Six-month Financial Report

for the period ended on June 30th 2019

According to article 5 of L. 3556/2007 and relevant executive decisions of Hellenic Market Commission Board of Directors

(amounts in € thousand unless otherwise mentioned)

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Societe Anonyme Reg. No. 318/06/B/86/28
G.E.MI Reg. No. 312701000

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REPRESENTATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS
(under article 5, par. 2, Law 3556/2007)

The below statements are made by the following representatives:

1. George Peristeris, Chairman of the Board of Directors
2. Emmanuel Maragoudakis, Chief Executive Officer
3. Vasileios Delikaterinis, Executive Member of the Board of Directors

WHO HEREBY DECLARE AND CERTIFY

to the best of our knowledge that:

a. The attached six-month financial statements of the Company TERNA ENERGY S.A. (the Company) for period from January 1st 2019 to June 30th 2019 prepared according to the applicable accounting standards, present truly and fairly the assets and liabilities, the equity as at 30/06/2019 and the financial results of the Company for the first six-month period of 2019 as well as of the companies included in the consolidation in aggregate, according to par. 3 – 5 of article 5 of L. 3556/2007, and

b. The six-month Board of Directors Report presents in a true and fair way the information required according to par. 6 of article 5 of L. 3556/2007.

Athens, 28 August 2019

Chairman of the BoD	Chief Executive Officer	Member of the BoD
George Peristeris	Emmanuel Maragoudakis	Vasileios Delikaterinis

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Independent Auditor's Review Report

To the Board of Directors of "TERNA ENERGY SOCIETE ANONYME COMMERCIAL TECHNICAL COMPANY"

Review Report on Interim Financial Information

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of TERNA ENERGY SOCIETE ANONYME COMMERCIAL TECHNICAL COMPANY as of 30 June 2019 and the related separate and consolidated 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 form an integral part of the six-month financial report of 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 of the six-month Board of Directors Report, as required by articles 5 and 5a of L.3556/2007, in respect of the condensed financial information.

Athens, 28 August 2019

The Certified Auditor Accountant

Dimitra Pagoni

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SIX-MONTH MANAGEMENT REPORT OF THE BOARD OF DIRECTORS of the Company "TERNA ENERGY S.A."

for the period 01/01/2019 – 30/06/2019

The current Six-month Report of the Board of Directors, pertaining to the interim period from January 1st to June 30th 2019, has been prepared and is in compliance with the provisions of Article 5 of L. 3556/2007 and relevant executive decisions of Hellenic Market Commission Board of Directors.

A. Financial Developments & Performance for the Reporting Period

The Greek economy has been following an upward course of development. However, the growth rate has slowed down further compared to 2018, despite greater investment activity in extrovert business segments and privatizations and a slight increase in private consumption.

In the first half of 2019, significant improvement was recorded in reducing the cost of the Greek government new borrowing, that stood at historically low levels. Banks' stocks have recovered, deposits are gradually returning, and banks have completely eliminated their dependence on ELA.

Recent elections have given rise to reasonably strong expectations for positive developments in economy, through accelerating its growth rates and increasing the well-being of households. Such expectations mainly focus on reducing the tax burden and improving the business environment.

In the first half of 2019, 3,000 MW capacity exceeded that of wind farms in our country. During this period 107 new wind turbines, with a total output capacity of 198 MV, joined the network. The recorded increase stands at 7.1% versus the end of 2018 regarding the total of wind parks providing electricity to the network.

At the regional level, Central Greece remains at the top as far as the wind farms are concerned, hosting wind parks totaling 1,017 MW, followed by Peloponnese with 556 MW and Eastern Macedonia - Thrace with 416 MW.

The increase in investments in wind farms has been major success due to the efforts of the entities businesses operating in Greece, despite the adverse and complex regulatory environment.

The Group TERNA ENERGY continues investing in RES segment and till the end of the first half of 2019 has installed- licensed capacity of 1.032 MW in Greece and abroad, as follows: 607 MW in Greece, 293 MW in the USA, 102 MW in Poland and 30 MW in Bulgaria. The number will reach 1.229 MW inducing the new wind farm acquired by the Group in Texas.

The Group holds 280 MW of RES facilities in operation or under construction in Greece and abroad. In total, the Group operates, constructs or has fully licensed 1,509 MW of RES facilities in Europe and America. The next target of the Group is to reach the size of 2,000 MW operating RES facilities.

In the first half of 2019, the Group's consolidated sales amounted to € 141,6 million versus € 138,7 million in the first half of 2018, recording an increase of 2,1%. The Group's EBITDA stood at € 88,7 million compared to € 81,8 million in the first half of 2018, increased by 8,3%, mainly due to the increase in installed capacity as well as Other Income from Insurance Compensation.

Earnings before tax amounted to € 39,8 million, increased by 35,6% compared to the first half of 2018. Net profit after tax and non-controlling interest stood at € 30,0 million, increased by 63,0%.

The increase in net profit after tax and non-controlling interest by € 11,6 million is primarily attributable to € 6 million increase in profit from the fair value valuation of the USA financial assets, to increase of € 2,1 million in income from Insurance Compensation and provisions for impairment of Bulgaria's trade receivables made in 2018.

Regarding the results of the separate sectors:

- The **energy sector** performed sales of € 111,9 million, increased by 7,3% versus the first half of 2018, while EBITDA stood at € 86 million, recording an increase of 14,2% versus the comparative last year period. This increase is mainly due to launching a new wind farm in Greece in the Municipality of Amarynthi-Euboea, as well as improvement of market conditions, dominating in Poland and America.

- The **electricity trading sector** generated revenue of € 18,6 million, recording a significant increase compared to the first half of 2018. EBITDA stood at € 1,7 million versus € 0,0 million recorded in the first half of 2018.

- TERNA ENERGY **construction activity** to third parties stood at € 1,8 million, decreased by 84,1% compared to the first half of 2018. EBITDA stood at € 0,7 million versus € 4,7 million in the comparative period of 2018. This decrease is due to the gradual decrease in the Group's construction objective. In particular, at the end of the first half of 2019, the backlog of construction activity to third parties amounted to € 5,2 million.

- Finally, the revenues from the **concession sector** amounted to € 9,3 million versus € 19,4 million in the first half of 2018, decreased by 51,9% mainly due to the construction of the Epirus Waste Treatment Facility ("MEA Epirus") in 2018. EBITDA amounted to € 0,3 million versus € 1,8 million in the comparative period of 2018.

The Group's financial position remains satisfactory as cash available stood at € 198,3 million, while loan liabilities amounted to € 929,8 million. Therefore, the net loan position (bank liabilities less cash available less reserves) stood at € 688,5 million. It is to be noted that the Group's cash available include refunds of € 3 million related to grants received due to cancellation of construction or expiry of the deadlines regarding the decisions on several find farms. The aforementioned amounts will be refunded as soon as the relevant procedures of the authorized departments of the Ministry of Development have been completed.

In the first half of the current year, investments TERNA ENERGY Group amounted to € 112,5 million. On-going investing activities Group generate the conditions for stabilization of increased flows of income and profitability on a long-term basis.

Environmental issues

Renewable Energy Sources (RES) and Waste Management (WM) industries, in which the company conducts its operations, are leaders, making sizable sizable contributions to pollution control and environmental protection. The European Union recognizes this contribution, sets out objectives and incentives for national governments to implement environmental protection measures and policies and reward companies operating in their territories and participating in this joint effort with the view to meeting these social and economic objectives.

Our Company holds a leading position in RES and WA industries through its significant contribution and particular social sensitivity to meeting the aforementioned objectives. It has developed and implements a long-term growth strategy in the green economy and demonstrates it through investing and using over 100 million euro a year over the last decade.

Human resources management

On 30/06/2019, the Group's total headcount stood at 303 persons, while on 30/06/2018 the respective number was 254. On 30/06/2019, the Company's total headcount numbered 203 employees, while on 30/06/2018 it stood at 129 employees.

The Company's Management possesses all the necessary skills regarding implementation of human resources management policies, such as diversification and equal opportunities, respect for human rights, trade union freedom, health and safety at work, education systems, promotion model, etc.

B. Significant events in the first half of 2019

The following significant events took place in the first half of 2019:

- On March 27th, 2019, the project "Municipal Solid Waste Treatment Plant of Epirus Region" (hereinafter MEA Epirus) commenced commercial operation. The project was implemented by Epirus Region and "Aeiforiki of Epirus", a 100% subsidiary of TERNA ENERGY Group, with the vital contribution of the Public & Private Partnerships (PPP) Special Secretariat. With the commercial commencement of the Waste Processing Plant of Epirus, an important part of the Regional Waste Management Plan has been implemented in line with the National Waste Management Plan and the existing European legislations. The maximum annual capacity of MEA Epirus is 105.000 tn. The Waste Processing Plant will be recycling at least 17,000 tons of appropriate materials and will be producing green energy of 10.800 KWh per Green Energy year with the capacity to satisfy the needs of 3.000 families and generate savings of 12.000 tons of CO_2.
- In 2019, the construction of nine (9) Wind Farms with a capacity of 121 MW started in 9 locations respectively in Evia. In particular, in the first quarter, the construction pertained to two wind farms in Pyrgari-Dardiza and Exostis, while in the second quarter, the construction of two wind farms started in the areas of Voureza and Pyrgari. The construction of the remaining wind farms will start in the third and fourth quarters. The total project budget is approximately € 150 million and the completion of Wind Farms is expected to take place in the first and second quarters of 2020.

Installation licenses have been obtained for the construction of these Wind Farms and electricity sales contracts have been signed with LAGIE. The sales contracts are of 20 year maturity with a guaranteed feed-in-premium sale price (FiP) if the projects are completed by 31/12/2020.

- On 16/04/2019, the Company announced that the Group through its 100% subsidiary TERNA DEN LLC (a subsidiary of TERNA ENERGY USA HOLDING CORPORATION) entered into a Membership Interest Purchase Agreement (the "Transaction"), for the acquisition of a wind farm localized in Texas (Glasscock Country) USA with an installed capacity of 200 MW. The wind farm is operating since January 2018 and has been co-financed by Tax Equity Investor (TEI). The total cost of the investment arise to the amount of $ 310 million. The completion of the above Transaction is subject to specific heresies, consents and actions to be performed, as set forth in the Agreement between the Parties. With the new wind park, TERNA ENERGY Group's total installed and under construction capacity in the US will be 651 MW.
- On 30/06/2019, a 158 MW wind farm is under construction in Texas, USA (Fluvanna II). The construction is expected to be completed within the 3rd quarter of 2019. The total project budget is approximately € 224 million. On 30/06/2019, the total investment carried out since the beginning of its construction amounts to € 158,6 million. A tax equity investor (TEI) has been contracted to finance the project, under which the TEI will pay approximately $ 140,1 million.
- In the context of RAE Decision No. 230/2019, "Conducting a Common Competitive Tender Procedure for Renewable Power Plants" and given the final results of the Electronic Auction held on 15 April 2019, the Wind Farms in the Evritania region (in particular KASTRI - KOKKALIA, TYBANO - TRIPIRI, KARAVI ALOGOVOUNI, PIKROVOUNI), with a capacity of 66,6 MW, have been selected to be eligible for support in the form of operating aid through a competitive bidding procedure and a fixed sale price of electricity produced has already been secured.
- At the Regular General Meeting of the Shareholders held on 05/06/2019, it was announced that a by 100% owned subsidiary of "TERNA ENERGY FINANCE SA" is considering the issuance of a new Bond Loan of € 120 million to € 150 million for refinancing the implementation of the Investment Plan.

C. Post Statement of Financial Position significant events

- On 23/07/2019, AEIFORIKI EPIRUS S.A. submitted to the Region of Epirus Arbitration Appeal – Arbitrator Appointment and Arbitrator Referee Appointment Invitation as of 19/07/2019 asking to define as unlawful a fine of € 690 thousand imposed on it as well as the return of the following amounts to the company with the legally effective default interest: (a) € 989 thousand as compensation for material damage causing prolongation of the construction period; (b) € 697 thousand as compensation for loss of income during the above period; (c) € 325 thousand as compensation for the cost of carrying out additional MAE Epirus control tests, (d) € 817 thousand as compensation for loss of revenue during the first year of operation of MAE Epirus, (e) € 1.048 thousand as compensation for the loss of revenue during the second year of operation of MAE Epirus.
- On 17/07/2019, the Company repaid the total nominal value of the issued bonds that had been covered by TERNA ENERGY MAEX, pursuant to the Common Bond Loan Issuance Scheme as of 12/07/2017, up to € 60.000 thousand, in compliance with clause 4 of the CBL Program ("Prepayment"). As part of the prepayment and in accordance with the provisions of the CBL Program, the following amounts were paid on Wednesday, July 17, 2019:
-

(a) the total nominal value of bonds, i.e. € 1.000 per bond;
(b) interest accrued until 17 July 2019, the gross amount of interest due for the 4th Interest Period (17/1/2019-17/7/2019) standing at Euro 1.432,5 thousands; and
(c) an additional prepayment amount equal to 1% of the nominal value of the prepaid bonds, i.e. € 10 gross amount per bond.

On 17/07/2019, the Company deposited an amount of € 1.301 thousand to TERNA ENERGY MAEX as an amount scheduled for Share Capital Increase, in order to cover the cash needs of TERNA ENERGY MAEX, since as at 30/06/2019, TERNA ENERGY MAEX recorded negative working capital.

- On 22/07/2019, following as at June 7, 2019 announcement, TERNA ENERGY MAEX repaid the total nominal value of the issued bonds pursuant to the Common Bond Loan Issuance Scheme as of 12/07/2017, up to € 60.000 thousand and the Bondholders' Representatives Appointment Agreement (the "CBL Program"), in compliance with clause 4 of the CBL Program ("Prepayment"). In this context, 17/07/2019, was designated as the last day of trading on the ATHEX of the aforementioned bonds. As part of the prepayment and in accordance with the provisions of the CBL Program, the following amounts were paid on Monday, July 22, 2019:
  (a) the total nominal value of bonds, i.e. € 1.000 per bond;
  (b) interest accrued until 22 July 2019, the gross amount of interest due for the 4th Interest Period (21/1/2019-22/7/2019) standing at Euro 1.167,8 thousands; and
  (c) an additional prepayment amount equal to 1% of the nominal value of the prepaid bonds, i.e. € 10 gross amount per bond.
- In July 2019, a 5% haircut due on the unamortized balance of € 6.213 thousand of EOLOS POLSKA sp.z.o.o's loans was decreased. The loan balance was repaid on 02/08/2019.
- On 01/08/2019, the Group received a letter from Unicredit Bulbank, stating that the Bank agrees that failure to comply with the financial covenants established in the loan agreements of the Bulgarian subsidiaries will not constitute loan default but, simply, will activate the cash sweep. The companies in Bulgaria comply with their contractual obligations in terms of loan agreements.
- In July 2019, the Group disbursed a total amount of € 112.000 thousand from short-term loans (overdrafts) in order to cover operating cash needs and / or realization of investment expenses.

D. Prospects for the second half of 2019

TERNA ENERGY GROUP prospects for the second half of 2019 are positive, given that:
a) the construction of new RES and waste management plants in Greece and the USA is being completed, while b) licensing and financing of new investments, expected to be completed soon, allow the Group to maintain its growth rate in line with its business planning.
b) the aforementioned improvement of the key financials of the Greek economy, strengthening of the market and on-going growth of investors' confidence in line with gradual withdrawal of the capital control remove the risk of cancellation or slowdown in the implementation of the Group's Investment Plan.

Moreover, significant foreign operations of the Group, in particular, in North America, greatly contribute to dispersing the relative risks and offsetting the potential effect on the Group's financials should the course of the Greek economy be negative.

c) The position of the Management is that it is not possible to accurately predict the future developments in the Greek economy and identify those that will have the greatest impact on the Group's operations, financial performance, cash flows and financial position. However, taking into account all of the above, the Management ensures that it maintains its proper functioning in the Greek territory by implementing procedures for the continuous identification and evaluation of any risks that may arise in the near future. In direct, continuous and systematic co-operation with the Group's executives, the Management plans and applies measures in order to address each identified
risk so as to minimize its negative impact.

d) Despite the current financial crisis, the Group maintains satisfactory capital adequacy, profitability and liquidity at the reporting date of the 6-month Consolidated Financial Statements and continues to be fully consistent with its obligations to suppliers, public insurance organizations, etc. creditors.
In addition, Management believes that in the second half of 2019 the credit risk, regarding the energy sector's receivables for the Parent Company as well as for the other Greek companies of the Group is limited.

e) The company remains exposed to the short-term fluctuations of wind and hydrological data, without this though affecting the long-term profitability of its projects, as for the implementation of its investments extensive researches are being previously conducted that refer to the long-term performance of the above factors.
During the period beginning from the end of the first half of 2019 to date, no material damage or the likelihood of such loss has arisen.

E. Risks and uncertainties

The major risks and uncertainties regarding the Group's operations are presented below as follows:

Credit risk

The Group examines its receivables on an on-going basis and incorporates the arising data in its credit control.

The total of the energy segment receivables relates to the broader domestic (including LAGIE and DEDDIE) and foreign Public Sector, while the same is effective regarding the main part the receivables of the construction industry.
Given the nature of its operations, the Group is not exposed to significant credit risk from trade receivables except delays in collections from LAGIE, which can be significantly reduced following the application of Law 4254/14.

The credit-transaction risk for cash and other receivables is low, since the parties to transaction are banks of high-quality capital structure, the State or the entities of the broader Public Sector or strong business groups. In addition, the Management believes that in 2019 the reduction of deficits in the energy management system will continue, as promised by competent authorities and bodies, thus limiting the credit risk in relation to the energy sector requirements for both the parent and the other Greek companies of the Group.

