital of an amount of

€150 m. has been raised. The final yield of the Bonds was set at 2,60%, the Bond rate at 2,60% and the Loan Disposal Price at € 1.000 each, i.e. 100% of its nominal value. The final registration of the bonds in the Beneficiary Accounts of the Intangible Securities System was completed on 22.10.2019.

To secure the Company's loan, corporate guarantee was provided by the parent company TERNA ENERGY INDUSTRIAL COMMERCIAL TECHNICAL SOCIETE ANONYME (hereafter called as "TERNA ENERGY S.A." or the Guarantor).

Under the terms of the Common Bond Loan Issue Plan of up to € 150.000.000 and the Bondholders' Representative Appointment Agreement dated 10/10/2019, the raised funds of € 150.000 k will be invested by the Issuer to the Guarantor through the Intra-group Loan. On 21/10/2019, the Guarantor issued a bond loan under Law 3156/2003, within the frame of the Intragroup Loan Scheme, which was covered by the Issuer for an amount of € 146.632 k. This way, the respective amount of the CBL was transferred to the Guarantor, thus lending the equal amount of the capital proceeds to the Guarantor, so that the latter could use it in respect of its investment plan as analyzed in section 4.1.2. of the Prospectus as of October 10th, 2019.

As at 30/06/2021, the outstanding amount of CBL 2019 had settled at € 147.759 k.

The Company and the Guarantor have the obligation to observe specific financial ratios related to the Common Bond Loan. As of June 30, 2021, the Company and the Guarantor fully met the required limits of the financial ratios, in accordance with the requirements of the loan agreement.

The interest expenses from the CBL for the six-month period ended 30/6/2021 amounted to € 2,216 thousand (see Note 10) and are included in the item "Interest and other financial expenses" of the Statement of Comprehensive Income.

9. INTEREST INCOME

The Company's income for the six-month period ended 30/06/2021, amounting to € 2,654 thousand, relates to interest income from the Intragroup Loan granted to the parent company and which is included in the items "Other Long-Term Receivables" and "Other Short-Term Financial Receivables" (see Notes 4 and 5, respectively).

10. INTEREST AND OTHER FINANCIAL EXPENSES

The interest and other financial expenses of the Company for the six-month period of 2021 and 2020, respectively, are analysed as follows:

	01.01 - 30.6.2021	01.01 - 30.6.2020
Long-term loans interest and expenses	2.216	2.221
Interest and other financial expenses	2.216	2.221

The interest and expenses of long-term loans of the Company for the six-month period that ended on 30/6/2021 amounting to € 2,216 thousand relate to interest expenses from the Common Bond Loan (see in detail Note 8).

11. INCOME TAX

The tax rate for legal entities in Greece in the year 2021 after the enactment of Law 4799/2021 which amended paragraph 1 of article 58 of Law 4172/2013 is set at 22% while for the year 2020 it was 24%.

The actual final tax rate differs from the nominal tax rate. There are a number of factors influencing the effective tax rate, where the most notably of which are the non-tax deduction of certain expenses and the ability of companies to make tax exempted deductions and tax exempted reserves.

The income tax return is submitted on an annual basis, but the declared profits or losses remain temporary until the tax authorities audit the taxpayer's books and records and the final audit report is issued.

The Company makes an annual assessment of any liabilities that are expected to arise from the audit of previous years, making relevant provisions where necessary.

The Company has recognized a deferred tax asset of € 82 thousand, as the Management deems that there is a possibility of offsetting tax losses with future tax profits.

Finally, income tax receivables relate to withholding tax on interest related to the intragroup loan.

12. CONTINGENT LIABILITIES

12.1 Unaudited Tax Years

The tax obligations of the Company are not definitive as there are unaudited tax years (2016 to 2020). For the unaudited tax years there is the possibility of imposing additional taxes and surcharges at the time when they will be examined and finalized. The Management of the Company considers that any amounts of taxes that may arise in a possible tax audit by the competent authorities, will not have a significant impact on the Company's equity, results and cash flows and therefore on 30/6/2021 the Company has not recognized provisions for unaudited years.

Tax Compliance Certificate

For the years 2017 to 2019, the Company met the relevant criteria for inclusion in the tax audit of Certified Public Accountants and received a Tax Compliance Report, according to article 65A par. 1 of Law 4174/2013, without substantial differences. 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.

The special audit for the issue of Tax Compliance Certificate for the year 2020 is in progress and the relevant tax certificate is expected to be issued after the publication of the interim condensed Financial Statements of the six-month period that ended on 30/6/2021. If, until the completion of the tax audit, additional tax liabilities arise, it is estimated that these will not have a material effect on the Financial Statements.

