# Six-month Financial Report

# for the period ended as at June 30$^{th}$ 2020

# (1 January - 30 June 2020)

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

**(amounts in € thousand unless otherwise mentioned)**

**Industrial Commercial Technical Societe Anonyme**
**85 Mesogeion Ave., 115 26 Athens, Greece**
**Societe Anonyme Reg. No. 318/06/B/86/28**
**G.E.MI Reg. No. 312701000**

CONTENTS

## I. 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:

- George Peristeris, Chairman of the Board of Directors
- Emmanuel Maragoudakis, Chief Executive Officer
- George Spyrou, Executive Member of the Board of Directors

WE HEREBY DECLARE AND CERTIFY

To the best of our knowledge that:

**a.** The attached six-month financial statements of the Company TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY (the Company) for period from January 1st 2020 to June 30th 2020, prepared according to the applicable International Financial Reporting Standards (IFRS), adopted by the European Union and applied in the Interim Financial Reporting (International Accounting Standard 34) present truly and fairly the assets and liabilities, the equity as at 30/06/2020 and the comprehensive financial results of the Company for the first six-month period of 2020 as well as of the companies included in the consolidation in aggregate, according to par. 3 – 5 of article 5 of Law 3556/2007, and

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

Athens, 01 September 2020

| George Peristeris | Emmanuel Maragoudakis | George Spyrou |
|---|---|---|
| Chairman of the BoD | Chief Executive Officer | Member of the BoD |

## II. SIX-MONTHREPORT OF THE BOARD OF DIRECTORS on the consolidated and separate financial statements of the Company "TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY" for the period 01/01/2020 – 30/06/2020

The current Six-month Report of the Board of Directors, pertaining to the interim period from January 1st to June 30th 2020, has been prepared and is in compliance with the provisions of Law 4548/2018 and Article 5 of Law 3556/2007 and the relevant executive decisions of the Hellenic Capital Market Commission Board of Directors.

The financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union and, in particular, in accordance with IAS 34.

### Introduction

The current report briefly presents the financial information for the six-month reporting period, as well as the most significant events that took place (before and after the reporting date of the financial statements). It also describes the main risks and uncertainties that the Group may face during the second half of 2020 and, finally, lists the significant transactions that took place between the issuer and its affiliates.

In section E, special reference is made to the sudden outbreak and rapid spread of COVID-19 around the globe, as well as to the serious adverse effects it caused, both to the citizens' health and to the national economy of every affected state.

### A. Financial Developments & Performance for the Reporting Period

Greece, mainly thanks to timely reaction of the state, thorough scientific excellence and heroic effort of the medical professionals that undertook the burden of addressing the coronavirus pandemic, as well as the fact that the citizens accepted restrictions imposed on their transpiration, managed to be distinguished for the effectiveness of the specifically generated mechanism, since the country recorded very low number of COVID-19 cases and a very small number of deaths. Despite the tragedy of the situation around the globe and the extremely adverse effects of the pandemics on the world economy, Greece has managed to set a good example to follow and strengthened its position as an investment-friendly country, a stronger and a more stable one after the previous decade-long economic crisis, hospitable, open as a society, creative and ready to transmit new standards, new ideas and social values to the world.

TERNA ENERGY Group, as Mr. George Peristeris, Chairman of the Board has repeatedly pointed out, believes in the potential of the Greek society and the growth dynamics of our national economy, continues to invest significant amounts on annual basis, even during major crises, such as the current COVID-19 pandemic.

The question arising now, both nationally and globally, is: "what will it be like after the virus?"

It is for the first time in the last thirty years that projections made by reputable and strong development organizations as well as rating agencies, fail to approach the size of a risk of financial or business object, with reliability and relative accuracy. It is typical that during the first stages of the spread of coronavirus, the projections of all the aforementioned institutions estimated that Greece economic sizes would deviate by approximately 50% from those recorded presently. This situation raises reasonable questions and increases the level of uncertainty and anxiety of ordinary citizens, especially those who do not have a minimum level of knowledge in economics. As far as the approach to the course of economic sizes is concerned, every different scenario generates multiple interpretations, thus causing delays in decision making regarding urgent and/or particularly crucial issues. The fast pace of the developments gives rise to stress and insecurity faced by the decision makers, who, in turn, cannot meet the requirements of the situations they are required to address with cool heads.

OECD has pointed out that Greece will suffer a short-term damage, despite the fact that, in addition to production, both employment and tourism, which is the most significant generator of Greece's national wealth, have been adversely affected. OECD attaches great importance to reforms and their introduction across the spectrum of public administration, applying modern design, innovation and digitization of public sector functions and services as quickly as possible. It is also noted that the large number of micro-businesses on which the Greek economy is based, to a significant degree, did not yield the expected result due to low productivity.

Moreover, with the view to strengthening Greece's productive capacity so that it could shortly recover, OECD makes the following suggestions: reducing social security contributions and addressing tax evasion, strengthening social cohesion and ensuring that the country's high poverty rate is reduced, strengthening the public investment plan, mainly in infrastructure, rationalization of banks' balance sheets through reduction of Non-Performing Loans and deferred tax. Systematic implementation of the aforementioned measures in the form of a package of actions can add 5.2% to GDP by 2030 and 24.2% by 2050. If, in parallel with the above, the workforce increases (in line with increased fertility), the above percentages will stand at 7.1% and 35.6% respectively.

COVID-19 pandemic remains the hot topic in the news both in Greece and almost globally. Economic and political analysts try to "predict" what happens next, not only in terms of our personal health, but also in the context of our social responsibility to any third party (family or other), related to us, as well as in our individual contribution to expansion of collectivity and solidarity between the nations. Achieving this goal is not at all easy and simple. However, the effort must be made in the belief that it will be achieved. Today, we have at our disposal a unique opportunity, through shared fears and goals, to quickly decide where and with whom we want to reach the end and trust each other in order to increase our chances to succeed. After all, social and economic objectives go hand in hand. Mankind's victory over coronavirus is both - an economic and a social aim. In this context, we shall all study the views of experts on social and economic integration and be prepared to welcome new conditions with consent and willingness.

The ongoing development course of both- the Greek Economy and the Global Economy as a total - are the most tested by the outbreak and spread of COVID-19, whose impact on economic activity cannot be accurately assessed at this stage, as the term of the spread of this phenomenon is still unknown.

The year 2020 is expected to be a pivotal year for Renewable Energy Sources (RES), as the Greek Government has disclosed the framework for the national energy and climate strategy, which prioritizes rapid penetration of RES so that they cover at least 35% of the energy mix of the country by 2030. These policies are also in line with the binding objective, set for the member states by the European Union, thus aiming to increase the share of RES in energy production and consumption.

In more general terms, the RES segment and business operations, related to strengthening the green economy and protecting the environment, effectively contribute to sustainable development of the global economy, significantly enhance investment interest and broaden the prospects for further long-term growth. This framework creates favourable conditions for the ongoing development course of our Group and its achieving leading position in all the markets where the Group decides to operate.

During the first half of 2020, the capacity of wind farms in our country exceeded 3,889 MW. During this period, 107 new wind turbines were connected to the network, with a total output capacity of 287.3 MW. The increase is 8% compared to the end of 2019 portfolio of wind projects that inject electricity into the network.

At the level of Regions, Central Greece remains at the top of wind farms as it hosts 1,484.9 MW (38%), followed by the Peloponnese with 619.2 MW (16%) and Eastern Macedonia - Thrace with 481.2 MW (12%). TERNA ENERGY with 585.9 MW (15.1%) is at the top of the business groups operating in the RES segment, according to the data announced by the Hellenic Wind Energy Association (HWEA).

The increase in wind farms investments is a significant achievement, attributed to the efforts of the companies operating in Greece, despite the unfavourable and complex regulatory environment.

The Group has more than 1,800 MW in operation, under construction or ready for construction in Greece, the USA, Central and Eastern Europe. TERNA ENERGY objective is to reach the total installed capacity of 2,800 MW within the next five years.

In the first six-month period of 2020, the consolidated sales of the Group amounted to € 166.5 m compared to € 141.6 m in the first six-month period of 2019, increased by 17.6%. The Group's EBITDA amounts to € 108.4 m compared to € 88.3 m in the first six-month period of 2019 increased by 22.8%, mainly due to the increase in installed capacity in America. Profits before tax amounted to € 33.1 m, decreased by 16.8% compared to the first six-month period of 2019. Net profit attributed to Owners of the parent amounted to € 25.1 m, decreased by 16.4%. The decrease in net profits attributed to Owners of the parent by € 4.9 m is mainly due to the increase in Financial Expenses as a result of the addition of liabilities to TEI Berkshire Hathaway & TEI BAL & ANTRIM that were initially recognized in the second six-month period of 2019, and, therefore had no effect on the results of the comparative period 01/01-30/06/2019. Net profit excluding results from financial instruments measured at fair value and income from insurance claims amounted to € 26.6 m, increased by 19.8% compared to the first six-month period of 2019. Finally, the Group's EBITDA excluding income from insurance claims amounted to €108.1εκ., increased by 26.7% compared to the first six-month period of 2019.

Regarding the results of the separate segments:

- The **energy segment** performed sales of € 142.1 million, increased by 27.0% versus the first half of 2019, while EBITDA stood at € 107.4 million, recording an increase of 25.4% versus the comparative period in 2019. This increase is mainly due to launching two new wind farms in Greece in the Municipality of Amarynthi- Evia and Karystos Evia, as well as two wind farms in America.

- The t**rade in electric energy segment** generated revenue of € 16.3 million, recording a decrease compared to the first half of 2019. EBITDA stood at € 0.5 million versus € 1.6 million recorded in the first half of 2019.

- TERNA ENERGY **construction operations** in respect of third parties recorded € 0.9 million sales, decreased by 48.6% compared to the first half of 2019. EBITDA stood at € (0.43) million versus € 0.8 million in the comparative period of 2019. This decrease is due to the gradual decrease in the Group's construction objective. In particular, at the end of the first half of 2020, the backlog of construction powertrains to third parties amounted to € 2.2 million.

- Finally, revenue from the **concession segment** amounted to € 7.2 million versus € 9.3 million in the first half of 2019, decreased by 22.9% mainly due to the completion of construction of the Epirus Waste Treatment Facility ("MEA Epirus") in 2019. EBITDA amounted to € 0.9 million versus € 0.3 million in the comparative period of 2019.

The Group's financial position remains satisfactory as cash and cash equivalent stood at € 266.0 million, while debt liabilities amounted to € 1,097.4 million. Therefore, the net debt position (bank liabilities less cash and cash equivalent less restricted deposits) stood at € 789.4 million. It is to be noted that the Group's cash and cash equivalent include refunds of € 3 million related to grants received due to cancellation of construction or expiry of the deadlines regarding the decisions on several wind 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, TERNA ENERGY Group investments amounted to € 58.7 million. The Group's on-going investing activities generate the conditions for stabilization of increased flows of revenue and profitability on a long-term basis.

**Environmental issues**

Renewable Energy Sources (RES) and Waste Management (WM) segments, where the Group operates, hold the leading positions, making 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 the 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 WM segments 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 managing over 100 million euro a year over the last decade.

**Human resources management**

On 30/06/2020, the Group's personnel stood in total at 330 employees, while on 30/06/2019 the respective number was 303. On 30/06/2020, the Company's personnel numbered 192 employees, while on 30/06/2019 it stood at 203 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, training systems, promotion model, etc.

## B. Significant events within the first six-month period of 2020

The following significant events took place in the first six-month period of 2020:

- **Return of share capital of € 19,4 m to shareholders**

The Extraordinary General Meeting of Shareholders held on 18/12/19 decided on increasing the share capital by the amount of € 19,366,219.12 through capitalizing part of the special purpose reserve from the issue of share premium with an increase in the nominal value of each share from € 0.30 to € 0.47, while simultaneously reducing the share capital by € 19,366,219.12 with a relative decrease in the nominal value of each share from € 0.47 to € 0.30 and returning the amount of this reduction (i.e. € 0.17 per share) to shareholders. On 24/1/2020 it was registered in the General Commercial Registry the No. 7893 Decision of the Ministry of Development and Investments - General Secretariat of Commerce, approving the amendment of paragraph 1 of article 5 of the Company's Articles of Association as a result of the increase and decrease of the share capital. The Corporate Actions Committee - Athens Stock Exchange (ATHEX), at its meeting held on 29/01/2020, was informed about the increase and decrease in the nominal value of the Company's shares as a result of which the Company's share capital amounts to thirty-four million one hundred and seventy-five thousand six hundred eighty euro and eighty cents (€ 34,175,680.80) and is divided into one hundred thirteen million, nine hundred eighteen thousand nine hundred and thirty-six (113,918,936) common registered shares with voting rights with a nominal value of thirty cents (€ 0.30) each. Following the above, as starting from Thursday 05/03/2020 (cut-off date) the Company's shares are listed on the ATHEX with the new nominal value of € 0.30 per share and without the right to participate in capital return in cash to shareholders of € 0.17 per share. This obligation of repayment the capital return was completed on 11 March 2020.

- **Donation of € 3.5 million to the country's Armed Forces**

On 10/02/2020, the Company donated € 3.5 million to the country's Armed Forces.
The Company will fully cover the costs of the studies, planning and construction of all required projects in order to:

a. Turn the 115 CW Airport (Souda) into a Zero Carbon Footprint installation (Net Zero Carbon Emissions).
b. To meet the needs for electricity, heating and cooling of the facilities at the 115 CW military airport in Souda, by relying by 100% on Renewable Energy Sources (Net Zero Energy Airport) and achieve the proper degree of the "electrification" of the transport services within the Airport.

115 Military Airport in Souda will be one of the first installations in the world to receive the respective certifications, while the annual benefit of fully discharging the Unit from the cost of electricity supply and heating needs will exceed € 400,000. This way, 115 Military Airport will make a significant contribution to addressing climate change and will be equipped with state-of-the-art intelligent energy management systems, without reducing its operational capabilities.
For the implementation of the necessary projects, the Company will cooperate with the specialized company Easy Power.
The budget of the proposal exceeds € 3.5 million, while the time required for completion of the project is estimated to be approximately six (6) months from the day of official acceptance of the donation in the Government Gazette and signing the relevant contract with the Ministry of National Defense.

- **New Investments of over € 550 million Euro in the Greek RES Market**

In its related announcement dated 16/03/2020, TERNA ENERGY S.A. announced that continuing its investment plan in Greece, it is proceeding with the implementation of new investments in the production of clean energy, with a total budget of € 550 million. To this end, the company is expected to begin shortly the construction of new wind farms in Evia, following completion of the acquisition of a portfolio of fully or partially licensed projects of a total capacity of 270 MW owned by "RF Omalies S.A." acquired from the company "RF Energy S.A.".

At this stage, the Company plans the construction of wind farms with a total capacity of over 180 MW, which will lead to a total capacity new wind farms, scheduled in the Greek RES market by TERNA ENERGY Group, exceeding 400 MW and the total investment value of 550 million euro.

The significant increase of TERNA ENERGY presence in the Greek RES market brings the Group's goal to reach the size of 2,000 MW of RES projects in operation in Greece and abroad closer and much earlier than in 2025, as originally aimed.

- **Decisions of the Regular General Meeting of Shareholders held on 29/04/2020**

On 29/04/2020, the Regular General Meeting of the Shareholders of TERNA ENERGY S.A. convened and made the following decisions:

**i.** Approved the proposal of the Board of Directors on distribution of dividend of € 0.17 per share, i.e. a total amount of € 19,060,173.06 for FY 2019, according to article 160 of Law 4548/2018. On 29/06/2020, the Company proceeded with the payment of the aforementioned dividend. This amount was increased by the dividend corresponding to 3,894,741 treasury shares held by the Company at the date of the cut off, forming the amount that was finally paid to the Shareholders as the amount of € 19,199,756.66. At the same time, the RGM approved payment of fees to the Members of the Board of Directors and the members of the Committees for FY 2019, totally amounting to € 700,000, from the taxed profits of the Company.

**ii.** Approved the proposal of the Board of Directors on approving the report on remuneration of the members of the Board of Directors of the Company for FY 2019 in accordance with article 112 of law 4548/2018.

**iii.** Approved the share buyback up to percentage of 10% of the total shares of the Company, with a minimum purchase price of thirty cents (0.30 €) and a maximum price of thirty euros (30.00 €), which will take place within a period of twenty-four months, i.e. no later than April 28, 2022.

**iv.** Approved the amendment and extension of for four (4) years of the Remuneration Policy, prepared under the supervision of the Nomination and Remuneration Committee, which was approved by the Extraordinary General Meeting of 18.12.2019.

- **Dividend payment for FY 2019 on 29/06/2020**

On Monday, June 29, 2020, the company "TERNA ENERGY S.A." proceeded with payment of dividend, as decided by the Regular General Meeting held on April 29, 2020, amounting to 0.17 euro per share from FY 2019 profits. This amount was increased by the dividend corresponding to the 3,894,741 treasury shares held by the Company at the cutoff date, i.e. by 0.006008 euro per share and, therefore, the total amount of dividend per share amounted to 0.174505 euro. The aforementioned amount dividend is subject to withholding tax of 5%, according to article 24 of law 4646/2019 and, therefore, the shareholders received a net amount of 0.165780 euro per share. Beneficiaries of the said dividend are the investors who are registered in the D.S.S. of the Company on Tuesday, June 23, 2020 (record date). The dividend was paid according to the provisions of the Athens Stock Exchange Regulations.

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

- On 15/07/2020 the Company announced the disposal of the wind farm "Mountain Air" with a capacity of 138 MW, located in the state of IDAHO, in the USA, to Innergex Renewable Energy Inc. The Enterprise Value for the disposal of the wind farm amounts to 215 million dollars. It is to be noted that in 2019, the operating profit (US GAAP) of the project amounted to 17.6 million dollars (EBITDA 2019). The disposal is expected to generate a profit (IFRS) that will exceed 30 million US dollars, while the total debt of TERNA ENERGY is equally decreased by the aforementioned Enterprise Value of 215 million dollars. TERNA ENERGY entered the US clean energy market as early as 2011. It has four (4) wind farms in operation, with a total capacity of 651 MW, one of which concerns the first project of TERNA ENERGY for sale in the USA, with a capacity of 138 MW (Mountain Air).

Following the disposal of the project in IDAHO, TERNA ENERGY will keep in operation three (3) wind farms with a total capacity of approximately 512 MW, in the state of Texas.

- On 27/07/2020, the Company announced that the reassessment of its creditworthiness by the company ICAP S.A. reclassified it into "A" rating. "A" rating indicates a very low credit risk and is attributed to the companies that are in position to meet their obligations even under adverse economic circumstances, and therefore, their creditworthiness remains consistently high. Businesses with "A" rating are characterized by their very significant financial sizes, upward trend and their significant position in the market.

- Following the invitation dated 10/08/2020 for the Extraordinary General Meeting of the Shareholders of the Company, the procedure of receiving the binding offers for the coverage of the new shares at a price of €11 per share has been completed through AXIA Ventures Group Ltd and excessive demand was expressed. Therefore, the Board of Directors recommended the increase of the share capital of the Company and the elimination of the current Shareholders' pre-emptive rights, by the amount of €1,868,826.60, by cash payment, with the issuance of 6,229,422 (instead of the initially proposed amount of 4,556,757) common shares with a nominal value of €0.30 each, their disposal through private placement in funds managed by the following international investors and/or companies affiliated with them: Blackrock Inc., Anavio Capital Partners LLP, Kayne Anderson Capital Advisors LP, and Impax Asset Management, at a disposal price of € 11 each; placing the difference between the nominal value and the disposal price at a special share premium reserve of the Company from the issuance of share premium, and granting authorization to the Company's Board of Directors for the determination of the final disposal price and the rest of the particulars regarding the increase.
  The Extraordinary General Meeting of the Shareholders of the Company dated September 1st, 2020 approved the recommendation of the Board of Directors and decided on the increase of the Company's share capital as afore mentioned, with the possibility of partial payment, pursuant to article 28 of Law 4548/2018.

**D. Prospects for the second half of the current year**

TERNA ENERGY GROUP prospects for the second half of 2020 are positive, given that:

- New investments are maturing in terms of licensing and financing, soon expected to enter the construction stage, allowing the Group to maintain its growth rate according to its business plan.

- Despite the current health and financial crisis, the Group, as the reporting date of the six-month Consolidated Financial Statements, maintains satisfactory capital adequacy, profitability and liquidity and continues to be fully consistent with its liabilities to suppliers, public, insurance organizations, creditors, etc.

Moreover, the Management considers that during the second half of 2020, the credit risk, regarding the receivables of the energy segment both - for the Parent Company and for the other Greek companies of the Group's, is limited.

- The Group remains exposed to short-term fluctuations of wind and hydrological data, which, however, do not affect the long-term efficiency of its projects, as the implementation of its investments is preceded by extensive studies concerning the long-term conduct of the aforementioned factors.