Finally the Group Management estimates that all the aforementioned financial assets, for which the necessary impairments have been made, are of high credit quality.

Foreign exchange risk

Apart from Greece, the Group operates in Eastern Europe and the United States of America and therefore it may be exposed to foreign exchange risk that may result from the exchange rate of Euro against other currencies. This type of risk may arise only from trade transactions in foreign currency, from financial investments in foreign currency, as well as from net investments in foreign entities. To limit their risk, especially in the US where the amounts of transactions/commissions are significant, the Group uses the cash surpluses generated in dollars. During the operational phase, all related costs and revenues are made in US dollars, thus excluding any possibility of generating currency exchange differences.

To address this risk, the Group's financial management department systematically monitors exchange rate fluctuations and ensures that it does not adversely affect its cash flows.

With regard to the Company's transactions with foreign entities, such primarily take place with European Groups where the settlement currency is the euro and therefore such transactions are not exposed to foreign exchange risk.

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. Thus, 35,0% of the Group's long-term borrowing refers to fixed interest rate loans, 18,9% refers to floating-rate loans that have been hedged through derivatives with which future fixed rate payments are exchanged against floating rate collections, while 46,1 % in floating rate loans on a case by case basis euribor or wibor.

The Group's total short-term debt is in euro under floating interest rates linked to euribor. Short-term loans are primarily received as bridge financing during the phase of implementation and construction of the Group's investments.

The relevant loans are repaid through long-term loans during the completion of construction and commencement of operation of the wind farms. Therefore the Group is exposed to interest rate risk arising from short-term debt and the part of long-term debt that is under floating interest rates.

The Group is not exposed to other interest rate risks.

Market risk analysis

In respect of its financial assets, the Group is 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 farms generate satisfactory cash flows on an on-going basis. In the first half of 2019, net cash flows from operating activities amounted to € 99 million versus € 103 million recorded in the comparative six month period of 2018.

The Group manages its liquidity needs by applying a cautious cash flow planning, by carefully monitoring the balance of long-term financial liabilities as well as by systematically managing the payments which take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are defined monthly.

The Company maintains cash and cash equivalents in banks, in order to cover its liquidity needs for periods up to 30 days. The capital for mid-term liquidity needs is released from the Company's term deposits.

Other risks and uncertainties

The Company remains exposed to short-term fluctuations of wind and hydrologic data, a fact, which, however does not affect the long-term efficiency of its projects, as prior to the implementation of the investments extensive studies take place with regards to the long-term behavior of such factors.

The construction sector of TERNA ENERGY is subject to significant fluctuations, both with regards to turnover and with regards to the profitability of each construction project, because the construction activity, particularly of specialized companies such as ours, entails increased volatility that is mainly related to the ongoing renewal of the backlog of construction agreements towards third parties, which are mainly Public entities.

F. Alternative Performance Measures ("APMs")

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

The Group uses Alternative Performance Measures (APMs) in the context of decision making regarding financial, operational and strategic planning as well as while evaluating and recording its performance. APMs facilitate better understanding of financial and operating results of the Group and its financial position. APMs should always be taken into account in conjunction with the financial results recorded under IFRSs and should under no circumstances replace them. The following ratios are used for describing the Group's performance per operating segment:

EBIT (Earnings Before Interest & Taxes) " is an index used by the Group's Management in order to assess the operating performance of an operating segment. It is defined as Profit / (losses) before income tax +/- Net Financial Results, +/- Foreign exchange differences, +/- Results from associates, +/- Profit / (losses) from sale of business interests and equity interests, +/- Provision for impairment of participations and equity interests, +/- Earnings/(losses) from financial instruments carried at fair value.

(Amounts in thousand Euro, unless otherwise stated)

EBITDA (Earnings Before Interest Taxes Depreciation & Amortization): The ratio adds total depreciation of tangible assets and amortization of intangible assets and subtracts grants' amortization to consolidated earnings before taxes (EBIT). The higher the ratio, the more efficiently the entity operates. EBITDA is defined as EBIT plus depreciations for the year less the grants' amortization corresponding to the year.

Gross Profit Margin is a ratio, through which the Group's Management evaluates the performance of operations per segment and is defined as Gross Profit/Turnover.
This ratio was first calculated in the interim condensed financial statements as of 30/06/2019 and will be calculated hereafter.

Net Debt/ (Surplus) is a ratio, through which the Group's Management assesses the cash position of an operating segment at any given time. The ratio is defined as total loan liabilities less cash available (excluding the amounts of grants to be repaid less restricted deposits).

Loan Liabilities to Total Capital Employed is a ratio, that the Management assesses the Group's financial leverage**.** As Loan Liabilities are defined Short Term Loans, Long - Term Loans and Long-term liabilities carried forward. The Total Capital Employed is defined as the sum of the total equity, the loan liabilities, Equity interests having a substance of financial liability (Note 13 to the attached financial statements), the repayment of which follows the repayment of primary debt of the corresponding Wind Farms and is performed only to the extent that the required return from their operation is met, the liabilities from lease, the state grants minus the amount of cash and cash equivalents which are not subject to any limitation in use or to any commitment.

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
30 June 2019						
Turnover	**8.445**	**111.885**	**18.615**	**5.020**	**4.306**	**141.600**
Net Results per Segment	**480**	**28.353**	**1.238**	**(488)**	**1.602**	**31.185**
Depreciations	(27)	(30.199)	(9)	(7)	(6)	**(30.248)**
Amortizations of grants	-	3.986	-	-	-	**3.986**
Financial income	-	169	-	534	1.900	**2.603**
Financial expenses	(85)	(24.657)	(11)	(794)	(442)	**(25.989)**
Finance cost of tax equity investor	-	(5.595)	-	-	-	**(5.595)**
Foreign exchange differences on valuation	-	788	(3)	-	-	**785**
Profit from financial instruments at fair value	-	5.992	-	-	-	**5.992**
Provision for impairment of participations and equity interests	26	(323)	(62)	(16)	9	**(366)**
Income tax	(174)	(7.766)	(368)	177	(506)	**(8.637)**
EBIT	**713**	**59.745**	**1.682**	**(389)**	**641**	**62.392**
EBITDA	**740**	**85.958**	**1.691**	**(382)**	**647**	**88.654**

(Amounts in thousand Euro, unless otherwise stated)

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
30 June 2019						
Turnover	1.774	111.885	18.615	5.020	4.306	**141.600**
Cost of sales	(576)	(52.315)	(16.949)	(4.915)	(3.634)	**(78.389)**
Gross profit	**1.198**	**59.570**	**1.666**	**105**	**672**	**63.211**
Gross profit margin	**67,53%**	**53,24%**	**8,95%**	**2,09%**	**15,61%**	**44,64%**

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
30 June 2018						
Turnover	**27.507**	**104.305**	**3.824**	**13.855**	**5.529**	**138.679**
Net Results per Segment	**3.359**	**14.529**	**(47)**	**392**	**1.140**	**19.373**
Depreciations	(27)	(27.423)	-	-	(5)	**(27.455)**
Amortizations of grants	-	3.903	-	-	-	**3.903**
Financial income	21	583	1	-	1.488	**2.093**
Financial expenses	(75)	(23.337)	(8)	(858)	(740)	**(25.018)**
Finance cost of tax equity investor	-	(6.843)	-	-	-	**(6.843)**
Foreign exchange differences on valuation	-	92	(4)	-	-	**88**
Profit from financial instruments at fair value	-	66	-	-	-	**66**
Earnings from participations and securities	704	-	-	-	-	**704**
Income tax	(1.975)	(7.794)	(39)	261	(452)	**(9.999)**
EBIT	**4.684**	**51.762**	**3**	**989**	**844**	**58.282**
EBITDA	**4.711**	**75.283**	**3**	**989**	**849**	**81.835**

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
30 June 2018						
Turnover	11.166	104.305	3.823	13.854	5.531	**138.679**
Cost of sales	(5.440)	(48.432)	(3.856)	(12.856)	(4.639)	**(75.223)**
Gross profit	**5.726**	**55.873**	**(33)**	**998**	**892**	**63.456**
Gross profit margin	**51,28%**	**53,57%**	**-0,86%**	**7,20%**	**16,13%**	**45,76%**

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
30 June 2019						
Long-term loans	-	619.067	-	28.019	19.473	**666.559**
Short-term loans	-	103.446	33	-	-	**103.479**
Long-term liabilities carried forward	-	156.537	-	382	2.862	**159.781**
Cash available	(1.288)	(182.235)	(2.486)	(1.326)	(10.966)	**(198.301)**
Return of grants	-	3.024	-	-	-	**3.024**
Restricted deposits	-	(46.053)	-	-	-	**(46.053)**
Net debt / (Surplus)	**(1.288)**	**653.786**	**(2.453)**	**27.075**	**11.369**	**688.489**

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Total
31 December 2018						
Long-term loans	-	627.240	(1)	20.312	20.858	**668.409**
Short-term loans	-	43.957	32	-	-	**43.989**
Long-term liabilities carried forward	-	97.167	-	6	2.868	**100.041**
Cash available	(16.918)	(135.013)	(1.663)	(823)	(11.942)	**(166.359)**
Grants to be rebated	-	3.024	-	-	-	**3.024**
Restricted deposits	-	(42.874)	-	-	-	**(42.874)**
Net debt / (Surplus)	**(16.918)**	**593.501**	**(1.632)**	**19.495**	**11.784**	**606.230**

Amounts in thousand €	**30/06/2019**	**31/12/2018**
Short – term Loans	103.479	43.989
Long – term Loans	666.559	668.409
Long-term liabilities carried forward	159.781	100.041
Loan Liability	**929.819**	**812.439**
Total equity	424.238	391.133
Loan Liability	929.819	812.439
Equity interests having a substance of financial liability	156.191	160.390
Lease liabilities (Long-term & Short-term portion)	7.365	-
Grants	137.847	141.336
Subtotal	**1.655.460**	**1.505.298**
Less:		
Cash & cash equivalent	198.301	166.359
Restricted deposits (Note 10)	46.053	42.874
Grants to be rebated (Note 11)	(3.024)	(3.024)
Subtotal	**241.330**	**206.209**
Total employed capital	**1.414.130**	**1.299.089**
Loan Liabilities / Total employed capital	**66%**	**63%**

G. Transactions with Related Parties

The Company's transactions with related parties within the meaning of IAS 24 are performed under normal market conditions. The amounts of sales and acquisitions in the first half of 2019 and the receivables and liabilities as at 30/06/2019 for the Group and the Company arising from transactions with related parties are presented in Note 23 to the interim financial statements.

Transactions with BoD members

Total fees of the members of the Board of Directors of the Group amounted to 1.227.830 Euro (for the Company 961.240 Euro), of which an amount of 732.400 Euro (for the Company: 700.000 Euro) concerns BoD fees, whereas an amount of 495.430 Euro (for the Company: 261.240 Euro) concerns rendering services.

H. Treasury Shares

During the period 01/01/2019 – 30/06/2019, the Company bought back 340.776 treasury shares of nominal value of 102.232,80 euros and market value 1.926.401,26 euro.

The total number of treasury shares held by the Company as of 30/06/2019 stood at 1.643.251 shares, i.e. 1,44% of the total share capital, with a total cost of 9.261.056,30 euro.

Athens, 28 August, 2019

As and on behalf of the Board of Directors,

George Peristeris
Chairman of the Board of Directors

CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED AS AT JUNE 39th 2019

Under the International Financial Reporting Standards (IFRS), as adopted by the European Union, and, in particular, under IAS 34

The attached Condensed Interim Separate and Consolidated Financial Statements were approved by the Board of Directors of TERNA ENERGY on 28/08/2019 and have been published at www.terna-energy.com as well as at the Athens Stock Exchange's website.

The annual financial statements of consolidated subsidiaries in compliance with the Decision of Hellenic Capital Market Commission Board of Directors Num. 8/754/14.4.2016 are posted at www.terna-energy.com.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2019

		GROUP		COMPANY	
	Note	**30/06/2019**	**31/12/2018***	**30/06/2019**	**31/12/2018***
ASSETS					
Non-current assets					
Intangible assets	6	25.034	23.483	1.898	1.967
Tangible assets	7	1.276.011	1.189.515	83.069	85.830
Rights on use of tangible assets	2.6.3	7.047	-	1.298	-
Investment property		538	538	538	538
Investment in subsidiaries		-	-	332.993	332.595
Investment in associates		-	-	47	47
Investment in joint ventures		4.268	4.233	4.223	4.188
Other long-term receivables	8	34.519	33.586	67.611	106.531
Receivables from derivatives	15	13.158	3.929	-	-
Financial Assets – Concessions	9	39.881	36.930	-	-
Investement in equity interests		1.859	1.823	1.855	1.818
Deferred tax assets		7.545	6.666	-	-
Total non-current assets		**1.409.860**	**1.300.703**	**493.532**	**533.514**
Current assets					
Inventories		4.547	4.783	3.098	3.064
Trade receivables		63.087	77.413	41.940	51.298
Receivables from contracts with customers		14.571	16.429	6.663	4.896
Prepayments and other receivables	10	64.548	74.632	97.126	17.139
Income tax receivables		6.192	5.951	5.424	4.843
Cash and cash equivalent	11	198.301	166.359	34.766	39.204
Total current assets		**351.246**	**345.567**	**189.017**	**120.444**
TOTAL ASSETS		**1.761.106**	**1.646.270**	**682.549**	**653.958**
EQUITY AND LIABILITIES					
Share capital					
Share premium	12	34.176	34.176	34.176	34.176
Reserves		191.793	191.793	191.793	191.793
Retained earnings		48.875	41.429	10.620	10.788
Total equity attributable to the owners of the parent		137.849	112.493	76.170	53.476
		412.693	**379.891**	**312.759**	**290.233**
Non-controlling interest					
Total equity		11.548	11.242	-	-
EQUITY AND LIABILITIES		**424.241**	**391.133**	**312.759**	**290.233**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2019

		GROUP		COMPANY	
	Note	**30/06/2019**	**31/12/2018***	**30/06/2019**	**31/12/2018***
Long-term liabilities					
Long-term loans	14	666.559	668.409	183.502	224.645
Liabilities from lease	2.6.3	6.649	-	1.363	-
Equity interests having a substance of financial liability	13	135.101	138.103	-	-
Liabilities from derivatives	15	9.127	9.274	1.670	1.041
Provision for staff indemnities		511	498	414	408
Other provisions	16	17.755	17.236	4.018	3.925
Grants	17	137.847	141.336	19.546	20.175
Deferred tax liabilities		25.976	23.010	2.607	1.953
Other long-term liabilities		59	89	-	-
Total long-term liabilities		**999.584**	**997.955**	**213.120**	**252.147**
Short-term liabilities					
Suppliers		26.291	31.731	10.013	13.373
Short-term loans	14	103.479	43.989	29.079	17.019
Long-term liabilities carried forward	14	159.781	100.041	81.606	23.050
Liabilities from lease	2.6.3	716	-	378	-
Equity interests having a substance of financial liability	13	21.090	22.287	-	-
Liabilities from contracts with customers		2.562	3.946	3.877	9.715
Accrued and other short-term liabilities	18	13.594	49.729	31.665	48.421
Income tax payable		9.768	5.459	52	-
Total short-term liabilities		**337.281**	**257.182**	**156.670**	**111.578**
Total liabilities		**1.336.865**	**1.255.137**	**369.790**	**363.725**
TOTAL LIABILITIES AND EQUITY		**1.761.106**	**1.646.270**	**682.549**	**653.958**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CONSOLIDATED INCOME

FOR THE PERIOD 01/01-30/06/2019

		GROUP		COMPANY	
	Note	01/01 - 30/06/2019	01/01 - 30/06/2018*	01/01 - 30/06/2019	01/01 - 30/06/2018*
Continuing operations					
Turnover	5	141.600	138.679	39.972	46.175
Cost of sales		(78.389)	(75.223)	(28.577)	(31.628)
Gross profit		**63.211**	**63.456**	**11.395**	**14.547**
Administrative & distribution expenses		(9.185)	(8.516)	(6.007)	(4.790)
Research & development expenses		(951)	(1.000)	(866)	(664)
Other income / (expenses)	19	9.736	4.430	2.991	1.870
Operating results		**62.811**	**58.370**	**7.513**	**10.963**
Financial income		2.603	2.093	2.457	2.609
Financial expenses		(31.584)	(31.861)	(7.462)	(7.210)
Gains / (Losses) from financial instruments measured at fair value	15	5.992	66	-	-
Revenue from participating interest and other investments		-	704	22.869	17.218
Earnings before tax		**39.822**	**29.372**	**25.377**	**23.580**
Income tax expense		(8.637)	(9.999)	(872)	(2.156)
Net earnings for the period		**31.185**	**19.373**	**24.505**	**21.424**
Items subsequently reclassified in the Income Statement					
Foreign exchange translation differences from incorporation of foreign operations		634	(694)	-	-
Cash flows hedges		3.039	(1.415)	(629)	(43)
Corresponding income tax		658	(6)	157	12
Total items subsequently reclassified in the Income Statement		**4.331**	**(2.115)**	**(472)**	**(31)**
Share Capital increase expenses		-	(1.454)	-	(1.454)
Corresponding income tax		-	422	-	422
Total items not subsequently reclassified in the Income Statement		**-**	**(1.032)**	**-**	**(1.032)**
Other comprehensive income / (losses) for the period (after tax)		**4.331**	**(3.147)**	**(472)**	**(1.063)**
Total comprehensive income for the period		**35.516**	**16.226**	**24.033**	**20.361**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF CONSOLIDATED INCOME