12.2 Legal cases

In the course of its operations, the Company may be faced with possible legal claims of third parties. According to both the Management and the Company's Legal Consultant, there are no litigation or arbitration disputes involving judicial or arbitration bodies concerning the Company.

13. EARNINGS PER SHARE

The basic earnings per share for the period 01/01-30/06/2021 and the comparative period of 2020, were calculated by dividing the net earnings attributable to the Company's shareholders by the weighted average number of shares as follows:

	30.6.2021	30.6.2020
Net profit / (losses) (in €)	314,476	321,993
Weighted average number of shares	1,850,000	1,850,000
Earnings/(Losses) per share (in €)	0.1700	0.17405

No diluted earnings per share apply.

14. TRANSACTIONS WITH RELATED PARTIES

“TERNA ENERGY INDUSTRIAL COMMERCIAL TECHNICAL SOCIETE ANONYME” is the main and sole shareholder of the Company owning 100.00% of the Company’s share capital for the period ended on June 30th, 2021.

Transactions and balances with related parties for the six-month period of 2021 are presented in the following table. As mentioned in Notes 4, 5 and 9 above, the Company's sales / income relate to interest on the Bond Loan granted to the parent company TERNA ENERGY. The receivables relate to the said Bond Loan.

	30.6.2021			
	Purchases/Expe	Sales/Income	Assets	Liabilities
Parent	0	2,654	147,673	0
Total	0	2,654	147,673	0

	30.6.2020			
	Purchases/Expe	Sales/Income	Assets	Liabilities
Parent	0	2,669	147,687	0
Total	0	2,669	147,687	0

15. RISK MANAGEMENT

The Company's activities expose it to various financial risks such as market risk (including foreign exchange risk, interest rate risk and price volatility risk), credit risk and liquidity risk.

The interim condensed financial information does not include all the financial risk management information and disclosures required in the annual financial statements of 31 December 2020 and should therefore be read in conjunction with them. There has been no change in risk management policies compared to December 31, 2020.

It is noted that the Company is operatively supported by its parent company TERNA ENERGY SA, which fully influences the decisions, management and operation of the Company and exercises control over them.

As at 30/06/2021, the Company, apart from its investment in the issued bonds of the Intragroup Loan, has no other business activity, is not active in any market and has no other assets and therefore, the ability of the Issuer to fulfil its contractual obligations from the Bond Loan, depends on the ability of the Guarantor to fulfil its contractual obligations to the Issuer, based on the loan agreement between them, under the terms of the Intragroup Loan.

Taking into account the above, the main risks and uncertainties in the business activities of the Company are directly related to those of the TERNA ENERGY Group (hereinafter "Group"). A detailed report of the risks and uncertainties is provided in section E of the Semi-Annual Report of the Board of

Directors of TERNA ENERGY SA for the period ended on June 30, 2021 (as it has been posted on the internet at www.terna-energy.com , as well as on the website of the Athens Exchange)..

We briefly report the main risks and uncertainties in the activities of the TERNA ENERGY SA Group, as described in the published interim condensed consolidated financial statements and which are summarized as follows:

Credit risk

The total of the energy segment receivables relates to the broader domestic (including DAPEEP and HEDNO) and foreign Public Sector, while the same is the case regarding the main part of the construction segment receivables.

Given the nature of its operations, the Group is not, as a rule, exposed to significant credit risk from trade receivables except delays in collections from DAPEEP, which have been significantly reduced by the application of Law 4254/14 as well as the extraordinary levy imposed, for the financial year 2020, for encountering the side effects of the coronavirus pandemic, to the producers of electricity from Renewable Energy Sources (RES) stations, and particularly for those which have been put into normal or test operation until 31 December 2015 (Government Gazette 245 / 09.12.2020).

Foreign Exchange Risk

Apart from Greece, the Group operates in USA and Eastern Europe and, therefore, it may be exposed to foreign exchange risk, potentially arising from the exchange rate of Euro against other currencies. To address this risk, the Group's financial management department systematically monitors exchange rate fluctuations and ensures that they do not adversely affect its cash flows.

Interest Rate Risk

The Group's policy is to minimize its exposure to cash flow interest rate risk with regards to its long-term financing. In this context, long-term loans received by the Group either bear a fixed interest rate or are hedged for almost the entire duration.

Market risk analysis

The Group's financial assets are not exposed to market risk.

Liquidity risk analysis

The Group's liquidity is considered satisfactory, as apart from the effective cash and cash equivalents, currently operating Wind Parks generate satisfactory cash flows on an on-going basis.

There are no financial receivables in delay as of June 30, 2021.