- The Management position is that it is not possible to accurately project the developments in the Greek economy due to the pandemic and determine those that will have the greatest impact on the operation, financial performance, cash flows and financial position of the Group. However, taking into account all the above, the Management ensures smooth operation of the Group in the Greek territory by applying procedures for ongoing identification and evaluation of all risks that may arise in the near future.

In direct, ongoing and systematic cooperation with the Group's executives, the Management designs and implements measures to address any identified risk, in order to limit its adverse effects to the minimum possible degree. TERNA ENERGY, with consistency and high sense of corporate social responsibility that distinguishes it, will remain a pioneer in the field of investments and will seek to maintain the growth rate of the Group according to its business plan, despite the adverse conditions, unexpectedly worsened by the outbreak of COVID-19 pandemic. Section E makes a special, brief reference to the potential, relevant risks.

**E. Risks and uncertainties**

The main risks and uncertainties related to the Group's operations are 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 DAPEEP and DEDDIE) and foreign Public Sector, while the same is effective regarding the main part of the construction segment receivables.
Given the nature of its operations, the Group is not, as a rule, exposed to significant credit risk from trade receivables except delays in collections from DAPEEP, which have been significantly reduced following the application of Law 4254/14.
The credit risk in respect of cash and cash equivalent 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.
Finally, the Group Management estimates that all the aforementioned financial assets, for which the necessary depreciations 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, potentially arising from the exchange rate of Euro against other currencies. This type of risk may arise only from trade transactions in foreign currency, from financial assets investments in foreign currency, as well as from net investments in foreign entities. To limit such risk, especially in the USA, 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 they do not adversely affect its cash flows.

Regarding the Company's transactions with foreign entities, such transaction primarily take place with European Groups, where the settlement currency is 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 interest rate risk with regards to long-term financing of its operations.

In this context, long-term loans received by the Group either bear a fixed interest rate or are hedged for almost the entire term. Thus, 42% of the Group's long-term borrowing refers to fixed interest rate loans, 18.5% refers to floating-rate loans that have been hedged through derivatives, with which future fixed rate payments are exchanged against floating rate collections, while 39.5% 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 excluding subgroup loans in America in US dollars under floating interest rates linked to libor. 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 borrowings and the part of long-term debt that is under floating interest rates.
The Group is not exposed to other interest rate risk.

**Market risk analysis**

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

**Liquidity risk analysis**

The Group's liquidity is considered satisfactory, as apart from the available cash and cash equivalents, currently operating wind farms generate satisfactory cash flows on an on-going basis. In the first half of 2020, net cash flows from operating activities amounted to € 134 million versus € 99 million recorded in the respective period in 2019.

The Group manages its liquidity needs by applying 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 rolling 30-day period. The liquidity needs for the next 6 months and the next year are defined on monthly basis. 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 Group 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 are conducted with regards to the long-term conduct of such data.

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

**Special reference to the effects of COVID-2019**

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. During the following months, coronavirus disease (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic, and to date there are no effective treatments for the disease and neither the vaccine to prevent transmission of the virus. The competent authorities, in Greece and in other countries, worldwide, have taken a series of emergency measures to prevent and limit the spread of coronavirus (COVID-19). The pandemic is ongoing, both in Greece and worldwide, and therefore, its effects cannot yet be assessed and quantified. The term and severity of the effects are expected to be determined by the following factors: (i) whether the virus has a seasonal periodicity, (ii) the length of time it will take to develop effective methods of treating the disease (vaccine and/or treatment), (iii) the effectiveness of countries' fiscal and other measures as well as the decisions of bank supervisors to facilitate banking institutions in providing liquidity and support to businesses and households.

TERNA ENERGY Group holds a leading position in the field of renewable energy sources. The Management's position is that the Group operates in the segments that are more defensive during the phases of the business cycle, which investors recognize as "safe haven" that provide stable recurring cash flows even in times of turmoil and uncertainty, such as the existing one. Furthermore, the Group has already proven during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe), its ability to grow and strengthen its market position. The public policy measures that have been taken and / or will be taken by the Greek government in order to limit the spread of COVID-19, are not expected to lead to disruption of the Group's operations.

Furthermore, the Group has already proven during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe), its ability to grow and strengthen its market position. The public policy measures that have been taken and/or will be taken by the Greek government in order to limit the spread of COVID-19, are not expected to lead to disruption of the Group's operations.

In particular, the Management examined the special circumstances that could have a significant impact on the business operations of the RES operating segment and the risks to which it is exposed. Based on the current events and circumstances regarding the COVID-19 pandemic situation, such factors are analyzed as follows:

- In the sector of electricity from RES, no interruption or other adverse impact on the operation of the Group's facilities in Greece occurred. Although DAPEEP has significantly improved the frequency of payments in the first half of 2020, due to the expected impact on the national economy, there may be an increase in the deficit of the Special RES and SITHYA Account for the year 2020, and, possibly, for years to come in the near future. Such potential development could adversely affect the implementation of the Group's investment plan in Greece and jeopardize, inter alia, the terms of financing its operations, as well as transactions with suppliers of imported equipment. The aforementioned contingencies, if verified, are likely to temporarily affect the profitability of the Group's domestic operations. This risk is of general nature, it is effective regarding all RES producers and does not exclusively affect TERNA ENERGY. As far as RES facilities under construction are concerned, to date no delays have been caused due to the coronavirus pandemic (COVID-19) and the estimated time of completion and setting the projects in operation has not changed. Although the above effects are expected to be only temporary, there is uncertainty as to their extent and duration. Therefore, presently, their financial impact on the Group cannot be estimated.

- Regarding collecting the Group's revenues, no delays were identified within the first half of 2020. The Management states the following: 1) any delay in collecting the Group's revenues from DAPEEP does not currently seem to exceed the production value of six months, as was the issue in the past. Within the next year, a delay in collecting for six months will generate, albeit temporarily, a cash issue of special attention of approximately 80 million Euro. The cash liquidity of the Group (311 million Euro - cash and cash equivalent 266 million Euro and restricted deposits of 45 million Euro on 30/06/2020) allows the Management to address the potential cash problem with relative ease, without interrupting the pace of implementing its investment plan. Should the delay exceed 6-8 months of production, the Management will redesign its investment plan, business and cash schedule in order to meet the increased cash needs and reduce the adverse consequences to the minimum possible. Controlled deceleration and/or, where appropriate, cancellation of planned investments will prove inevitable if the delay in recovery exceeds the reasonable limits and market operating practices. However, even then, the Group, due to its size, capacity, experience and determined strategy, is ready to fight to maintain its leading position in the RES market and retain its superiority in the competition.

Although estimates regarding the impact of the pandemic on the global and Greek economy vary, the Management estimates that the Group's operations, financial performance, cash flows and financial position will not be significantly affected. In any case, the Management ensures maintaining uninterrupted operation both in the Greek territory and in other countries, where the Group operates, applying procedures for ongoing identification and evaluation of all risks that may arise in the near future. In direct, ongoing and systematic collaboration with the Risk Managers and the executives of the Group, the Management plans and implements measures to address any identified risk in order to limit its adverse effects to the minimum possible. The organizational efficiency of the Group and the ongoing care taken by the Management to use its executives per project and specific issue, depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group should it appear. Based on this key principle, the Management immediately reacted and set in motion the above mechanism in order to address the epidemic crisis with prudence, composure and strategic perspective.

Regarding its financial position, despite the current financial crisis, at the reporting date of the six-month condensed Consolidated Financial Statements, the Group maintains satisfactory capital adequacy, profitability and liquidity and remains fully consistent with its liabilities to suppliers, public, insurance organizations, creditors, etc. Moreover, it implements its ambitious investment plan generating conditions for further development of its operations in Greece and abroad. Furthermore, the Management considers that in 2021, the credit risk is limited regarding the receivables of the energy segment both - for the Parent Company TERNA ENERGY S.A. and the other Greek companies of the Group.

**F. Alternative Performance Measurement Indicators ("APMI")**

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

The Group uses Alternative Performance Measurement Indicators ("APMI") in the context of its financial, operational and strategic planning decision-making, as well as under evaluating and disclosing its performance. These APMI ensure better understanding the Group's financial and operating results as well as its financial position.

Alternative indicators should always be considered in conjunction with the financial results prepared in accordance with IFRS and in no case should they replace them. The following indicators are used when describing the Group's performance per operating segment:

**EBIT (Earnings Before Interest & Taxes):** It is an indicator, by which the Group's Management assesses a segment's operating performance. It is defined as Earnings / (losses) before income tax +/- Net Financial Results, +/- Valuation Foreign Exchange Differences, +/- Affiliates results, +/- Profits / (Losses) from the sale of participating interests and debt securities, +/- Provision for depreciation of participations, fixed assets, receivables and debt securities, +/- Profits / (Losses) from financial instruments measured at fair value.

*(Amounts in thousand Euro, unless otherwise stated)*

**EBITDA (Earnings Before Interest Taxes Depreciation & Amortization):** The indicator is calculated by adding to Earnings Before Income Tax (EBIT) total depreciations and amortizations of tangible and intangible assets and deducting amortizations of grant pertaining to the period. The higher the indicator - the more efficient the operation of the segment is. EBITDA is defined as EBIT, plus depreciation for the period of fixed assets, less the respective amortization for the period of fixed assets' grants.

**"Gross Profit Margin"** is an indicator, by which the Group's Management assesses the return level per segment and is defined as Gross Profit to Turnover.

**"Net debt / (Surplus)"** is an indicator, by which the Group's Management assesses each time the respective cash position of a segment. The indicator is defined as total loan liabilities less cash and cash equivalents (excluding the amounts of the grants to be returned) less restricted deposits).

**"Loan Liabilities to Total Capital Employed"** is an indicator, by which the Management assesses the Group's financial leverage. Loan Liabilities are defined as the total of Short-term Loans, Long-term Loans and Long-term loan liabilities carried forward. Total Capital Employed is defined as the total of equity, loan liabilities, equity instruments having a substance of financial liability (Note 14 to the accompanying financial statements), whose repayment follows the payment of the primary debt arising from the respective wind farms and is conducted only to the extent when the returns required from their operations, lease liabilities, grants are reduced by the amount of cash and cash equivalents that is not subject to any restriction or commitment, beyond the commitments associated with borrowings.

| **Business segment** | **Construction** | **Electricity from RES** | **Electricity trading** | **Waste management** | **E-Ticket** | **Consolidated Total** |
|---|---|---|---|---|---|---|
| **30 June 2020** | | | | | | |
| **Turnover** | **912** | **142.076** | **16.322** | **2.690** | **4.502** | **166.502** |
| | | | | | | |
| **Net profit/(loss) per segment** | **(411)** | **24.179** | **397** | **363** | **1.542** | **26.070** |
| Depreciation | (21) | (37.835) | (9) | (52) | (17) | **(37.934)** |
| Amortization of grants | - | 3.976 | - | - | - | **3.976** |
| Financial income | - | 73 | 1 | 644 | 2.035 | **2.753** |
| Financial expenses | (46) | (25.650) | (24) | (565) | (432) | **(26.717)** |
| Finance cost of tax equity investor | - | (15.061) | - | - | - | **(15.061)** |
| Foreign exchange differences on valuation | - | (1.423) | 2 | - | - | **(1.421)** |
| Loss from financial instruments at fair value | - | (861) | - | - | - | **(861)** |
| Income tax | 89 | (6.462) | (99) | (106) | (473) | **(7.051)** |
| **EBIT** | **(454)** | **73.563** | **517** | **390** | **412** | **74.428** |
| **EBITDA** | **(433)** | **107.422** | **526** | **442** | **429** | **108.386** |

| **Business segment** | **Construction** | **Electricity from RES** | **Electricity trading** | **Waste management** | **E-Ticket** | **Consolidated Total** |
|---|---|---|---|---|---|---|
| **30 June 2020** | | | | | | |
| Turnover | 912 | 142.076 | 16.322 | 2.690 | 4.502 | **166.502** |
| Cost of sales | (930) | (66.423) | (16.179) | (2.023) | (3.862) | **(89.417)** |
| **Gross profit** | **(18)** | **75.653** | **143** | **667** | **640** | **77.085** |
| **Gross profit margin** | **-1,97%** | **53,25%** | **0,88%** | **24,80%** | **14,22%** | **46,30%** |

*(Amounts in thousand Euro, unless otherwise stated)*

| Business segment | Construction | Electricity from RES | Electricity trading | Waste management | E-Ticket | Consolidated Total |
|---|---|---|---|---|---|---|
| **30 June 2019** | | | | | | |
| **Turnover** | **1.774** | **111.885** | **18.615** | **5.020** | **4.306** | **141.600** |
| | | | | | | |
| **Net profit/(loss) per segment** | **480** | **28.351** | **1.238** | **(488)** | **1.602** | **31.183** |
| Depreciations | (27) | (30.201) | (9) | (7) | (6) | **(30.250)** |
| Amortization 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** |
| Income tax | (174) | (7.766) | (368) | 177 | (506) | **(8.637)** |
| **EBIT** | **739** | **59.420** | **1.620** | **(405)** | **650** | **62.024** |
| **EBITDA** | **766** | **85.636** | **1.629** | **(398)** | **656** | **88.289** |

| Business segment | Construction | Electricity from RES | Electricity trading | Waste management | E-Ticket | Consolidated 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 segment | Construction | Electricity from RES | Electricity trading | Waste management | E-Ticket | Consolidated Total |
|---|---|---|---|---|---|---|
| **30 June 2020** | | | | | | |
| Long-term loans | - | 853.514 | - | 27.431 | 16.696 | **897.641** |
| Short-term loans | - | 131.768 | 35 | - | - | **131.803** |
| Long term liabilities carried forward | - | 64.493 | - | 586 | 2.852 | **67.931** |
| Cash and cash equivalents | - | (236.788) | (1.664) | (16.578) | (10.995) | **(266.025)** |
| Grants to return | - | 3.024 | - | - | - | **3.024** |
| Restricted deposits | - | (44.921) | (77) | - | - | **(44.998)** |
| **Net debt / (surplus)** | **-** | **771.090** | **(1.706)** | **11.439** | **8.553** | **789.376** |

| Business segment | Construction | Electricity from RES | Electricity trading | Waste management | E-Ticket | Consolidated Total |
|---|---|---|---|---|---|---|
| **31 December 2019** | | | | | | |
| Long-term loans | - | 860.715 | - | 27.724 | 18.079 | **906.518** |
| Short-term loans | - | 36.419 | 34 | - | - | **36.453** |
| | | | | | | |
| Long term liabilities carried forward | - | 66.771 | - | 586 | 2.857 | **70.214** |
| Cash and cash equivalent | - | (242.222) | (1.505) | (2.404) | (11.333) | **(257.464)** |
| Grants to be returned | - | 3.024 | - | - | - | **3.024** |
| Restricted deposits | - | (42.460) | - | - | - | **(42.460)** |
| **Net debt / (surplus)** | **-** | **682.247** | **(1.471)** | **25.906** | **9.603** | **716.285** |

| **Amounts in thousand €** | **30.6.2020** | **31.12.2019** |
|---|---|---|
| Short-term loans | 131.803 | 36.453 |
| Long-term loans | 897.641 | 906.518 |
| Long term liabilities carried forward | 67.931 | 70.214 |
| **Loan liabilities** | **1.097.375** | **1.013.185** |
| | | |
| Total equity | 390.564 | 438.462 |
| Loan liabilities | 1.097.375 | 1.013.185 |
| Equity interests having a substance of financial liability | 360.381 | 375.772 |
| Lease liabilities (Long-term & Short-term component) | 9.019 | 8.733 |
| Grants | 129.966 | 134.322 |
| **Subtotal** | **1.987.305** | **1.970.474** |
| *Less:* | | |
| Cash and cash equivalent | 266.024 | 257.464 |
| Restricted deposits (Note 10) | 44.998 | 42.460 |
| Grants to be returned (Note 11) | (3.024) | (3.024) |
| **Subtotal** | **307.998** | **296.900** |
| **Total Capital Employed** | **1.679.307** | **1.673.574** |
| **Loan Liabilities / Total Capital Employed** | **65%** | **61%** |

## G. Transactions with Related Parties

The Company's transactions with related parties pursuant to the provisions of IAS 24 have been conducted under normal market conditions. In the first half of 2020, the amounts of sales and expenses as well as the balances of the Company's and Group's assets and liabilities as at 30/06/2020, arising from transactions with related parties, are presented in Note 24 to the interim condensed financial statements.

**Transactions with members of the BoD**

The total amounts regarding the members of the Group's Board of Directors stood at Euro 646,000 (for the Company: Euro 321,000), of which an amount of Euro 149,000 (for the Company: Euro 0) relates to BoD fees, while an amount of Euro 497,000 (for the Company: Euro 321,000) relates to provision of services.

**H. Treasury shares**

During the period 01/01/2020 – 30/06/2020, the Company purchased 2.,71,970 treasury shares of nominal value 741,591.00 and market value Euro 19,804,493.52, while from the product of the share capital return, their value decreased by the amount of Euro 326,344.92 and, thus, their total cost in period changed by the amount of Euro 19,478,147.70.

The total number of treasury shares held by the Company as at 30/06/2020 amounted to 4,115,221 shares with the total cost of Euro 28,739,204.90. These shares represented the percentage of 3.61% of the Company's paid up capital.

Athens, 01 September 2020

On behalf of the Board of Directors,

George Peristeris
Chairman of the Board of Directors

## III. 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 2020 and the related separate and consolidated condensed income statement and statement of comprehensive income, statements of changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information, which forms an integral part of the six-month financial report under Law 3556/2007.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of Review

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

## Conclusion

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

## Report on Other Legal and Regulatory Requirements

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

Athens, 1 September 2020

The Certified Auditor Accountant

Dimitra Pagoni

SOEL Reg. No .30821

Grant Thornton
An instinct for growth™

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

# IV. CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED AS AT JUNE 30th 2020

**According to the International Financial Reporting Standards (IFRS) as adopted by the European Union, and, in particular, in compliance with IAS 34**

The attached Condensed Interim Separate and Consolidated Financial Statements were approved by the Board of Directors of TERNA ENERGY S.A. as at 01/09/2020 and have been published on the website www.terna-energy.com as well as on 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 2020

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | **Note** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Intangible assets | 7 | 55.565 | 25.344 | 2.042 | 2.110 |
| Tangible assets | 8 | 1.560.816 | 1.543.307 | 77.801 | 80.387 |
| Right of use assets | | 8.869 | 8.401 | 1.126 | 1.153 |
| Investment property | | 540 | 540 | 540 | 540 |
| Investment in subsidiaries | 4 | - | - | 415.695 | 400.287 |
| Investment in joint ventures | | 4.395 | 4.362 | 4.689 | 4.409 |
| Investment in associates | | 67 | 67 | - | - |
| Other long-term receivables | 9 | 33.999 | 33.117 | 97.022 | 89.942 |
| Receivables from derivatives | 16 | 5.236 | 14.322 | - | - |
| Financial Assets – Concessions | | 43.728 | 44.408 | - | - |
| Investments in equity interests | | 2.240 | 2.418 | 2.240 | 2.418 |
| Deferred tax assets | | 8.495 | 6.124 | 21 | 27 |
| **Total non-current assets** | | **1.723.950** | **1.682.410** | **601.176** | **581.273** |
| **Current assets** | | | | | |
| Inventories | | 4.873 | 5.293 | 2.968 | 3.243 |
| Trade receivables | | 56.530 | 77.595 | 42.551 | 45.588 |
| Receivables from contracts with customers | | 11.348 | 18.071 | 4.813 | 4.881 |
| Prepayments and other receivables | 11 | 69.248 | 72.709 | 18.263 | 13.025 |
| Income tax receivables | | 4.618 | 4.856 | 2.523 | 1.887 |
| Other current investments | | 2.794 | - | - | - |
| Cash and cash equivalent | 12 | 266.024 | 257.464 | 70.102 | 58.624 |
| **Total current assets** | | **415.435** | **435.988** | **141.220** | **127.248** |
| **TOTAL ASSETS** | | **2.139.385** | **2.118.398** | **742.396** | **708.521** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributed to the shareholders of the parent** | | | | | |
| Share capital | 13 | 34.176 | 34.176 | 34.176 | 34.176 |
| Share premium | 13 | 172.427 | 191.793 | 172.427 | 191.793 |
| Reserves | | 15.729 | 44.138 | (7.433) | 11.033 |
| Retained earnings | | 157.581 | 156.439 | 73.498 | 71.025 |
| **Total equity attributable to the owners of the parent** | | **379.913** | **426.546** | **272.668** | **308.027** |
| Non-controlling interest | | 10.651 | 11.916 | - | - |
| **Total equity** | | **390.564** | **438.462** | **272.668** | **308.027** |