FOR THE PERIOD 01/01-30/06/2019

		GROUP	
	Note	**01/01 - 30/06/2019**	**01/01 - 30/06/2018***
Net profit for the period attributed to:			
Shareholders of the parent from continuing operations		29.985	18.378
Non-controlling interests from continuing operations		1.200	995
		31.185	**19.373**
Total comprehensive income attribute to:			
Shareholders of the parent from continuing operations		34.313	15.231
Non-controlling interests from continuing operations		1.203	995
		35.516	**16.226**
Earnings per share (in Euro)			
From continuing operation attributed to shareholders of the parent	12	0,267016	0,164533
Average weighted number of shares			
Basic	12	112.296.449	111.697.778

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01-30/06/2019

		GROUP		COMPANY	
	Note	**01/01 - 30/06/2019**	**01/01 - 30/06/2018***	**01/01 - 30/06/2019**	**01/01 - 30/06/2018***
Cash flows from operating activities					
Profit before tax		39.822	29.372	25.377	23.580
Adjustments for reconciliation of net flows from operating activities					
Depreciation/Amortization pf assets and rights to use	6, 7, 2.6.3	30.249	27.455	3.708	3.125
Amortization of grants	17	(3.986)	(3.903)	(629)	(629)
Impairment	19	366	2.412	29	(85)
Provisions		57	30	49	26
Interest and related income		(2.603)	(2.093)	(2.457)	(2.609)
Interest and other financial expenses		31.584	31.861	7.462	7.210
Gains and losses from intangible and tangible assets, investment property and rights to use		3	(765)	(4)	(998)
Gains and losses from participating interest and equity interests	20	-	(704)	(22.869)	(17.218)
Unrealized losses from derivatives		(610)	-	-	-
Gains and losses from derivatives	15	(5.992)	(66)	-	-
Foreign currency exchange differences		(786)	(88)	-	-
Operating profit before changes in working capital		**88.104**	**83.511**	**10.666**	**12.402**
(Increase)/Decrease in:					
Inventories		242	(416)	(35)	(567)
Trade and non-invoiced receivables from contracts with customers		16.245	14.050	7.571	5.930
Prepayments and other short-term receivables		11.221	29.298	(23.314)	7.611
Increase/(Decrease) in:					
Suppliers and liabilities from contracts with customers		(9.052)	2.003	(8.950)	(234)
Accruals and other short-term liabilities		(3.179)	(11.043)	17.344	(16.607)
Other long-term receivables and liabilities		(2.823)	(12.969)	(161)	(53)
Income tax paid		(1.836)	(1.444)	(590)	(1.174)
Net cash flows from operating activities		**98.922**	**102.990**	**2.531**	**7.308**
Cash flow from investing activities:					
Acquisition/Disposal of tangible and intangible fixed assets	6, 7	(106.880)	(21.160)	(484)	2.807
Grants subsidies collected	17	-	2.408	-	2.408
Rebated grants (capital)	11	-	(18.420)	-	(18.420)
Interest and related income collected		156	455	1.316	858
Payments for share capital increase in subsidiaries		-	-	(398)	-
Payments for share capital increase in associates		(35)	-	(35)	-
Payments for acquisition shares, bonds and other securities		(37)	-	(37)	(1.722)
Dividends collected		-	-	-	11.279
Issued loans		(513)	(136)	(3.807)	(136)
Proceeds from issued loans		816	1.000	10.219	3.063
Net cash flows from investing activities		**(106.493)**	**(35.853)**	**6.774**	**137**

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01-30/06/2019

		GROUP		COMPANY	
	Note	**01/01 - 30/06/2019**	**01/01 - 30/06/2018***	**01/01 - 30/06/2019**	**01/01 - 30/06/2018***
Cash flows from financing activities					
Proceeds from share capital increases		-	39.871	-	39.871
Share capital return	12, 18	(34.141)	-	(34.141)	-
Acquisition of Treasury Shares	12	(1.506)	(251)	(1.506)	(251)
Proceeds from changes in participating interests		204	-	-	-
Proceeds for long term loans	14	198.322	17.562	25.660	-
Payments for long term loans	14	(149.372)	(48.075)	(8.898)	(8.860)
Proceeds from equity interests having a substance of financial liability		464	-	-	-
Payments for equity interests having a substance of financial liability		(11.711)	(3.599)	-	-
Payments for lease liabilities	2.6.3	(726)	-	(232)	-
Net change in short term loans	14	59.679	9.606	12.000	-
Dividends paid		-	(5.237)	-	(5.237)
Interest paid		(21.987)	(30.676)	(6.626)	(6.441)
Net cash inflows /(outflows) from financing activities		**39.226**	**(20.799)**	**(13.743)**	**19.082**
Net increase/(decrease) in cash and cash equivalents		**31.655**	**46.338**	**(4.438)**	**26.527**
Effect of exchange rate changes on cash & cash equivalents		287	44	-	-
Opening cash and cash equivalents	11	166.359	201.328	39.204	97.782
Closing cash and cash equivalents	11	**198.301**	**247.710**	**34.766**	**124.309**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01-30/06/2018)

	Share Capital	Share Premium	Reserves	Retained Earnings	Subtotal	Non-controlling interests	Total
1 January 2018	**32.794**	**213.781**	**43.550**	**79.247**	**369.372**	**9.377**	**378.749**
Adjustments due to IFRS 9 implementation*	**-**	**-**	**-**	**(344)**	**(344)**	**-**	**(344)**
1st January 2018, Readjusted Balance	**32.794**	**213.781**	**43.550**	**78.903**	**369.028**	**9.377**	**378.405**
Net profit for the year	-	-	-	18.378	**18.378**	995	**19.373**
Other comprehensive income							
Foreign currency translation differences from incorporation of foreign operations	-	-	(694)	-	**(694)**	-	**(694)**
Cash flow risk hedges	-	-	(1.421)	-	**(1.421)**	-	**(1.421)**
Share Capital increase expenses	-	-	(1.032)	-	**(1.032)**	-	**(1.032)**
Other comprehensive income (after tax)	**-**	**-**	**(3.147)**	**-**	**(3.147)**	**-**	**(3.147)**
Total comprehensive income	**-**	**-**	**(3.147)**	**18.378**	**15.231**	**995**	**16.226**
Share capital return	(25.062)	-	-	-	**(25.062)**	-	**(25.062)**
Issue of share capital	27.912	13.413	-	-	**41.325**	-	**41.325**
Formation of reserves	-	-	3.289	(3.289)	**-**	-	**-**
Distribution of dividends	-	-	-	(4.372)	**(4.372)**	(325)	**(4.697)**
Treasury shares	(1.468)	(1.225)	2.442	-	**(251)**	-	**(251)**
Transfers – Other changes	-	-	1.032	(1.032)	**-**	-	**-**
Transactions with Shareholders	**1.382**	**12.188**	**6.763**	**(8.693)**	**11.640**	**(325)**	**11.315**
30 JUNE 2018	**34.176**	**225.969**	**47.166**	**88.588**	**395.899**	**10.047**	**405.946**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3). Moreover, under the application of IFRS 9, the Group and the Company recognized its cumulative effect in the item “Retained Earnings Balance” as at 01/01/2018, while no effect has arisen following the application of IFRS 15 as at 01/01/2018. The effect of application of IFRS 9 on the financial statements for FY 2018 is analyzed in Note 2.6.3 to the annual financial statements for FY ended as at 31/12/2018, posted at the Company’s website as well as at the Athens Stock Exchange’s website.

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01-30/06/2019)

	Share Capital	Share Premium	Reserves	Retained Earnings	Subtotal	Non-controlling interests	Total
1 January 2019	**34.176**	**191.793**	**41.425**	**112.492**	**379.886**	**11.246**	**391.132**
Net profit for the year	-	-	-	29.985	**29.985**	1.200	**31.185**
Other comprehensive income							
Foreign currency translation differences from incorporation of foreign operations	-	-	634	-	**634**	-	**634**
Cash flow risk hedges	-	-	3.697	-	**3.697**	3	**3.700**
Other comprehensive income (after tax)	**-**	**-**	**4.331**	**-**	**4.331**	**3**	**4.334**
Total comprehensive income (after tax)	**-**	**-**	**4.331**	**29.985**	**34.316**	**1.203**	**35.519**
Issue of share capital of subsidiaries	-	-	-	-	**-**	204	**204**
Formation of reserves	-	-	4.625	(4.625)	**-**	-	**-**
Distribution of dividends	-	-	-	-	**-**	(1.105)	**(1.105)**
Treasury shares	-	-	(1.506)	-	**(1.506)**	-	**(1.506)**
Transfers – Other changes	-	-	-	(3)	**(3)**	-	**(3)**
Transactions with Shareholders	**-**	**-**	**3.119**	**(4.628)**	**(1.509)**	**(901)**	**(2.410)**
30 JUNE 2019	**34.176**	**191.793**	**48.875**	**137.849**	**412.693**	**11.548**	**424.241**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (01/01-30/06/2018)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2018	**32.794**	**213.781**	**15.574**	**39.298**	**301.447**
Adjustments due to IFRS 9 implementation *	**-**	**-**	**-**	**(219)**	**(219)**
1 January 2018, Readjusted Balances	**32.794**	**213.781**	**15.574**	**39.079**	**301.228**
Net profit for the year	-	-	-	21.424	**21.424**
Other comprehensive income					
Cash flow risk hedges	-	-	(31)	-	**(31)**
Share Capital increase expenses	-	-	(1.032)	-	**(1.032)**
Other comprehensive losses for the year (after tax)	**-**	**-**	**(1.063)**	**-**	**(1.063)**
Total comprehensive income for the year	**-**	**-**	**(1.063)**	**21.424**	**20.361**
Share capital return	(25.062)	-	-	-	**(25.062)**
Issue of share capital	27.912	13.413	-	-	**41.325**
Formation of reserves	-	-	211	(211)	**-**
Distribution of dividends	-	-	-	(4.373)	**(4.373)**
Treasury shares	(1.468)	(1.225)	2.442	-	**(251)**
Transfers – Other changes	-	-	1.032	(1.032)	**-**
Transactions with Shareholders	**1.382**	**12.188**	**3.685**	**(5.616)**	**11.639**
30 JUNE 2018	**34.176**	**225.969**	**18.196**	**54.887**	**333.228**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3). Moreover, under the application of IFRS 9, the Group and the Company recognized its cumulative effect in the item "Retained Earnings Balance" as at 01/01/2018, while no effect has arisen following the application of IFRS 15 as at 01/01/2018. The effect of application of IFRS 9 on the financial statements for FY 2018 is analyzed in Note 2.6.3 to the annual financial statements for FY ended as at 31/12/2018, posted at the Company's website as well as at the Athens Stock Exchange's website.

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

(Amounts in thousand Euro, unless otherwise stated)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (01/01-30/06/2019)

	Share Capital	Share Premium	Reserves	Retained Earnings	Total
1 January 2019	**34.176**	**191.793**	**10.787**	**53.476**	**290.232**
Net profit for the year	-	-	-	24.505	**24.505**
Other comprehensive income					
Cash flow risk hedges	-	-	(472)	-	**(472)**
Other comprehensive losses for the year (after tax)	**-**	**-**	**(472)**	**-**	**(472)**
Total comprehensive income for the year	**-**	**-**	**(472)**	**24.505**	**24.033**
Formation of reserves	-	-	1.811	(1.811)	**-**
Treasury shares	-	-	(1.506)	-	**(1.506)**
Transactions with Shareholders	**-**	**-**	**305**	**(1.811)**	**(1.506)**
30 JUNE 2019	**34.176**	**191.793**	**10.620**	**76.170**	**312.759**

* Under the implementation of IFRS 16, the Group and the Company made no adjustments to the comparative amounts recorded in 2018 (see Note 2.6.3).

The accompanying notes form an integral part of these condensed interim separate and consolidated six-month financial statements.

NOTES TO CONDENSED INTERIM SIX-MONTH FINANCIAL STATEMENTS

1. GENERAL INFOMRASITON ABOUT THE GROUP

TERNA ENERGY S.A. Group of companies (hereinafter "the Group" or "TERNA ENERGY") is a Greek Group of companies operating in the sectors of renewable energy sources, construction, trading of electric energy and concessions. The key operations of the Group pertain to construction and exploitation of installations of renewable sources of wind and hydroelectric energy, photovoltaic parks as well as other renewable energy sources (RES).

TERNA ENERGY holds Class 6 contractor certificate and its operations within the construction sector include construction of private and public projects as a main contractor or subcontractor or through joint ventures. In full complained with the effective legislation, companies, holding Class 6 certificate, undertake public works at an initial contracting price up to €44.00 million or up to €60.00 million through joint ventures and private or self-financed independently budgeted ventures, either as main contractors or as sub-contractors or through joint ventures.

TERNA ENERGY has succeeded the Technical Constructions Company (ETKA S.A.), established in 1949 (Gov. Gaz. 166/21.06.1949), which TERNA ENERGY S.A. in 1999. The latter had been established in 1997 (Gov. Gaz. 6524/11.09.1997), and is domiciled in Athens, Greece, 85 Mesogeion Ave. The Company is listed on Athens Stock Exchange.

The Group's operations are mainly performed in Greece, while the Group also has a strong presence in the Balkans, Eastern Europe and North America. The Group's operations focus on the following operating segments:

- **Constructions:** almost exclusively, contracts regarding technical works.
- **Electric energy from RES:** production of electricity through wind farms, solar energy and biomass.
- **Trade:** trade in electric energy.
- **Concessions:** construction and operation of public sector works (Unified Automatic Collection System and municipal waste treatment facility) in exchange for their long-term exploitation rendering services to the public.

The companies of TERNA ENERGY Group companies included in the consolidated financial statements and their unaudited FYs are analytically recorded Note 4 to the Financial Statements.

The parent company of TERNA ENERGY, which is also listed on Athens Stock Exchange, is GEK TERNA S.A., which on 30/06/2019 held 37,932% of the Company's issued share capital and voting rights. The financial statements of TERNA ENERGY GROUP are consolidated in the financial statements of GEK TERNA S.A. under full consolidation method.

The attached Condensed Interim Separate and Consolidated Financial Statements for the six-month period ended as at June 30th, 2019, were approved by the Board of Directors on 28/08/2019.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for Financial Statements Presentation

The Company's Condensed Interim Separate and Consolidated Financial Statements as of June 30th, 2019, which cover the six-month period from January 1st to June 30th 2019 have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until June 30th, 2019. The Group applies all the International Accounting Standards, International Financial Reporting Standards and their Interpretations, which apply to the Group's operations. The relevant accounting policies, whose summary is presented below in Note 2.6, have been applied consistently in all periods presented.

Going concern

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

2.2 Basis of measurement

The accompanying Condensed Interim Separate and Consolidated Financial Statements as of June 30th, 2019, have been prepared according to the principle of historical cost, apart from investment property, financial derivatives and financial assets measured at fair value through profit or loss, carried at fair value.

2.3 Presentation Currency

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

2.4 Comparability

Comparative sizes recorded in the Financial statements have not been readjusted in order to present the effect of IFRS 16 (see Note 2.6.3).

2.5 Use of Estimates

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

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

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

2.6 Key Accounting Policies

Condensed interim financial statements for the six-month period ended as at 30/06/2019 comprise limited scope of information as compared to that presented in the annual financial statements. The accounting policies, based on which the Financial Statements were prepared, are consistent with those used under the preparation of the annual Financial Statements for the year ended as at 31/12/2018, except for changes in Standards and Interpretations effective from 01/01/ 2019 (see Notes 2.6.1 and 2.6.2). Therefore, the attached condensed interim Financial Statements for the three-month period should be read in line with the last publicized annual Financial Statements as of 31/12/2018 that include a full analysis of the accounting policies and 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 01/01/2019.

IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its consolidated and separate Condensed Interim Financial Statements. Analytical reference is made in Note 2.6.3.

IFRIC 23 “Uncertainty over Income Tax Treatments” (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 “Income Taxes” specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation does not affect the consolidated and separate Condensed Interim Financial Statements.

Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)
In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the consolidated and separate Condensed Interim Financial Statements.

Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)
In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the consolidated and separate Condensed Interim Financial Statements.

Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)
In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the consolidated and separate Condensed Interim Financial Statements.

Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)
In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not affect the consolidated and separate Condensed Interim Financial Statements.

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

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

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

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

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

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01/01/2020)

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

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

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

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

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its consolidated and separate Condensed Interim Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.6.3. Effect of implementation of IFRS 16 "Leases" on the Financial Statement as of 30/06/2019

a) First implementation of IFRS 16 as of 01/01/2019

Following the changes to accounting policies, as described above (Note 2.6.1), as at January 1st, 2019, the Group and the Company adopted IFRS 16, applying the modified retrospective approach. Based on this approach, the Group recognized a liability measured at its present value, as arising from discounting the remaining leases through the incremental borrowing cost effective on the date of the Standard's initial application, i.e. on 01/01/2019. Furthermore, recognized a right to use an asset by measuring that right at an amount equal to the corresponding liability that will be recognized, adjusted for any lease payments immediately effective prior to the date of initial application. Comparative information was not reworded, and no effect has arisen following the application of the new Standard on Equity under the first time adoption, i.e. on 01/01/2019.

Moreover, the Group has applied the exemption provided in the Standard with respect to determination of leases, and, in particular, the applicable practices under IFRS 16, according to which the Entity does not need to reassess whether a contract is or contains a lease at the first transition date. This practically means that IFRS 16 was applied to contracts that have already been recognized as leases under the application of IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement contains a Lease".