Effects arising from the coronavirus pandemic (COVID-19) 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 implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment.

In particular, the Management examined the specific conditions that could have a significant impact on the business activities of the RES operating segment as well as the risks to which it is exposed. Based on current events and conditions regarding the COVID-19 pandemic, such issues are analysed as follows.

No interruption or other adverse impact on the Group's facilities that are in operation occurred in the RES electricity segment in Greece. Regarding RES facilities under construction, no delays have been caused due to the coronavirus pandemic (COVID-19) until today and the estimated time of completion and commissioning of the projects has not changed.

Regarding the collection of the Group's revenues, no delays were recorded in 2021. Any delay in the collection of the Group's revenues by the Renewable Energy Sources Operator & Guarantees of Origin Administrator (DAPEEP) does not currently seem to exceed the production value of six months, mainly due to the implementation of the measures of Law 4414/2016.

Although estimates regarding the impact of the pandemic on the global and domestic economy vary, the Management estimates that the Group's operations, financial performance, cash flows and financial position will not be significantly affected. In any case, the Management ensures maintenance of the smooth operation - both in the Greek territory and abroad, where the Group operates, applying procedures of ongoing identification and evaluation of all risks that may arise in the near future. The Management plans and implements measures to address any identified risk in order to limit its adverse effects to the minimum possible, in direct, ongoing and systematic collaboration with the Risk Managers and the Group's executives. The Group's organizational efficiency and the ongoing care of the Management to assign its managers by project and specific issue, depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for addressing any possible crisis in any Group's company whenever required. Following this basic principle, the Management as well as the aforementioned mechanism immediately react in order to address the epidemic crisis with prudence, calm and strategic perspective.

The impact from COVID-19 is not expected to be significant for TERNA ENERGY Group and the Management has estimated that there is no substantial uncertainty regarding the continuation of the business activity of the Group and the Company.

Special reference to the unprecedented extreme weather conditions in the US state of Texas in February 2021 and impact on the Group's activities

In Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A. there are described in detail the unprecedented extreme weather conditions of February 2021 in the US state of Texas (hereinafter referred to as "the Natural Phenomenon") and its direct impact on the activities of the TERNA ENERGY USA HOLDING CORP ("TERNA USA") subgroup and in particular the sub-Group TERNA DEN LLC (which includes parent company TERNA DEN LLC and US subsidiaries that own and operate the Group's 3 Texas Wind Parks - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I - total power 510MW).

The previous examination of the risks (before the occurrence of the natural phenomenon) was done with the contribution of the best market consultants 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 foreseen in the risk analysis of the insurance companies.

The Management of the Group moved quickly from the first moments of Natural Phenomenon's occurrence. These conditions, as presented in detail in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., created an energy deficit of approximately \$ 30 million per day and ultimately amounted to \$ 179.4 million. In particular, Hedge Providers under the relevant hedging agreements proceeded to pricing for "Liquidated Damages invoices", which cover the period from 13 to 19 February 2021. The total amount of these claims amounted to \$ 179,410,942 and is distributed as follows: Fluvanna 1 \$32,691,587, Fluvanna 2 / Gopher Creek \$ 69,656,417 and Bearkat \$ 77,062,938. These invoices were challenged in writing by the Group on the basis of the occurrence of a force majeure event. Following the above, Fluvanna 1 and Fluvanna 2 / Gopher Greek's Hedge Providers sent event of default notifications, and Bearkat I's Hedge Provider sent potential event of default notification. For the projects Fluvanna 2 / Gopher Greek and Bearkat 1 "Standstill Agreements" were signed (ending on 21/05/21 & 30/04/21 respectively).

Throughout the onset of the phenomenon, daily discussions with all stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity, in order to minimize the adverse effects on the Group. While these discussions were ongoing, the Management considered the following three possible actions: (a) conservation of Wind Parks and recourse to the competent courts for the initiation of legal dispute with the Hedge Providers, over "Liquidated Damages invoices", (b) finding a mutually acceptable commercial solution to the dispute with Hedge Providers and (c) divesting from the three (3) US Wind Parks (Class B interests).

According to what it is detailed referred in Note 6 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A., the Management chose as the most appropriate action the divestment, namely the loss of control of the sub-Group TERNA DEN LLC's subsidiaries, which owns and operates the three (3) Wind Parks in Texas USA. The de-consolidation of these subsidiaries ("Disposal Team") on 30/06/2021 led to the recognition of total accounting loss in a burden of the consolidated semi-annual financial results of € 94.4 million (\$ 119.1 million).