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)*

| | Note | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 30.6.2020 | 31.12.2019 | 30.6.2020 | 31.12.2019 |
| **Long-term liabilities** | | | | | |
| Long-term loans | 15 | 897.641 | 906.518 | 323.679 | 304.086 |
| Liabilities from lease | | 8.359 | 8.024 | 1.326 | 1.368 |
| Equity interests having a substance of financial liability | 14 | 309.863 | 324.407 | - | - |
| Liabilities from derivatives | 16 | 11.637 | 7.178 | 1.052 | 955 |
| Provision for staff indemnities | | 711 | 657 | 594 | 550 |
| Other provisions | 17 | 22.350 | 21.550 | 4.210 | 4.111 |
| Grants | 18 | 129.966 | 134.322 | 18.287 | 18.916 |
| Deferred tax liabilities | | 30.118 | 27.901 | 811 | 1.572 |
| Other long-term liabilities | 19 | 9.905 | 38 | 9.887 | - |
| **Total long-term liabilities** | | **1.420.550** | **1.430.595** | **359.846** | **331.558** |
| **Short-term liabilities** | | | | | |
| Suppliers | | 42.743 | 56.835 | 15.805 | 14.969 |
| Short-term loans | 15 | 131.803 | 36.453 | 30.414 | 5.165 |
| Long-term liabilities carried forward | 15 | 67.931 | 70.214 | 56.986 | 39.926 |
| Liabilities from lease | | 660 | 709 | 278 | 333 |
| Equity interests having a substance of financial liability | 14 | 50.518 | 51.365 | - | - |
| Liabilities from derivatives | | 7.589 | 8.882 | 425 | 399 |
| Liabilities from contracts with customers | | 1.463 | 2.076 | 2.151 | 2.241 |
| Accrued and other short-term liabilities | 19 | 17.734 | 19.604 | 3.815 | 5.903 |
| Income tax payable | | 7.830 | 3.203 | 8 | - |
| **Total short-term liabilities** | | **328.271** | **249.341** | **109.882** | **68.936** |
| **Total liabilities** | | **1.748.821** | **1.679.936** | **469.728** | **400.494** |
| **TOTAL LIABILITIES AND EQUITY** | | **2.139.385** | **2.118.398** | **742.396** | **708.521** |

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 COMPREHENSIVE INCOME

## FOR THE PERIOD 01/01-30/06/2020

| | Note | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| **Continuing operations** | | | | | |
| Turnover | 5 | 166.501 | 141.600 | 39.660 | 39.972 |
| Cost of sales | | (89.417) | (78.389) | (31.467) | (28.577) |
| **Gross profit** | | **77.084** | **63.211** | **8.193** | **11.395** |
| Administrative & distribution expenses | | (9.787) | (9.185) | (6.095) | (6.007) |
| Research & development expenses | | (1.005) | (951) | (851) | (866) |
| Other income / (expenses) | 20 | 6.716 | 9.736 | 583 | 2.991 |
| **Operating results** | | **73.008** | **62.811** | **1.830** | **7.513** |
| Financial income | | 2.753 | 2.603 | 1.827 | 2.457 |
| Financial expenses | | (41.778) | (31.584) | (8.242) | (7.462) |
| Gains / (Losses) from financial instruments measured at fair value | 16 | (861) | 5.992 | - | - |
| Revenue from participating interest and other investments | 21 | - | - | 26.869 | 22.869 |
| Loss from valuation of participating interest other investments | | - | - | (70) | - |
| **Earnings before tax** | | **33.122** | **39.822** | **22.214** | **25.377** |
| Income tax | | (7.051) | (8.637) | 769 | (872) |
| **Net earnings for the period** | | **26.071** | **31.185** | **22.983** | **24.505** |
| **Other comprehensive income subsequently reclassified in the income statement in the following periods** | | | | | |
| Foreign exchange translation differences from incorporating foreign operations | | (1.532) | 634 | - | - |
| Cash flow risk hedging | 16 | (11.516) | 3.039 | (123) | (629) |
| Corresponding income tax | | 60 | 658 | 29 | 157 |
| **Total** | | **(12.988)** | **4.331** | **(94)** | **(472)** |
| **Other comprehensive income not subsequently reclassified in the Income Statement in the following periods** | | | | | |
| Actuarial losses from defined benefit plans | | (28) | - | (28) | - |
| Gains/(losses) from valuation at fair value of participating interest (NOT reclassified in the Statement of Comprehensive Income | | (241) | - | (241) | - |
| Corresponding income tax | | 65 | - | 65 | - |
| **Total** | | **(204)** | **-** | **(204)** | **-** |

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)*

| | | | | |
|---|---|---|---|---|
| **Other total (loss) income for the period (after tax)** | **(13.192)** | **4.331** | **(298)** | **(472)** |
| **Total comprehensive income for the period** | **12.879** | **35.516** | **22.685** | **24.033** |

## CONDENSED INTERIM CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

## FOR THE PERIOD 01/01-30/06/2020

| | Note | **GROUP** | |
|---|---|---|---|
| | | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| **Net profit for the period attributed to:** | | | |
| Owners of the parent from continuing operations | | 25.076 | 29.985 |
| Non-controlling interests from continuing operations | | 995 | 1.200 |
| | | **26.071** | **31.185** |
| **Total comprehensive income attributed to:** | | | |
| Owners of the parent from continuing operations | | 11.884 | 34.313 |
| Non-controlling interests from continuing operations | | 995 | 1.203 |
| | | **12.879** | **35.516** |
| **Basic earnings per share (in Euro)** | | | |
| From continuing operation attributed to shareholders of the parent | 13 | 0,225398 | 0,267016 |
| **Weighted average number of shares** | | | |
| Basic | 13 | 111.251.898 | 112.296.449 |

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 CASH FLOWS

## FOR THE PERIOD 01/01-30/06/2020

| | Note | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| **Cash flows from operating activities** | | | | | |
| **Profit before tax** | | 33.122 | 39.822 | 22.213 | 25.377 |
| *Adjustments for reconciliation of net flows from operating activities* | | | | | |
| Depreciation/Amortization of assets and rights to use | 7, 8 | 37.934 | 30.249 | 3.271 | 3.708 |
| Amortization of grants | 18 | (3.976) | (3.986) | (629) | (629) |
| Impairment | 20 | 25 | 366 | 25 | 29 |
| Provisions | | 56 | 57 | 48 | 49 |
| Interest and related income | | (2.753) | (2.603) | (1.827) | (2.457) |
| Interest and other financial expenses | | 41.778 | 31.584 | 8.242 | 7.462 |
| Gains and losses from intangible and tangible assets, invest ment property and rights to use | | 2 | 3 | - | (4) |
| Revenue from participating interests and other investments | 21 | - | - | (26.799) | (22.869) |
| Unrealized gains and losses from derivatives | | (78) | (610) | - | - |
| Gains and losses from derivatives | 16 | 861 | (5.992) | - | - |
| Foreign currency exchange differences | | 1.421 | (786) | - | - |
| **Operating profit before changes in working capital** | | **108.392** | **88.104** | **4.544** | **10.666** |
| **(Increase)/Decrease in:** | | | | | |
| Inventories | | 422 | 242 | 276 | (35) |
| Trade receivables from contracts with customers | | 27.073 | 16.245 | 3.087 | 7.571 |
| Prepayments and other short-term receivables | | 1.988 | 11.221 | 97 | (23.314) |
| **Increase/(Decrease) in:** | | | | | |
| Suppliers and liabilities from contracts with customers | | (1.643) | (9.052) | 835 | (8.950) |
| Accruals and other short-term liabilities | | (4.418) | (3.179) | (2.165) | 17.344 |
| Other long-term receivables and liabilities | | 3.758 | (2.823) | 25 | (161) |
| Income tax paid | | (1.859) | (1.836) | (520) | (590) |
| **Net cash flows from operating activities** | | **133.713** | **98.922** | **6.179** | **2.531** |

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)*

| | Note | GROUP 01.01 - 30.6.2020 | GROUP 01.01 - 30.6.2019 | COMPANY 01.01 - 30.6.2020 | COMPANY 01.01 - 30.6.2019 |
|---|---|---|---|---|---|
| **Cash flow from investing activities:** | | | | | |
| (Acquisitions) / Disposals of tangible and intangible assets | 7, 8 | (69.570) | (106.880) | (593) | (484) |
| Interest and related income collected | | 64 | 156 | 1.588 | 1.316 |
| Payments for acquisition of companies less subsidiaries cash and cash equivalent | 6.1 | (25.040) | - | (25.040) | (398) |
| Cash and cash equivalent of the companies whose consolidation was discontinued | | (83) | - | - | - |
| Proceeds from loss of control of subsidiaries | | 17 | - | 17 | - |
| Payments for acquisition or increase in participating interest in associates and joint ventures (JVs) | | - | (35) | - | (35) |
| Payments for acquisition of shares, bonds and other securities | | (2.924) | (37) | (63) | (37) |
| Dividends collected | | - | - | 20.261 | - |
| Issued loans | | - | (513) | (30.295) | (3.807) |
| Proceeds from issued loans | | - | 816 | 24.695 | 10.219 |
| **Net cash (outflows) /inflows from investing activities** | | **(97.536)** | **(106.493)** | **(9.430)** | **6.774** |

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **Cash flows from financing activities** | **Note** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| Share capital return | 13 | (19.341) | (34.141) | (19.341) | (34.141) |
| Acquisition of Treasury Shares | 13 | (19.478) | (1.506) | (19.478) | (1.506) |
| Proceeds from changes in participating interests | | - | 204 | 19.152 | - |
| Proceeds for long term loans | 15 | 21.992 | 198.322 | 57.100 | 25.660 |
| Payments for long term loans | 15 | (33.379) | (149.372) | (21.259) | (8.898) |
| Proceeds from equity interests having a substance of financial liability | | 529 | 464 | - | - |
| Payments for equity interests having a substance of financial liability | | (29.429) | (11.711) | - | - |
| Payments for lease liabilities | | (807) | (726) | (223) | (232) |
| Net change in short term loans | 15 | 93.711 | 59.679 | 25.000 | 12.000 |
| Dividends paid | 13 | (19.185) | - | (19.185) | - |
| Interest paid | | (21.898) | (21.987) | (7.037) | (6.626) |
| **Net cash (outflows) /inflows from financing activities** | | **(27.285)** | **39.226** | **14.729** | **(13.743)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **8.892** | **31.655** | **11.478** | **(4.438)** |
| Effect of exchange rate changes on cash & cash equivalents | | (332) | 287 | - | - |
| **Opening cash and cash equivalents** | 12 | 257.464 | 166.359 | 58.624 | 39.204 |
| **Closing cash and cash equivalents** | 12 | **266.024** | **198.301** | **70.102** | **34.766** |

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 | Total | 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 incorporating foreign operations | - | - | 634 | - | **634** | - | **634** |
| Cash flows risk hedging | - | - | 3.697 | - | **3.697** | 3 | **3.700** |
| **Other comprehensive income for the period (after tax)** | **-** | **-** | **4.331** | **-** | **4.331** | **3** | **4.334** |
| **Total comprehensive income for the period** | **-** | **-** | **4.331** | **29.985** | **34.316** | **1.203** | **35.519** |
| Issue of Share Capital | - | - | - | - | **-** | 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 movements | - | - | - | (3) | **(3)** | - | **(3)** |
| **Transactions with shareholders of the company** | **-** | **-** | **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** |

*(Amounts in thousand Euro, unless otherwise stated)*

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01-30/06/2020)

| | Share Capital | Share Premium | Reserves | Retained Earnings | Total | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|
| **1 January 2020** | **34.176** | **191.793** | **44.138** | **156.439** | **426.546** | **11.916** | **438.462** |
| Net profit for the year | - | - | - | 25.076 | **25.076** | 995 | **26.071** |
| **Other comprehensive income** | | | | | | | |
| Foreign currency translation differences from incorporating foreign operations | - | - | (1.532) | - | **(1.532)** | - | **(1.532)** |
| Gains/(losses) from valuation at fair value of participations (NOT reclassified in the Statement of Comprehensive Income) | - | - | (183) | - | **(183)** | - | **(183)** |
| Cash flows risk hedging | - | - | (11.456) | - | **(11.456)** | - | **(11.456)** |
| Actuarial losses form defined benefit plans | - | - | (21) | - | **(21)** | - | **(21)** |
| **Other comprehensive losses for the period (after tax)** | **-** | **-** | **(13.192)** | **-** | **(13.192)** | **-** | **(13.192)** |
| **Total comprehensive income for the period** | **-** | **-** | **(13.192)** | **25.076** | **11.884** | **995** | **12.879** |
| Capitalization of Reserves & Retained Earnings | 19.366 | (19.366) | - | - | **-** | - | **-** |
| Share Capital Return | (19.366) | - | - | - | **(19.366)** | - | **(19.366)** |
| Formation of reserves | - | - | 4.262 | (4.262) | **-** | - | **-** |
| Distribution of dividends | - | - | - | (19.200) | **(19.200)** | (2.683) | **(21.883)** |
| Treasury Shares | - | - | (19.478) | - | **(19.478)** | - | **(19.478)** |
| Discontinuing subsidiary's consolidation | - | - | - | - | **-** | (49) | **(49)** |
| Change in participation percentage & other changes | - | - | - | (471) | **(471)** | 471 | **-** |
| Transfers / other movements | - | - | (1) | (1) | **(2)** | 1 | **(1)** |
| **Transactions with shareholders of the company** | **-** | **(19.366)** | **(15.217)** | **(23.934)** | **(58.517)** | **(2.260)** | **(60.777)** |
| **30 June 2020** | **34.176** | **172.427** | **15.729** | **157.581** | **379.913** | **10.651** | **390.564** |

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 period | - | - | - | 24.505 | **24.505** |
| **Other comprehensive income** | | | | | |
| Cash flows risk hedging | - | - | (472) | - | **(472)** |
| **Other comprehensive losses for the period (after tax)** | **-** | **-** | **(472)** | **-** | **(472)** |
| **Total comprehensive income for the period** | **-** | **-** | **(472)** | **24.505** | **24.033** |
| Formation of reserves | - | - | 1.811 | (1.811) | **-** |
| Treasury Shares | - | - | (1.506) | - | **(1.506)** |
| **Transactions with shareholders of the company** | **-** | **-** | **305** | **(1.811)** | **(1.506)** |
| **30 June 2019** | **34.176** | **191.793** | **10.620** | **76.170** | **312.759** |

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 (01/01-30/06/2020)

| | Share Capital | Share Premium | Reserves | Retained Earnings | Total |
|---|---|---|---|---|---|
| **1 January 2020** | **34.176** | **191.793** | **11.033** | **71.025** | **308.027** |
| Net profit for the year | - | - | - | 22.983 | **22.983** |
| **Other comprehensive income** | | | | | |
| Gains/(losses) from valuation at fair value of participations (not reclassified in the Statement of Comprehensive Income) | - | - | (183) | - | **(183)** |
| Cash flows risk hedging | - | - | (94) | - | **(94)** |
| Actuarial losses form defined benefit plans | - | - | (21) | - | **(21)** |
| **Other comprehensive losses for the period (after tax)** | **-** | **-** | **(298)** | **-** | **(298)** |
| **Total comprehensive income for the period** | **-** | **-** | **(298)** | **22.983** | **22.685** |
| Capitalization of Reserves & Retained Earnings | 19.366 | (19.366) | - | - | **-** |
| Share Capital Return | (19.366) | - | - | - | **(19.366)** |
| Formation of reserves | - | - | 1.310 | (1.310) | **-** |
| Distribution of dividends | - | - | - | (19.200) | **(19.200)** |
| Treasury Shares | - | - | (19.478) | - | **(19.478)** |
| **Transactions with shareholders of the company** | **-** | **(19.366)** | **(18.168)** | **(20.510)** | **(58.044)** |
| **30 June 2020** | **34.176** | **172.427** | **(7.433)** | **73.498** | **272.668** |

## NOTES TO CONDENSED INTERIM SIX-MONTH FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION 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 in the construction sector include construction of private and public projects as a main contractor or subcontractor or through joint ventures. Based on the effective legislation, the companies, holding Class 6 certificate, undertake public works at an initial contracting price up to € 44 million or up to € 60 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 (Government Gazette 166/21.06.1949), which TERNA ENERGY S.A. absorbed in 1999 and which was established in 1997 (Government Gazette 6524/11.09.1997). TERNA ENERGY is domiciled in Athens, Greece, 85 Mesogeion Ave. The Company is listed on ATHEX.

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 and hydroelectric 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 included in the consolidated Financial Statements and their tax non-inspected FYs are analytically recorded in 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 30/06/2020 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 accompanying Condensed Consolidated and Separate Financial Statements for the six-month period ended as at June 30th, 2020, were approved by the Board of Directors on 02/09/2020.

## 2 BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

### 2.1 Basis for the Presentation of financial statements

The Condensed Interim Separate and Consolidated Financial Statements as of June 30th, 2020, which cover the six-month period from January 1st to June 30th 2020 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 2020. The Financial Statements for the six-month period ended as at June 30th 2020 have been prepared in compliance with the provisions of the International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The Group applies all the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) 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 the presented periods.

**Going Concern**

The Group’s management estimates that the Company and its subsidiaries hold sufficient resources, which ensure their ability to operate as a going concern in the foreseeable future.

The health crisis caused by coronavirus pandemic (COVID-19) has led the global economy to a period of uncertainty and instability, the consequences of which are difficult to assess based on the currently effective data, since the pandemic is still ongoing. The economic impact will depend on the term and intensity of the recession as well as the prospects for recovery. The impact of COVID-19 is not expected to be significant for TERNA ENERGY SA Group and the Company. The Management has estimated that there is no issue of material uncertainty regarding the Company's ability to continue as a going concern (analytical description is presented in Note 3.)

### 2.2 Basis of measurement

The accompanying Condensed Interim Consolidated and Separate Financial Statements as of June 30th, 2020, have been prepared according to the principle of historical cost, apart from investment property, financial derivatives, investments in equity instruments and variable consideration liability, measured at fair value.

### 2.3 Presentation currency

The presentation currency is Euro (the currency of the Group's parent Headquarters) 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.

### 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. Judgments, assumptions and estimates of the Management affect the amount of valuation of several asset and liability items, the amount recognized during the period regarding specific income and expenses as well as the presented estimates of contingent liabilities.

Assumptions and estimates are assessed on an on-going basis according to historic experience and other factors, including expectations of future event outcomes, considered reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may differ from the accounting calculations.

The aspects requiring the highest degree of judgment as well as the segments, where assumptions and estimates significantly affect the Condensed Interim Consolidated Financial Statements are presented in Note 3 to the Annual Consolidated and Separate Financial Statements for FY ended as at 31/12/2019.

Such changes are analysed as follows:

*Global health crisis due to coronavirus pandemic (COVID-19)*

In particular, the Management examined the special circumstances that could have a significant impact on the business operations of the RES operating segment and the risks to which it is exposed (see analytically Note 3 to the accompanying Condensed Interim Financial Statements as of 30/06/2020). Based on the current events and circumstances regarding the COVID-19 pandemic situation, such factors are analysed as follows:

1. In the sector of electricity from RES, no interruption or other adverse impact on the operation of the Group's facilities in Greece occurred. In accordance with the accounting policies followed and the provisions of IAS 36, the Group conducts a relevant impairment test of the assets at the end of every annual reporting period. The aforementioned impairment test, in accordance with the provisions of IAS 36, may be conducted earlier, when there are indications of potential impairment loss. Based on the relevant work carried out on 30/06/2020, and focusing on both - exogenous and endogenous factors - there was no need to recognize impairment losses in the consolidated or separate financial statements of the first six-month period of 2020.

2. Regarding the Group's revenues collections, the Group has not identified significant deviations in the course of collections to the extent they could constitute an indication of significant delays in the collections of the RES operating segment. In this context, no need has arisen to recognize any additional provisions for credit loss under the requirements of IFRS 9.

*Contingent consideration from acquisition of companies*

The contingent consideration of acquisitions not falling within the scope of IFRS 3 is measured in accordance with the accounting policy analysed in Note 2.6.1 below.

As a consequence of the acquisition of the company "RF Energy Omalies MAE" by the Company on 23/04/2020, on the date of acquisition, a liability of a contingent consideration of € 11,590 k was recognized, which - discounted at present values - amounted to € 9,887 k. Potentially arising future changes may lead to reviews of the valuation regarding the amount of the contingent consideration, whose maximum amount may stand at € 17,590 k. The basis for determining the contingent consideration is analytically presented in Notes 6.1 and 25 to the accompanying condensed financial statements for the six-month period ended 30/06/2020. The contingent consideration is included in the item "Other long-term Liabilities" of the consolidated and separate Statement of Financial Position as of 30/06/2020.

### 2.6 Key accounting policies

Condensed interim Financial Statements for the six-month period ended as at 30/06/2020 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 31/12/2019, except for Note 2.6.1 and changes in Standards and Interpretations effective from 01/01/2020 (see Notes 2.6.2 and 2.6.3). Therefore, the attached condensed interim six-month financial statements should be read in line with the last publicized annual Financial Statements as of 31/12/2019 that include a full analysis of the accounting policies and valuation methods used.

#### 2.6.1 Accounting policy regarding recognition of entities not constituting “business” according to the definition provided in IFRS 3 - Acquisition of assets.