Finally, the Group also made use of exemptions to the Standard in respect of short-term leases and low value fixed assets leases. With respect to the discount rate, the Group has decided to apply a single discount rate to every category of leases with similar characteristics and depending on the residual duration of every lease.
Adoption of IFRS 16 has the following significant results for the Group:

- The Group holds operating leases in respect of land, buildings, machinery and vehicles. The Standard has mainly affected the accounting treatment of the Group's operating leases, which, in accordance with IAS 17, should be disclosed in the Notes to the financial statements - are presented as assets (rights to use) and liabilities from leases in the statement of financial position. The increase in the lease obligations has led to a corresponding increase in the Group's net borrowings.
- The nature of the expenses associated with these leases has changed, since following the application of IFRS 16, operating cost of lease is depreciated at amortized cost for the rights-related assets and interest expense on the arising liabilities. This has led to an improvement in "Operating Profit before Financial and Investment Activities, Depreciation and Amortization".
- No effect has arisen on the statement of changes in equity under the first implementation since the Group has decided to recognize an equal liability.
- In the statement of cash flows, the component relating to repayment of lease payments has reduced the cash flows from financing activities and will no longer be included in net cash flows from operating activities. Only interest payments continue to be included in net cash flows from operating activities.

IFRS 16 has not made any significant changes to the accounting for lessors, and therefore the Group does not expect any changes for leases where they are acting as a lessor. Effect of IFRS 16 implementation is analytically recorded in Note 2.6.3 (c).

b) New accounting policy regarding leases

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

As of 01/01/2019, under IFRS 16, leases are no longer classified as operating leases and finance leases, and all leases are accounted for as items in the "Statement of Financial Position", through recognition of a " right-of-use asset" a "lease liability".

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

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

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

- the amount of the initial measurement of the lease liability (see below),
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

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

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

(a) fixed payments less any lease incentives receivable,

(b) any variable lease payments that depend on the future change in index or a rate, initially measured using the index or rate as at the commencement date

(c) amounts expected to be payable by the Group under residual value guarantees,

(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option and

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

Subsequent measurement

Subsequent measurement of the right-of-use asset

After the commencement date, the Group shall measure the right-of-use asset applying a cost model.

The Group shall measure the right-of-use asset at cost

(a) less any accumulated depreciation and any accumulated impairment losses, and

(b) adjusted for any remeasurement of the lease liability.

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

After the commencement date, the Group shall measure the lease liability by:
(a) increasing the carrying amount to reflect interest on the lease liability,
(b) reducing the carrying amount to reflect the lease payments made, and
(c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Subsequent measurement of lease liability

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

After the commencement date, the Group shall recognize in profit or loss, (unless the costs are included in the carrying amount of another asset applying other applicable Standards), both:
(a) financial cost of the lease liability, and
(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

c) The amounts recognized in the Condensed Interim Six-month Statement of Financial Position and Comprehensive Income

The right-of-use assets and liabilities from leases recognized for the 01/01/2019-30/06/2019 are presented below as follows:

Group rights-of-use
Amounts in thousand €

	Land -Plots	Buildings and Installations	Vehicles	Total
Acquisition value				
1 January 2019	-	-	-	-
Adjustments from changes in accounting policies and implementation of new standards	**4.961**	**1.962**	**86**	**7.009**
1 January 2019, Readjusted Balance	**4.961**	**1.962**	**86**	**7.009**
Additions	836	2	-	**838**
Foreign exchange differences	50	5	-	**55**
30 June 2019	**5.847**	**1.969**	**86**	**7.902**
Accumulated amortisation				
1 January 2019	-	-	-	-
Amortisation	(165)	(670)	(20)	**(855)**
30 June 2019	**(165)**	**(670)**	**(20)**	**(855)**
Book Value				
30 June 2019	**5.682**	**1.299**	**66**	**7.047**

Company rights-of-use
Amounts in thousand €

	Land -Plots	Buildings and Installations	Vehicles	Total
Acquisition value				
1 January 2019	**-**	**-**	**-**	**-**
Adjustments from changes in accounting policies and implementation of new standards	**102**	**1.365**	**40**	**1.507**
1 January 2019, Readjusted Balance	**102**	**1.365**	**40**	**1.507**
Additions	428	2	-	**430**
30 June 2019	**530**	**1.367**	**40**	**1.937**
Accumulated amortisation				
1 January 2019	**-**	**-**	**-**	**-**
Amortisation	(20)	(605)	(14)	**(639)**
30 June 2019	**(20)**	**(605)**	**(14)**	**(639)**
Book Value				
30 June 2019	**510**	**762**	**26**	**1.298**

Lease liabilities
Amounts in thousand €

	GROUP		COMPANY	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Opening balance	**-**	**-**	**-**	**-**
Effect on opening balance from change in accounting policies	7.009	-	1.507	-
Readjusted opening balance	**7.009**	**-**	**1.507**	**-**
Liabilities from new lease agreements	705	-	431	-
Repayments under lease agreements	(593)	-	(232)	-
Financial cost for the period	188	-	35	-
Foreign currency translation differences	56	-	-	-
Closing balance	**7.365**	**-**	**1.741**	**-**

In respect of the period 01/01/2019 - 30/06/2019, the Group and the Company recognized rental expenses from short-term leases amounting to € 340 k and 583 k respectively, though no low value fixed assets leases are effective.

(Amounts in thousand Euro, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

Preparation of condensed interim six-month Financial Statements for the period ended as at June 30th 2019 requires the Management to make judgments, estimates and assumptions which affect assets and liabilities, contingent receivables and liabilities disclosures as well as revenue and expenses during the presented periods.

Under the preparation of these Financial Statements, significant accounting estimates and judgments adopted by the Management for the application of the Group's accounting policies are consistent with those applied in the annual financial statements as of 31 December 2018.

Moreover, the main sources of uncertainty effective under the preparation of the Financial Statements as of 31 December 2018 remained the same regarding the Interim Financial Statements for the six-month period ended as at June 30th , 2019.

4. GROUP STRUCTURE

No changes are effective in the Group structure are effective within the first six-month period of 2019 versus 31/12/2018.

The following paragraphs analyze the consolidated companies of TERNA ENERGY as at 30/06/2019, their headquarters, business activity, the Company's participating interest in their share capital, method of consolidation and tax non-inspected years.

A) TERNA ENERGY S.A. subsidiaries

i) Subsidiaries in legal form of Societe Anonyme or Limited Liability Company

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
1	IWECO CHONOS LASITHIOU CRETE SA	100%	100%	GREECE	Production of Electric Energy from RES	6
2	ENERGIAKI SERVOUNIOU SA	100%	100%	GREECE	Production of Electric Energy from RES	6
3	TERNA ENERGY EVROU SA	100%	100%	GREECE	Production of Electric Energy from RES	6
4	PPC RENEWABLES – TERNA ENERGY S.A.	51%	51%	GREECE	Production of Electric Energy from RES	6
5	AIOLIKI PANORAMATOS DERVENOCHORION S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
6	AIOLIKI RACHOULAS DERVENOCHORION S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
7	ENERGEIAKI DERVENOHORION S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
8	AIOLIKI MALEA LAKONIAS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
9	ENERGEIAKI FERRON EVROU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
10	AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
11	ENERGEIAKI PELOPONNISOU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
12	ENERGEIAKI NEAPOLEOS LAKONIAS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
13	AIOLIKI ILIOKASTROU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
14	EUROWIND S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6

(Amounts in thousand Euro, unless otherwise stated)

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
15	ENERGIAKI XIROVOUNIOU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
16	DELTA AXIOU ENERGEIAKI S.A.	66%	66%	GREECE	Production of Electric Energy from RES	6
17	TERNA ENERGY THALASSIA WIND PARKS S.A.	77%	77%	GREECE	Production of Electric Energy from RES	6
18	TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	77%	77%	GREECE	Production of Electric Energy from RES	6
19	VATHYCHORI PERIVALLONTIKI S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
20	VATHYCHORI ENA PHOTOVOLTAIC S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
21	CHRYSOUPOLI ENERGEIAKI LTD	80%	80%	GREECE	Production of Electric Energy from RES	6
22	DIRFYS ENERGEIAKI S.A.	51%	51%	GREECE	Production of Electric Energy from RES	6
23	MALESINA ENERGEIAKI LTD	80%	80%	GREECE	Production of Electric Energy from RES	6
24	ORHOMENOS ENERGEIAKI LTD	80%	80%	GREECE	Production of Electric Energy from RES	6
25	ALISTRATI ENERGEIAKI LTD	80%	80%	GREECE	Production of Electric Energy from RES	6
26	TERNA ENERGY AI-GIORGIS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
27	TERNA AIOLIKI AMARYNTHOU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
28	TERNA AIOLIKI AITOLOAKARNANIAS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
29	TERNA ILIAKI VIOTIAS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
30	VATHYCHORI DYO ENERGIAKI S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
31	TERNA AIOLIKI XEROVOUNIOU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
32	TERNA ILIAKI ILIOKASTROU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
33	TERNA ILIAKI PANORAMATOS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
34	AIOLIKI KARYSTIAS EVIAS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
35	GEOTHERMAL ENERGY DEVELOPMENT S.A.*	50%	50%	GREECE	Production of Electric Energy from RES	6
36	TERNA ILIAKI PELOPONNISOU S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
37	PERIVALLONTIKI PELOPONNISOU S.A.	100%	100%	GREECE	Waste Management	4
38	HELLAS SMARTICKET S.A.**	35%	35%	GREECE	Electronic Systems Operation	5
39	WASTE SYCLO S.A.	51%	51%	GREECE	Waste Management	6
40	TERNA ENERGY FINANCE S.A.	100%	100%	GREECE	Credit Services	3
41	AEIFORIKI IPEIROU MAEES	100%	100%	GREECE	Waste Management	2
42	OPTIMUS ENERGY S.A.	51%	51%	GREECE	Trade of Electric Energy	2
43	TERNA ENERGY TRADING EOOD	51%	51%	BULGARIA	Trade of Electric Energy	6
44	TERNA ENERGY OVERSEAS LTD	100%	100%	CYPRUS	Production of Electric Energy from RES	7
45	EOLOS POLSKA sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	6
46	EOLOS NOWOGRODZEC sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	6

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
47	HAOS INVEST 1 EAD	100%	100%	BULGARIA	Production of Electric Energy from RES	6
48	VALE PLUS LTD	100%	100%	CYPRUS	Trade of Electric Energy Equipment	6
49	GALLETTE LTD	100%	100%	CYPRUS	Holding	6
50	ECO ENERGY DOBRICH 2 EOOD	100%	100%	BULGARIA	Production of Electric Energy from RES	6
51	ECO ENERGY DOBRICH 3 EOOD	100%	100%	BULGARIA	Production of Electric Energy from RES	6
52	ECO ENERGY DOBRICH 4 EOOD	100%	100%	BULGARIA	Production of Electric Energy from RES	6
53	COLD SPRINGS WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
54	DESERT MEADOW WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
55	HAMMETT HILL WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
56	MAINLINE WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
57	RYEGRASS WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
58	TWO PONDS WINDFARM, LLC	100%	100%	USA	Production of Electric Energy from RES	8
59	MOUNTAIN AIR WIND, LLC	100%	100%	USA	Production of Electric Energy from RES	8
60	TERNA ENERGY USA HOLDING CORPORATION	100%	100%	USA	Holding	8
61	MOUNTAIN AIR PROJECTS, LLC	100%	100%	USA	Production of Electric Energy from RES	8
62	MOUNTAIN AIR INVESTMENTS, LLC	100%	100%	USA	Production of Electric Energy from RES	8
63	MOUNTAIN AIR ALTERNATIVES, LLC	100%	100%	USA	Production of Electric Energy from RES	8
64	MOUNTAIN AIR RESOURCES, LLC	100%	100%	USA	Production of Electric Energy from RES	8
65	MOUNTAIN AIR HOLDINGS, LLC	100%	100%	USA	Production of Electric Energy from RES	8
66	FLUVANNA WIND ENERGY, LLC	100%	100%	USA	Production of Electric Energy from RES	4
67	FLUVANNA HOLDINGS, LLC	100%	100%	USA	Production of Electric Energy from RES	3
68	FLUVANNA INVESTMENTS, LLC	100%	100%	USA	Production of Electric Energy from RES	3
69	TERNA DEN, LLC	100%	100%	USA	Production of Electric Energy from RES	3
70	TERNA HOLDCO INC	100%	100%	USA	Production of Electric Energy from RES	3
71	TERNA RENEWABLE ENERGY PROJECTS, LLC	100%	100%	USA	Production of Electric Energy from RES	3
72	AEGIS RENEWABLES, LLC	100%	100%	USA	Production of Electric Energy from RES	8
73	MOHAVE VALLEY ENERGY, LLC	100%	100%	USA	Production of Electric Energy from RES	3
74	TERNA ENERGY TRANSATLANTIC sp.z.o.o.	100%	100%	POLAND	Holding	6
75	EOLOS NORTH sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	6
76	EOLOS EAST sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	6
77	AIOLIKI PASTRA ATTIKIS S.A.	100%	100%	GREECE	Production of Electric Energy from RES	6
78	TERNA ENERGY TRADING LTD	51%	51%	CYPRUS	Holding	4

(Amounts in thousand Euro, unless otherwise stated)

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
79	JP GREEN sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	4
80	WIRON sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	4
81	BALLADYNA sp.z.o.o.	100%	100%	POLAND	Production of Electric Energy from RES	3
82	TERNA ENERGY UK PLC	100%	100%	ENGLAND	Credit Services	-
83	TETRA DOOEL SKOPJE	100%	100%	SKOPJE	Trade of Electric Energy	4
84	Terna Energy Trading D.O.O	51%	51%	SERBIA	Trade of Electric Energy	4
85	TERNA ENERGY TRADING SHPK	51%	51%	ALBANIA	Trade of Electric Energy	1
86	FLUVANNA I INVESTOR, INC	51%	51%	USA	Production of Electric Energy from RES	1
87	FLUVANNA I HOLDING COMPANY, LLC	100%	100%	USA	Production of Electric Energy from RES	1
88	FLUVANNA HOLDINGS 2, LLC	100%	100%	USA	Production of Electric Energy from RES	-
89	FLUVANNA INVESTMENTS 2, LLC	100%	100%	USA	Production of Electric Energy from RES	-
90	FLUVANNA WIND ENERGY 2, LLC	100%	100%	USA	Production of Electric Energy from RES	-

All the aforementioned companies are included in the consolidated financial statement under full consolidation method.

*The company GEOTHERMAL ENERGY DEVELOPMENT S.A. is under liquidation that has not been finalized as till the Group's Financial Statements publication date.

** The Company owned 70% of the share capital of subsidiary HELLAS SMARTICKET SA (HST) until 28/11/2017 inclusively, when it sold off 35% of its holding to its parent company GEK TERNA. According to the Management assessment, the Company exercises control over that subsidiary as IFRS 10 criteria are met and consolidates HST under the full consolidation method, since it directs the related operations of the subsidiary through the majority of BoD members and key management personnel.

ii) Subsidiaries in legal form of General Partnership (G.P.)

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
1	TERNA ENERGY SA & SIA AIOLIKI POLYKASTROU GP	100%	100%	GREECE	Production of Electric Energy from RES	6
2	TERNA ENERGY SA & SIA ENERGEIAKI VELANIDION LAKONIA GP	100%	100%	GREECE	Production of Electric Energy from RES	6
3	TERN ENERGY SA & SIA ENERGEIAKI DYSTION EVIA GP	100%	100%	GREECE	Production of Electric Energy from RES	6
4	TERNA ENERGY SA & SIA ENERGEIAKI ARI SAPPON GP	100%	100%	GREECE	Production of Electric Energy from RES	6
5	TERNA ENERGY SA & SIA AIOLIKI EASTERN GREECE GP	100%	100%	GREECE	Production of Electric Energy from RES	6
6	TERNA ENERGY SA & SIA AIOLIKI MARMARIOU EVIA GP	100%	100%	GREECE	Production of Electric Energy from RES	6
7	TERNA ENERGY SA & SIA ENERGEIAKI PETRION EVIA GP	100%	100%	GREECE	Production of Electric Energy from RES	6

(Amounts in thousand Euro, unless otherwise stated)

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
8	TERNA ENERGY SA & SIA AIOLIKI ROKANI DERVENOCHORION GP	100%	100%	GREECE	Production of Electric Energy from RES	6
9	TERNA ENERGY SA & SIA ENERGEIAKI STYRON EVIA GP	100%	100%	GREECE	Production of Electric Energy from RES	6
10	TERNA ENERGY SA & SIA AIOLIKI PROVATA TRAIANOUPOLEOS	100%	100%	GREECE	Production of Electric Energy from RES	6
11	TERNA ENERGY SA VECTOR WIND PARKS OF GREECE – WIND PARK TROULOS G.P.	90%	90%	GREECE	Production of Electric Energy from RES	6
12	TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIA GP	90%	90%	GREECE	Production of Electric Energy from RES	6

All the aforementioned companies are included in the consolidated financial statement under full consolidation method.

B) Joint ventures & Companies of TERNA ENERGY S.A.

i) Joint Ventures

The table, presented below, records technical projects' implementation joint ventures. Joint ventures, in which the Group holds participating interest and which have been completed and, thus, dissolved or are to be shortly dissolved are not consolidated.

