



TERNA ENERGY

Industrial Commercial Technical Societe Anonyme

85 Mesogeion Ave., 115 26 Athens, Greece

Societe Anonyme Reg. No. 318/06/B/86/28

GENERAL COMMERCIAL REGISTER No. 000312701000

SEMI-ANNUAL FINANCIAL REPORT

for the period ended as of June 30th, 2023

(1 January - 30 June 2023)

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

CONTENTS

I.	REPRESENTATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS	3
II.	SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF "TERNA ENERGY ANONYMOUS INDUSTRIAL COMMERCIAL TECHNICAL COMPANY" ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE PERIOD 01/01/2023 - 30/06/2023	4
III.	INDEPENDENT AUDITOR'S REPORT.....	20
IV.	NOTE AND DISCLOSURES OF FINANCIAL STATEMENTS	32
1.	GROUP GENERAL INFORMATION.....	32
2.	FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS	33
3.	RISK MANAGEMENT.....	37
4.	CONSOLIDATED COMPANIES AS AT 30/06/2023	38
5.	SEGMENT REPORTING.....	46
6.	INTANGIBLE ASSETS	51
7.	RIGHTS IN USE OF ASSETS	52
8.	TANGIBLE ASSETS.....	52
9.	OTHER LONG-TERM RECEIVABLE	53
10.	FINANCIAL ASSETS – CONCESSIONS.....	54
11.	TRADE RECEIVABLES, RECEIVABLES FROM CONTRACTS WITH CUSTOMERS, PREPAYMENTS AND OTHER RECEIVABLES	54
12.	CASH AND CASH EQUIVALENTS	57
13.	LOANS.....	57
14.	LEASE LIABILITIES	59
15.	FINANCIAL DERIVATIVES	60
16.	OTHER PROVISIONS.....	61
17.	GRANTS	62
18.	SUPPLIERS, ACCRUED AND OTHER LONG – TERM AND SHORT-TERM LIABILITIES.....	62
19.	SHARE CAPITAL RESERVES AND EARNING PER SHARE.....	63
20.	INCOME TAX – DEFERRED TAXATION	65
21.	OTHER INCOME/(EXPENSES).....	66
22.	INVESTMENT INCOME FINANCIAL INCOME-(EXPENSES).....	67
23.	23. PERSONNEL NUMBER.....	68
24.	TRANSACTIONS WITH RELATED PARTIES	68
25.	FAIR VALUE MEASUREMENT	71
26.	EFFECTIVE LIENS	73
27.	CONTIGENT ASSETS AND LIABILITIES	73
28.	EVENTS AFTER THE REPORTING DATE OF STATEMENT OF FINANCIAL POSITION	78
29.	APPROVAL OF FINANCIAL STATEMENTS.....	79

I. REPRESENTATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

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

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:

- The accompanying half-yearly financial statements of TERNAL ENERGY SA (the "Company") for the period from 1 January 2023 to 30 June 2023, which have been prepared in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union and applied to Interim Financial Reporting (International Accounting Standard 34), present fairly the assets and liabilities, equity as at 30/06/2023 and the total comprehensive income for the first half of 2023 of the Company and the entities included in the consolidation taken as a whole, in accordance with the provisions of paragraphs 3 to 5 of article 5 of Law No. 3556/2007, and
- The Semi-Annual Report of the Board of Directors represents fairly the information required in accordance with paragraph 6 of article 5 of Law 3556/2007.

Athens, 21/09/2023

The Certifiers

Chairman of the BoD

Chief Executive Officer

Member of the BoD

George Peristeris

Emmanouil Maragoudakis

George Spirou

II. SEMI-ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF "TERNA ENERGY ANONYMOUS INDUSTRIAL COMMERCIAL TECHNICAL COMPANY" ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE PERIOD 01/01/2023 - 30/06/2023

This Semi-Annual Report of the Board of Directors, which refers to the interim period from 1 January to 30 June 2023, has been prepared and is in compliance with the provisions of law 4548/2018 and article 5 of Law 3556/2007, as currently in force and the executive resolutions issued by the Board of Directors of the Hellenic Capital Market Commission (article 4 of the decision number 8/754/14.4.2016 of the Board of Directors of the Hellenic Capital Market Commission).

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

Introduction

This Report summarizes the financial information for the half-yearly reporting period, and the major events that occurred (before and after the reporting date of the Financial Statements). Furthermore, it describes the main risks and uncertainties that the Group may be exposed to during the second semester of 2023 and, finally, provides a list of the significant transactions that took place between the issuer and its related parties.

A. Financial Highlights and Performance for the Reporting Period

Despite the continuing geopolitical uncertainty related to the war in Ukraine, high inflation and the subsequent tight monetary policy, the Greek economy appears to maintain in the first half of 2023 a considerable part of the growth momentum of the previous year. As a result, economic growth continued in the first quarter of the year but at a slower pace compared to the pace of the post-pandemic period of the previous year. Consequently, economic growth continued in the second quarter of the year but at a more moderate rhythm compared to the post-pandemic period of the previous year. GDP in the second quarter of 2023 strengthened by 2.7% on an annual basis, while it recorded an increase of 1.3% compared to the previous quarter. This was assisted by higher investment and growth in private consumption (at a lower rate compared to the same period last year). In total in the first half of the year, Greek GDP grew by 2.3% on an annual basis. It is notable that the rate of growth of Greek GDP in the first half of the year was higher than that of the European Union over the same period, standing at 0.8% (and 0.5% for the second quarter).

At the component level, in the second quarter of 2023, private consumption increased by 3.2% and investment (Gross Fixed Capital Formation) increased by 7.9%. On the other side, Public consumption decreased by 1.4% with imports increasing by 0.6% and exports increasing by 0.1%.