Following the acquisition of “RF Energy Omalies S.A.” not complying with the definition of “business” under IFRS 3, the Company has developed the following accounting policy to facilitate the accounting treatment of the transaction.

In accordance with IFRS 3 "Business Combinations", the Group determines whether a transaction or other event constitutes a business combination in accordance with the relevant definition of the Standard, i.e. whether the assets acquired and liabilities assumed constitute a "business".

In the event the acquired assets do not constitute a business, then the Group manages the transaction or other event as an acquisition of an asset. According to IFRS 3, the term "business" is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. The accounting treatment of a business combination (see accounting policy 4.21 "Business Combinations" of the annual financial statements for the year ended 31.12.2019) does not apply to the acquisition of an asset (or group of assets) which do not constitute a "business".

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

- The acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. In accordance with IFRS 3.2 (b), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.
- Goodwill or gain on a bargain purchase are not recognised from the transaction. The cost of the acquired asset (or group of assets) is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase.
- In accordance with IAS 12.15, the recognition of deferred tax is not permitted upon initial recognition of an asset or a liability in a transaction that is not a business combination. In this context, deferred tax is not recognized upon acquisition of assets.
- Costs associated with the acquisition of assets (e.g. fees of consultants, lawyers, accountants, appraisers and other professional and consulting fees) are recognized as an expense and are charged to profit or loss for the period in which they are incurred.
- Potential contingent consideration arising from the Group is initially recognized at its fair value at the date of purchase. In the event of a business combination, changes in the fair value of the contingent consideration that qualify as an asset or liability are recognized in accordance with IFRS 9 in profit or loss. In cases of acquisition of assets (when the definition of "business" is not met in accordance with IFRS 3), changes in the fair value of the contingent consideration that qualify as an asset or liability are recognized through a corresponding change in the value of the recognized asset (e.g. IAS 38). The contingent consideration recognized in equity is not redefined and the subsequent settlement is accounted for within equity.

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

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2020.

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

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

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

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The amendments do not affect the consolidated and separate Financial Statements.

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

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgments. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The amendments do not affect the consolidated and separate Financial Statements.

**Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01/01/2020)**

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

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

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The amendments do not affect the consolidated and separate Financial Statements.

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

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

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

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

**Amendments to IFRS 16 "Leases" Covid-19 – Related Rent Concessions (effective for annual periods starting on or after 01/06/2020)**

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

**Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018-2020" (effective for annual periods starting on or after 01/01/2022)**

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

Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

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

The Group will examine the impact of the above on its Financial Statements, though they are not expected to have any. The above have not been adopted by the European Union.

## 3. RISK MANAGEMENT

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

The interim condensed financial information does not include all the financial risk management information and disclosures required to be included in the annual financial statements as of December 31, 2019 and should, therefore, be read in conjunction with the latter. There has been no change in risk management policies versus December 31, 2019.

**Special reference to the effects of COVID-2019**

The following information is to be noted specifically regarding the coronavirus pandemic (COVID-19):

At the end of December 2019, the new coronavirus strain SARS-CoV-2, which causes coronavirus disease (COVID-19), appeared in China. During the following months, coronavirus disease (COVID-19) spread rapidly worldwide and on March 11, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic, and to date there are no effective treatments for the disease and neither the vaccine to prevent transmission of the virus. The competent authorities, in Greece and in other countries, worldwide, have taken a series of emergency measures to prevent and limit the spread of coronavirus (COVID-19). The pandemic is ongoing, both in Greece and worldwide, and therefore, its effects cannot yet be assessed and quantified. The term and severity of the effects are expected to be determined by the following factors: (i) whether the virus has a seasonal periodicity, (ii) the length of time it will take to develop effective methods of treating the disease (vaccine and/or treatment), (iii) the effectiveness of countries' fiscal and other measures as well as the decisions of bank supervisors to facilitate banking institutions in providing liquidity and support to businesses and households.

TERNA ENERGY Group holds a leading position in the sector of renewable energy sources. The Management's position is that the Group operates in the segments that are more defensive during the phases of the business cycle, which investors recognize as "safe haven" that provide stable recurring cash flows even in times of turmoil and uncertainty, such as the existing one. Furthermore, the Group has already proven during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe), its ability to grow and strengthen its market position. The public policy measures that have been taken and/or will be taken by the Greek government in order to limit the spread of COVID-19, are not expected to lead to disruption of the Group's operations. Furthermore, the Group has already proven during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe), its ability to grow and strengthen its market position. The public policy measures that have been taken and/or will be taken by the Greek government in order to limit the spread of COVID-19, are not expected to lead to disruption of the Group's operations.

In particular, the Management examined the special circumstances that could have a significant impact on the business operations of the RES operating segment and the risks to which it is exposed. Based on the current events and circumstances regarding the COVID-19 pandemic situation, such factors are analysed as follows:

- In the sector of electricity from RES, no interruption or other adverse impact on the operation of the Group's facilities in Greece occurred. Although DAPEEP has significantly improved the frequency of payments in the first half of 2020, due to the expected impact on the national economy, there may be an increase in the deficit of the Special RES and SITHYA Account for the year 2020, and, possibly, for years to come in the near future. Such potential development could adversely affect the implementation of the Group's investment plan in Greece and jeopardize, inter alia, the terms of financing its operations, as well as transactions with suppliers of imported equipment. The aforementioned contingencies, if verified, are likely to temporarily affect the profitability of the Group's domestic operations. This risk is of general nature, is effective regarding all RES producers and does not exclusively affect TERNA ENERGY. As far as RES facilities under construction are concerned, to date no delays have been caused due to the coronavirus pandemic (COVID-19) and the estimated time of completion and setting the projects in operation has not changed. Although the above effects are expected to be only temporary, there is uncertainty as to their extent and duration. Therefore, presently, their financial impact on the Group cannot be estimated.

- Regarding collecting the Group's revenues, no delays were identified within the first half of 2020. The Management states the following: 1) any delay in collecting the Group's revenues from DAPEEP does not currently seem to exceed the production value of six months, as was the issue in the past. Within the next year, a delay in collecting for six months will generate, albeit temporarily, a cash issue of special attention of approximately 80 million Euro. The cash liquidity of the Group (311 million Euro - cash and cash equivalent 266 million Euro and restricted deposits of 45 million Euro on 30/06/2020) allows the Management to address the potential cash problem with relative ease, without interrupting the pace of implementing its investment plan. Should the delay exceed 6-8 months of production, the Management will redesign its investment plan, business and cash schedule in order to meet the increased cash needs and reduce the adverse consequences to the minimum possible. Controlled deceleration and/or, where appropriate, cancellation of planned investments will prove inevitable if the delay in recovery exceeds the reasonable limits and market operating practices. However, even then, the Group, due to its size, capacity, experience and determined strategy, is ready to fight to maintain its leading position in the RES market and retain its superiority in the competition.

  Although estimates regarding the impact of the pandemic on the global and Greek economy vary, the Management estimates that the Group's operations, financial performance, cash flows and financial position will not be significantly affected. In any case, the Management ensures maintaining uninterrupted operation both in the Greek territory and in other countries, where the Group operates, applying procedures for ongoing identification and evaluation of all risks that may arise in the near future. In direct, ongoing and systematic collaboration with the Risk Managers and the executives of the Group, the Management plans and implements measures to address any identified risk in order to limit its adverse effects to the minimum possible. The organizational efficiency of the Group and the ongoing care taken by the Management to use its executives per project and specific issue, depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group should it appear.

Based on this key principle, the Management immediately reacted and set in motion the above mechanism in order to address the epidemic crisis with prudence, composure and strategic perspective.

Regarding its financial position, despite the current financial crisis, at the reporting date of the six-month condensed Consolidated Financial Statements, the Group maintains satisfactory capital adequacy, profitability and liquidity and remains fully consistent with its liabilities to suppliers, public, insurance organizations, creditors, etc. Moreover, it implements its ambitious investment plan generating conditions for further development of its operations in Greece and abroad. Furthermore, the Management considers that in 2021, the credit risk is limited regarding the receivables of the energy segment both - for the Parent Company TERNA ENERGY S.A. and the other Greek companies of the Group.

## 4. GROUP STRUCTURE

The following changes in the Group structure took place in the first six-month period of 2020 versus 31/12/2019:

- The parent company acquired 100% of shares of RF ENERGY OMALIES S.A., subsequently renamed TERNA ENERGY OMALIES MAE, versus a total consideration (cash and variable) of € 35,715 k (see Note 6.1). At the same time, the parent company received from the share capital returns of subsidiaries an amount of € 23,600 k, analysed as follows: (AIOLIKI MARMARIOU EVIAS S.A. amount of € 10,900 k, ENERGIAKI DYSTION EVIAS S.A. amount of € 6,200 k, ENERGIAKI STYRON EVIAS S.A. amount of € 3,500 K, AIOLIKI EASTERN GREECE S.A. amount of € 3,000 k). Finally, the parent company participated in share capital increases of subsidiaries amounting to 3,600 k.
- The liquidation of the company GEOTHERMIKI ENERGIAKI DEVELOPMENT S.A. was completed and the company TERNA ENERGY UK PLC was deleted from the commercial registry of its country of domain.
- The amounts of the comparative consolidated Income Statement for the six-month period ended on 30/06/2019 do not include the results from Bearkat wind farm operations, which was acquired on 05/09/2019 through the 100% subsidiary of TERNA DEN LLC Group (see Note 6.2).

The following paragraphs analyse the consolidated companies of TERNA ENERGY as at 30/06/2020, their domiciles, business activity, the Company’s participating interest in their share capital, method of consolidation and fiscal years non-inspected by tax authorities.

*(Amounts in thousand Euro, unless otherwise stated)*

## 4.1 Company Structure

| ENTITY | DOMICILE | DIRECT PARTICIP. % | INDIRECT PARTICIP.% | TOTAL PARTICIP. % | CONSOLIDATION METHOD | INDIRECT PARTICIPATION SUBSIDIARY | TAX NON-INSPECTED YEARS |
|---|---|---|---|---|---|---|---|
| ***CONSTRUCTION & CONSESSION SEGMENT – JOINT VENTURES*** | | | | | | | |
| J/V GEK TERNA – TERNA ENERGY (INSTALLATION & OPERATION ATS) | Greece | 50,00 | 0,00 | 50,00 | Proportional consolidation | - | 2015-2019 |

## 4.2 Group Structure

| ENTITY | DOMICILE | DIRECT PARTICIP. % | INDIRECT PARTICIP.% | TOTAL PARTICIP.% | CONSOLIDATION METHOD | INDIRECT PARTICIPATION SUBSIDIARY | TAX NON-INSPECTED |
|---|---|---|---|---|---|---|---|
| ***HOLDING & FINANCING- SUBSIDIARIES*** | | | | | | | |
| TERNA ENERGY M.A.E FINANCING | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2016-2019 |
| TERNA ENERGY OVERSEAS LTD | Cyprus | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2013-2019 |
| TERNA ENERGY USA HOLDING CORPORATION | U.S.A. | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY TRANSATLANTIC sp.z.o.o. | 2011-2019 |
| TERNA ENERGY TRANSATLANTIC sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2015-2019 |
| TERNA ENERGY TRADING LTD | Cyprus | 0,00 | 51,00 | 51,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2015-2019 |
| GALLETTE LTD | Cyprus | 0,00 | 100,00 | 100,00 | Full Consolidation | ENERGIAKI SERVOUNIOU SA | 2013-2019 |
| ***RES ENERGY SEGMENT - SUBSIDIARIES*** | | | | | | | |
| AIOLIKI PANORAMATOS DERVENOCHORION S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| PPC RENEWABLES - TERNA ENERGY SA | Greece | 51,00 | 0,00 | 51,00 | Full Consolidation | - | 2014-2019 |
| ENERGIAKI SERVOUNIOU SA | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| IWECO HONOS LASITHIOU CRETE SA. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY EVROU SA | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| AIOLIKI RACHOULAS DERVENOCHORION S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| ENERGIAKI DERVENOCHORION S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| AIOLIKI MARMARIOY EVIAS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| ENERGIAKI DYSTION EVIAS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| AIOLIKI KARISTIAS S.A. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| TERNA ENERGY AVETE & SIA ENERGY KAFIREOS EVIAS G.P. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| ENERGIAKI STYRON EVIAS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| ENERGIAKI NEAPOLEOS LAKONIAS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| AIOLIKI MALEAS LAKONIAS. S.A | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| AEOLIKI EAST GREECE S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| AEOLIKI PASTRA ATTICA S.A. | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| ENERGIAKI PELOPONNESE S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGIAKI AVETE & SIA AIOLIKI PROVATA TRAINOYPOLEOS | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| AIOLIKI DERVENI TRAINOYPOLEOS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| ENERGIAKI FERRON EVROU S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGIAKI AVETE & SIA ENERGIAKI ARI SAPPON G.P | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| TERNA ENERGIAKI AVETE & SIA AIOLIKI POLIKASTROY G.P | Greece | 99,00 | 1,00 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| ENERGIAKI XIROVOUNIOY S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| AIOLIKI ILIOKASTROU S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY EVROU S.A. | 2014-2019 |
| EUROWIND S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | ENERGIAKI SERVOVOUNIOY S.A.. | 2014-2019 |
| DELTA AXIOU ENERGEIAKI S.A. | Greece | 80,00 | 0,00 | 80,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY AVETE VECTOR WIND PARKS GREECE-WIND PARK TROYLOS G.P. | Greece | 90,00 | 0,00 | 90,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY THALASSIA WIND PARKS S.A. | Greece | 77,00 | 0,00 | 77,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A. | Greece | 77,00 | 0,00 | 77,00 | Full Consolidation | - | 2014-2019 |
| VATHYCHORI PERIVALLONTIKI S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| VATHYCHORI ENA PHOTOVOLTAIC S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | VATHYCHORI PERIVALLONTIKI S.A. | 2014-2019 |
| ALISTRATI ENERGEIAKI LTD | Greece | 80,00 | 0,00 | 80,00 | Full Consolidation | - | 2014-2019 |
| MALESINA ENERGEIAKI LTD | Greece | 80,00 | 0,00 | 80,00 | Full Consolidation | - | 2014-2019 |
| ORHOMENOS ENERGEIAKI LTD | Greece | 80,00 | 0,00 | 80,00 | Full Consolidation | - | 2014-2019 |
| DIRFYS ENERGEIAKI S.A. | Greece | 51,00 | 0,00 | 51,00 | Full Consolidation | - | 2014-2019 |
| CHRYSOUPOLI ENERGEIAKI LTD | Greece | 80,00 | 0,00 | 80,00 | Full Consolidation | - | 2014-2019 |
| TERNA ENERGY AI-GIORGIS S.A. | Greece | 99,40 | 0,60 | 100,00 | Full Consolidation | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| TERNA AIOLIKI XEROVOUNIOU S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | AIOLIKI PANORAMATOS DERVENOXORION S.A. | 2014-2019 |
| TERNA AIOLIKI AITOLOAKARNANIAS S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | AIOLIKI MALEAS LAKONIAS S.A. | 2014-2019 |
| TERNA AIOLIKI AMARYNTHOU S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | ENERGIAKI SERVOVOYNIOU S.A.. | 2014-2019 |
| TERNA ILIAKI PANORAMATOS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ILIAKI PELOPONNESE S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| TERNA ILIAKI VIOTIAS S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| AIOLIKI CENTRAL GREECE S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |
| VATHYCHORI DYO ENERGIAKI S.A. | Greece | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| VALE PLUS LTD | Cyprus | 100,00 | 0,00 | 100,00 | Full Consolidation | - | 2014-2019 |

*(Amounts in thousand Euro, unless otherwise stated)*

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|---|---|---|---|---|---|---|---|
| HAOS INVEST 1 EAD | Bulgaria | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| ECO ENERGY DOBRICH 2 EOOD | Bulgaria | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| ECO ENERGY DOBRICH 3 EOOD | Bulgaria | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| ECO ENERGY DOBRICH 4 EOOD | Bulgaria | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| EOLOS NORTH sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| EOLOS NOWOGRODZEC sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| EOLOS POLSKA sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| EOLOS EAST sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2014-2019 |
| JP GREEN sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2015-2019 |
| WIRON sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2015-2019 |
| BALLADYNA sp.z.o.o. | Poland | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY OVERSEAS LTD | 2015-2019 |
| AEGIS RENEWABLES, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR ALTERNATIVES LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR WIND, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR PROJECTS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR RESOURCES LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| COLD SPRINGS WINDFARM LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| DESERT MEADOW WINDFARM LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| HAMMETTHILL WINDFARM LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MAINLINE WINDFARM LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| RYEGRASS WINDFARM, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| TWO PONDS WINDFARM, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR INVESTMENTS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOUNTAIN AIR HOLDINGS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2011-2019 |
| MOHAVE VALLEY ENERGY LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |
| TERNA RENEWABLE ENERGY PROJECTS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |
| TERNA DEN LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |
| FLUVANNA INVESTMENTS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |

*(Amounts in thousand Euro, unless otherwise stated)*

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|---|---|---|---|---|---|---|---|
| FLUVANNA HOLDINGS LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |
| FLUVANNA WIND ENERGY LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2015-2019 |
| FLUVANNA I INVESTOR, INC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2018-2019 |
| FLUVANNA I HOLDING COMPANY, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2018-2019 |
| FLUVANNA WIND ENERGY 2, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2018-2019 |
| FLUVANNA HOLDINGS 2, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2018-2019 |
| FLUVANNA INVESTMENTS 2, LLC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2018-2019 |
| CI-II BEARKAT QFPF, LLC**** | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2019 |
| CI-II BEARKAT HOLDING B, LLC**** | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2019 |
| SPONSOR BEARKAT I HOLDCO, LLC**** | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2019 |
| BEARKAT I TE PARTNERSHIP, LLC**** | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2019 |
| BEARKAT WIND ENERGY I, LLC**** | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2019 |
| TERNA HOLDCO INC | U.S.A | 0,00 | 100,00 | 100,00 | Full Consolidation | TERNA ENERGY USA HOLDING CORPORATION | 2016-2019 |
| ***ENERGY PRODUCTION FROM RES OPERATING SEGMENT – JOINT VENTURES*** | | | | | | | |
| ΕΝ.ΕΡ.ΜΕΛ. S.A. | Greece | 50,00 | 0,00 | 50,00 | Total equity | - | 2014-2019 |
| OPTIMUS ENERGY S.A. | Greece | 51,00 | 0,00 | 51,00 | Total equity | - | 2017-2019 |
| ***RES ENERGY SEGMENT - ASSOCIATES*** | | | | | | | |
| CYCLADES ENERGY CENTER S.A. | Greece | 0,00 | 45,00 | 45,00 | Total equity | IWECO CHONOS LASITHIOU S.A. | 2014-2019 |
| HARMONY ENERGY COMMUNITY | Greece | 12,50 | 0,00 | 12,50 | Total equity | - | 2019 |
| AMALTHIA ENERGY COMMUNITY | Greece | 0,00 | 16,67 | 16,67 | Total equity | IWECO CHONOS LASITHIOU S.A. | 2019 |
| ***ELECTRIC ENERGY TRADING SEGMENT - SUBSIDIARIES*** | | | | | | | |
| TERNA ENERGY TRADING EOOD | Bulgaria | 0,00 | 51,00 | 51,00 | Full Consolidation | TERNA ENERGY TRADING LTD | 2014-2019 |
| TETRA DOOEL SKOPJE | FYROM | 0,00 | 51,00 | 51,00 | Full Consolidation | TERNA ENERGY TRADING LTD | 2015-2019 |
| TERNA ENERGY TRADING D.O.O | Serbia | 0,00 | 51,00 | 51,00 | Full Consolidation | TERNA ENERGY TRADING LTD | 2015-2019 |
| TERNA ENERGY TRADING SHPK | Albania | 0,00 | 51,00 | 51,00 | Full Consolidation | TERNA ENERGY TRADING LTD | 2018-2019 |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ***CONCESSIONS SEGMENT - SUBSIDIARIES*** | | | | | | | |
| HELLAS SMARTICKET S.A. | Greece | 35,00 | 0,00 | 35,00 | Full Consolidation | TERNA ENERGY AVETE | 2014-2019 |
| PERIVALLONTIKI PELOPONNESE S.A. | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | TERNA ENERGY AVETE | 2015-2019 |
| AEIFORIKI EPIRUS MAEES | Greece | 100,00 | 0,00 | 100,00 | Full Consolidation | TERNA ENERGY AVETE | 2017-2019 |
| ***CONCESSIONS SEGMENT – JOINT VENTURES*** | | | | | | | |
| WASTE CYCLO S.A. | Greece | 51,00 | 0,00 | 51,00 | Total equity | TERNA ENERGY AVETE | 2014-2019 |

## 5. SEGMENT REPORTING

Under the provisions of IFRS 8, 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 relating to transactions with other components of the same entity), and, b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance

The term "chief operating decision maker" defines the function of the Group, which is to allocate resources to and assess the performance of the operating segments of an entity. For the application of IFRS 8, this function is assigned to the Board of Directors.