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
1	J/V EMBEDOS – PANTECHNIKI ENERGEIAKI	50,10%	50,10%	GREECE	Constructions	6

ii) Joint Entities

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
1	J/V GEK TERNA SA – TERNA ENERGY SA	50%	50%	GREECE	Production and operations of electronic tickets	4

The above company is included in the consolidated and separate financial statements under proportional consolidation method.

iii) General Partnerships (GP) and Limited Partnerships (LP)

N/N	Title	Participating Interest	Headquarters		Business Activity	Tax non-inspected years	N/N
			30/06/2019	31/12/2018			
1	TERNA ENERGY SA & SIA LP	24/5/2000	70%	70%	GREECE	Completion of construction works of section Kakavia - Kalpaki	6

The company TERNA ENERGY S.A. & SIA LP had essentially completed the aforementioned project in 2003 and its final dissolution is imminent. It is therefore not included in the consolidation.

(Amounts in thousand Euro, unless otherwise stated)

C) TERNA ENERGY S.A. associates

N/N	Title	Participating Interest		Headquarters	Business Activity	Tax non-inspected years
		30/06/2019	31/12/2018			
1	Renewable Energy Center RES Cyclades SA *	45%	45%	GREECE	Development and management of RES projects	6
2	EN.ER.MEL. S.A.	49,2%	49,2%	GREECE	Development and management of RES projects	6

** Investment through IWECO CHONOS LASITHIOU CRETE S.A.*

The above companies are included in the consolidated financial statements under equity method.

5. SEGMENT REPORTING

The Group is divided into the following operating segments in order to facilitate management reporting:

(i) **Constructions:** The segment refers to development of wind farms and other units for electricity production from renewable energy sources, and also to the construction of the necessary infrastructure (road works, substations, interconnection with the national electric energy grid). Furthermore, the construction segment of the Group offers services to third parties mainly in small scale infrastructure works under the capacity of the main contractor or subcontractor, or through joint ventures.

(ii) **Electricity from RES:** The segment mainly concerns production of electricity through wind energy. The portfolio also includes a number of photovoltaic projects, hydroelectric projects, and related energy projects with the use of biomass in various development stages.

(iii) **Trade in electric energy:** The segment refers to trade in electric energy and includes as follows: supply and sale of electric energy from and to the neighboring markets and the markets of Southeastern Europe, development of the network of subsidiaries in the Balkans with the objective to access the respective markets of electric energy, participation in tenders for the purchase of rights for cross-border electric energy transmission. Acquisition of such rights is a requirement for the transmission of electric energy among the neighboring countries, continuing operations and analysis of options offered in the international markets of electric energy (on a daily, monthly and annual basis).

(iv) **Concessions:** The segments concerns construction and operation of infrastructure and public sector projects (such as Unified Automatic Collection System and the municipal waste treatment facility in Epirus Region) in exchange for long-term operation of the above projects through provision of services to the public.

An operating sector is a component of an 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 Group that is responsible for the allocation of resources and the assessment of the economic entity's operating segments. For the application of IFRS 8, The board of Directors is referred to as the Group Management .

The Management separately monitors the operating results of the Group's business segments in order to make the necessary decisions, allocate the sources and evaluate their performance.

(Amounts in thousand Euro, unless otherwise stated)

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Consolidation Write-offs	Total Consolidated
30 June 2019							
Revenue from external customers							
Sales of products	-	111.885	18.615	634	4.303		**135.437**
Revenue from construction services	1.774	-	-	4.386	3		**6.163**
Total revenue from external customers	**1.774**	**111.885**	**18.615**	**5.020**	**4.306**	**-**	**141.600**
Intra-segment revenue	6.671		-			(6.671)	**-**
Total revenue	**8.445**	**111.885**	**18.615**	**5.020**	**4.306**	**(6.671)**	**141.600**
Net Results per Segment	**480**	**28.353**	**1.238**	**(488)**	**1.602**		**31.185**
Depreciations	(27)	(30.199)	(9)	(7)	(6)		**(30.248)**
Amortizations of grants	-	3.986	-	-	-		**3.986**
Financial income	-	169	-	534	1.900		**2.603**
Financial expenses	(85)	(24.657)	(11)	(794)	(442)		**(25.989)**
Finance cost of tax equity investor	-	(5.595)	-	-	-		**(5.595)**
Foreign exchange differences on valuation	-	788	(3)	-	-		**785**
Profit from financial instruments at fair value	-	5.992	-	-	-		**5.992**
Provision for impairment of participations and equity interests	26	(323)	(62)	(16)	9		**(366)**
Income tax	(174)	(7.766)	(368)	177	(506)		**(8.637)**
EBIT	**713**	**59.745**	**1.682**	**(389)**	**641**	**-**	**62.392**

(Amounts in thousand Euro, unless otherwise stated)

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Consolidation Write-offs	Total Consolidated
30 June 2019							
Segments assets	9.964	1.662.340	12.005	31.639	40.890		**1.756.838**
Investments in associates	-	4.268	-	-	-		**4.268**
Total assets	**9.964**	**1.666.608**	**12.005**	**31.639**	**40.890**	**-**	**1.761.106**
Segments liabilities	**6.559**	**1.264.492**	**5.559**	**32.585**	**27.670**		**1.336.865**
Long-term loans	-	619.067	-	28.019	19.473	-	**666.559**
Short-term loans	-	103.446	33	-	-	-	**103.479**
Long-term liabilities carried forward	-	156.537	-	382	2.862	-	**159.781**
Cash available	(1.288)	(182.235)	(2.486)	(1.326)	(10.966)	-	**(198.301)**
Return of grants	-	3.024	-	-	-	-	**3.024**
Restricted deposits	-	(46.053)	-	-	-	-	**(46.053)**
Net debt / (Surplus)	**(1.288)**	**653.786**	**(2.453)**	**27.075**	**11.369**	**-**	**688.489**
Lease liabilities	3	7.294	47	21	-	-	**7.365**
Equity interests having a substance of financial liability	-	156.191	-	-	-	-	**156.191**
Capital expenditures	4	112.535	-	4	-	-	**112.543**

(Amounts in thousand Euro, unless otherwise stated)

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Consolidation Write-offs	Total Consolidated
30 June 2018							
Revenue from external customers							
Sales of products	-	104.305	3.824	-	5.471	-	**113.600**
Revenue from construction services	11.166	-	-	13.855	58	-	**25.079**
Total revenue from external customers	**11.166**	**104.305**	**3.824**	**13.855**	**5.529**	**-**	**138.679**
Intra-segment revenue	16.341					(16.341)	**-**
Total revenue	**27.507**	**104.305**	**3.824**	**13.855**	**5.529**	**(16.341)**	**138.679**
Net Results per Segment	**3.359**	**14.529**	**(47)**	**392**	**1.140**	**-**	**19.373**
Depreciations	(27)	(27.423)	-	-	(5)	-	**(27.455)**
Amortizations of grants	-	3.903	-	-	-	-	**3.903**
Financial income	21	583	1	-	1.488	-	**2.093**
Financial expenses	(75)	(23.337)	(8)	(858)	(740)	-	**(25.018)**
Finance cost of tax equity investor	-	(6.843)	-	-	-	-	**(6.843)**
Foreign exchange differences on valuation	-	92	(4)	-	-	-	**88**
Profit from financial instruments at fair value	-	66	-	-	-	-	**66**
Provision for impairment of participations and equity interests	704	-	-	-	-	-	**704**
Income tax	(1.975)	(7.794)	(39)	261	(452)	-	**(9.999)**
EBIT	**4.684**	**51.762**	**3**	**989**	**844**	**-**	**58.282**

(Amounts in thousand Euro, unless otherwise stated)

Business segments	Constructions	Electricity from RES	Trade in electric energy	Waste management	E-Ticket	Consolidation Write-offs	Total Consolidated
31 December 2018							
Segments assets	26.942	1.541.534	7.959	24.185	41.417	-	**1.642.037**
Investments in associates	-	4.233	-	-	-	-	**4.233**
Total assets	**26.942**	**1.545.767**	**7.959**	**24.185**	**41.417**	**-**	**1.646.270**
Segments liabilities	**10.928**	**1.190.244**	**3.185**	**21.137**	**29.643**		**1.255.137**
Long-term loans	-	627.240	(1)	20.312	20.858	-	**668.409**
Short-term loans	-	43.957	32	-	-	-	**43.989**
Long-term liabilities carried forward	-	97.167	-	6	2.868	-	**100.041**
Cash available	(16.918)	(135.013)	(1.663)	(823)	(11.942)	-	**(166.359)**
Return of grants	-	3.024	-	-	-	-	**3.024**
Restricted deposits	-	(42.874)	-	-	-	-	**(42.874)**
Net debt / (Surplus)	**(16.918)**	**593.501**	**(1.632)**	**19.495**	**11.784**	**-**	**606.230**
Equity interests having a substance of financial liability	-	160.390	-	-	-	-	**160.390**
Capital expenditures	35	108.063	26	1.806	9	-	**109.939**

(Amounts in thousand Euro, unless otherwise stated)

Geographical segments	Greece	Eastern Europe	USA	Total consolidated
30 June 2019				
Turnover from external customers	90.158	27.215	24.227	**141.600**
Non-current assets	605.080	229.423	575.357	**1.409.860**
Capital expenses	36.070	17	76.456	**112.543**
30 June 2018				
Turnover from external customers	103.109	13.371	22.199	**138.679**
31 December 2018				
Non-current assets	586.204	222.271	492.228	**1.300.703**
Capital expenses	38.221	46	71.672	**109.939**

The turnover in the energy sector, due to its nature, depends on the legislative framework which is locally in effect with regard to the energy administrators, in both the domestic market as well as in Bulgaria, Poland and the USA.

In the period 01/01/2019-30/06/2019, an amount of 81,8 million (57,8 %) [01/01/2018-30/06/2018: € 72,6 million (52,4 %)] of the Group's turnover has arisen from an external customer (Customer A) from electric energy segment.

6. INTANGIBLE ASSETS

Changes in the Group and the Company intangible assets are presented below as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Acquisition value as at 1 January	**23.483**	**22.853**	**1.967**	**2.004**
Additions	1.834	11	20	11
Amortization	(339)	(657)	(89)	(76)
Foreign exchange differences	56	148	-	-
Book value as at 30 June	**25.034**	**22.355**	**1.898**	**1.939**

(Amounts in thousand Euro, unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT

Changes in the Group and the Company property, plant and equipment are presented below as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Acquisition value as at 1 January	**1.189.516**	**1.122.834**	**85.830**	**93.205**
Additions	107.407	16.457	218	181
Borrowing cost	3.301	98	-	-
Provisions for rehabilitation	-	765	-	-
Decreases/Write-offs	(220)	(2.447)	-	(2.000)
Depreciation	(29.055)	(26.798)	(2.979)	(3.049)
Foreign exchange differences	5.062	4.856	-	-
Book value as at 30 June	**1.276.011**	**1.115.765**	**83.069**	**88.337**

In the first half of 2019, the Group's additions mainly pertain to additions in the category "Fixed assets under construction", amounting to € 102.978 k, of which an amount of € 73.126 k pertains to the construction of the Group's wind farm (Fluvanna II) in Texas, USA, while an amount of € 22.701 k pertains to prepayments for acquisition of assets for the new wind farms in Evia.

The amount of € 1.276.011 k in the Group's account of property, plant and equipment's as at 30/06/2019 mainly pertains to: (a) "Fixed assets under construction" standing at € 201.052 k, of which an amount of € 158.642 k pertains to the construction of the aforementioned wind farm in Texas, USA, and (b) "Technological and mechanical equipment" standing € 981.979 k regarding the Group and at € 66.796 k regarding the Company, which includes Wind Farm generators that have been collateralized at credit institutions as security for long-term loans.

In order to cover financing needs regarding new projects, the Company and the Group issue notional collateral on its current assets as well as liens (usually in the form of mortgages) on its non-current assets as guarantees to the creditors.

8. OTHER LONG-TERM RECEIVABLES

The reporting line Other Long-term Receivables as at 30/06/2019 and 31/12/2018 is analyzed as follows:

	GROUP		COMPANY	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Loans to related parties	651	1.049	65.945	105.033
Balance from provided guarantees	1.422	1.536	1.267	1.308
Other long-term receivables	32.647	31.043	401	198
Impairment of other long-term receivables	(201)	(42)	(2)	(8)
Total	**34.519**	**33.586**	**67.611**	**106.531**

The Company participates in bond loan issues of subsidiaries. The loans will be repaid either at their maturity date or through premature repayments and carry an interest rate within the range of 3,25% - 5,25%. In the first half of 2019, the subsidiaries received loans totaling € 3.807 k and repaid loans totaling € 11.528 k.

The item “Other Long-Term Receivables” includes an amount of € 4.832 k, which relates to the expenses incurred in order to facilitate the issuance of a long-term loan pertaining to the operation of the second wind farm of the Group in the USA, according to as of 26/09/2018 agreement between the Group’s subsidiary in the USA and Tax Equity Investor (TEI), as at the date of commencement of operation of the wind farm expected in the 3rd quarter of 2019, TEI will deposit an amount of approximately $ 140.100 k, which will be used for the full repayment of a construction loan (Note 26).

TEI financing issue expenses include projected fees (commitment fees) as well as the fees of lawyers and consultants, who have performed financial, legal and technical audit to complete the procedures required to sign the contract with TEI. Until at 30/06/2019 and till the accompanying six-month financial statements approval date, financing from TEI was not disbursed. Upon disbursement of the long-term financing from TEI, the aforementioned expenses will be deducted from the short-term financing and will be amortized using the effective interest method.

The remaining amount of the item “Other long-term receivables” mainly includes accrued expenses from energy sale contracts revenues, containing lease elements.

9. FINANCIAL ASSETS – CONCESSIONS

The Group constructs and operates two contracts:

A. Unified Automatic Fare Collection System

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

B. Urban Waste Treatment Plant of the Region of Epirus

On 21/07/2017 a partnership agreement (PPP) was signed between the EPIRUS REGION and the subsidiary company "AEIFORIKI EPIRUS MONOPROSOPI SPECIAL PURPOSE SOCIETE ANONYME", for the implementation of the project for the urban waste treatment plant of the Region of Epirus. The contract is executed in two periods, the period of project and the service period and is of a duration of 27 years. The construction of the project was completed in the first quarter of 2019, with the start of the service period.

(Amounts in thousand Euro, unless otherwise stated)

Analytical information in respect of the accounting policies used and the aforementioned concessions is presented in Notes 4.12 to the Group's annual financial statements for FY ended as at 31 December 2018.

The analysis of changes of the generated Financial Assets from Concessions as well as the revenue per category are presented below as follows:

Financial Assets - Concessions	**Unified Automated System for Ticket Collection**	**Installation of civil waste processing Epirus Region**	**Total**
Opening balance as at 1st January 2018	**26.463**	**-**	**26.463**
(Decreases)/Increases in financial item	(5.674)	12.113	**6.439**
Effective interest on receivables	4.049	123	**4.172**
Impairment under IFRS 9	(20)	(124)	**(144)**
Closing balance as at 31st December 2018	**24.818**	**12.112**	**36.930**
Opening balance as at 1st January 2019	**24.818**	**12.112**	**36.930**
(Decreases)/Increases in financial item	(3.258)	3.777	**519**
Effective interest on receivables	1.900	534	**2.434**
Impairment under IFRS 9	-	(2)	**(2)**
Closing balance as at 30th June 2019	**23.460**	**16.421**	**39.881**

Analysis of revenues per category in the first half of 2018			
Income from construction services	58	13.854	**13.912**
Income from operation services	5.471	-	**5.471**
Effective interest on receivables	1.490	-	**1.490**
Total	**7.019**	**13.854**	**20.873**

Analysis of revenues per category in the first half of 2019			
Income from construction services	3	4.386	**4.389**
Income from operation services	3.594	388	**3.982**
Effective interest on receivables	1.900	534	**2.434**
Total	**5.497**	**5.308**	**10.805**

10. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables of the Group and the Company as at June 30, 2019 and December 31, 2018, are analyzed as follows:

(Amounts in thousand Euro, unless otherwise stated)

Prepayments and other financial receivables

	GROUP		COMPANY	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Accrued income	4	4	-	-
Short term component of long term bond loans	-	-	39.925	6.107
Restricted deposits (Note 11)	46.053	42.874	4.499	4.282
Intragroup receivables from dividends, financial facilities and other receivables	531	680	49.863	2.905
Other financial receivables	2.247	6.964	313	750
Impairments of prepayments and other financial receivables	(71)	(24)	(41)	(27)
Total	**48.764**	**50.498**	**94.559**	**14.017**

Prepayments and other non-financial receivables

	GROUP		COMPANY	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Prepayments to Suppliers	2.622	3.123	1.297	1.753
Prepayments to insurance funds (IKA technical projects)	362	346	335	325
VAT refund and offsetting	5.864	13.113	195	-
Receivables form other taxes less income tax	-	101	-	70
Prepaid expenses and transit debit accounts	5.457	5.972	740	974
Receivables form grants	1.479	1.479	-	-
Total	**15.784**	**24.134**	**2.567**	**3.122**

On 30/06/2019, the Company's account "Prepayments and other receivables", in particular, the item "Intragroup receivables from dividends, financial facilities and other receivables" includes the amounts totaling € 25.263 k, paid within 2019 and pertaining to the amounts intended for Share Capital Increase in subsidiaries, developing new Wind Farms (Note 26).

11. CASH AVAILABLE

Cash available on June 30th 2019 and December 31st 2018 regarding the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Cash	11	10	-	-
Sight deposits	195.022	166.217	34.766	39.135
Time deposits	3.268	132	-	69
Total	**198.301**	**166.359**	**34.766**	**39.204**

Time deposits usually have a term of up to three months and bear interest rates ranging between 0,60%-0,80% for FY 2019.