The obligations arising from all the above projects in the USA have no recourse either to the subsidiary TERNA ENERGY USA HOLDING CORP (parent company of TERNA DEN LLC) or nor to the senior parent

company TERNA ENERGY SA. Therefore, given the loss of the above investments, in addition to the accounting loss that was recognized in burden of the consolidated financial statements for the first semester 2021, did not lead to the emergence of liquidity or financing issues for the Group and the Company for the following 12 months, as this event has no further impact on the cash flows of the Group and the Company.

16. SIGNIFICANT EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

On July 23, 2021, the TERNA ENERGY Group, through its subsidiaries SPONSOR BEARKAT I HOLDCO, LLC, FLUVANNA INVESTMENTS 2, LLC and FLUVANNA I INVESTOR, INC, exercised the right of sale acquired through the Put & Call Option Agreement, as notified in detail in Note 6.4 of the Interim Condensed Group Financial Statements of the parent company TERNA ENERGY S.A.. As a result of this exercise, the Purchase & Sale Agreement of the Class B shares of the three (3) Wind Parks "Disposal Group of entities" was signed on September 30, 2021. With the signing of this contract, the process of transferring the aforementioned company shares to CIP is completed.

17. APPROVAL OF FINANCIAL STATEMENTS

The Company's attached interim condensed Financial Statements for the semi-annual period ended as at 30/06/2021 were approved by the Company's Board of Directors on 30/9/2021.

Athens, 30 September 2021

The Chairman of BoD

The Chief Executive Officer

The Chief Accountant

Vasileios Delikaterinis
ID No AI 036060

Aristotelis Spiliotis
ID No AK 127469

Artan Tzanari
ID No AM 587311
License Reg. No 064937 A'
Class

VI. REPORT ON ALLOCATION OF THE CAPITAL PROCEEDS

Report on Allocation of the Capital Proceeds from the issuance of a Common Bond Loan of TERNA ENERGY SINGLE PERSON FINANCE SOCIETE ANONYME amounting to € 150.000.000 under the guarantee of TERNA ENERGY S.A. for the period from 22/10/2019 to 30/06/2021

In accordance with the provisions of paragraph 4.1.2 of Athens Stock Exchange Regulation (hereinafter referred to as ATHEX), decision no. 25 / 17.07.2008 of the Board of Directors of THEX and no. Decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission (hereinafter referred to as "HCMC"), it is hereby disclosed that from the issuance of a Common Bond Loan of one hundred and fifty million Euro (€150.000.000) with the issuance of one hundred and fifty thousand common bonds with a corporate guarantee of nominal value € 1 k each, which was conducted in accordance with as of 24/09/2019 decision of the Board of Directors of TERNA ENERGY FINANCE S.A. (hereinafter referred to as "Company" or "the Issuer") and as of 10/10/2019 decision on the approval of the Prospectus' content by the HCMC, an amount of one hundred and fifty million Euro (€150.000.000) was raised in aggregated, i.e. following the completion of the option exercise period, the issuance in question was fully covered. TERNA ENERGY S.A. (hereinafter referred to as "the Guarantor") is responsible for the aforementioned issuance regarding the bondholders, in compliance with the provisions of section 3.3.13 "Nature and Objective of CBL Guarantee" of the Prospectus as of October 10th, 2019.

On 22/10/2019, the Company's Board of Directors verified the payment of the capital proceeds. Furthermore, one hundred and fifty thousand (150.000) common anonymous bonds issued were listed for trading on Athens Stock Exchange regulated securities market following as of 11/10/2019 approval of listing of Athens Stock Exchange Regulatory Commission. The characteristics of the above bond loan are the following: (a) The bond yield is 2.60% 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.

In view of the above, it is hereby disclosed that an amount of € 146.632 k, i.e. an amount of € 150.000 k in cash collected from the CBL coverage preference and subscription rights holders, less the amount of €3.368 k related to the issuance expenses, as also incorporated without deviation into the Prospectus, was allocated until 30/06/2021 as follows.

A. Allocation of capital proceeds by TERNA ENERGY FINANCE S.P.S.A. (the Issuer)

The capital proceeds of up to € 150.000 k, less CBL expenses, i.e. the net amount of € 146.632 k, in compliance with the Prospectus, will be available by the Issuer to the Guarantor through the Intragroup Loan 2019. In particular, on 21.10.2019, the Guarantor issued a bond loan under Law 4548/2018 and Law 3156 / 2003, effective following the effective date of Law 4548/2018, within the frame of the Intragroup Loan Scheme, which was covered by the Issuer for an amount of € 146.632 k. This way, the respective amount of the CBL was transferred to the Guarantor, so that the latter could use it in respect of its investment plan as analyzed in section 4.1.2. of the Prospectus as of October 10th 2019.