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

For management reporting purposes, the group is organized in the following operating segments:

1. **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 projects under the capacity of the main contractor or subcontractor, or through joint ventures.
2. **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.

3. **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 neighbouring markets and the markets of South-eastern 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. The acquisition of such rights is a requirement for the transmission of electric energy among the neighbouring countries/Continuing operations and analysis of options offered in the international markets of electric energy (on a daily, monthly and annual basis).

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

*(Amounts in thousand Euro, unless otherwise stated)*

| Business segment | Construction | Electricity from RES | Trade in electric energy | Waste management | E-Ticket | Consolidation Write-offs | Consolidated Total |
|---|---|---|---|---|---|---|---|
| **30 June 2020** | | | | | | | |
| **Revenue from external customers** | | | | | | | |
| Sales of products | 5 | 142.075 | 16.322 | 1.913 | 4.502 | | **164.817** |
| Revenue from construction services | 907 | - | - | 777 | - | | **1.684** |
| **Total turnover from external customers** | **912** | **142.075** | **16.322** | **2.690** | **4.502** | **-** | **166.501** |
| Intra-segment income | 14.025 | | - | | | (14.025) | **-** |
| **Total turnover** | **14.937** | **142.075** | **16.322** | **2.690** | **4.502** | **(14.025)** | **166.501** |
| **EBITDA** | **(454)** | **72.141** | **519** | **390** | **412** | **-** | **73.008** |
| Financial income | - | 73 | 1 | 644 | 2.035 | - | **2.753** |
| Financial expenses | (46) | (25.650) | (24) | (565) | (432) | - | **(26.717)** |
| Finance cost of tax equity investor | - | (15.061) | - | - | - | - | **(15.061)** |
| Profit from financial instruments at fair value | - | (861) | - | - | - | - | **(861)** |
| **Earnings Before Tax** | **(500)** | **30.642** | **496** | **469** | **2.015** | **-** | **33.122** |
| Income tax | 89 | (6.462) | (99) | (106) | (473) | | **(7.051)** |
| **Net Profit/(loss) after tax** | **(411)** | **24.180** | **397** | **363** | **1.542** | **-** | **26.071** |

| Business segments | Construction | Electricity from RES | Trade in electric energy | Waste management | E-Ticket | Consolidation Write-offs | Consolidated Total |
|---|---|---|---|---|---|---|---|
| **30 June 2020** | | | | | | | |
| Segments assets | 9.022 | 2.028.780 | 12.251 | 48.159 | 41.105 | | **2.139.317** |
| Investments in associates | - | 67 | - | - | - | | **67** |
| **Total assets** | **9.022** | **2.028.847** | **12.251** | **48.159** | **41.105** | **-** | **2.139.384** |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Segments liabilities** | **(68)** | **1.680.619** | **6.953** | **32.413** | **28.904** | | **1.748.821** |
| Long-term loans | - | 853.514 | - | 27.431 | 16.696 | - | **897.641** |
| Short-term loans | - | 131.768 | 35 | - | - | - | **131.803** |
| Long-term liabilities carried forward | - | 64.493 | - | 586 | 2.852 | - | **67.931** |
| Cash and cash equivalent | - | (236.788) | (1.664) | (16.578) | (10.995) | - | **(266.025)** |
| Grants to be returned | - | 3.024 | - | - | - | - | **3.024** |
| Restricted deposits | - | (44.921) | (77) | - | - | - | **(44.998)** |
| **Net debt / (Surplus)** | **-** | **771.090** | **(1.706)** | **11.439** | **8.553** | **-** | **789.376** |
| Lease liabilities | 1 | 8.967 | 35 | 11 | 4 | - | **9.018** |
| Equity interests having a substance of financial liability | - | 360.381 | - | - | - | - | **360.381** |
| Capital expenditures for the period | 34 | 58.646 | 20 | 39 | - | - | **58.739** |

*(Amounts in thousand Euro, unless otherwise stated)*

| Business segment | Construction | Electricity from RES | Trade in electric energy | Waste management | E-Ticket | Consolidation Write-offs | Consolidated Total |
|---|---|---|---|---|---|---|---|
| **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 turnover from external customers** | **1.774** | **111.885** | **18.615** | **5.020** | **4.306** | **-** | **141.600** |
| Inter-segment Revenue | 6.671 | | | | | (6.671) | **-** |
| **Total Turnover** | **8.445** | **111.885** | **18.615** | **5.020** | **4.306** | **(6.671)** | **141.600** |
| **EBITDA** | **739** | **60.210** | **1.617** | **(405)** | **650** | **-** | **62.811** |
| Financial income | - | 169 | - | 534 | 1.900 | - | **2.603** |
| Financial expenses | (85) | (24.445) | (11) | (794) | (442) | - | **(25.777)** |
| Finance cost of tax equity investor | - | (5.807) | - | - | - | - | **(5.807)** |
| Profit from financial instruments at fair value | - | 5.992 | - | - | - | - | **5.992** |
| **Earnings Before Tax** | **654** | **36.119** | **1.606** | **(665)** | **2.108** | **-** | **39.822** |
| Income tax | (174) | (7.766) | (368) | 177 | (506) | | **(8.637)** |
| **Net Profit/(loss) after tax** | **480** | **28.353** | **1.238** | **(488)** | **1.602** | **-** | **31.185** |

| Business segment | Construction | Electricity from RES | Trade in electric energy | Waste management | E-Ticket | Consolidation Write-offs | Consolidated Total |
|---|---|---|---|---|---|---|---|
| **31 December 2019** | | | | | | | |
| Segment assets | 12.538 | 2.021.754 | 8.733 | 32.345 | 42.961 | - | **2.118.331** |
| Investments in associates | - | 67 | - | - | - | - | **67** |
| **Total assets** | **12.538** | **2.021.821** | **8.733** | **32.345** | **42.961** | **-** | **2.118.398** |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Segment liabilities** | **3.914** | **1.609.132** | **4.105** | **32.869** | **29.916** | | **1.679.936** |
| Long-term Loans | - | 860.715 | - | 27.724 | 18.079 | - | **906.518** |
| Short-term Loans | - | 36.419 | 34 | - | - | - | **36.453** |
| Long term liabilities carried forward | - | 66.771 | - | 586 | 2.857 | - | **70.214** |
| Cash and cash equivalent | - | (242.222) | (1.505) | (2.404) | (11.333) | - | **(257.464)** |
| Grants to be returned | - | 3.024 | - | - | - | - | **3.024** |
| Restricted deposits | - | (42.460) | - | - | - | - | **(42.460)** |
| **Net debt / (surplus)** | **-** | **682.247** | **(1.471)** | **25.906** | **9.603** | **-** | **716.285** |
| Lease liabilities | 2 | 8.669 | 41 | 16 | 5 | - | **8.733** |
| Equity interests having a substance of financial liability | - | 375.771 | - | - | - | - | **375.771** |
| Capital expenditures for the period | 12 | 206.449 | - | (1.448) | - | - | **205.013** |

*(Amounts in thousand Euro, unless otherwise stated)*

| Geographical segments | Greece | Eastern Europe | USA | Consolidated Total |
|---|---|---|---|---|
| ***30 June 2020*** | | | | |
| Turnover from external customers | 91.879 | 24.866 | 49.757 | **166.502** |
| Non-current assets | 807.928 | 125.120 | 790.902 | **1.723.950** |
| Capital expenditure | 55.792 | - | 2.946 | **58.738** |
| ***30 June 2019*** | | | | |
| Turnover from external customers | 90.158 | 27.215 | 24.227 | **141.600** |
| ***31 December 2019*** | | | | |
| Non-current assets | 731.727 | 133.067 | 817.616 | **1.682.410** |
| Capital expenditure | 82.884 | 64 | 122.065 | **205.013** |

The turnover in the energy segment, 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 and in Bulgaria, Poland and America.

In the period 01/01/2020-30/06/2020, an amount of € 73.1 million (43.9%) [01/01/2019-30/06/2019: € 81.8 million (57.8%)] of the Group's turnover has arisen from an external customer (Customer A) from electric energy segment.

## 6. BUSINESS ACQUISITIONS

### 6.1 TERNA ENERGY acquires the company RF ENERGY OMALIES S.A."

In February 2020, the company TERNA ENERGY S.A. signed a non-binding, for itself, preliminary agreement with the company RF ENERGY SA regarding the future sale and transfer of the shares of the subsidiary of the latter "RF Energy Omalies MAE", to the former. On 23.04.2020, TERNA ENERGY S.A. signed the Contract of Sale and Transfer of Shares on acquiring 100% of the share capital of "RF Energy Omalies MAE". On 23.04.2020, TERNA ENERGY S.A. proceeded to the signing of a Contract for the Sale and Transfer of Shares, with the objective of acquiring 100% of the share capital of "RF Energy Omalies MAE". The acquired company owns a cluster consisting of 11 wind farms with a total capacity of 213 MW in Evia, i.e. W/F OMALIES 30MW, W/F OMALIES II 15MW, W/F KORAKOVRACHOS 21MW, W/F KORAKOVRACHOS II 6MW, W/F KALAMAKI 12MW, W/F KALAMAKI II 18MW, W/F MILZA 18MW, W/F MOLIZEZA I 18MW, W/F DEXAMENES II 15MW, W/F PRARO 36MW and W/F MEGALI PETRA 24MW (hereinafter referred to as "the Project") with a final date of connection to the National network and electrifying as that of 31/12/2021, in order to receive feed in premium sale price of electricity. It is to be noted that pursuant to paragraph 5 of article 4 of Law 4414/2016, as amended by the first subparagraph of paragraph 2 of article 124, of Law 4685/2020 (Government Gazette 92A, 07.05.2020), the date of 30.12.2022 was set as the final electrification date for the maintenance of feed in premium electricity sales price.

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

The total purchase consideration of the above company was agreed as a cash payment of € 25,828 k (corresponding to up to 183MW of the Project as well as to the cash of the acquired company at the date of purchase), the amount which had been paid in full until date of purchase. Furthermore, it was agreed that the consideration should be adjusted, according to the decisions of the Company's Management, to choose, at any time until 30/06/2021, to construct additional capacity of the Project, according to the existing licensing possibilities, or to use any licensed capacity in another project owned by the Group, which can potentially reach, depending on the decisions of the Company's Management, the amount of € 17,590 k. At the date of purchase, and based on the probability - weighted payout approach, the fair value of the consideration was determined at € 11,590 k and was measured at its present value, i.e. at the amount of € 9,887 k, using an appropriate discount rate of 6.14%.

The fair value of the liability for the contingent consideration will be measured at every reporting date and until the date of final measurement and repayment, i.e. until 31/12/2022.

| **Analysis of outflows as at the date of obtaining control:** | **Amounts in thousand €** |
|---|---|
| Cash settled consideration including cash from acquired RF Energy Omalies MAE | 25.828 |
| **Plus:** Contingent consideration liability (discounted) | 9.887 |
| **Total consideration from acquisition** | **35.715** |
| Less: Variable consideration settled on 31/12/2022 | (9.887) |
| Less: Cash and cash equivalent acquired | (788) |
| **Total cash outflows as at date of obtaining control** | **25.040** |

The accounting policy regarding the transaction recognition is described in Note 2.6.1 to the accompanying Interim Condensed Six-month Consolidated and Separate Financial Statements as of 30/06/2020. The cost of the acquisition was allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase, while no goodwill arises on such a transaction.

*(Amounts in thousand Euro, unless otherwise stated)*

| | Fair values as at the date of obtaining control |
|---|---|
| **Assets** | |
| Intangible assets | 30.611 |
| Tangible assets & assets under construction | 3.915 |
| Rights of use assets | 582 |
| Deferred tax assets | 282 |
| Prepayments and other receivables | 153 |
| Cash and cash equivalent | 788 |
| **Total Assets** | **36.331** |
| | |
| **Liabilities** | |
| Liabilities from leases | 582 |
| Suppliers | 7 |
| Accrued and other current liabilities | 27 |
| **Total liabilities** | **616** |
| **Net acquired assets** | **35.715** |

From this acquisition, the Group recognized intangible assets (wind farm licenses), amounting to € 30,611 k. These intangible assets will start to be amortized on the date of completion of the construction of the respective farm and the date of electrification of the wind farms, with a useful life of 25 years. In the interim reporting periods, intangible assets are tested for potential impairment, in accordance with the relevant provisions of IAS 36 "Impairment of Assets". In the consolidated Income Statement of the six-month period ended on 30/06/2020, there was no substantial effect from the consolidation of the above company, i.e. including the results from its operations, losses of € 15.5 k until the end of the six-month period.

### 6.2 Finalization of the Purchase Price Allocation in 2019 of "Bearkat I" wind farm through TERNA DEN LLC (subsidiary of TERNA ENERGY USA HOLDING CORPORATION)

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

*(Amounts in thousand Euro, unless otherwise stated)*

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

| | **Fair values as at the date of obtaining control** |
|---|---|
| **Assets** | |
| Tangible fixed assets | 210.987 |
| Receivables from derivatives | 7.470 |
| Trade receivables | 2.682 |
| Prepayments and other receivables | 3.255 |
| Cash and cash equivalents | 5.204 |
| **Total Assets** | **229.598** |
| **Liabilities** | |
| Equity interests having a substance of financial liability | 113.685 |
| Other provisions | 1.370 |
| Deferred tax liabilities | 3.050 |
| Short-term loans | 6.613 |
| Suppliers | 1.819 |
| Accrued and other short-term liabilities | 1.335 |
| Income tax payable | 571 |
| **Total liabilities** | **128.443** |
| **Net acquired assets** | **101.155** |
| Transaction Consideration | 119.693 |
| Less: Benefit from interest rate reduction | (18.538) |
| Less: Value of net assets at the acquisition date | (101.155) |
| **Analysis of outflows as at the date of obtaining control:** | |
| Cash settled consideration | 58.781 |
| Consideration settled in bank borrowings | 60.913 |
| **Total consideration from acquisition** | **119.694** |
| Less: Consideration settled in bank borrowings | (60.913) |
| Less: Cash and cash equivalent acquired | (5.204) |
| **Total cash outflows as at date of obtaining control** | **53.577** |

The table, presented above, records the final fair values of the assets acquired and liabilities assumed at the date of obtaining control, i.e. on 05/09/2019. The fair values of tangible fixed assets amounting to € 210,987 k ($ 233,310 k) have been based on a report of an independent appraiser.

*(Amounts in thousand Euro, unless otherwise stated)*

The item "Equity instruments having a substance of financial liability" was determined using a valuation technique based on the wind farm financing model, which projects future cash flows before taxes, production tax credits and applying as discount rate the return rate of IRR investment, agreed upon with the Tax Equity Investor.

Furthermore, in the process of finalizing the purchase consideration, an amount of € 18,538 k ($ 20,499 k) was recognized, which relates to the benefit arising from a decrease in interest rates of the Group's existing loans by the seller Bank (for Fluvanna I and Gopher Greek), and which was agreed upon in the context of the transaction. In particular, based on the new reduced interest rates and in accordance with the requirements of IFRS 9, the Group derecognized a previous loan of € 125,550 k ($ 138,833 k) and recognized a new loan of € 107,012 k ($ 118,333 k).

The loans were recognized at their fair value, which was provisionally assessed by the Management discounting the new cash flows at the discount rate of the loans (9%). The difference between the nominal amount of the loans and their fair value totalled € 18,538 k. According to the provisions of IFRS 9, this amount is recognized as profit or loss. However, and since this benefit arose in the context of the acquisition transaction, in the procedure of allocating the purchase price, it was considered that the aforementioned amount constitutes an element of the transaction consideration and was recognized as a deduction to it under its accounting treatment.

In the context of all the above calculations and as presented in the above table, the Group has not recognized goodwill from the above acquisition in the consolidated financial statements. Based on the final valuation report, Tangible Assets and Borrowing (due to a change in benefit from the aforementioned decrease in interest rate) were reduced and equally increased by € 522 k ($ 622 k), compared to the preliminary valuation.

The contribution to the Group's turnover and Profits for the period 01/01 - 30/06/2020 amounts to € 13,270 k and to profit of € 369 k respectively.

## 7. INTANGIBLE ASSETS

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Net book value 1 January** | **25.344** | **23.483** | **2.110** | **1.967** |
| Additions | 379 | 1.834 | 91 | 20 |
| Amortization | (745) | (339) | (159) | (89) |
| Change due to acquisition (Note 6.1) | 30.611 | - | - | - |
| Foreign exchange differences | (24) | 56 | - | - |
| **Net book value 30 June** | **55.565** | **25.034** | **2.042** | **1.898** |

*(Amounts in thousand Euro, unless otherwise stated)*

The Group's intangible assets mainly include intangible assets of net value € 55,102 k (31.12.2019: € 24,904 k) related to paid wind farm installation rights. Additions performed within the current year, concern the acquisition of wind farm licenses due to the acquisition of RF ENERGY OMALIES S.A. (analytical information is presented in Note 6.1)

## 8. PROPERTY, PLANT AND EQUIPMENT

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Net book value 1 January** | **1.543.307** | **1.189.516** | **80.387** | **85.830** |
| Additions | 56.606 | 107.407 | 412 | 218 |
| Cost of borrowing | 1.385 | 3.301 | - | - |
| Provisions for restoration | 369 | - | - | - |
| Impairments/Write offs | (20) | (220) | - | - |
| Depreciation | (36.793) | (29.055) | (2.998) | (2.979) |
| Change due to acquisition (Note 6.1) | 3.353 | - | - | - |
| Foreign exchange differences | (7.391) | 5.062 | - | - |
| **Net book value 30 June** | **1.560.816** | **1.276.011** | **77.801** | **83.069** |

In the first six-month period of 2020, the additions regarding the Group mainly pertain to the category "Technological and mechanical equipment", totalling € 38,893 k, of which an amount of € 11,160 k refers to the supply of the Wind Turbines of the W/F GALOSI in the Municipality of Karystos, the amount of € 10,620 k refers to the supply of wind turbines of the W/F KARABYLA in the Municipality of Karystos by the subsidiary "AIOLIKI MARMARIOU EVIAS MAE" and the amount of € 11,343 k refers to the supply of wind turbines of W/F AGRIACHLADIA of the Municipality of Kymi-Aliveri by the subsidiary company "ENERGIAKI DYSTION EVIAS MAE".

The amount of € 1,560,816 k in the Group's account of property, plant and equipment's as at 30/06/2020 mainly pertains to: (a) "Fixed assets under construction" standing at € 71,730 k for the Group and € 10,355 k for the Company, and (b) "Technological and mechanical equipment" standing € 1,399,855 k regarding the Group and at € 61,458 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 their current assets as well as liens (usually in the form of mortgages) on their non-current assets as guarantees to the creditors.

## 9. OTHER LONG-TERM RECEIVABLES

The account Other Long-term Receivables as at 30/06/2020 and 31/12/2019 is analysed as follows:

*(Amounts in thousand Euro, unless otherwise stated)*

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Loans to parent, subsidiaries & other related companies | 670 | 660 | 93.814 | 86.701 |
| Guarantees granted | 1.571 | 1.478 | 1.242 | 1.268 |
| Withholdings of invoiced receivables | 1.973 | 1.973 | 1.973 | 1.973 |
| Other long-term financial receivables | 30.595 | 29.809 | 811 | 811 |
| Impairment of other long-term receivable | (810) | (803) | (818) | (811) |
| **Total** | **33.999** | **33.117** | **97.022** | **89.942** |

The Company participates in bond loan issues of subsidiaries. The loans will be repaid either through bank loans or through premature repayments at their maturity date and carry an interest rate within the range of 3.25% - 4%. In the first half of 2020, the Group subsidiaries received from the Parent loans totalling € 30,295 k and repaid loans totalling € 23,695 k.

The remaining amount of other long-term receivables mainly includes accrued income from energy sale contracts, containing lease elements.

## 10. FINANCIAL ASSETS – CONCESSIONS

The Group constructs and operates three concession contracts:

**A. Unified Automatic Fare Collection System:** On 29/12/2014, a public and private 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 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 public and private 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 1st quarter of 2019 when the start of the service period was performed.

*(Amounts in thousand Euro, unless otherwise stated)*

In particular, on 27/03/2019, 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 company), with the contribution of the Public & Private Partnerships (PPP) Special Secretariat. With Waste Treatment Plant of Epirus, an important part of the Regional Waste Management Plan (PESDA) of Epirus Region has been implemented, in compliance with the National Waste Management Plan (ESDEA) AND European legislation. The maximum annual capacity of MEA Epirus is 105,000 tn. MEA Epirus will be recycling a total of 17,000 tons of appropriate materials and will be producing 10,800 KWh/year of Green Energy, capable of covering the needs of 3,000 families, saving 12,000 tons of $CO_2$.

**C. Urban Waste Treatment Plant of Peloponnese Region:** On 14/06/2018, a public and private partnership agreement was signed between the Peloponnese Region and the subsidiary company "PERIVALLONTIKI PELOPONNESE SINGLE MEMBER S.A. for the implementation of the project for the urban waste treatment plant of the Peloponnese Region.