The Group's cash and cash equivalents include amounts for repayment amounting to € 3.024 k (2018: € 3.024 k) (for the Company: € 0 k (2018: € 0 k)), concerning grants received as a result of the cancellation of construction or the expiry of the time limits for the decisions on the affiliation of certain wind farms. The above amount of the grant to be refunded has not been returned until the date of approval of the accompanying financial statements as the relevant inspection by the competent services has not been completed.

Furthermore, as at 30/06/2019, the Group has restricted deposits amounting to € 46.053 k (for the Company: € € 4.499 k), which are retained in certain bank accounts for the facilitation of its short-term operating and financial liabilities. These restricted deposits are classified in the item "Prepayments and other receivables" (see Note 10).

12. SHARE CAPITAL

As at 30/06/2019, the Company’s share capital amounts to thirty four million one hundred and seventy five thousand six hundred eighty euros and eighty cents (€ 34.175.680,80 €), divided into one hundred and thirteen million nine hundred and thirty eight thousand nine hundred and thirty six (113.918.936) common registered shares with voting rights of a nominal value thirty cents (€ 0,30) each. As at 30/06/2019, share premium stands at € 191.793 k. No changes have taken place in the account in question during the six-month period.

During the period 01/01/2019 – 30/06/2019, the Company bought back 340.776 treasury shares of nominal value of 102.232,80 euro and market value 1.926.401,26 euro. The total number of treasury shares held by the Company as of 30/06/2019 stood at 1.643.251 shares, i.e. 1,44% of the total share capital, with a total acquisition cost of 9.261.056,30 euros.

In 2018, following the decision of the Extraordinary General Meeting of Shareholders, held on October 18, 2018, the Company’s share capital increased by an amount of thirty four million one hundred and seventy five thousand six hundred eighty euros and eighty cents (€ 34.175.680,80 €) by capitalization of part of share premium special reserve with the increase of the nominal value of every share from thirty cents (€ 0,30) to sixty cents (€ 0,60) and a simultaneous share capital decrease by an amount of thirty four million one hundred and seventy five thousand six hundred eighty euros and eighty cents (€ 34.175.680,80 €) with a corresponding decrease in the nominal value of each share from sixty cents (€ 0,60) to thirty cents (€ 0,30) and the repayment of the amount of the decrease in question to the shareholders.

The repayment amount was fully submitted on 14/01/2019, resulting in a decrease to the item Other short-term liabilities by an amount of € 34.141k (Note 18).

Basic earnings per share was calculated applying the weighted average number of common shares, subtracting the weighted average number of treasury shares. No adjustments have been made to earnings (numerator). Finally, no diluted earnings per share are effective.

13. EQUITY INSTRUMENTS HAVING A SUBSTANCE OF FINANCIAL LIABILITY

In the USA, the Group has entered into agreements with "Tax Equity Investors" investors (hereinafter "TEI"). According to these agreements, the cash flows and tax benefits generated by wind farms are distributed conventionally amongst TEI investors and the Group. The accounting policy applied in respect of the aforementioned financial liabilities is analytically presented in Note 4.11.5(iii) to the publicized annual consolidated and separate financial statements for FY ended as at 31/12/2018.

- **Financial liability to TEI Met Life:**

The unamortized balance of the Group's liability to TEI Met Life as at 30/06/2019 stands at € 42.637 k. In 2012, in the USA, the Group entered into transaction, in which the company Met Life (TEI) paid the amount of € 49.693 k to acquire the right to receive, mainly cash and tax losses. In FY 2013, the construction was completed and the Wind Farm Mountain Air, of total capacity of 138 MW, located in the state of Idaho, USA, started operating. The audit is based on a contractual agreement with MetLife, which contributes capital as a Tax Equity Investor (TEI) and is fully consolidated. According to the agreement between the two parties, TEI contributed capital in exchange of 50% of the membership interests, the contractual rights of which stipulate that TEI will receive 99% of tax losses and a certain percentage of net cash flows until it achieves the return on its invested capital as defined in the agreement. After TEI's contractually agreed performance date, and in the event of a non-acquisition of its shares by TEI, TEI remains with the participating interest of a 37,75% in distributions and tax results of the Wind Farm.

Following the Group's contractual agreement with MetLife, after the date on which TEI's contractually agreed performance has been reached, the Group may acquire the membership interests of the TEI investor (100% of Class A shares) versus a consideration that would be considered reasonable after the agreement has been reached. In this context, starting from 30/06/2019, the Group has been in negotiations with TEI 30/06/2019 regarding the acquisition of its membership interests, versus a consideration that would be considered reasonable after the agreement has been reached. The aforementioned negotiations are in progress until the date of approval of the accompanying six-month financial statements and are expected to be completed within FY 2019.

- **Financial liability to TEI Goldman Sachs:**

As at 30/06/2019, the unamortized balance of the Group's liability to TEI Goldman Sachs stands at € 113.556 k (including an amount of € 27.045 k that pertains to unamortized value of tax benefits).

In 2017, construction was completed and the Fluvanna I Wind Farm, of total capacity of 155,4 MW, located in the state of Texas, USA was set in operation. Under the new tax law in the USA, which entered into force on 22/12/2017, this Wind Farm is eligible to depreciate for tax purposes almost all of its construction costs within its operating year, namely in FY 2017. As a result of the aforementioned tax treatment of the construction cost of the project, significant tax losses will be incurred in FY 2017.

(Amounts in thousand Euro, unless otherwise stated)

Furthermore, in addition to the tax losses incurred during the first year of operation, the Wind Farm is eligible to assume additional tax benefits associated with the annual energy production of the Wind Farm (Production Tax Credits - PTCs).

On 28/12/2017, the Group entered into a transaction in which Goldman Sachs Bank paid the amount of € 127.882 k (including issuance fees) to acquire 50% of the membership interests, the contractual rights of which stipulate that the TEI will receive, in the first place, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna I Wind Farm, with a limited amount of tax equity investment. In FY 2017, TEI received 70% of the tax benefits, and from the 2018 year and until it achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

Equity instruments having a substance of financial liabilities (long-term and short-term) as at June 30th 2019 and December 31st 2018 in the accompanying Six-month Condensed Financial Statements are analyzed as follows:

	GROUP	
	30/06/2019	**31/12/2018**
Financial liabilities	108.058	111.187
Deferred income	27.045	26.916
Long-term part	**135.103**	**138.103**
Long-term financial liabilities payable in the following year	21.090	22.287
Short-term part	**21.090**	**22.287**
Total	**156.193**	**160.390**

Changes in equity instruments having a substance of financial in the interim period 01/01-30/06/2019 and the respective six-month period of 2018 in the Statement of Financial Position are analyzed as follows:

Financial liabilities	GROUP	
	2019	**2018**
Balance as at 1 January	**133.474**	**136.815**
Received from TEI	464	
Distribution of cash to TEI	(2.868)	(1.522)
Value of tax benefits	(8.730)	(9.925)
Interest for the period	5.595	6.843
Foreign exchange differences	1.213	3.300
Balance as at 30 June	**129.148**	**135.511**

Deferred income	GROUP	
	2019	**2018**
Balance as at 1 January	**26.916**	**22.555**
Value of tax benefits	1.821	3.162
Amortization of tax benefits (Note 19)	(1.932)	(1.592)
Foreign exchange differences	240	627
Balance as at 30 June	**27.045**	**24.752**

(Amounts in thousand Euro, unless otherwise stated)

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

In the first half of 2019, the value of the tax losses, attributed to TEI, is recognized in Other Income for the period (Note 19), using the straight-line amortization method during the term of the agreement and stands at € 1.932 k (first half of 2018: € 1.592 k. The value of PTCs, associated with the annual Wind Farm energy generation, is recognized in turnover, standing, in the first half of 2019, at € 6.909 k (first half of 2018: € 6.763 k).

14. BORROWINGS

Changes in the Group's and the Company's short-term and loan-term loans as at 30/06/2019 and 30/06/2018 are briefly presented below as follows:

	GROUP		COMPANY	
	30/06/2019	**30/06/2018**	**30/06/2019**	**30/06/2018**
Long-term loans				
Opening balance	**668.409**	**670.152**	**224.645**	**241.332**
New borrowing	198.322	17.562	25.660	-
Loan repayment	(34.008)	-	-	-
Capitalization of interest	6.428	956	890	542
Transfer between long-term and short-term components of liabilities	(174.872)	(37.007)	(67.693)	(8.898)
Foreign exchange differences	2.280	1.935	-	-
Closing balance	**666.559**	**653.598**	**183.502**	**232.976**

	GROUP		COMPANY	
	30/06/2019	**30/06/2018**	**30/06/2019**	**30/06/2018**
Short-term loans				
Opening balance	**43.989**	**13.837**	**17.019**	**-**
New borrowing	95.960	11.432	25.000	-
Loan repayment	(36.280)	(1.961)	(13.000)	-
Capitalization of interest	99	62	60	-
Foreign exchange differences	(289)	54	-	-
Closing balance	**103.479**	**23.424**	**29.079**	**-**

	GROUP		COMPANY	
	30/06/2019	**30/06/2018**	**30/06/2019**	**30/06/2018**
Long-term liabilities payable in the following year				
Opening balance	**100.041**	**97.971**	**23.050**	**22.028**
Loan repayment	(115.364)	(47.962)	(8.898)	(8.860)
Capitalization of interest	(63)	(347)	(239)	650
Transfer between long-term and short-term components of liabilities	174.872	37.007	67.693	8.898
Foreign exchange differences	295	(643)	-	-
Closing balance	**159.781**	**86.026**	**81.606**	**22.716**

The Group's loans mainly concern the financing of its business activities and mainly concern the financing of the construction and operation of installations in relation to renewable energy sources.

To secure all Group loans, Wind Farms generators are collateralized, as well as cash while insurance contracts, receivables from the sale of electric energy to DAPEEP or/and DEDDIE and equity interests (subsidiaries' bonds owned by the parent company and subsidiaries' shares) are pledged to banks. In the context of this form of financing, the Group's companies maintain a series of blocked bank accounts, which serve the above liabilities. The pledges that have been granted exceed the amount of the Group's debt obligations.

As at 30/06/2019, from the total bank loan liabilities of the Group standing at € 929.819 k, an amount of € 155.133 k corresponds to loan liabilities of the parent Company, an amount of € 619.718 k corresponds to loan liabilities for which the parent Company has not provided any guarantee and an amount of € 154.968 k corresponds to loan liabilities guaranteed by the parent Company or other Subsidaries.

In the first half of 2019, the aim of the Group's new borrowings was primarily to finance investment in subsidiaries' wind farms and to repay short-term bank loans issued in order to finance the course of sound and timely construction, in particular:

- A long-term bond loan of nominal value Euro 38.869 k was issued in respect of the wind farm "Eresos – Ypsoma Furka" of the subsidiary ENERGIAKI PELOPONISSOU, of which a short-term loan of Euro 19.057 was repaid. The term of the loan was set at 14 years, maturing in 2032. The interest rate was set at 6-month Euribor plus a gradually decreasing margin.
- A long-term bond loan of nominal value Euro 8.541 k was issued in respect of the wind farm "Lefkes - Kerasia" of the subsidiary ENERGIAKI NEAPOLEOS LAKONIAS, of which a short-term loan of Euro 4.223 was repaid. The term of the loan was set at 14 years maturing in 2032. The interest rate was set at 6-month Euribor plus a gradually decreasing margin.
- A bond loan of nominal value Euro 33,000 k was issued in respect of the wind farms "Rahoula I, II and III" of the subsidiary AEOLIKI RAHOULAS DERVENOCHORION S.A., of which a short-term loan of Euro 17.983 was repaid. The term of the loan was set at 12 years maturing in 2030. The interest rate was set at 6-month Euribor plus margin.
- A bond loan of nominal value Euro 116.881 k was issued in respect of the wind farm "Ai-Giorgis" of the subsidiary TERNA ENERGY AI-GIORGIS S.A. This long-term bond loan refinances, under more favorable terms, the construction of the wind farm "Ai-Giorgis" of an unamortized amount of Euro 81.881 k of the bond loan obtained in 2016. The term of the loan was set at 12 years maturing in 2030. The interest rate was set at 6-month Euribor plus margin.
- A short term loan of Euro 70,960 k was issued for the tender regarding completion of the construction of "Fluvanna II" wind farm in Texas USA of the subsidiary FLUVANNA WIND ENERGY 2,

- A short term loan of Euro 25.000 k was issued by Terna Energy S.A., while short term loan of Euro 13.000 k was repaid.

TERNA ENERGY FINANCE SA Common Bond Loan ("Issuer") guaranteed by TERNA ENERGY SA ("Company" or "Guarantor") up to the amount of € 60 million

During the financial year 2017, according to the provisions of paragraph 4.1.2 of the Athens Stock Exchange Regulation (hereinafter "ATHEX") and according to the decision No. 25/17.07.2008 of the Board of Directors of ATHEX and decision No.8/754/14.04.2016 of the BoD of the Hellenic Capital Market Commission (hereinafter "ECMC"), the 100% subsidiary, TERNA ENERGY FINANCE SA (hereinafter referred to as TERNA ENERGY FSA) issued a Common Bond Loan of sixty million euros (€ 60,000 thousand) with the issuance of sixty thousand common bonds under parent company guarantee, carrying face value of 1 euro each in accordance with the decision of its Board of Directors dated 27/06/2017 and the approval decision of 12/07/2017 about the content of the Prospectus by the ECMC. In accordance with the terms of the Prospectus of July 12, 2017, the Company is responsible to the bondholders.
Furthermore, in accordance with the terms of the Issuance Program of the Common Bond Loan and the Bondholders' Representation Agreement dated 06/07/2017, the Issuer invested the raised funds of € 60.000 thousand to the Company. Specifically, the Company issued on 12/07/2017 a bond loan in accordance with Law 3156/2003, under an Intercompany Loan Program, in which the Issuer paid an amount of € 58.745 thousand and thus lent the corresponding amount of the Issuer Bond Loan proceeds.

On 30/06/2019, the Group reclassified the amount of € 61.608 thousand of the bond loan of TERNA ENERGY FINANACE SA from the “Long-Term Liabilities” line item to short-term liabilities and specifically to the “Long-term liabilities payable next year” line item. The reclassification of short-term liabilities occurred as a result of the announcement by TERNA ENERGY FINANCE SA on 07/06/2019. The announcement concerned the decision to prepay the face value of the bonds that had been issued and disposed as of 12/07/2017 public offering Common Bond Loan Issuance Program up to € 60m and Bond Agent Scheduling Agreement (the “CBL Program”). The July 17, 2017 has been designated as the last day of trading on the Athens Stock Exchange of the aforementioned bonds. The Issuer effected the repayment on 22/07/2019 in accordance with clause 4 of the CBL Program. Following the aforementioned exercise of the right to early repayment of the Bond Loan, TERNA ENERGY FINANCE SA on 30/06/2019 revised the remaining outflows of the loan, discounting these flows with inceptive calculated effective rate recognizing thus a financial cost of 1.335 thousand as a difference arising from the amortized cost of the debt on 30/06/2019.

Respectively the Company's financial statements following the exercise of the corresponding early repayment right as above described Intragroup Loan Program, the Company proceeded on 30/06/2019 to revise the remaining outflows of the loan, discounting these accruals accordingly with inceptive effective rate. Thus, the Company recognized a financial cost of € 586 thousand as a difference in the carrying amount of the loan as at 30/06/2019. The repayment of the Company's Bond Loan to TERNA ENERGY FINANCE SA has been performed on 17/07/2019 in accordance with the provisions of the CBL Schedule.

Interest expenses, for the six-month period ended 30/06/2019, amounted to Euro 1.268 k and are included in the “Financial Expenses” item of the Statement of Comprehensive Income.

The Group has the obligation to maintain specific financial ratios relating to bond loans. As at 30 June 2019, the Group was in full compliance with the required limits of these ratios, apart from bond loans of carrying amount of Euro 24.535 k. These loans were reclassified to Short-term Liabilities in the item "Long-term liabilities carried forward” since the financial ratios of the relevant loan contracts were not complied with as at 30/06/2019. It is to be noted that the Group Management has taken all necessary steps to eliminate the reasons for non-compliance by providing the necessary “waivers”.

The aforementioned amount of Euro 24.535 k includes the amount of Euro 6.213 k related to the unamortized loan balance of the subsidiary company EOLOS POLSKA sp.zoo, which achieved a 5% haircut in July 2019. The repayment of the loan balance was effected on 02/08/2019 (Note 28).

On 01/08/2019, the Group received a letter from Unicredit Bulbank, stating that the Bank agrees that failure to comply with the financial covenants established in the loan agreements of the Bulgarian subsidiaries will not constitute loan default but, simply, will activate the cash sweep. The companies in Bulgaria comply with their contractual obligations in terms of loan agreements.

15. RECEIVABLES / LIABILITIES OF DERIVATIVES

In the context of managing and minimizing financial risks, the Group has entered into interest rate swaps. Interest rate swaps aim at hedging the risk of negative fluctuations in future cash outflows arising from interest on loan contracts entered into within the course of operations, mainly in RES electricity generation sector in Greece and the USA. Considering the purpose of these derivatives, i.e. cash flow hedges, hedge accounting was used and their fair value was measured.