The utilization of capital proceeds from the Guarantor up to 30/06/2021 is analytically presented in Section B below:

The final allocation of the proceeds from the issue of the CBL, less the estimated costs of issuing the CBL, will be effected by the issuance of the CBL by the Issuer to the Bondholders as at the maturity date of the Bond Loan.

Table of allocation of the Capital Proceeds of the Issuer from the issuance of the Common Bond Loan of € 150.000.000								
(amounts in thousand Euro)								
				Provisional Allocation of the Capital Proceeds as at 30/06/2021		Final Allocation of the Capital Proceeds as at CBL maturity date		
	Capital Proceeds	Description	Allocation of Capital Proceeds based on the Prospectus	Provisionally Allocated Capital Proceeds to the Guarantor through Intra-group Loan	Provisionally Non-allocated Balance as at 30/06/2021	Intra-group Loan Collected from the Guarantor	Finally Allocated CBL Repayment Capital Proceeds from the Issues to the Bondholders	Non-allocated Balance
			(a)	(b)	(a - b)	(c)	(d)	(a - d)
		Allocation of funds from the Issuer to the Guarantor through Intra-group Loan 2019, so that the Guarantor could proceed with the implementation of its investment plan	146,632	146,632 ¹	-	-	-	146,632 ²
Total	146,632	Total	146,632	146,632	-	-	-	146,632
CBL issue expenses	3,368							
Total Allocated Capital Proceeds	150,000							

¹ The way the capital is used by the Guarantor for the implementation of its investment plan is described in the following section B "Use of Funds by TERNA ENERGY S.A. (the Guarantor)

² The final allocation of the proceeds will be effected by the issuance of the CBL by the Issuer to the Bondholders as at the maturity date of the Bond Loan.

B. Use of funds by TERNA ENERGY S.A. (the Guarantor)

As analytically presented in section A above, on 21/10/2019 the Guarantor issued a bond loan under Law 4548/2018 and Law 3156/2003, still effective, within the frame of the Intra-group Loan Plan, which was covered by the Issuer by an amount of € 146,632 k and, therefore, the corresponding amount of the CBK proceeds was transferred to the Guarantor.

Following the above, an amount of € 146.632 k (i.e. an amount of € 150.000 k in cash, less an amount of € 3.368 k related to issue expenses as recorded in the Prospectus), was transferred to Guarantor to be used for the implementation of its investment plan, as analytically recorded in section 4.1.2 of the Prospectus as of October 10, 2019.

The table below shows the allocation of the capital proceeds by the Guarantor until 30/06/2021:

Table of allocation of the Capital Proceeds of the Guarantor from the issuance of the Common Bond Loan of € 150,000,000 of the Issuer (amounts in thousand Euro)					
Area of Investment based on section 4.1.2 of the Prospectus	Allocation of the Capital Proceeds by the Guarantor	Capital proceeds within the period from 22/10/2019 to 31/12/2020	Capital proceeds within the period from 01/01/2021 to 30/06/2021	Non-allocated Balance as at 30/06/2021	Note
4th quarter 2019					
Total repayment of Short-term Bank Loan of the Guarantor (used to repay CBL 2017).	60.000	60.000	-	-	(1)
Partial repayment of Short-term Bank Loan of the Guarantor used to repay part of the consideration for acquisition of the wind park "Berkat I" in Texas, USA	30.632	30.632	-	-	(2)
Period 2019-2022					
Construction of 14 wind parks in Greece, of a total capacity of 218 MW by the Guarantor or by the Subsidiaries of the Guarantor (either through intra-group loan from the Guarantor to the subsidiaries or through a share capital increase in the Subsidiaries by the Guarantor).	56.000	30.186	12.475	13.340	(3)
Total investments (Use of funds by the Guarantor)	146.632	120.818	12.475	13.340	(4)
Estimated CBL issuance expenses	3.368				
Total capital proceeds by the Issuer	150.000				

Notes

1. On 11/07/2019 a short-term bank loan of € 60.000 k (amounting to € 50,000 k from ALPHA BANK and € 10,000.000 from NATIONAL BANK) was used by the Guarantor to repay the Intra-group Loan 2017 to the Issuer. Specifically, on 17/07/2019, the Guarantor repaid all the nominal value of the bonds it had issued and had been covered by the Issuer under the 2017 CBL, in accordance with the terms of the Program. Subsequently, on 22/07/2019, the Issuer repaid the € 60,000 K of 2017 CBL in accordance with the term 4 of the CBL Program ("Prepayment"). On 31/10/2019, the Guarantor repaid the amount of € 50,000 K to ALPHA BANK and € 10,000 k to the National Bank of Greece respectively, resulting in the total repayment of this short-term bank loan.