The Partnership Agreement includes study, licensing, financing, construction, insurance, operation and maintenance of the Project for the next 28 years. The construction term is 24 months, and from the 10th month after the contract enters into force, a transitional waste management plant is projected to alleviate the major problem of the Region. The preliminary construction works have already started, while the technical construction works are expected to begin within the 2nd half of 2020.

Detailed information on the accounting policy followed and the concession contracts, mentioned above, is presented in Note 4.12 to the annual financial statements of the Group for FY ended as at December 31st 2019.

Changes in the generated Concession Financial Statements as well as the revenue per category are analyzed as follows:

| **Financial Assets - Concessions** | **Unified Automated System for Ticket Collection** | **Installation of civil waste processing Epirus Region** | **Installation of civil waste processing Peloponnese Region** | **Total** |
|---|---|---|---|---|
| **Opening balance as at 1 January 2019** | **24.818** | **12.112** | **-** | **36.930** |
| (Decreases)/Increases in financial item | (4.496) | 3.309 | 3.308 | **2.121** |
| Unwind of interest discount (Interest Income) | 4.132 | 1.154 | - | **5.286** |
| Impairment under IFRS 9 | (13) | 84 | - | **71** |
| **Closing balance as at 31 December 2019** | **24.441** | **16.659** | **3.308** | **44.408** |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | |
|---|---|---|---|---|
| **Opening balance as at 1 January 2020** | **24.441** | **16.659** | **3.308** | **44.408** |
| Decreases in financial item | (3.263) | (661) | 565 | **(3.359)** |
| Unwind of interest discount (Interest Income) | 2.035 | 621 | 23 | **2.679** |
| **Closing balance as at 30 June 2020** | **23.213** | **16.619** | **3.896** | **43.728** |
| | | | | |
| **Analysis of revenues per category first half 2019** | | | | |
| Revenue from construction services | 3 | 4.386 | - | **4.389** |
| Revenue from operation services | 3.594 | 635 | - | **4.229** |
| Unwind of interest discount (Interest Income) | 1.900 | 534 | - | **2.434** |
| **Total** | **5.497** | **5.555** | **-** | **11.052** |
| | | | | |
| **Analysis of revenues per category first half 2020** | | | | |
| Revenue from construction services | - | 212 | 565 | **777** |
| Revenue from operation services | 3.790 | 1.913 | - | **5.703** |
| Unwind of interest discount (Interest Income) | 2.035 | 621 | 23 | **2.679** |
| **Total** | **5.825** | **2.746** | **588** | **9.159** |

## 11. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables of the Group and the Company as at June 30th 2020 and December 31st 2019 are analyzed as follows:

| **Prepayments and other financial receivables** | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Accrued income | 2 | 2 | - | - |
| Short-term component of long-term intragroup loans and finance leases | - | - | 2.190 | 3.465 |
| Restricted deposits | 44.998 | 42.460 | 4.114 | 3.904 |
| Intragroup receivables from dividends, financial facilities and other receivables | 573 | 71 | 9.847 | 2.613 |
| Other financial receivables | 2.986 | 2.846 | 219 | 289 |
| Impairments of prepayments and other financial receivables | (8) | (8) | (13) | (13) |
| **Total** | **48.551** | **45.371** | **16.357** | **10.258** |

*(Amounts in thousand Euro, unless otherwise stated)*

| **Prepayments and other non-financial receivables** | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Prepayments to Suppliers | 2.300 | 3.017 | 829 | 1.644 |
| Prepayments to insurance funds (Technical Projects Social Security) | 336 | 375 | 335 | 334 |
| VAT for return - offsetting | 9.859 | 15.743 | - | - |
| Prepaid expenses and transit debit accounts | 6.723 | 6.724 | 742 | 789 |
| Receivables form grants | 1.479 | 1.479 | - | - |
| **Total** | **20.697** | **27.338** | **1.906** | **2.767** |
| **Total prepayments and other receivables** | **69.248** | **72.709** | **18.263** | **13.025** |

The item “Prepayments and other receivables” of the Company, in particular, “Intragroup receivables from dividends, financial facilities and other receivables” includes the amounts of € 6.609 k referring to approved dividends of subsidiaries, which, as at 30/06/2020, have not been collected.

## 12. CASH AND CASH EQUIVALENT

Cash and cash equivalents of the Group and the Company as at June 30th 2020 and December 31st 2019 are analyzed as follows:

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Cash in hand | 4 | 2 | - | - |
| Sight deposits | 266.020 | 257.390 | 70.102 | 58.624 |
| Term deposits | - | 72 | - | - |
| **Total** | **266.024** | **257.464** | **70.102** | **58.624** |

The Group's cash and cash equivalents include amounts of € 3,024 k (2019: € 3,024 k) (for the Company: € 0 k (2019: € 0 k), relating to the grants received due to the cancellation of the construction or the expiry of the time limits of the inclusion decisions of certain wind farms. The aforementioned amount of the grant to be refunded has not been returned until the date of approval of the accompanying financial statements, as the relevant audit by the competent authorities has not been completed.

In addition, on 30/06/2020, the Group holds restricted deposits amounting to € 44,998 k (€ 4,114 k for the Company), which are held in specific bank accounts for servicing its short-term operating and financial liabilities. These restricted deposits are classified under the item "Advances and other receivables". (Note 11).

## 13. SHARE CAPITAL – EARNINGS PER SHARE

As at 30/06/2020, the Company's share capital amounts to € 34,175,680.80, divided into 113,918,936 common registered shares with voting rights of a nominal value € 0.30 each. Share premium as at 30/06/2020 stands at € 172,427 k.

### Changes within the first six-month period of 2020

The Extraordinary General Meeting of Shareholders held on 18/12/19 decided on increasing the share capital by the amount of € 19,366,219.12 through capitalizing part of the special purpose reserve from the issue of share premium with an increase in the nominal value of each share from € 0.30 to € 0.47, while simultaneously reducing the share capital by € 19,366,219.12 with a respective decrease in the nominal value of each share from € 0.47 to € 0.30 and refunding the amount of this reduction (i.e. € 0.17 per share) to shareholders. No. 7893 Decision of the Ministry of Development and Investments - General Secretariat of Commerce, approving the amendment of paragraph 1 of article 5 of the Company's Articles of Association as a result of the increase and decrease of the share capital, was registered in the General Commercial Registry on 24/01/2020. The Corporate Actions Committee - Athens Stock Exchange (ATHEX), at its meeting held on 29/01/2020, was informed about the increase and decrease in the nominal value of the Company's shares as a result of which the Company's share capital amounts to thirty-four million one hundred and seventy-five thousand six hundred eighty euro and eighty cents (€ 34,175,680.80) and is divided into one hundred thirteen million, nine hundred eighteen thousand nine hundred and thirty-six (113,918,936) ordinary voting shares with a nominal value of thirty cents (€ 0.30) each. Following the above, as starting from Thursday 05/03/2020 (cut-off date) the Company's shares are listed on the ATHEX with the new nominal value of € 0.30 per share and without the right to participate in capital return in cash to shareholders of € 0.17 per share. This obligation of repayment the capital return was completed on 11 March 2020.

### Treasury shares

During the period 01/01/2020 – 30/06/2020, the Company purchased 2,471,970 treasury shares of nominal value Euro 741,591.00 and market value Euro 19,804,493.52, while from the product of the share capital return, their value decreased by the amount of Euro 326,344.92 and, thus, their total cost in period changed by the amount of Euro 19,478,147.70. The total number of treasury shares held by the Company as at 30/06/2020 amounted to 4,115,221 shares with the total cost of Euro 28,739,204.90. These shares represented the percentage of 3.61% of the Company's paid up capital.

*(Amounts in thousand Euro, unless otherwise stated)*

**Distribution of Dividends**

On 29/04/2020, the Regular General Meeting of the Company's Shareholders convened and approved distribution of dividend of € 0.17 per share, i.e. totalling € 19,060 k for 2019, according to article 160 of Law 4548/2018. On 29/06/2020, the Company proceeded with the payment of the above approved dividend. This amount was increased by the dividend corresponding to 3,894,741 treasury shares held by the Company at the cut-off date, i.e. by 0.006008 Euro per share and, therefore, the total amount of the dividend per share stood at Euro 0.174505. This dividend amount is subject to withholding tax of 5%, according to article 24 of Law 4646/2019 and, therefore, the shareholders received a net amount of Euro 0.165780 per share.

**Earnings per share**

Basic earnings per share were calculated through the weighted average number of ordinary shares, excluding the weighted average number of treasury shares. No adjustment is made to profits (numerator). Finally, no diluted earnings per share are effective regarding the Group and the Company in the six-month period ended as at 30/06/2020 and the respective comparative six-month period.

## 14. EQUITY INSTRUMENTS HAVING A SUBSTANCE OF FINANCIAL LIABILITY

The Group has entered into agreements with "Tax Equity Investors" (hereinafter "TEI") investors in the USA in order to make the best possible use of tax benefits, provided by the local legislation. According to these agreements, the cash flows and tax benefits generated by wind farms are distributed conventionally amongst investors (tax equity investors, hereinafter "TEI") and the Group. The accounting policy applied in respect of the aforementioned financial liabilities is analytically presented in Note 4.11.5(iii) to the annual publicized consolidated and separate financial statements for FY ended as at 31/12/2019.

Equity instruments having a substance of financial liabilities (long and short-term component) as at June 30th 2020 and December 31st 2019 are analyzed in the accompanying financial statements as follows:

| | **GROUP** | |
|---|---|---|
| | **30.6.2020** | **31.12.2019** |
| Financial liabilities | 260.940 | 272.582 |
| Deferred income (*) | 48.923 | 51.825 |
| **Long-term component** | **309.863** | **324.407** |
| Long-term financial liabilities payable in the following year | 50.518 | 51.365 |
| **Short-term component** | **50.518** | **51.365** |
| **Total** | **360.381** | **375.772** |

*(*)The item pertains to the value of tax losses attributable to Tax Equity Inventors and is recognized in other income for the year, on a pro rata basis according to the estimated period of investor's stay in the investment scheme.*

*(Amounts in thousand Euro, unless otherwise stated)*

Changes in equity instruments having a substance of financial liabilities during the interim period 01/01-30/06/2020 and the respective six-month comparative period of 2019 are analyzed as follows:

| **Financial liabilities** | **GROUP** | |
|---|---|---|
| | **30.6.2020** | **30.6.2019** |
| **Opening balance** | **323.947** | **133.474** |
| Received from TEI | 529 | 464 |
| Distribution of cash to TEI | (2.432) | (2.868) |
| Value of tax benefits | (24.260) | (8.730) |
| Interest for the period | 14.844 | 5.595 |
| Foreign exchange differences | (1.170) | 1.213 |
| **Closing balance** | **311.458** | **129.148** |

| **Deferred income** | **GROUP** | |
|---|---|---|
| | **30.6.2020** | **30.6.2019** |
| **Opening balance** | **51.825** | **26.916** |
| Value of tax benefits | 741 | 1.821 |
| Amortization of tax benefits | (3.478) | (1.932) |
| Foreign exchange differences | (165) | 240 |
| **Closing balance** | **48.923** | **27.045** |

Financial liabilities are measured at amortized cost using the effective interest method. This liability is decreased by the distribution of cash received by the TEI and, depending on the terms of the contract and the value of the tax benefits.

In the first six-month period of 2010, the value of tax losses attributable to TEI and recognized in other income (Note 20), based on the straight-line method over the term of the contract, amounts to € 3,478 k (first six-month period of 2019: € 1,932 k)

The value of PTCs, which are linked to the wind farm's annual energy production based on actual production, is recognized in turnover and in the first six-month period of 2020 amounts to € 23,519 k (first six-month period of 2019: € 6,909 k).
The increase in Interest income for the period of equity instruments having a substance of financial liability amounts to € 9,249 k and is mainly due to the addition of liabilities to TEI Berkshire Hathaway & TEI BAL & ANTRIM that were initially recognized in the second half of 2019, therefore, no effect on the results of the comparative period 01/01-30/ 06/2019 occurred.

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

The unamortized balance of the Group’s liability to TEI Met Life as at 30/06/2020 stands at € 42,493 k.

In FY 2012, the Group entered the USA market with a transaction, in which the counterpart – the company Met Life (TEI) - paid the amount of € 49,693 k to acquire the right to receive, mainly, cash and tax losses (Tax Equity Investment). 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 contributed 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 membership interests from the Group, TEI remains with the participating interest of a 37.75% in distributions and tax results of the Wind Farm.

On July 15, 2020, the Group proceeded with the disposal of "Mountain Air" wind farm to Innergex Renewable Energy Inc. In particular, through its US subsidiary, Mountain Air Resources LLC, the Group sold Class B membership interests in "Mountain Air" wind farm. (See Note 29).

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

As at 30/06/2020, the unamortized balance of the Group's liability to TEI Goldman Sachs stands at € 102,986 k (including an amount of € 25,389 k that pertains to the 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 were incurred in FY 2017.

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

On 28/12/2017, the Group entered into a transaction, in which Goldman Sachs 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, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna I Wind Farm, with a limited amount of cash produced by the investment. In FY 2017, TEI received 70% of the tax benefits, while from 2018 and until it achieves a predetermined return on its initial payment, it will be receiving 99% of these benefits.

- **Financial liability to TEI Berkshire Hathaway:**

As at 30/06/2020, the unamortized balance of the Group's liability to TEI Berkshire Hathaway stands at € 111,888 k (including an amount of € 22,215 k that pertains to the unamortized value of tax benefits).
In 2019, construction was completed and Fluvanna II Wind Farm, of total capacity of 158 MW, located in the state of Texas, USA, was set in operation. Under the tax law in the USA, this Wind Farm is eligible to depreciate for tax purposes almost all its construction costs within its operating year, namely in FY 2019. As a result of the aforementioned tax treatment of the construction cost of the project, significant tax losses are incurred in FY 2019.
Furthermore, in addition to the tax losses incurred during the first year of operation, the Wind Farm is eligible to assume additional tax benefits associated with the annual energy production of the Wind Farm (Production Tax Credits - PTCs).
On 13/09/2019, the Group entered into a transaction, in which Berkshire Hathaway paid the amount of € 120,250 k (including issuance fees) to acquire 50% of the membership interests, the contractual rights of which stipulate that the TEI will receive, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the Fluvanna II Wind Farm, with a limited amount of tax equity investment. In FY 2019, TEI will receive 82.58% of the tax benefits, and from the 2020 year and until it achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

- **Financial liability to TEI BAL & ANTRIM:**

As at 30/06/2020, the unamortized balance of the Group's liability to TEIs stands at € 103,014 k (including an amount of € 1,319 k that pertains to the unamortized value of tax benefits).

In September 2019, the acquisition of the membership interest in the Wind Farm "Bearkat I", in Texas, USA, was competed. The wind farm of total capacity of 196.65 MW, started operating in December 2017. Following the finalization of the acquisition, the Group has a financial liability to TEI BAL & ANTRIM. The Wind Farm is eligible to receive tax benefits linked to the annual Production Tax Credits – PTCs. TEI will receive, mainly, the Tax Benefits (tax losses and Production Tax Credits) of the wind farm Bearkat I, with a limited amount of cash produced by the investment. In FY 2019 and until the TEI achieves a predetermined return on its initial payment, it will receive 99% of these benefits.

## 15. BORROWINGS

Changes in short-term and long-term borrowings of the Group and the Company as at 30/06/2020 and 30/06/2019 are summarized as follows:

*(Amounts in thousand Euro, unless otherwise stated)*

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| **Long-term loans** | | | | |
| **Opening balance** | **906.518** | **668.409** | **304.086** | **224.645** |
| New borrowing | 21.992 | 198.322 | 57.100 | 25.660 |
| Loans repayment | (2.259) | (34.008) | (14.311) | - |
| Capitalization of interest | 2.856 | 6.428 | 212 | 890 |
| Transfer between long-term and short-term components of liabilities | (28.396) | (174.872) | (23.407) | (67.693) |
| Foreign exchange differences | (2.507) | 2.280 | - | - |
| Change due to finalization of fair value of new company acquisition (Note 6.2) | (563) | - | - | - |
| **Closing balance** | **897.641** | **666.559** | **323.680** | **183.502** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| **Short-term loans** | | | | |
| **Opening balance** | **36.453** | **43.989** | **5.165** | **17.019** |
| New borrowing | 145.174 | 95.960 | 57.000 | 25.000 |
| Loans repayment | (51.464) | (36.280) | (32.000) | (13.000) |
| Capitalization of interest | 1.812 | 99 | 249 | 60 |
| Foreign exchange differences | (172) | (289) | - | - |
| **Closing balance** | **131.803** | **103.479** | **30.414** | **29.079** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| **Long-term liabilities carried forward** | | | | |
| **Opening balance** | **70.214** | **100.041** | **39.926** | **23.050** |
| Loan repayment | (31.120) | (115.364) | (6.948) | (8.898) |
| Capitalization of interest | 711 | (63) | 601 | (239) |
| Transfer between long-term and short-term components of liabilities | 28.396 | 174.872 | 23.407 | 67.693 |
| Foreign exchange differences | (270) | 295 | - | - |
| **Closing balance** | **67.931** | **159.781** | **56.986** | **81.606** |

The Group’s long-term loans mainly concern financing its business activities and mainly pertain to financing construction and operation of installations in relation to renewable energy sources.

The Group’s short-term loans pertain to bank borrowings received at regular intervals and renewable in proportion to the needs. Collected amounts are mainly used in order to cover liquidity needs during the Wind Farms construction period of the Group’s energy sector.

All loans are recognized at amortized cost. The Group estimates that the fair value of the above loans does not significantly differ from their carrying amount.

To secure the 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 debt securities (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 restricted bank accounts, which serve the above liabilities. The submitted collaterals exceed the amount of the Group's loan liabilities.

As at 30/06/2020, of the total bank loan liabilities of the Group standing at € 1,097,374 k, an amount of € 142,320 k corresponds to bank loans of the parent company. An amount of € 640,252 k corresponds to loan liabilities of the Group, for which no guarantee has been provided and the amount of € 457,123 k corresponds to loan liabilities, for which the guarantee has been provided by the parent company or other of the Group's subsidiaries.

New loans, issued by the Group in the first six-month period of 2020, was mainly used to finance investments in wind farms of subsidiaries and repay short-term bank loans potentially issued in order to finance timely implementation of their construction schedule, namely:

- A long-term bond loan of nominal value € 22,385 k was issued regarding "SERVUNIA" wind farm of TERNA AEOLIKI AMARINTHOU S.A. subsidiary. The loan was used to repay the short-term borrowings of € 19,464 k in the context of bridge financing. The term of the loan was set at 12 years, maturing in 2032. The interest rate was set at 6-month Euribor plus a margin.

- A short-term loan of € 29,240 k was issued regarding PYRGARI DARDIZA, KARABYLA and GALOSSI wind farms of AEOLIKI MARMARIOY EVIAS S.A. subsidiary in the context of bridge financing. The specific amount of the short-term loan will be replaced by the long-term loan received to cover the needs of the particular wind farm within 2020.
- A short-term loan of € 29,428 k was issued regarding AGRIACHLADIA and MESOKIPI wind farms of ENERGIAKI DYSTION EVIAS S.A. subsidiary in the context of bridge financing. The specific amount of the short-term loan will be replaced by the long-term loan received to cover the needs of the particular wind farm within 2020.
- A short-term loan of € 9,460 k was issued regarding EXOSTIS wind farm of ENERGIAKI STYRON EVIAS S.A. subsidiary in the context of bridge financing. The specific amount of the short-term loan will be replaced by the long-term loan received to cover the needs of the particular wind farm within 2020.
- A short-term loan of € 15,274 k was issued regarding PYRGARI II, KOSKINA-LAKKA and VOUREZA wind farms of AEOLIKI EASTERN GREECE S.A. subsidiary in the context of bridge financing. The specific amount of the short-term loan will be replaced by the long-term loan received to cover the needs of the particular wind farm within 2020.
- A short-term loan of € 4,771 k was issued to cover the needs of short-term financing (working capital) of the sub-group in America.
- Short-term financing of € 57,000 k was received by the Company, while short-term financing of € 32,000 k was repaid.

*(Amounts in thousand Euro, unless otherwise stated)*

The Group has the obligation to maintain specific financial ratios relating to bond loans. As at 30 June 2020, the Group was in full compliance with the required limits of these ratios, apart from a long-term loan of unamortized amount of € 2,438 k. In the previous FY, these loans were reclassified from Long-term to Short-term Liabilities, under IAS 1, since the financial ratios of the relevant loan contracts were not complied with. The Group Management has taken all the necessary steps to eliminate the reasons for non-compliance. However, as till the date of approval of the Financial Statements, the necessary waiver regarding the aforementioned loan has not been received from the crediting banks.