Liabilities and receivables from financial derivatives on 30/06/2019 & 31/12/2018 are analyzed as follows:

(Amounts in thousand Euro, unless otherwise stated)

LIABILITIES	Nominal Value		GROUP Fair Value of Liability	GROUP Fair Value of Liability	COMPANY Fair Value of Liability	COMPANY Fair Value of Liability
	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
For hedging purposes						
Interest Rate Swaps:	€ 7.537	€ 7.537	200	222	-	-
Interest Rate Swaps:	€ 9.000	€ 9.000	360	347	-	-
Interest Rate Swaps:	€ 5.772	€ 5.772	86	108	-	-
Interest Rate Swaps:	€ 17.000	€ 17.000	1.332	1.183	-	-
Interest Rate Swaps:	€ 11.005	€ 11.005	972	648	-	-
Interest Rate Swaps:	€ 15.400	€ 15.400	882	777	-	-
Interest Rate Swaps:	€ 11.160	€ 11.160	419	147	-	-
Interest Rate Swaps:	€ 103.650	€ 103.650	1.695	824	-	-
Interest Rate Swaps:	€ 6.563	€ 6.563	287	297	287	297
Interest Rate Swaps:	€ 30.000	€ 30.000	841	458	841	458
Interest Rate Swaps:	€ 20.000	€ 20.000	542	286	542	286
			7.616	**5.297**	**1.670**	**1.041**
For hedging purposes						
Options (collar)	-	-	1.331	2.549	-	-
Interest Rate Swaps	-	-	180	-	-	-
Sale of electric energy forward contract (physical)	-	-	-	900	-	-
			1.511	**3.449**	**-**	**-**
For trade purposes						
Electric energy swap contract (balance of hedge)	-	-	-	528	-	-
			-	**528**	**-**	**-**
			9.127	**9.274**	**1.670**	**1.041**

RECEIVABLES	Nominal Value		GROUP Fair Value of Receivable	GROUP Fair Value of Receivable	COMPANY Fair Value of Receivable	COMPANY Fair Value of Receivable
	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
For hedging purposes						
Interest Rate Swaps	$25.000	$25.000	-	625	-	-
Options (collar)	-	-	6.518	1.908	-	-
Options (swaption)	-	-	4.110	1.396	-	-
Sale of electric energy forward contract (physical)	-	-	2.456	-	-	-
			13.084	**3.929**	**-**	**-**
For trade purposes						
Electric energy swap contract (balance of hedge)	-	-	74	-	-	-
			13.158	**3.929**	**-**	**-**

The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA. In particular:

- In September 2016, the Group entered into two derivatives, one collar derivative on the trading date of 23/09/2016 and one swaption derivative. For the collar derivative the effective date was be on 1/1/2018 whereas for the swaption the effective date will be on 31/12/2022. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary constructed and operated a wind park of 155,4 MW-capacity in West Texas of the United States. As at 30/06/2019, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivative requirement was determined at € 10,628 thousand as at 30/06/2019 (31/12/2018: € 3.929 thousand) and have been classified by € 10.628 thousand in the fair value hierarchy level 3 (31/12/2018: € 3.304 thousand) and by € 0 in the fair value hierarchy level 2 (31/12 / 2018: 625).
- In July 2018, the Group issued a balance of hedge, through which it will swap variable income from sale of wind farm electricity to the US for a fixed payment. The contract in question is only financially settled and does not include product swap. The Group entered into the aforementioned contracts with the ultimate purpose of using them to hedge the risk of market price changes and, secondary, their effect on revenue from sale of electric energy. The balance changes transaction effective date was 03/07/2018. As at 30/06/2019 and 31/12/2018, the aforementioned contract did not comply with hedging of cash flow risk provisions stated in IFRS 9. Unrealized losses from valuation of balance of hedge, standing at € 610 k, constitute operating losses of the wind farm, therefore they are recorded additionally to Turnover.
- In September 2018, the Group issued two derivatives, a forward contract for sale of electricity at a predetermined price, physical, and a collar option. Regarding the physical contract, the effective date will be 01/11/2019, while regarding the collar - 01/11/2024. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary constructs and will operate the second wind park of 158 MW-capacity in West Texas of the United States. As at 30/06/2019, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivative requirement was determined at € 1.511 thousand as at 30/06/2019 (31/12/2018: € 3.449 thousand) and have been classified in the fair value hierarchy level 3.

As the Group has established that all the provisions of IFRS 9 are comped with, it relies on using cash flow hedging accounting. Thus, during the period of 2019, profit from changes in fair value attributable to the non-effective cash flow hedging of € 5.992 k (profit) (2018: profit of € 66 k) was recognized in the income statement for the period, in the item "Earnings from financial instruments measured at fair value", while the part of changes in fair value corresponding to the effective hedging of cash flow risk of € 3.039 k (profit) (2018: loss of € 1.415 k) was recognized in the item "Cash flow risk hedging" in the statement of other comprehensive income.

(Amounts in thousand Euro, unless otherwise stated)

16. PROVISIONS

Changes in the relevant provision regarding the Group and the Company as at 30/06/2019 and 30/06/2018 are briefly recorded as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Balance 1 January	**17.235**	**15.310**	**3.924**	**3.755**
Additions recognized in the Income Statement	460	412	93	82
Additions recognized in tangible assets	-	765	-	-
Foreign exchange differences	60	(32)	1	1
Balance 30 June	**17.755**	**16.455**	**4.018**	**3.838**

All the aforementioned provisions of the Group and the Company are presented as long-term provisions. Except for the provision of landscape rehabilitation, all other provisions are not presented at discounted amounts, as there is no accurate estimate of their payment date.

The companies of the Group's energy sector are under obligation to proceed with environmental rehabilitation in locations, where they have installed electricity production units following the completion of the operations based on the effective licenses granted by the states where the installations are being implemented. As at 30/06/2019, the aforementioned provision regarding the Group stands at €16.859 k (€ 15.559 k as at 30/06/2018) and regarding the Company – at € 3.257 k (€ 3.076 k as at 30/06/2018) and reflects the expenses required for the removal of equipment and restoration of the area in which the equipment used to be installed, applying available technology and materials.

The remaining amount of provisions mainly refer to provisions for pending litigations and tax inspection differences (Note 27).

17. GRANTS

Grants on 30/06/2019 and 30/06/2018 regarding the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Balance 1 January	**141.336**	**143.294**	**20.175**	**17.552**
Approved and collected grants	-	3.882	-	3.882
Amortization recognized in the Income Statement (Note 19)	(3.986)	(3.903)	(629)	(629)
Foreign exchange differences	497	966	-	-
Balance 30 June	**137.847**	**144.239**	**19.546**	**20.805**

Grants relate to government grants for the development of Wind Farms and are amortized in the Condensed Interim Income Statement for the period they refer to, according to the depreciation rate of granted fixed assets.

(Amounts in thousand Euro, unless otherwise stated)

The “Grants” include approved though not collected grants, totaling € 1.479 k , classified as “Prepayments and other receivables”. These grants were recognized based on the Group Management’s certainty that all the terms and conditions, facilitating their collecting, are complied with and that eventually the amounts will be received following the completion of the relevant investments.

18. ACCRUED AND OTHER SHORT-TERM LIABILITIES

As at 31/12/2018, the Company's and the Group's accrued and other current liabilities include an amount of € 34.175,7 k, which relates to the Company's obligation to return capital pursuant to as of 18/10/2018 Decision of the Extraordinary General Meeting of the Company's Shareholders.
In particular, on 18/10/2018, the Extraordinary General Meeting of shareholders decided to increase the share capital of the Company by € 34.175,7 k, by capitalizing part of the special reserve with the issue of share premium by increasing the nominal value of each share from € 0,30 to € 0,60 and simultaneously, decreasing the Company's share capital by € 34.175,7 k by decreasing the nominal value of each share from € 0,60 to € 0,30 and the refund of this decrease to be returned the shareholders. The aforementioned payment effected on 14/01/2019, when the Company paid almost all the amount through a relevant credit institution. Same day, the procedure was completed and the return product that was not paid to the investors will remain in the Company's funds as pending claim by the beneficiaries.

The unallocated amount of € 35 k can be collected by the beneficiaries through a bank, until 31/12/2019. After 31/12/2019 the cash return will be paid only at the Company's offices.
At the same time, the Company's liabilities increased by € 18.110 k due to the amounts raised from a forthcoming share capital decrease in a subsidiary in Cyprus.

19. OTHER INCOME/(EXPENSES)

The other income/(expenses) as at June 30th, 2019 and 2018, are analyzed as follows:

Other income

	GROUP		COMPANY	
Other income	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Income from waste material sales	1	48	8	28
Income from other services	-	1	-	-
Income from leases	13	19	33	15
Income from expenses debit	-	89	-	89
Income from insurance indemnities	3.089	92	2.688	19
Income from forfeiture of penalties	150	125	-	-
Assets grants amortization (Note 17)	3.986	3.903	629	629
Tax benefit amortization (Note 13)	1.932	1.592	-	-
Other income	696	1.064	101	1.138
Reversal of impairment of receivables	-	-	-	85
Foreign exchange differences (credit)	771	88	-	-
Total other income	**10.638**	**7.021**	**3.459**	**2.003**

(Amounts in thousand Euro, unless otherwise stated)

Other expenses

	GROUP		COMPANY	
Other expenses	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Non accounted for fixed assets depreciation	(346)	-	(346)	-
Tax, duties and insurance contribution of previous years	(21)	(2)	(5)	(2)
Other expenses	(169)	(150)	(88)	(133)
Impairment/Write off	(366)	(2.412)	(29)	-
Foreign exchange differences (debit)	-	(27)	-	2
Total other expenses	**(902)**	**(2.591)**	**(468)**	**(133)**
Total other income/(expenses)	**9.736**	**4.430**	**2.991**	**1.870**

20. REVENUE FROM PARTICIPATING INTEREST AND OTHER INVESTMENTS

The item "Revenue from participating interests and other investments" includes revenue from dividends required by the Company from its subsidiaries. The increase by 32,8%, in the reporting period 01/01/2019-30/06/2019 compared to the period 01/01/2018-30/06/2018, arises from the dividend of subsidiary ENERGIAKI SERVOUNIOU S.A., amounting to € 10.010 k.

21. NUMBER OF HEADCOUNT

The average headcount of full-time employees in the Group in the first six-month of 2019 was 303, and the Company - 203 (254 and 129 respectively in the first six-month of 2018).

22. INCOME TAX

Income tax expenses are recorded based on the Management's best estimate of the weighted average annual tax rate for the entire year.

The weighted tax rate for the six-month period ended 30/06/2019 for the Group was 21,69% while for the Company it was 3,44%. In the corresponding period of 2018, the tax rate was 34,10% for the Group and 9,18% for the Company.

The effective tax rate for the six-month period ended 30/06/2019 for the Company is recorded decreased due to revenue from dividends of subsidiaries amounting to € 22.869 k (2018: € 17.218 k) tax-exempt.

In accordance with the Greek tax legislation, and in particular with Article 23 of Law 4579/2018, income tax rates are gradually decreased to twenty-eight percent (28%) for 2019 tax revenues, to twenty-seven percent (27%)) for the tax year 2020, at twenty-six percent (26%) for tax year 2021 and twenty-five percent (25%) for tax year 2022 onwards. The corresponding tax rate for the previous period was 29%. The effective final tax rate differs from the nominal one. The effective tax rate is influenced by a number of factors, the most important being the non-tax discount of certain expenses, the differences in depreciation rates that arise between the useful life of the asset and the rates defined by CL. 4172/2013 and the ability of companies to form tax-free discounts and tax-free reserves.

Pursuant to relevant tax provisions: a) Article 84, par. 1 of Law 2238/1994 (non-inspected income tax cases), b) Article 57, par. 1 of Law 2859/2000 (non-inspected IVA cases) and c) Article 9 par. 5 of Law 2523/1997 (imposing penalties on income tax cases), the right of the State to levy tax for the fiscal years up to 2012 has been time barred until 31/12/2018, without prejudice to special or exceptional provisions which may provide for a longer limitation period and subject to the conditions applied. An exception to this is Terna Energy SA, which has been notified of a partial tax audit order extending the State's right to tax for the fiscal year 2012.

In addition, it is settled case-law of the Council of State and Administrative Courts that, in the absence of a statute of limitations in the existing Stamp Duty Code , the State's claim for stamp duty is subject to Article 249 of the Civil Code for twenty year statute of limitations.

23. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01 - 30/06/2019 and the comparative six-month period 01/01-30/06/2018, as well as the other receivables and liabilities arising from such transactions as of 30/06/2019 and 30/06/2018, are as follows:

Company's transactions with subsidiaries

a) Assets	**Company**	
Amounts in € '000	**30/06/2019**	**30/06/2018**
Customers	27.285	24.975
Loans	105.870	93.050
Intra-group receivables from cash and other receivables	49.609	6.589
Total	**182.764**	**124.614**

b) Liabilities	**Company**	
Amounts in € '000	**30/06/2019**	**30/06/2018**
Suppliers	385	814
Loans and other liabilities	139.054	111.532
Other liabilities	30.075	7.156
Total	**169.514**	**119.502**

c) Income	**Company**	
Amounts in € '000	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Financial income	2.777	2.507
POC construction material	6.983	15.652
Repairs and maintenance	2.756	2.548
Income from trading electric energy	3.144	1.282
Other services	566	4
Other income	41	76
Total	**16.267**	**22.069**

c) Expenses

	Company	
Amounts in € '000	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Other expenses	112	2
Financial expenses	3.659	2.716
Electric energy acquisition cost	2.783	1.380
Total	**6.554**	**4.098**

Transactions with other related parties

a) Assets

	Group		Company	
Amounts in € '000	**30/06/2019**	**30/06/2018**	**30/06/2019**	**30/06/2018**
Customers	4.887	8.035	4.882	8.029
Loans and Guarantees	61	134	4	3
Other short-term receivables	793	986	660	1.071
Total	**5.741**	**9.155**	**5.546**	**9.103**

b) Liabilities

	Group		Company	
Amounts in € '000	**30/06/2019**	**30/06/2018**	**30/06/2019**	**30/06/2018**
Suppliers	816	1.113	693	1.023
Loans and other liabilities	6	-	-	-
Liabilities from capital refunds	-	9.507	-	9.507
Other liabilities	699	1.343	208	198
Total	**1.521**	**11.963**	**901**	**10.728**

c) Income

	Group		Company	
Amounts in € '000	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Financial income	25	41	8	-
Income from construction services	-	142	-	142
Income from trading electric energy	2.659	373	-	-
Other income	27	34	27	64
Total	**2.711**	**590**	**35**	**206**

c) Expenses

	Group		Company	
Amounts in € '000	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
Other expenses	446	175	434	277
Financial expenses	43	1	2	-
Other third parties services	534	367	141	74
Electric energy acquisition cost	1.392	1.113	-	-
Total	**2.415**	**1.656**	**577**	**351**

(Amounts in thousand Euro, unless otherwise stated)

The most significant transactions and balances of the Company with its subsidiaries as at 30/06/2019 are presented below:

		RECEIVABLES	LIABILITIES	INCOME	EXPENSES
Most significant transactions and balances of the Company					
TERNA ENERGY SA – ENERGIAKI SA & CO AIOLIKI ANATOLIKIS ELLADOS S.A.	Subsidiary	5.862	-	1.458	-
TERNA ENERGY TRADING DOO BEOGRAD	Subsidiary	219	-	2.314	1.851
TERNA ENERGY SA- ENERGIAKIS SA & CO AIOLIKI MARMARIOU EVIAS S.A.	Subsidiary	13.512	-	1.848	-
TERNA ENERGY SA- ENERGIAKI SA & CO ENERGIAKI DYSTION EVIAS S.A.	Subsidiary	7.367	-	1.100	-
TERNA ENERGY SA – ENERGIAKI SA & CO ENERGIAKI STYRON EVIAS S.A.	Subsidiary	5.809	-	1.070	-
TERNA ENERGIAKI AI GIORGIS SA	Subsidiary	40.005	173	1.499	-
TERNA AIOLIKI AMARYNTHOU SA	Subsidiary	15.263	-	1.691	-
ENERGIAKI PELOPONNISOU SA	Subsidiary	14.941	-	548	-
AEIFORIKI EPIRUS MONOPROSOPI SPECIAL PURPOSE SOCIETE ANONYME	Subsidiary	7.418	-	762	103
PERIVALLONTIKI PELOPONNISOU SA	Subsidiary	15.593	13.116	351	-
ENERGIAKI SERVOUNIOU SA	Subsidiary	10.331	24.407	148	633
TERNA ENERGY MAEX	Subsidiary	-	60.629	-	2.019
TERNA ENERGIAKI EVROU SA	Subsidiary	2.046	24.013	175	528
TERNA ENERGY OVERSEAS LTD	Subsidiary	279	28.110	-	-
		138.645	**150.448**	**12.964**	**5.134**

BoD fees for the period 01/01-30/06/2019 and 01/01-30/06/2018 are as follow:

	GROUP		COMPANY	
	01/01 - 30/06/2019	**01/01 - 30/06/2018**	**01/01 - 30/06/2019**	**01/01 - 30/06/2018**
BoD fees	732	488	700	488
Executive fees included in non-executive members of the BoD	496	492	261	319
	1.228	**980**	**961**	**807**

24. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Financial derivatives held by the Group in its trade portfolio constitute the only financial instruments that at 30/06/2019 are measured at fair value. Other comprehensive income recognized directly in equity for the period 01/01/2019-30/06/2019 includes profit amounting to € 3.039 k, which is recorded in cash flow hedge reserves.

The Group has adopted the revision of IFRS 7 regarding the fair value hierarchy at the following levels:

- Level 1: Quoted prices in active markets
- Level 2: Inputs from valuation models based on observable market data
- Level 3: Inputs from valuation models not based on observable market data.