2. On 16/07/2019, a short-term bank loan of € 52,000 k from the PIRAEUS BANK was used to pay part of the acquisition price of the Bearkat I wind farm "Glasscock County" in Texas, USA, which was conducted by the Group through its 100% subsidiary TERNA DEN LLC (a subsidiary of TERNA ENERGY USA HOLDING CORPORATION) at the conclusion of the transaction. On 29/11/2019, the Guarantor repaid the amount of € 52,000 k to PIRAEUS BANK, of which € 30,632 k was used from the raised funds.

3. The Guarantor has started the construction of ten (10) MW Wind Farms with total capacity of 155MW at 9 sites in Evia and 1 site in Voiotia, through its subsidiaries. The use of funds, which stood at € 42,660 k on 30/06/2021 (2019: € 18,616 thous., 2020: € 11,570 thous. and 2021: € 12,475 thous.), is analyzed as follows:

- Construction of the Wind Farm at the site of **PYRGARI DARDIZA (6.3 MW) of the Municipality of Karystos** by the subsidiary company "AIOLIKI MARMARIOU EVIAS MAE". The total budget cost of construction of the project is estimated at € 11,019 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this Subsidiary of € 2,500 k of which € 2,487 k relates to the coverage of the financing of the aforementioned wind farm construction. As of 30/06/2021, the Guarantor had covered the amount of € 2,329.6 k under the terms of this contract, of which € 2,316.6 k were paid by the Guarantor to the subsidiary as use of the CBL, which subsequently made payments to third parties for that investment amounting € 2,316.6 k of which € 2,287.2 thousand until 31/12/2019 and € 29.4 thousand in the year of 2020.

- Construction of the Wind Farm at the site of **KARABYLA (19.8 MW) of the Municipality of Karystos** by the subsidiary "AIOLIKI MARMARIOU EVIAS MAE". The total budget cost of construction of the project is estimated at € 21,834 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this Subsidiary of € 2,001 k of which € 1,985 k relates to the coverage of the financing of the aforementioned wind farm construction. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 2,000.1 k under the terms of this contract, of which € 1,984.0 k was paid by the Guarantor to the subsidiary as use of the CBL, which subsequently made payments to third parties for that investment amounting € 1,984.0 k of which € 1,928.4 thousand until 31/12/2019 and € 55.6 thousand in the financial year 2020.

- Construction of the Wind Park at the site **GALOSI (19.8 MW) of the Municipality of Karystos** by the subsidiary "AIOLIKI MARMARIOU EVIAS MAE". The total budget cost of the project is estimated at € 21,584 K. On 14/11/2019, the Guarantor entered into a Common Bond Loan with its subsidiary amounting to € 2,001 k of which € 1,985 k relates to the coverage of financing of the aforementioned wind farm construction. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 2,000.2 k under the terms of this contract, of which €

1,984.2 k was paid by the Guarantor to the subsidiary as use of the CBL, which subsequently made payments to third parties for that investment amounting € 1,984.2 k of which € 1,967.0 thousand until 31/12/2019 and € 17.2 thousand in the financial year 2020.

- Construction of the Wind Farm at the site of **AGRIACHLADIA (22.5 MW) of the Municipality of Kymi-Aliveri** by the subsidiary "ENERGIKI DYSTION EVIAS MAE". The total budget cost of the project is estimated at € 29,543 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting to € 2,500 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 2,477.4 k under the terms of this contract, that was paid by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment amounting € 2,477.4 k of which € 2,468.7 thousand until 31/12/2019 and € 8.7 thousand in the financial year 2020.

- Construction of the Wind Farm at the site **MESOPIKI (9 MW) of the Municipality of Kimi-Aliveri** by the subsidiary "ENERGIKI DYSTION EVIAS MAE". The total budget cost of the project is estimated at € 12,782 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting to € 1,500 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment amounting € 923.4 k of which € 919.9 thousand until 31/12/2019 and € 3.5 thousand in the financial year 2020.

- Construction of the Wind Farm at the site **EXOSTIS (18.9 MW) of the Municipality of Karystos** by the subsidiary "ENERGIKI STYRON EVIAS MAE". The total budget cost of the project is estimated at € 21,224 k. On 12/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting € 7,101 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 7,100.7 k under the terms of this contract, that was paid by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment amounting € 7,100.7 k of which € 3,158.0 thousand until 31/12/2019 and € 3,942.7 thousand in the financial year 2020.