## 16. FINANCIAL DERIVATIVES

In the context of managing and minimizing financial risks, to which it is exposed, 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, Bulgaria and the USA. Considering the purpose of these derivatives, i.e. cash flow hedges, hedge accounting was used and their fair value was measured.

The Group and the Company financial derivatives as at 30/06/2020 and 31/12/2019 are analyzed as follows:

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **Liabilities from derivatives** | **Note** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| *- Cash flow hedging* | | | | | |
| Term Contracts for Interest rate Swaps | 16.1 | 8.654 | 7.328 | 1.477 | 1.354 |
| Electric energy options (collar) | 16.2 | 2.572 | 2.625 | - | - |
| Term contract for the sale of electric energy (physical forward) | 16.2 | 8.000 | 6.031 | - | - |
| *- For trading purposes* | | | | - | - |
| Electric energy options (collar) | 16.2 | - | 76 | - | - |
| **Total Liabilities from Derivatives** | | **19.226** | **16.060** | **1.477** | **1.354** |
| *Long-term liabilities from derivatives* | | 11.637 | 7.178 | 1.052 | 955 |
| *Short-term term liabilities from derivatives* | | 7.589 | 8.882 | 425 | 399 |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| **Receivables from derivatives** | **Note** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| *- Cash flow hedging* | | | | | |
| Electric energy options (collar) | 16.2 | 4.742 | 5.716 | - | - |
| Electric energy options (swaption) | 16.2 | 494 | 510 | - | - |
| Sale of electric energy physical forward | 16.2 | - | 8.096 | - | - |
| **Total Receivables from Derivatives** | | **5.236** | **14.322** | **-** | **-** |
| *Long-term receivables from derivatives* | | 5.236 | 14.322 | - | - |

All the aforementioned financial instruments are measured at their fair value. Specifically, in the six-month period ended as at 30/06/2020, from the above derivatives, a total loss of € 861 k (the first six-month period of 2019: profit of € 5,992 k) was recognized in the income statement for the year from changes in fair value. Furthermore, total changes in fair value recognized in other comprehensive income totally amounted to a loss of € 11,516 k (the first six-month period of 2019: profit of € 3,039 k). More analytically:

### 16.1 Forward Interest Rate Swaps

In order to manage the interest rate risk it is exposed to, the Group has entered into forward interest rate swaps.

The aim of interest rate swaps is to offset the risk of adverse cash flows fluctuation of future cash flows arising from interest on loan contracts entered into as a result of activities, in particular the electricity generation sector. More specifically, interest rate swaps relate to contracts whereby the variable interest rate on the loan is converted to fixed over the entire term of the loan, so that the Group is protected against any increase in interest rates. The fair value of these contracts was estimated by displaying the effective interest rate (euribor) curve as of 30/06/2020 throughout the time horizon of such contracts.

The fair value of these contracts as at 30/06/2020 totally amounted for the Group to liability of € 8,654 k (the total nominal value of the contracts is € 191,286 k and pertains to Greece and Bulgaria and 17,102 k dollars to America). As at 30/06/2020, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9 and from their measurement at fair value, a loss of € 1,135 k was recognized in other comprehensive income. These financial liabilities are classified at fair value hierarchy at level 2 (see Note 25).

### 16.2 Derivatives for hedging variations in energy market prices

Through its subsidiaries in the USA, the Group proceeds with derivatives with a view to hedging the risk of a change in the cash flow variability in energy regarding the Group's investments in RES in the USA. In particular:

- In September 2016, the Group entered into two derivatives, a collar call option (trading date: 23.09.2016) and a swaption. Regarding the collar derivative, the effective date was 01.01.2018, while for the swaption the effective date would be 01/01/2024. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Farm in the USA, through its subsidiary. This particular subsidiary constructed and operated a wind park of 155.4 MW-capacity in West Texas of the United States.

  As at 30/06/2020 and 31/12/2019, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivatives was determined at € 492 k (net liability) as at 30/06/2020 (31/12/2019: € 514 k – net receivable) and the derivatives were classified at fair value hierarchy level 3 (see Note 25).

- In July 2018, the Group issued a balance of hedge, through which it will swap variable income from sale of wind farm electricity in the USA for a fixed payment. The contract in question is only a financially settled contract and does not include product swap. The Group entered into the aforementioned contract with the ultimate purpose of using it to hedge the risk of market price changes and, secondary, the effect on revenue from sale of electric energy. The balance changes transaction effective date was 03/07/2018. As at 30/06/2020 and 31/12/2019, the aforementioned contract did not comply with hedging of cash flow risk provisions stated in IFRS 9.

  On 30/06/2020, the balance of hedge was terminated, in compliance with the clauses of the initial agreement, and, therefore, the fair value was nullified. The fair value of the derivative was defined at € 76 k (net liability) as at 31/12/2019 and was classified at fair value hierarchy level 2 (see Note 25). The unrealized profit from the valuation of the balance of hedge amounting to € 78 k constitutes an operating profit of the wind farm in question and has been recorded as an addition to the Turnover.

- In September 2018, the Group issued two derivatives, a forward contract for sale of electricity at a predetermined price, physical, and a collar option. Regarding the physical contract, the effective date was 01.11.2019, while regarding the collar - 01.11.2024. The Group entered into these derivatives with the ultimate purpose of using them to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary operates the second wind park of 158 MW-capacity in West Texas of the United States.

*(Amounts in thousand Euro, unless otherwise stated)*

As at 30/06/2020 and 31/12/2019, these derivatives met the cash flow hedge requirements in accordance with the provisions of IFRS 9. The fair value of the derivative was determined at € 621 k (net liability) as at 30/06/2020 (31/12/2019: € 591 k – net receivable) and the derivative has been classified in the fair value hierarchy level 3 (see Note 25).

- On September 5th 2019, through acquisition of subsidiary, the Group acquired a forward contract for sale of electricity at a predetermined price, physical. The effective date was 01.04.2018. The Group entered into this derivative with the ultimate purpose of using it to hedge the risk of cash flow variability in the energy for the Group's investment in a Wind Park in the USA, through a subsidiary company. This particular subsidiary operates the wind farm of 196.65 MW-capacity in Texas of the United States. As at 30/06/2020 and 31/12/2019, this contract met the cash flow hedging requirements, in accordance with the provisions of IFRS 9. The fair value of the derivative was determined at € 4,223 k (net liability) as at 30/06/2020 (31/12/2019: € 4,562 k – net receivable) and the derivative has been classified in the fair value hierarchy level 3 (see Note 25).

Summarizing the above, in the first six-month period of 2020, from the aforementioned derivatives used for the purpose of hedging changes in energy market prices, a loss from changes in fair value of € 861 k was recognized (the first six-month period of 2019: profit of € 5,992 k) in the income statement and in particular in the item "Profit/ (loss) from financial instruments measured at fair value". The changes in fair value recognized in the “Cash flow hedging risk” item of the statement of other comprehensive income totally amounted to a loss of € 10,381 k (the first six-month period of 2019: profit of € 5,959 k).

## 17 OTHER PROVISIONS

Changes in other provisions of the Group and the Company in the six-month period ended as at 30/06/2020 and 30/06/2019 respectively are briefly recorded below as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Balance 1 January** | **21.550** | **17.235** | **4.111** | **3.924** |
| Provision recognized in the income statement | 587 | 460 | 99 | 94 |
| Provision recognized in property, plant and equipment | 369 | - | - | - |
| Foreign exchange differences | (156) | 60 | - | - |
| **Balance 30 June** | **22.350** | **17.755** | **4.210** | **4.018** |

The above provisions of the Group are presented in their entirety, as long-term provisions. With the exception of the provision for environmental rehabilitation, all the other provisions are not recorded at discounted amounts as there is no accurate estimate of their payment time.

*(Amounts in thousand Euro, unless otherwise stated)*

The companies of the Group's energy sector are under obligation to proceed with environmental rehabilitation in locations, where the Wind Farms, producing electricity, are installed, following the completion of exploitation, based on the effective licenses granted by the states where the Wind Farms have been installed. The aforementioned provision regarding the Group as at 30/06/2020 amounts to € 21,456 k (€ 16,859 k as at 30/06/2019) and regarding the Company – to € 3,450 k (€ 3,257 k as at 30/06/2019) and reflects the discounted value of 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 the provisions pertains to provisions for pending legal cases and tax inspection differences (Note 28).

## 18 GRANTS

Changes in the grants of the Group and the Company as at 30/06/2020 and 30/06/2019 are briefly described as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Balance 1 January** | **134.322** | **141.336** | **18.916** | **20.175** |
| Amortizations recognized in the income statement (Note 20) | (3.976) | (3.986) | (629) | (629) |
| Foreign exchange differences | (380) | 497 | - | - |
| **Balance 30 June** | **129.966** | **137.847** | **18.287** | **19.546** |

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

The "Grants" include approved though not collected grants, totalling € 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.

## 19 ACCRUED AND OTHER LONG-TERM AND SHORT-TERM LIABILITIES

In the account "Other long-term liabilities" of the Interim Condensed Financial Statements as of 30/06/2020, an amount of € 9,887 k concerns the liability of a contingent consideration related to the acquisition of the company "RF Energy Omalies MAE", expected to be paid after 31/12/2021 in accordance with the terms of the acquisition contract. This liability is discounted using an appropriate discount rate of 6.14%. Further information is presented in Note 6.1.

*(Amounts in thousand Euro, unless otherwise stated)*

Accrued Short-term Liabilities of the Group and the Company as at June 30th 2020 and December 31st 2019 are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Accrued and other short-term financial liabilities** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Liabilities from dividends payable and capital return | 2.882 | 160 | 199 | 160 |
| Intragroup liabilities from dividends, cash and other liabilities | 69 | 17 | 304 | 1.956 |
| Deferred income and other transit accounts | 1.275 | 3.476 | - | - |
| Employee fee due | 332 | 333 | 274 | 285 |
| Accrued expenses | 5.631 | 6.053 | 1.028 | 595 |
| Sundry creditors | 521 | 614 | 53 | 117 |
| **Total** | **10.710** | **10.653** | **1.858** | **3.113** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Other short-term non-financial liabilities** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Liabilities from taxes-duties other than income tax | 3.692 | 5.414 | 1.706 | 2.376 |
| Social security funds | 294 | 513 | 251 | 414 |
| Clients prepayment | 14 | - | - | - |
| Grants to return | 3.024 | 3.024 | - | - |
| **Total** | **7.024** | **8.951** | **1.957** | **2.790** |

## 20 OTHER REVENUE /(EXPENSES)

Other revenue/(expenses) as of June 30th 2020 and 2019 respectively are analyzed in the table below as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Other income** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| Income from sale of waste material | - | 1 | 7 | 8 |
| Income from leases | 24 | 13 | 44 | 33 |
| Income from insurance indemnities | 309 | 3.089 | 137 | 2.688 |
| Income from the forfeiture of guarantees received and penaltiesclauses | 650 | 150 | - | - |
| Grants amortization (Note 18) | 3.976 | 3.986 | 629 | 629 |
| Amortization of tax benefits (Note 14) | 3.478 | 1.932 | - | - |
| Other income | 53 | 696 | 68 | 101 |
| Foreign exchange differences (credit) | - | 771 | - | - |
| **Total other income** | **8.490** | **10.638** | **885** | **3.459** |

*(Amounts in thousand Euro, unless otherwise stated)*

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| **Other expenses** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** | **01.01 - 30.6.2020** | **01.01 - 30.6.2019** |
| Non accounted for fixed assets depreciation | (1) | (346) | (1) | (346) |
| Tax, duties and insurance contribution of previous years | (201) | (21) | (177) | (5) |
| Other expenses | (114) | (169) | (98) | (88) |
| Impairments/write-offs | (25) | (366) | (25) | (29) |
| Foreign exchange differences (debit) | (1.433) | - | (1) | - |
| **Total other expenses** | **(1.774)** | **(902)** | **(302)** | **(468)** |
| | | | | |
| **Total other income/(expenses)** | **6.716** | **9.736** | **583** | **2.991** |

## 21 REVENUE FROM PARTICIPATING INTEREST AND OTHER INVESTMENTS

The account "Revenue from participating interest and other investments" includes the revenue from dividends required by the Company from its subsidiaries. As at June 30th 2020, total revenue from dividends stands at € 26,869 k (30/06/2019: € 22,869 k), of which, as till the accompanying financial statements approval date, an amount of € 21,180 k was collected.

## 22 NUMBER OF PERSONNEL

The average headcount of full-time employees in the Group in the first six-month of 2020 was 330, and the Company - 192 (303 and 203 respectively in the first six-month of 2019).

## 23 INCOME TAX

According to Greek tax legislation, in particular Par. 1, Article 22, Law 4646/2019 (GOVERNMENT GAZETTE A΄ 201/12-12-2019), which amended Article 58, Law 4172/2013, the income tax rate regarding 2020 and 2019 is that of 24%.

The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are non-exemption of specific expenses, depreciation rates differences, arising between the fixed asset's useful life and the rates defined under CL 4172/2013, and the ability of companies to generate tax-exempted discounts and tax-exempted reserves.

Income tax expense is recorded based on the management's best valuation on the weighted average annual tax rate for a full year. For the Group, the weighted tax rate for the six-month period ended 30/06/2020 was 21.29%, while it was negative for the Company -3.46%. The negative tax rate for the Company has arisen mainly due to income from dividends of subsidiaries, exempted from income tax. In the corresponding comparative period of 2019, the tax rate for the Group was 21.69 % and for the Company 3.44%.

Tax return statement is submitted on an annual basis but declared profits or losses remain provisional until the tax authorities inspect the taxpayer's books and records and issue a final audit report. The Group annually estimates any contingent liabilities, expected to arise from the audit of past years, making relevant provisions where appropriate. The Group made provisions of € 560 k for tax non-inspected years and the Management believes that apart from the provisions made, any potentially arising tax amounts will not have a significant impact on the Group's and Company's equity, results and cash flows. Information regarding tax non-inspected years is presented in Notes 4 and 28.1 to the Financial Statements.

## 24 TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01 - 30/06/2020 and the comparative six-month period 01/01-30/06/2019, as well as the other receivables and liabilities arising from such transactions as of 30/06/2020 and 31/12/2019, are as follows:

**The Company's transactions with subsidiaries**

| **a) Receivables** | **Company** | |
|---|---|---|
| **Amounts in € '000** | **30.6.2020** | **31.12.2019** |
| Trade receivables | 30.219 | 32.457 |
| Loans | 96.004 | 90.166 |
| Intragroup receivables from financial facilities and other receivables | 3.223 | 800 |
| Dividends receivable | 6.608 | - |
| **Total** | **136.054** | **123.423** |

| **b) Liabilities** | **Company** | |
|---|---|---|
| **Amounts in € '000** | **30.6.2020** | **31.12.2019** |
| Suppliers | 1.754 | 895 |
| Loans & other liabilities | 268.760 | 225.528 |
| Other liabilities | 235 | 1.939 |
| **Total** | **270.749** | **228.362** |

**c) Income**

| Amounts in € '000 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|
| Financial income | 2.065 | 2.777 |
| POC construction material | 14.357 | 6.983 |
| Repairs and maintenance | 2.638 | 2.756 |
| Income from trading electric energy | 252 | 3.144 |
| Other services | 1.402 | 566 |
| Other income | 154 | 41 |
| **Total** | **20.868** | **16.267** |

**d) Expenses**

| Amounts in € '000 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|
| Other expenses | 115 | 112 |
| Financial expenses | 4.804 | 3.659 |
| Electric energy acquisition cost | 3.002 | 2.783 |
| **Total** | **7.921** | **6.554** |

**e) Revenue from participating interest and other investments**

| Amounts in € '000 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|
| Derivative income | 26.869 | 22.869 |
| **Total** | **26.869** | **22.869** |

## Transactions with other related parties

**a) Receivables**

| | Group | | Company | |
|---|---|---|---|---|
| **Amounts in € '000** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Trade receivables | 2.654 | 1.140 | 2.654 | 1.229 |
| Loans and Guarantees | 2.745 | 2.741 | 1.973 | 1.977 |
| Other current receivables | 494 | 966 | 90 | 682 |
| **Total** | **5.893** | **4.847** | **4.717** | **3.888** |

**b) Liabilities**

| | Group | | Company | |
|---|---|---|---|---|
| **Amounts in € '000** | **30.6.2020** | **31.12.2019** | **30.6.2020** | **31.12.2019** |
| Suppliers | 700 | 794 | 442 | 615 |
| Loans & other liabilities | 35 | 7 | - | 2 |
| Liabilities from capital refunds | - | - | - | - |
| Other liabilities | 80 | 7.407 | 69 | 7.359 |
| **Total** | **815** | **8.208** | **511** | **7.976** |

**c) Income**

| Amounts in € '000 | Group 01.01 - 30.6.2020 | Group 01.01 - 30.6.2019 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|---|---|
| Financial Income | 17 | 25 | 7 | 8 |
| Income from construction services | - | - | - | - |
| Income from trading electric energy | 160 | 2.659 | - | - |
| Other income | 426 | 27 | 30 | 27 |
| **Total** | **603** | **2.711** | **37** | **35** |

**d) Expenses**

| Amounts in € '000 | Group 01.01 - 30.6.2020 | Group 01.01 - 30.6.2019 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|---|---|
| Other expenses | 273 | 446 | 265 | 434 |
| Financial expenses | 32 | 43 | 3 | 2 |
| Other third party benefits | 577 | 534 | 286 | 141 |
| Electric energy acquisition cost | 43 | 1.392 | - | - |
| **Total** | **925** | **2.415** | **554** | **577** |

**e) Revenue from participating interest and other investments**

| Amounts in € '000 | Group 01.01 - 30.6.2020 | Group 01.01 - 30.6.2019 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|---|---|
| Derivative income | **-** | **500** | **-** | **500** |
| **Total** | - | 500 | - | 500 |

| | Group 01.01 - 30.6.2020 | Group 01.01 - 30.6.2019 | Company 01.01 - 30.6.2020 | Company 01.01 - 30.6.2019 |
|---|---|---|---|---|
| BoD fees | 149 | 732 | - | 700 |
| BoD Executive Officers fees | 497 | 496 | 321 | 261 |
| | **646** | **1.228** | **321** | **961** |

The most significant transactions and balances of the Company with its subsidiaries as at 30/06/2020 are presented below as follows:

| | | RECEIVABLES | LIABILITIES | INCOME | EXPENSES |
|---|---|---|---|---|---|
| AIOLIKI ANATILIKIS ELLADOS S.A. | Subsidiary | 11.950 | - | 2.927 | - |
| TERNA ENERGY TRADING DOO | Subsidiary | - | 248 | 163 | 1.263 |
| AIOLIKI MARMAEIOU EVIAS S.A. | Subsidiary | 18.624 | - | 7.179 | - |

*(Amounts in thousand Euro, unless otherwise stated)*

| | | | | | |
|---|---|---|---|---|---|
| ENERGIAKI DYSTION EVIAS S.A. | Subsidiary | 7.771 | - | 4.268 | - |
| ENERGIAKI STYRON EVIAS S.A. | Subsidiary | 11.376 | - | 649 | - |
| TERNA ENERGIAKI AI GIORGIS S.A. | Subsidiary | 4.105 | 14 | 1.607 | - |
| TERNA AIOLOKI AMARYNTHOU S.A. | Subsidiary | 1.410 | - | 104 | - |
| ENERGIAKI PELOPONNESE S.A. | Subsidiary | 15.548 | 15 | 422 | - |
| AEIFORIKI EPIRUS | Subsidiary | 10.866 | 867 | 1.608 | 3 |
| PERIVALLINTIKI PELOPONNESE S.A. | Subsidiary | 16.696 | - | 285 | 85 |
| ENERGIAKI SERVOUNIOU S.A. | Subsidiary | 24 | 14.992 | 4.505 | 297 |
| TERNA ENERGY FINANCING S.A. | Subsidiary | 319 | 147.615 | - | 2.669 |
| TERNA ENERGY EVROU S.A. | Subsidiary | 31 | 44.669 | 2.154 | 740 |
| TETRA DOOEL SKOPJE | Subsidiary | - | 543 | 88 | 1.675 |
| AEOLIKI PASTRA ATTICA S.A. | Subsidiary | 4.600 | 4.071 | 6.095 | 74 |
| ENERGIAKI DERVENOCHORION S.A. | Subsidiary | 28 | - | 4.944 | - |
| | | **103.348** | **213.034** | **36.999** | **6.806** |

## 25 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

Financial assets and financial liabilities measured at fair value in the Group's Statement of Financial Position are classified under the following 3 level hierarchy in order to determine and disclose the fair value of financial instruments per valuation technique:

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

**Level 1:** at fair value based on quoted (unadjusted) prices in active markets for comparable assets or liabilities.

**Level 2:** at fair value, using valuation techniques for which all inputs that significantly affect the fair value, are based (either directly or indirectly) on observable market data.

**Level 3:** at fair value, using valuation techniques, in which the data that significantly affects the fair value, is not based on observable market data.