The Group's financial derivatives are classified into Level 2 and 3.

Level 2 financial derivatives pertain to forward rate swaps and contracts for the exchange of revenue from the sale of electricity, while Level 3 financial derivatives pertain to collar, swaption and futures contracts for sale of electricity (physical). In order to define the fair value, the Group applies appropriate valuation methods depending on the category of the financial instrument. As far as forward rate swaps contracts are concerned, fair value is measured by means of referring to market interest rate curves, through valuations conducted by credit institutions and in conjunction with an internal valuation using interest rate curves.

Regarding other derivatives, their fair value is determined using future market prices and discounting their estimated future value at present value.

Financial assets measured at fair value are analyzed as at 30/06/2019 at the abovementioned hierarchy levels as follows:

Amounts in thousand €

Financial asset	Hierarchy level	Fair value of asset/(liability)	Change in Net profit/(losses)	Change in Other comprehensive income /(losses)
Receivables from cash flow hedging derivatives and other derivatives	2	74	74	(633)
Receivables from cash flow hedging derivatives and other derivatives	3	13.083	6.122	3.673
Liabilities from cash flow hedging derivatives and other derivatives	2	(7.795)	536	(2.498)
Liabilities from cash flow hedging derivatives and other derivatives	3	(1.331)	(130)	2.287

Financial assets measured at fair value are analyzed as at 31/12/2018 at the abovementioned hierarchy levels as follows:

Amounts in thousand €

Financial asset	Hierarchy level	Fair value of asset/(liability)	Change in Net profit/(losses)	Change in Other comprehensive income /(losses)
Receivables from cash flow hedging derivatives and other derivatives	2	625	-	289
Receivables from cash flow hedging derivatives and other derivatives	3	3.304	2.239	(52)
Liabilities from cash flow hedging derivatives and other derivatives	2	(5.825)	(512)	(754)
Liabilities from cash flow hedging derivatives and other derivatives	3	(3.449)	(1.151)	(2.188)

Amounts in thousand €	30/06/2019		
	LEVEL 1	LEVEL 2	LEVEL 3
Opening balance	-	(5.201)	(145)
Effect from cash flow hedging derivatives and other derivatives			
- Effect on the income statement from valuation of derivatives	-	610	5.992
- Effect on other comprehensive income from valuation of derivatives	-	(3.131)	5.960
- Foreign exchange differences	-	1	(55)
Closing balance	-	**(7.721)**	**11.752**

Amounts in thousand €	31/12/2018		
	LEVEL 1	LEVEL 2	LEVEL 3
Opening balance	-	4.231	(998)
Effect from cash flow hedging derivatives and other derivatives			
- Effect on the income statement from valuation of derivatives	-	512	(1.088)
- Effect on other comprehensive income from valuation of derivatives	-	465	2.240
- Foreign exchange differences	-	(8)	(8)
Closing balance	-	**5.200**	**146**

25. EFFECTIVE LIENS

In order to cover financing needs regarding new projects, the Company and the Group issue notional collateral on its current assets as well as liens (usually in the form of mortgages) on its non-current assets as guarantees to the creditors.

Information on the amount of collateral is provided in Notes 7 and 14.

26. SIGNIFICANT EVENTS DURING THE PERIOD

During the first six-month of 2019 the following significant events occurred:

- On March 27th, 2019, the project "Municipal Solid Waste Treatment Plant of Epirus Region" (hereinafter MEA Epirus) commenced commercial operation. The project was implemented by Epirus Region and "Aeiforiki of Epirus", a 100% subsidiary of TERNA ENERGY Group, with the vital contribution of the Public & Private Partnerships (PPP) Special Secretariat. With the commercial commencement of the Waste Processing Plant of Epirus, an important part of the Regional Waste Management Plan has been implemented in line with the National Waste Management Plan and the existing European legislations. The maximum annual capacity of MEA Epirus is 105.000 tn. The Waste Processing Plant will be recycling at least 17,000 tons of appropriate materials and will be producing green energy of 10,800 KWh per Green Energy year with the capacity to satisfy the needs of 3.000 families and generate savings of 12.000 tons of CO2.
- In 2019, In the first quarter of 2019, the construction of nine (9) Wind Farms with a capacity of 121 MW started in 9 locations respectively in Evia. In particular, in the first quarter, the construction pertained to two wind farms in Pyrgari-Dardiza and Exostis, while in the second quarter, the construction of two wind farms started in the areas of Voureza and Pyrgari. The construction of the remaining wind farms will start in the third and fourth quarters. The total project budget is approximately € 150 million and the completion of Wind Farms is expected to take place in the first and second quarters of 2020. Installation licenses have been obtained for the construction of these Wind Farms and electricity sales contracts have been signed with LAGIE. The sales contracts are of 20 year maturity with a guaranteed feed-in-premium sale price (FiP) if the projects are completed by 31/12/2020.
- On 16/04/2019, the Company announced that the Group through its 100% subsidiary TERNA DEN LLC (a subsidiary of TERNA ENERGY USA HOLDING CORPORATION) entered into a Membership Interest Purchase Agreement (the "Transaction"), for the acquisition of a wind farm localized in Texas (Glasscock Country) USA with an installed capacity of 200 MW. The wind farm is operating since January 2018 and has been co-financed by Tax Equity Investor (TEI). The total cost of the investment arise to the amount of $ 310 million. The completion of the above Transaction is subject to specific heresies, consents and actions to be performed, as set forth in the Agreement between the Parties. With the new wind park, TERNA ENERGY Group's total installed and under construction capacity in the US will be 651 MW.
- On 30/06/2019, a 158 MW wind farm is under construction in Texas, USA (Fluvanna II). The construction is expected to be completed within the 3rd quarter of 2019. The total project budget is approximately € 224 million. On 30/06/2019, the total investment carried out since the beginning of its construction amounts to € 158,6 million. A tax equity investor (TEI) has been contracted to finance the project, under which the TEI will pay approximately $ 140,1 million.

- In the context of RAE Decision No. 230/2019, "Conducting a Common Competitive Tender Procedure for Renewable Power Plants" and given the final results of the Electronic Auction held on 15 April 2019, the Wind Farms in the Evritania region (in particular KASTRI - KOKKALIA, TYBANO - TRIPIRI, KARAVI ALOGOVOUNI, PIKROVOUNI), with a capacity of 66,6 MW, have been selected to be eligible for support in the form of operating aid through a competitive bidding procedure and a fixed sale price of electricity produced has already been secured.
- At the Regular General Meeting of the Shareholders held on 05/06/2019, it was announced that a by 100% owned subsidiary of "TERNA ENERGY FINANCE SA" is considering the issuance of a new Bond Loan of € 120 million to € 150 million for refinancing the implementation of the Investment Plan.

27. CONTINGENT ASSETS AND LIABILITIES

27.1 Tax non-inspected years

The Group's tax liabilities are not finalized due to non-inspected FYs, analyzed in Notes 4 and 22 to the Financial Statements for the six-month period ended as at 30/06/2019. As far as the non-inspected FYs are concerned, additional taxes and surcharges can be potentially imposed when the aforementioned FYs are inspected and finalized. The Group makes an annual estimate of the contingent liabilities that are expected to arise from the inspection of past years, making relevant provisions where necessary. The Group has made provisions for non-inspected FYs of € 560 k (31/12/2018: € 560 k).

The Management estimates that, apart from the provisions it has made, any potentially arising tax amounts will have no material impact on the Group's and Company's equity, income statement and cash flows.

Tax Compliance Reports

The Group companies operating in Greece and meeting the relevant eligibility criteria for the tax audit of the Certified Public Auditors received a Tax Compliance Report, for the years 2011 to 2017, in accordance with par. 5 of Article 82 of Law 2238/1994 and Article 65A par. 1 Law 4174/2013, without substantial differences arising. It is to be noted that according to the Circular 1006/2016, the companies that have been subject to the above special tax audit are not exempted from statutory audit of the competent tax authorities. Further, according to the relevant legislation, for the FYs 2016 onwards, the audit and the issuance of the Tax Compliance Report are optional.

In FY 2018, the Group companies operating in Greece and meeting the relevant eligibility criteria for the conduct of audit by Certified Public Auditors, a special audit for the purposes of issuing a Tax Compliance Report for FY 2018 is in progress and the relevant tax certificates are expected to be issued after the publication of the condensed interim financial statements for the period ended as at 30 June 2019. Following the completion of these tax audits, the Management does not expect that significant tax liabilities will arise apart from those recorded in the financial statements of the Group and the Company.

It is to be noted that according to Circular 1192/2017, the right of the State, to charge tax until the fiscal year 2012, has been barred, unless the specific provisions on 10, 15 and 20 years of limitation apply.

At the date of preparation of the accompanying financial statements, tax non-inspected years (including FY 2018) of the Company and the Group's consolidated companies are presented in Note 4.

27.2 Commitments from construction contracts

As at 30/06/2019, the outstanding balance arising from the Group construction contracts amounts to € 5,2 million (31/12/2018: € 6,9 million).

27.3 Litigations

The Company and its consolidated companies are involved (as defendant and plaintiff) in various litigations in the context of their normal operation. The Group makes provisions in the financial statements for outstanding legal cases when it is probable that an outflow of resources will be required to settle the obligation and that the amount can be estimated reliably.

In this context, the Group recognized as at 30/06/2019 provisions of € 200 k (31/12/2018: €200 k). The Management, as well as legal consultants, consider that outstanding cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company, or the results of their operation apart from the provision already made for litigations.

In particular:

TERNA ENERGY S.A.

- Legal action was taken against Terna Energy S.A. by the residents of the Municipality of Sitia, Lassithi, Crete regarding a total amount of € 2.523 k. for tort law property and moral damage due to the Company's acquisition of a license for a locally established Wind Farm electricity production. According to the Company's legal consultants, the lawsuit will not be settled successfully for the claimant.
- Legal action was taken against Terna Energy S.A., of Terna S.A., and the joint venture under the title Euro Ionia Joint Venture by the Company FERROVIAL AGROMAN S.A.. The claim totals € 1.241 k as compensation for moral damage. In compliance with the estimates of the Company's legal consultants, an amount of € 100 k. has been recognized as a provision in the Company's books and records in the item "Other provisions".

PERIVALLONTIKI PELOPONNISOU S.A.

- Pecuniary claim for moral damage was filed by Argyrios Besos, Margarita Emmanuel Vrentzou, Vasiliki Panayiotis Mousse and Iraklis Besos against the company PERIVALLONTIKI PELOPONNISOU S.A. at the First Instance Court of Tripoli.

Damage demanded by every aforementioned claimant amounts to € 50 k. Proposals regarding the litigation were submitted on 3/5/2019 and the case hearing is yet to be defined. According to the Company's legal consultants, the lawsuit will not be settled successfully.

AEIFORIKI EPIRUS SA

- Epirus Prefecture, with prot. no. 45431/142 / 1.4.2019 letter notified the company of a penalty amount of Euro 690,000 due to failure to make available the Epirus Prefecture Waste Treatment Plant Services at the Scheduled Date, in accordance with the terms of 21/07/2017 Agreement. The Company considers that the delay in not achieving service availability on the Scheduled Date is not due to its fault, and will therefore resort to the arbitration procedure provided for in the Agreement to cancel that penalty. The Group's Management estimates that the penalties imposed will not be settled successfully and the company will not be subject to financial burdens.
  This assessment is also based on the submitted Arbitration Appeal – Arbitrator Appointment and Arbitrator Referee Appointment Invitation with which AEIFORIKI EPIRUS MAE raises its own objections, claims and demands (see note 28).

Contingent Assets

TERNA ENERGY AI-GIORGIS S.A.

Lawsuit was filed against Panama domiciled company SILVER SUN SHIPPING S.A., which also operates office premises in Greece, regarding tort law payment of € 18.514 k in compensation of loss and adverse effect of profits suffered by the Company due to damage. On 13/3/2018, decision No. 1291/2018 was issued justifying a part of the lawsuit, and the TERNA ENERGY AI-GIORGIS S.A. is to receive an amount of € 12.034 from the beginning of 2017. Since the aforementioned decision established that the Company was co-responsible for damage at a percentage of 35%, the Company has appealed to the Three-Member Court of Appeal of Piraeus against the decision No. 1291/2018, settled for hearing on 15/11/2018.
On the same date, the appeal, made by the opponent against the decision No. 1291/2018 was also to be heard. According to the Company's legal consultants, the appeal filed by the Company is expected to be accepted, though the appeal made by the opponent is expected to be rejected.
At the same time, TERNA ENERGY AI-GIORGIS S.A. has filed a lawsuit against the insurance company under the title UK PROTECTION & INDEMNITY CLUB (UK P & I CLUB), requesting the defendant insurance company to pay to its member Company under the title SILVER SUN SHIPPING SA an amount of € 18.514 k. The lawsuit was heard on 19/10/2017 and the decision No. 1394/2018 was issued rejecting the lawsuit. The Company's legal consultants are examining the actions in respect of potential appeal.

27.4 Letters of Guarantee

In the course of carrying out its activities, the Group issues bank letters of guarantee in order to assure its counterparties of the fulfillment of obligations arising from the terms of its contracts.

The types and amounts (in thousands of Euro) of the letters of guarantee issued by the Group to its counterparties are analyzed in the following table as at 30/06/2019 :

Type of Letter of Guarantee	Amount
Contract execution guarantees for construction	30.209
Guarantees of payment	872
Tender guarantees	984
Guarantees of warranty execution for Agreements of Private and Public Sector	8.000
Guarantees of warranty execution for Grants	34.057
Guarantees of warranty execution for Other Agreements	705
Guarantees of credit return	5.307
Total	**80.135**

28. SIGNIFICANT EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

- On 23/07/2019, AEIFORIKI EPIRUS S.A. submitted to the Region of Epirus Arbitration Appeal – Arbitrator Appointment and Arbitrator Referee Appointment Invitation as of 19/07/2019 asking to define as unlawful a fine of € 690 thousand imposed on it as well as the return of the following amounts to the company with the legally effective default interest: (a) € 989 thousand as compensation for material damage causing prolongation of the construction period; (b) € 697 thousand as compensation for loss of income during the above period; (c) € 325 thousand as compensation for the cost of carrying out additional MAE Epirus control tests, (d) € 817 thousand as compensation for loss of revenue during the first year of operation of MAE Epirus, (e) € 1.048 thousand as compensation for the loss of revenue during the second year of operation of MAE Epirus.
- On 17/07/2019, the Company repaid the total nominal value of the issued bonds that had been covered by TERNA ENERGY MAEX, pursuant to the Common Bond Loan Issuance Scheme as of 12/07/2017, up to € 60.000 thousand, in compliance with clause 4 of the CBL Program ("Prepayment"). As part of the prepayment and in accordance with the provisions of the CBL Program, the following amounts were paid on Wednesday, July 17, 2019:

  (a) the total nominal value of bonds, i.e. € 1.000 per bond;
  (b) interest accrued until 17 July 2019, the gross amount of interest due for the 4th Interest Period (17/1/2019-17/7/2019) standing at Euro 1.432,5 thousands; and
  (c) an additional prepayment amount equal to 1% of the nominal value of the prepaid bonds, i.e. € 10 gross amount per bond.

  On 17/07/2019, the Company deposited an amount of € 1.301 thousand to TERNA ENERGY MAEX as an amount scheduled for Share Capital Increase, in order to cover the cash needs of TERNA ENERGY MAEX, since as at 30/06/2019, TERNA ENERGY MAEX recorded negative working capital.

(Amounts in thousand Euro, unless otherwise stated)

- On 22/07/2019, following as at June 7, 2019 announcement, TERNA ENERGY MAEX repaid the total nominal value of the issued bonds pursuant to the Common Bond Loan Issuance Scheme as of 12/07/2017, up to € 60.000 thousand and the Bondholders' Representatives Appointment Agreement (the "CBL Program"), in compliance with clause 4 of the CBL Program ("Prepayment"). In this context, 17/07/2019, was designated as the last day of trading on the ATHEX of the aforementioned bonds. As part of the prepayment and in accordance with the provisions of the CBL Program, the following amounts were paid on Monday, July 22, 2019:
  (a) the total nominal value of bonds, i.e. € 1.000 per bond;
  (b) interest accrued until 22 July 2019, the gross amount of interest due for the 4th Interest Period (21/1/2019-22/7/2019) standing at Euro 1.167,8 thousands; and
  (c) an additional prepayment amount equal to 1% of the nominal value of the prepaid bonds, i.e. € 10 gross amount per bond.
- In July 2019, a 5% haircut due on the unamortized balance of € 6.213 thousand of EOLOS POLSKA sp.z.o.o's loans was decreased. The loan balance was repaid on 02/08/2019.
- On 01/08/2019, the Group received a letter from Unicredit Bulbank, stating that the Bank agrees that failure to comply with the financial covenants established in the loan agreements of the Bulgarian subsidiaries will not constitute loan default but, simply, will activate the cash sweep. The companies in Bulgaria comply with their contractual obligations in terms of loan agreements.
- In July 2019, the Group disbursed a total amount of € 112.000 thousand from short-term loans (overdrafts) in order to cover operating cash needs and / or realization of investment expenses.

29. FINANCIAL STATEMENTS APPROVAL

The condensed interim separate and consolidated Financial Statements for the six-month period ended 30/06/2019 were approved by the Board of Directors of TERNA ENERGY SA on 28/08/2019.

		Chief Financial Officers		
Chairman of the Board of Directors	Chief Executive Officer	Operation	Finance	The Head of Accountant
George Peristeris	Emmanuel Maragoudakis	Emmanouel Fafalios	Aristotelis Spiliotis	Artan Tzanari
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