- Construction of the Wind Farm at the site **PYRGARI II (9.9 MW) of the Municipality of Kimi-Aliveri** by the subsidiary "AIOLIKI EAST GREECE ELLADOS MAE". The total budget cost of the project is estimated at € 12,461 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting € 5,000 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 2,115.4 k under the terms of this contract, that was paid by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment amounting € 2,115.4 k of which € 2,111.6 thousand until 31/12/2019 and € 3.8 thousand in the financial year 2020.

- Construction of the Wind Farm at the site **KOSKINA-LAKKA (7.65 MW) of the Municipality of Kimi-Aliveri** by the subsidiary "AIOLIKI EAST GREECE MAE". The total budget cost of the project is estimated at € 11.473 K. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting € 400 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first series of bonds amounting € 391.6 k under the terms of this contract, that was paid by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment

amounting € 391.6 k of which € 388.7 thousand until 31/12/2019 and € 2.9 thousand in the financial year 2020.

- Construction of the Wind Farm at the site **VOUREZA (7.2 MW) of the Municipality of Kimi-Aliveri** by the subsidiary "AIOLIKI EAST GREECE MAE". The total budget cost of the project is estimated at € 14.718 k. On 14/11/2019, the Guarantor entered into a Common Bond Loan with this subsidiary amounting € 7.000 k to cover the financing of the construction of the aforementioned Wind Farm. As of 30/06/2021, the Guarantor had covered the first two (2) series of bonds amounting € 6,839.7 k under the terms of this contract, that was paid by the Guarantor to the subsidiary, which subsequently made payments to third parties for that investment amounting € 6,839.7 k of which € 3,386.9 thousand until 31/12/2019 and € 3,452.8 thousand in the financial year 2020.

- Construction of the Wind Farm at **TARATSA (33.6 MW) of the Municipality of Thebes** by the subsidiary "AIOLIKI PROVATA TRAIANOUPOLEOS MAE". The total budget cost of construction of the project is estimated at € 29,976 thousand. From February to September 2020, the subsidiary received successive payments from the parent company TERNA ENERGY SA as in return for a share capital increase, with a parallel amendment to the articles of association. The increase of € 4,600 thousand originated from the unallocated funds held by the Guarantor and was completed on 19/10/2020. On 30/12/2020, the Guarantor entered into a Common Bond Loan agreement with the said subsidiary in the amount of € 10,000 thousand, of which € 6,000 thousand relates to the coverage of the financing of the construction of the above wind farm. Moreover on 26/2/2021, the Guarantor concluded a Common Bond Loan agreement of € 6,000 thousand to cover the financing of the above wind farm. Until 30/6/2021, the entire amount has been covered by the Guarantor and has been paid to the subsidiary, which then made payments for this investment to third parties totaling € 16,527.5 thousand, of which € 4,052.9 thousand in the fiscal year 2020 and € 12,474.6 in the first half of 2021.

4. As at 30/06/2021, the remaining amount of capital proceeds to be used amounts to € 13,340 thousand, of which € 13,267 thousand are included in the cash of the Guarantor and the remaining € 73 thousand in the cash of "AIOLIKI PROVATA TRAIANOUPOLEOS MAE".

Athens, 30 September 2021

The Chairman of the BoD	The Vice Chairman of the BoD	The Chief Executive Officer	The Chief Financial Officer Operation	The Chief Accountan
Vasileios Delikaterinis	Dimitra Chatziarseniou	Aristotelis Spiliotis	Emmanuel Fafalios	Artan Tzanari
ID No AI 036060	ID No AA 026025	ID No AK 082011	ID No AK 127469	ID No AM 587311
				License Reg. No 064937 A' Class

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 "TERNA ENERGY FINANCE S.A."

Pursuant to the engagement letter as of 05.08.2021 we received from the Board of Directors of TERNA ENERGY FINANCE S.A. (hereinafter referred to as the "Company" or the "Issuer"), we conducted the following agreed-upon procedures, within the context of those provided by the regulatory framework of the Athens Stock Exchange as well as the relevant legal framework of the Hellenic Capital Market Commission, in respect of the Report on Allocation of the Capital Proceeds from the issue of the Common Bond Loan by the Issuer under the guarantee of TERNA ENERGY S.A. (hereinafter referred to as the "Report") in the context of the issuance of the Common Bond Loan performed on 22/10/2019.

The Company's Management is responsible for preparation of the aforementioned Report in accordance with the effective regulations of the Athens Stock Exchange and the Hellenic Capital Market Commission and the Prospectus as of October 10th 2019.