The Group's and the Company financial assets and financial liabilities measured at fair value as at 30/06/2020 and 31/12/2019, classified in the aforementioned levels of hierarchy, are as follows:

*(Amounts in thousand Euro, unless otherwise stated)*

**30 June 2020**

| **Financial assets** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Investments in equity instruments | - | - | 2.240 | **2.240** |
| Securities | 2.794 | - | - | **2.794** |
| Receivables from derivatives | - | - | 5.236 | **5.236** |
| **Total** | **2.794** | **-** | **7.476** | **10.270** |
| | | | | |
| **Financial liabilities** | | | | |
| Liabilities from derivatives | - | 8.654 | 10.572 | **19.226** |
| Contingent consideration from acquisition of assets (Notes 6,1) | - | | 9.887 | **9.887** |
| **Total** | **-** | **8.654** | **20.459** | **29.113** |
| | | | | |
| **Net fair value** | **2.794** | **(8.654)** | **(12.983)** | **(18.843)** |

**31 December 2019**

| **Financial assets** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|---|---|---|---|---|
| Investments in equity instruments | - | - | 2.418 | **2.418** |
| Receivables from derivatives | - | - | 14.322 | **14.322** |
| **Total** | **-** | **-** | **16.740** | **16.740** |
| | | | | |
| **Financial liabilities** | | | | |
| Liabilities from derivatives | - | 7.404 | 8.656 | **16.060** |
| **Total** | **-** | **7.404** | **8.656** | **16.060** |
| | | | | |
| **Net fair value** | **-** | **(7.404)** | **8.084** | **680** |

There were no changes in valuation technique applied by the Group within the current reporting period. Moreover, there were no transfers of the amounts between Levels 1 and 2 during the six-month period 01/01-30/06 2020 and FY 2019.

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) as well as the contingent consideration from acquisition of assets (see Note 6.1).

*(Amounts in thousand Euro, unless otherwise stated)*

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. Regarding the fair value of contingent consideration, it was determined based on the expected payments and relative potential of such payments being performed in compliance with the decisions, made by the Management.

**Fair value measurement of Level 3 financial instruments**

The movement in the Group's financial instruments classified in Level 3 for the six-month period ended as at 30/06/2020 and FY 2019 are presented below as follows:

| | 30.6.2020 | | | 31.12.2019 | |
|---|---|---|---|---|---|
| | **Investments in equity interests** | **Derivatives** | **Contingent consideration from acquisition of assets (Notes 6,1)** | **Investments in equity interests** | **Derivatives** |
| **Opening balance** | **2.418** | **5.666** | **-** | **1.823** | **(146)** |
| - Acquisition/Addition | 63 | | 9.887 | 600 | 7.470 |
| - (Sale) | | | - | (5) | - |
| - Effect of evaluation | - | (11.241) | - | - | (1.545) |
| - Impairment | (241) | | - | | |
| - Foreign exchange differences | - | 239 | - | - | (113) |
| **Closing balance** | **2.240** | **(5.336)** | **9.887** | **2.418** | **5.666** |

Analysis of the derivatives is presented in Note 16. Level 3 assets pertain to investments in non-listed companies at a participating interest not exceeding 20%. Analysis of contingent consideration is presented in Note 6.1.

The book values of the following financial assets and liabilities approximate their fair value because of their short-term nature:

- Trade and other receivables
- Cash and cash equivalent
- Suppliers and other liabilities

## 26 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. Additional information regarding such collaterals is presented in Notes 8 and 15.

## 27 SIGNIFICANT EVENTS DURING THE PERIOD (FIRST SIX-MONTH 2020)

The following significant events occurred within the first six-month of 2020:

- **Return of share capital of € 19,4 m. to shareholders**

The Extraordinary General Meeting of Shareholders held on 18/12/19 decided on increasing the share capital by the amount of € 19,366,219.12 through capitalizing part of the special purpose reserve from the issue of share premium with an increase in the nominal value of each share from € 0.30 to € 0.47, while simultaneously reducing the share capital by € 19,.366,.219.12 with a relative decrease in the nominal value of each share from € 0.47 to € 0.30 and returning the amount of this reduction (i.e. € 0.17 per share) to shareholders. On 24/1/2020 it was registered in the General Commercial Registry the No. 7893 Decision of the Ministry of Development and Investments - General Secretariat of Commerce, approving the amendment of paragraph 1 of article 5 of the Company's Articles of Association as a result of the increase and decrease of the share capital. The Corporate Actions Committee - Athens Stock Exchange (ATHEX), at its meeting held on 29/01/2020, was informed about the increase and decrease in the nominal value of the Company's shares as a result of which the Company's share capital amounts to thirty-four million one hundred and seventy-five thousand six hundred eighty euro and eighty cents (€ 34,175,680.80) and is divided into one hundred thirteen million, nine hundred eighteen thousand nine hundred and thirty-six (113,918,936) common registered shares with voting rights with a nominal value of thirty cents (€ 0.30) each. Following the above, as starting from Thursday 05/03/2020 (cut-off date) the Company's shares are listed on the ATHEX with the new nominal value of € 0.30 per share and without the right to participate in capital return in cash to shareholders of € 0.17 per share. This obligation of repayment the capital return was completed on 11 March 2020.

- **Donation of € 3.5 million to the country's Armed Forces**

On 10/02/2020, the Company donated € 3.5 million to the country's Armed Forces.

The Company will fully cover the costs of the studies, planning and construction of all required projects in order to:

a. Turn the 115 CW Airport (Souda) into a Zero Carbon Footprint installation (Net Zero Carbon Emissions).

b. To meet the needs for electricity, heating and cooling of the facilities at the 115 CW military airport in Souda, by relying by 100% on Renewable Energy Sources (Net Zero Energy Airport) and achieve the proper degree of the "electrification" of the transport services within the Airport.

115 Military Airport in Souda will be one of the first installations in the world to receive the respective certifications, while the annual benefit of fully discharging the Unit from the cost of electricity supply and heating needs will exceed € 400,000. This way, 115 Military Airport will make a significant contribution to addressing climate change and will be equipped with state-of-the-art intelligent energy management systems, without reducing its operational capabilities.

For the implementation of the necessary projects, the Company will cooperate with the specialized company Easy Power.

The budget of the proposal exceeds € 3.5 million, while the time required for completion of the project is estimated to be approximately six (6) months from the day of official acceptance of the donation in the Government Gazette and signing the relevant contract with the Ministry of National Defense.

- **New Investments of over € 550 million Euro in the Greek RES Market**

In its related announcement dated 16/03/2020, TERNA ENERGY S.A. announced that continuing its investment plan in Greece, it is proceeding with the implementation of new investments in the production of clean energy, with a total budget of € 550 million. To this end, the company is expected to begin shortly the construction of new wind farms in Evia, following completion of the acquisition of a portfolio of fully or partially licensed projects of a total capacity of 270 MW owned by "RF Omalies S.A." acquired from the company "RF Energy S.A.".

At this stage, the Company plans the construction of wind farms with a total capacity of over 180 MW, which will lead to a total capacity new wind farms, scheduled in the Greek RES market by TERNA ENERGY Group, exceeding 400 MW and the total investment value of 550 million euro.

The significant increase of TERNA ENERGY presence in the Greek RES market brings the Group's goal to reach the size of 2,000 MW of RES projects in operation in Greece and abroad closer and much earlier than in 2025, as originally aimed.

- **Decisions of the Regular General Meeting of Shareholders held on 29/04/2020**

On 29/04/2020, the Regular General Meeting of the Shareholders of TERNA ENERGY S.A. convened and made the following decisions:

**a**. Approved the proposal of the Board of Directors on distribution of dividend of € 0.17 per share, i.e. a total amount of € 19,060,173.06 for FY 2019, according to article 160 of Law 4548/2018. On 29/06/2020, the Company proceeded with the payment of the aforementioned dividend. This amount was increased by the dividend corresponding to 3,894,741 treasury shares held by the Company at the date of the cut off, forming the amount that was finally paid to the Shareholders as the amount of € 19,199,756.66. At the same time, the RGM approved payment of fees to the Members of the Board of Directors and the members of the Committees for FY 2019, totally amounting to € 700,000, from the taxed profits of the Company.

**b**. Approved the proposal of the Board of Directors on approving the report on remuneration of the members of the Board of Directors of the Company for FY 2019 in accordance with article 112 of law 4548/2018.

**c.** Approved the share buyback up to percentage of 10% of the total shares of the Company, with a minimum purchase price of thirty cents (0.30 €) and a maximum price of thirty euros (30.00 €), which will take place within a period of twenty-four months, i.e. no later than April 28, 2022.

**d.** Approved the amendment and extension for four (4) years of the Remuneration Policy, prepared under the supervision of the Nomination and Remuneration Committee, which was approved by the Extraordinary General Meeting of 18.12.2019.

- **Dividend payment for FY 2019 on 29/06/2020**

On Monday, June 29, 2020, the company "TERNA ENERGY S.A." proceeded with payment of dividend, as decided by the Regular General Meeting held on April 29, 2020, amounting to 0.17 euro per share from FY 2019 profits. This amount was increased by the dividend corresponding to the 3,894,741 treasury shares held by the Company at the cut-off date, i.e. by 0.006008 euro per share and, therefore, the total amount of dividend per share amounted to 0.174505 euro. The aforementioned amount dividend is subject to withholding tax of 5%, according to article 24 of law 4646/2019 and, therefore, the shareholders received a net amount of 0.165780 euro per share. Beneficiaries of the said dividend are the investors who are registered in the D.S.S. of the Company on Tuesday, June 23, 2020 (record date). The dividend was paid according to the provisions of the Athens Stock Exchange Regulations.

## 28. CONTINGENT ASSETS AND LIABILITIES

### 28.1 Fiscal years non-inspected by Tax authorities

The Group's tax obligations are not final as there are tax non-inspected years, which are analysed in Notes 4 and 23 to the accompanying Financial Statements for the six-month period ended as at 30/06/2020.

Regarding tax non-inspected years, it is possible that additional taxes and surcharges can be imposed at the time they are inspected and finalized. The Group annually assesses any contingent liabilities, expected to arise from the tax inspection of past years, making relevant provisions where appropriate. The Group has made provisions for tax non-inspected years of € 560 k (31/12/2019: € 560 k).

The Management believes that apart from the provisions made, any potentially arising tax amounts will not have a significant impact on the Group's and Company's equity, results and cash flows.

**Tax Compliance Report**

For the years 2011 to 2014, the Group companies operating in Greece and meeting the relevant eligible criteria for the tax audit by the Certified Public Auditors received a Tax Compliance Report in accordance with paragraph 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 POL. 1006/2016, the companies, subject to the aforementioned special tax audit, are not exempted from statutory tax audit by the competent tax authorities.

Further, according to the relevant legislation, for the fiscal years 2015 onwards, the audit and the issuance of the Tax Compliance Report are optional. In this context, the parent company and most Greek subsidiaries, operating in the RES sector, received tax compliance reports for the years 2015 to 2018.

The special audit for the purposes of issuing a Tax Compliance Report for FY 2019 is in progress regarding the Group's companies, operating in Greece, and the relevant tax certificates are projected to be issued after the publication of the interim condensed financial statements for the period ended as at June 30th 2020. At the completion of these tax audits, the Management does not expect that any significant tax obligations will arise beyond those, recorded in the financial statements of the Group and the Company. It should be noted that according to POL. 1192/2017, the right of the State to charge tax until the fiscal year 2013 has expired unless the special provisions of 10 years, 15 years and 20 years of expiry are effective.

**28.2 Commitment from construction contracts**

As at 30/06/2020, the backlog of construction contracts of the Group amounted to € 107.8 million (31/12/2019: € 109.9 million) including backlog of concession contracts amounting to € 105.6 million (31/12/2019: € 105.9 million).

**28.3 Litigations**

The Company and its consolidated companies are involved (as defendant and plaintiff) in various litigations in the context of their usual operation. The Group makes provisions in the financial statements for pending 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, as at 30/06/2020, the Group recognized provisions of € 335 k (31/12/2019: €335 k). The Management, as well as legal consultants, consider that apart from already made provisions, the pending cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company, or the results of their operation apart from the provision already made for litigations.

In particular:

**Contingent liabilities**

**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 property and moral damage due to the Company's acquisition of a license for a locally established Wind Farm electricity production. According to the estimate of the Company's legal consultants, the lawsuit will not be settled successfully for the claimant.
- Legal action was taken against TERNA ENERGY S.A., TERNA S.A. and the joint venture under the title EUROIONIA 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".

**TERNA ENERGY S.A. and TERNA ENERGY AI GIORGIS S.A.**

- There is a legal lease dispute between an individual and the companies TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", regarding the lease of the island of Agios Georgios Attica from the other party to TERNA ENERGY. It is to be noted that on the island there is an installation of two wind farms of the subsidiary "TERNA ENERGY AI GIORGIS S.A.", with a total installed capacity of 69 MW.

  In particular, on 01.07.2019 the opponent filed a lawsuit to the Athens Single Member Court of First Instance against TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", demanding the return of the island of Agios Giorgis, Attica. On 28.05.2020, regarding the aforementioned lawsuit, No. 619/2020 decision of the above court was issued and sent to the defendant companies of the Group on 15.06.2020. The decision accepted the lawsuit, due to the invalidity of the disputed lease agreement, due to non-receiving the license in compliance with the provisions of article 28 par. 1 of Law 1892/1990, which at the time of signing the lease agreement, in the year 2005, had to be given by the Minister of Agriculture. However, the court did not examine the issue of ownership of the island, as this was neither a claim of the lawsuit, nor was it required to be considered in order to rule on the lease dispute, as the lease of real estate can be validly agreed by a non-owner.

On 30/06/2020 the opponent filed a lawsuit to the Athens Single Member Court of First Instance against TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", disclosed on 20/07/2020, under which, on one hand, it waives the lawsuit as of 13.01.2020 (filing date 27/01/2020 and delivery date 28/01/2020) against the same parties and on the other hand, demands compensation of € 235.2 k due to tort, according to article 914 of the Civil Code, reporting the occupation of the island of Agios Giorgis and interruption of payment of rentals to the plaintiff. The lawsuit is being heard under the new Code of Civil Procedure and, therefore, the date of hearing has not been defined yet. According to the estimates of the Company's legal consultants, it is probable that this lawsuit will be rejected.

**AEIFORIKI EPIRUS MAE**

- In its letter under prot. no. 45431/142/1.4.2019, the Region of Epirus disclosed to the company the penalty amount of Euro 690,000 due to failure to make available the Epirus Region Waste Treatment Plant at the Scheduled Date, in accordance with the terms of 21/07/2017 Partnership Agreement. The Company considers that the delay in not achieving the availability of the services on the Scheduled Date is not due to its fault, and will, therefore, resort to the arbitration procedure provided for in the Partnership Agreement in order to cancel that penalty. The Group’s Management estimates that the penalties imposed will not be settled successfully and the Group’s subsidiary will not be subject to financial burdens.

  This assessment is also based on the submitted Arbitration Appeal – Arbitrator Appointment and Arbitrator Referee Appointment Invitation, in which AEIFORIKI EPIRUS MAE raises its own objections, claims and demands. In particular, on 23/07/2019, as of 19/07/2019 Arbitration Appeal - Appointment of Arbitrator and Invitation of Arbitration Appointment was handed to Region of Epirus, in which AEIFORIKI EPIRUS MAE seeks to declare that the penalty of 690 k was unlawfully imposed and to be repaid to the company with the default interest and the following amounts to be paid: (a) € 989 k as compensation for positive losses due to the prolongation of the working period, (b) € 697 k as compensation for loss of revenue during the above period, (c) € 325 k as compensation for the cost of performing additional control tests for MEA Epirus, (d) € 817 k as compensation for loss of revenue during the first year of operation of MEA Epirus, (e) € 1,048 k as compensation for loss of revenue during the second year of operation of MEA Epirus. The dispute will be resolved in accordance with the provisions of the Code of Civil Procedure on Arbitration.

  Each party has already appointed its arbitrator and, in the absence of arbitrators' agreement, the company has lodged an application for arbitrator designation with the Athens Court of First Instance, on which the Region has intervened in the main proceedings seeking its dismissal. The application and the main intervention were discussed on 10.01.2020 and the decision is pending.

**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 TERNA ENERGY AI GIORGIS S.A. is to receive an amount of € 12,034 plus legal interest from the beginning of 2017. Since the aforementioned decision established that TERNA ENERGY AI GIORGIS S.A. was co-responsible for damage at a percentage of 35%, the company has appealed to the Three-Member Court of Appeal of Piraeus against the decision No. 1291/2018, settled for hearing on 15/11/2018. On the same date, the appeal, made by the opponent against the decision No. 1291/2018 was also to be heard. On these, no. 563/2019 non-final decision of the court of appeal of Piraeus was issued, ordering the conduct of an expert examination, which is already in progress.
- 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 grounds for potential appeal.

**28.4 Guarantees**

In the course of its operations, the Group issues bank letters of guarantee in order to assure its counterparties of the fulfilment of obligations arising from the terms of its contracts.

The types and amounts (in thousand Euro) of the letters of guarantee issued by the Group to its counterparties as at 30/06/2020 are analyzed in the following table:

| **Type of Letter of Guarantee** | **Amount of Guarantee** |
|---|---|
| Contract execution guarantees for construction | 29.676 |
| Guarantees of payment | 1.410 |
| Tender guarantees | 2.605 |
| Guarantees of warranty execution for Agreements of Private and Public Sector | 12.216 |
| Guarantees of warranty execution for Grants | 28.582 |
| Guarantees of warranty execution for Other Agreements | 12.085 |
| Guarantees of credit facility tems | 5.307 |
| **Total** | **91.880** |

## 29. SIGNIFICANT EVENTS AFTER THE REPORTING DATE OF STATEMENT OF FINANCIAL POSITION

- On 15/07/2020 the Company announced the disposal of the wind farm "Mountain Air" with a capacity of 138 MW, located in the state of IDAHO, in the USA, to Innergex Renewable Energy Inc. The Enterprise Value for the disposal of the wind farm amounts to 215 million dollars. It is to be noted that in 2019, the operating profit (US GAAP) of the project amounted to 17.6 million dollars (EBITDA 2019). The disposal is expected to generate a profit (IFRS) that will exceed 30 million US dollars, while the total debt of TERNA ENERGY is equally decreased by the aforementioned Enterprise Value of 215 million dollars. TERNA ENERGY entered the US clean energy market as early as 2011. It has four (4) wind farms in operation, with a total capacity of 651 MW, one of which concerns the first project of TERNA ENERGY for sale in the USA, with a capacity of 138 MW (Mountain Air). Following the disposal of the project in IDAHO, TERNA ENERGY will keep in operation three (3) wind farms with a total capacity of approximately 512 MW, in the state of Texas.

- On 27/07/2020, the Company announced that the reassessment of its creditworthiness by the company ICAP A.E. reclassified it into “A” rating. “A” rating indicates a very low credit risk and is attributed to the companies that are in position to meet their obligations even under adverse economic circumstances, and therefore, their creditworthiness remains consistently high. Businesses with “A” rating are characterized by their very significant financial amounts, upward trend and their significant position in the market.

- Following the invitation dated 10/08/2020 for the Extraordinary General Meeting of the Shareholders of the Company, the procedure of receiving the binding offers for the coverage of the new shares at a price of €11 per share has been completed through AXIA Ventures Group Ltd and excessive demand was expressed. Therefore, the Board of Directors recommended the increase of the share capital of the Company and the elimination of the current Shareholders’ pre-emptive rights, by the amount of €1,868,826.60, by cash payment, with the issuance of 6,229,422 (instead of the initially proposed amount of 4,556,757) common shares with a nominal value of €0.30 each, their disposal through private placement in funds managed by the following international investors and/or companies affiliated with them: Blackrock Inc., Anavio Capital Partners LLP, Kayne Anderson Capital Advisors LP, and Impax Asset Management, at a disposal price of € 11 each; placing the difference between the nominal value and the disposal price at a special share premium reserve of the Company from the issuance of share premium, and granting authorization to the Company’s Board of Directors for the determination of the final disposal price and the rest of the particulars regarding the increase.

*(Amounts in thousand Euro, unless otherwise stated)*

The Extraordinary General Meeting of the Shareholders of the Company dated September 1st, 2020 approved the recommendation of the Board of Directors and decided on the increase of the Company's share capital as afore mentioned, with the possibility of partial payment, pursuant to article 28 of Law 4548/2018.

## 30. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim separate and consolidated Financial Statements for the six-month period ended 30/06/2020 were approved by the Board of Directors of TERNA ENERGY S.A. on 01/09/2020.

| | | Chief Financial Officers | | |
|---|---|---|---|---|
| Chairman of the Board of Directors | Chief Executive Officer | Operation | Finance | Chief Accountant |
| George Peristeris | Emmanuel Maragoudakis | Emmanuel Fafalios | Aristotelis Spiliotis | Artan Tzanari |
| ID No. AB 560298 | ID No. AB 986527 | ID No. AK 082011 | ID No. AK 127469 | License Reg. No A' CLASS 064937 |