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 data recorded in the column "Allocated Amount" in the "Table of Allocation of the Capital Proceeds of the Issuer arising from the issue of the Common Bond Loan of € 150.000.000" with the data reported in the Prospectus as of October 10th 2019.
2. We compared the amounts reported in the column "Projected Allocation of Capital Proceeds to the Guarantor through Intra-group Loan", i.e. amounting to € 146,632 k in respect of the amount provisionally allocated by the Company to TERNA ENERGY S.A. (hereinafter referred to as the "Guarantor") recorded in the "Table of Allocation of the Capital Proceeds of the Issuer arising from the issue of the Common Bond Loan of € 150.000.00" of the Report with the respective amounts recognized in the Company's main accounting records for FY 2019.
3. We compared the consistency of the content of the "Table of Allocation of the Capital Proceeds of the Guarantor arising from the issue of the Common Bond Loan of € 150.000.000" of the Report with the data recorded in the Prospectus as of October 10th, 2019. In particular, we compared the consistency of the data recorded in the column "Area of Investment based on section 4.1.2 of the Prospectus" and "Allocation of the Capital Proceeds by the Guarantor" recorded in the "Table of Allocation of the Capital Proceeds of the Guarantor of the Report with the data recorded in the Prospectus as of October 10th, 2019.
4. We compared the amounts of the columns "Use of capital during the period 22.10.2019 to 31.12.2020" and "Use of capital during the period 01.01.2021 to 30.06.2021" of the "Table of Use of Guarantor's Capital from the issue of Common Bond Loan € 150,000. 000 of the Issuer" of the Report with the respective amounts recognized in the Guarantor's accounting records and its subsidiaries related investments for the periods from 22.10.2019 - 31.12.2020 and 01.01.2021 - 30.06.2021 respectively.

5. We compared the amounts of the columns "Use of capital during the period 22.10.2019 to 31.12.2020" and "Use of capital during the period 01.01.2021 to 30.06.2021" of the "Table of Use of Guarantor's Capital from the issue of Common Bond Loan € 150,000. 000 of the Issuer" of the Report with the projected uses of allocation of the capital proceeds, based on the provisions of section 4.1.2 of the Prospectus as of October 10th 2019, examining on a sample basis the supporting documents in respect of the relevant accounting entries.

Findings

We have ascertained the following from the conduct of the aforementioned procedures:

- I. Regarding the procedure (1) mentioned above, we have ascertained the consistency of the data recorded in the column "Allocated Amount" in the "Table of Allocation of the Capital Proceeds of the Issuer arising from the issue of the Common Bond Loan of € 150.000.000" included in the Report with the data reported in the Prospectus as of October 10th 2019.
- II. Regarding the procedure (2) mentioned above, we have ascertained that the projected allocation of capital proceeds from the Company to the Guarantor recorded in the column "Table of Allocation of the Capital Proceeds of the Issuer arising from the issue of the Common Bond Loan of € 150.000.000" of the Report is consistent with the respective amount recognized in the Company's and Guarantor's accounting records as of December 31st 2019.
- III. Regarding the procedure (3) mentioned above, we have ascertained the consistency of the data recorded in the columns "Area of Investment based on section 4.1.2 of the Prospectus" and "Allocation of the Capital Proceeds by the Guarantor" recorded in the "Table of Allocation of the Capital Proceeds of the Guarantor arising from the issue of the Common Bond Loan of € 150.000.000" of the Report is consistent with the data reported in the Prospectus as of October 10th 2019.
- IV. Regarding the procedure (4) mentioned above, we have ascertained that the data recorded in the columns "Use of capital during the period 22.10.2019 to 31.12.2020" and "Use of capital during the period 01.01.2021 to 30.06.2021" of the "Table of Use of Guarantor's Capital arising from the issue of Common Bond Loan € 150,000. 000 of the Issuer" of the Report is consistent with the respective data recognized in the Guarantor's accounting records inclusively and the related investments of its subsidiaries for the periods from 22.10.2019 – 31.12.2020 and 01.01.2021 - 30.06.2021 respectively.
- V. Regarding the procedure (5) mentioned above, we have ascertained that the data recorded in the columns "Use of capital during the period 22.10.2019 to 31.12.2020" and "Use of capital during the period 01.01.2021 to 30.06.2021" of the "Table of Use of Guarantor's Capital from the issue of Common Bond Loan € 150,000. 000 of the Issuer" of the Report is consistent with the projected uses of allocation of the capital proceeds, based on the provisions of section 4.1.2 of the Prospectus as of October 10th 2019, examining on a sample basis the supporting documents in respect of the relevant accounting entries.

Given that the performed procedures 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 financial statements prepared by the Company for the interim six-month period ended as at June 30th, 2021, for which we have issued a separate Independent Auditor's Review Report on 30th September 2021.

Athens, 30th September 2021

The Certified Auditor
Accountant

Dimitra Pagoni

SOEL Reg. No. 30821