On the inflation front, the downward trend that started at the end of 2022 continued in line with the decline in international energy prices. In contrast, food inflation peaked in December 2022 with a slow deceleration expected. Based on the latest ELSTAT data for June 2023, the harmonized consumer price index for June 2023 stands at 2.8% on an annual basis compared to 4.1% for May, with the decline, however, mainly focused on the prices of energy products, while the upward trends continued for food commodities. As a result, structural inflation reached 4.8% for June despite a decline from 7.8% in May, continuing to burden the cost of living.

At the level of leading indicators, the Economic Climate Index in Q2 2023 slightly increased compared to the previous quarter (109.0 vs. 106.9) and the corresponding quarter of the previous year (105.1). Business expectations significantly strengthened in the recent quarter compared to the previous quarter in Services, moderately in Retail Trade and Construction, and declined moderately in Manufacturing. The Consumer Confidence Index improved markedly in the April-June period compared with the previous quarter, to -36.7 (from -43.3). At the same time, it is moving sharply higher compared to a previous year (-53.0 points).

Regarding the expected trend to the end of the year, the Greek economy is expected to maintain at least a similar expansion rate, with most institutions estimating a growth rate of 2.3%. The easing of inflationary pressures and the benefits from the implementation of targeted private and public sector investment, combined with the lower-than-expected slowdown of the European economies and the positive contribution of tourism are expected to have an important impact. On the other hand, the peak of tight fiscal policy but also the continuing normalization of private consumption growth and the rate of import growth are factors that will have an impact on economic activity.

For the years ahead, however, the Greek economy is expected to accelerate further at higher rates than the European average, with the latest estimations of the Bank of Greece projecting a 3.0% boost in GDP for 2024 and 2.7% for 2025. Prerequisites for the realisation of these forecasts are the further de-escalation of the geopolitical crisis, the decrease of the energy prices and the gradual adjustment of the European Economies to the new environment of monetary and fiscal policy tightening. Regarding Greece, the continuing solid performance of tourism, the implementation of the envisaged investments and the further reduction of the commercial trade deficit will continue to be a key factor.

An important opportunity for the Greek economy is the upgrade of the country's credit rating. In early September, the DBRS rating agency (one of the 4 officially recognized by the European Central Bank) upgraded the rating of Greek government bonds to "BBB-", placing them within investment grade for the first time since the financial crisis, an event that is expected to have significant benefits for the Greek economy. In this context, the Parliamentary Budget Office estimates that the recovery of the investment grade and the diffusion of lower borrowing costs to the private sector could boost GDP growth by 0.5 percent for 2024 compared to the baseline scenario of an average increase in private investment.

The increase in investment activity through the actions of the European Commission's Recovery and Resilience Facility (RRF) is also expected to have a significant impact. Greece has so far received €11 billion in funding (pre-financing and the first 2 tranches) and has already submitted a request for a disbursement of €1.7 billion under the 3rd tranche. In total, 425 investment projects have been submitted for RRF loans for a total value of 15.7 billion by May 2023 (of which 6.4 billion RRF loans, 3.8 billion equity and 5.5 billion bank loans). Up until now about 178 financing agreements have been signed for a total value of 6,8 billion. As regards grants, by the end of March, 617 projects have applied for a total of 17.8 billion, while 3.2 billion of disbursements have already been implemented.

Market trends in the energy market in Greece for the first half of 2023

Since the beginning of the year and the partial de-escalation of geopolitical tensions, the energy market has entered a phase of normalisation with many parameters remaining volatile, however, affecting visibility in the medium term. Combined with lower demand as a result of high prices and milder temperatures prevailing during the winter period, leading to a continuation of the energy price deceleration that was observed at the end of 2022 and a further decline in the first half of 2023. Indicatively, Title Transfer Facility

(TTF) prices fell from record levels in the third quarter of 2022 (an average of 206 EUR/MWh) to 76.3 EUR/MWh in December and continue their downward trend, closing at 25.8 EUR/MWh for June 2023. In a similar pattern, the electricity price on the wholesale market showed an average price of 142 EUR/MWh for the first half of the year (100 EUR/MWh for June) compared to around 300 EUR/MWh for 2022.

The electricity demand in the first half of 2023 recorded a decline of 8.5% on an annual basis, mainly influenced by the seasonally high temperatures that prevailed during the first months of the year (compared to very low temperatures for the corresponding months of 2022) and by the measures to limit consumption of households and businesses.

The reduced demand led to a reduction in production from thermal plants in the interconnected system (13.1% decrease in lignite production, 30.1% decrease in gas production), while hydroelectric production also decreased by 26%. On the counterpoint, production from RES increased by 6.1% in line with the increase in installed capacity, while imports also increased by 27.3%. Overall, renewables covered 43% of demand in the first half of the year (an all-time high) compared to 37.1% in the corresponding period in 2022. It is notable that including generation from large hydropower plants, total green energy production in the country met 49.7% of demand in the first half of 2023.

In the Renewable Energy Sector and specifically in the Wind Energy Sector, the installed capacity as of the end of June 2023 totalled 4,935 MW, representing an increase of 252 MW (+5.4%) compared to the end of 2022. Consequently, during the first half of 2023, there were more new wind turbines connected to the grid than during the whole of 2022. The acceleration of growth is due to the gradual completion of major wind investments through the efforts of companies, the scientific community and wind energy professionals operating in Greece. In terms of market shares, according to ELETAEN data, as of June 2023 in Greece, TERNA Energy held 18.9% of installed wind capacity, with the second and third producers holding 14.3% and 8.3% respectively.

According to the same source, at the end of the first half of 2023, more than 600 MW of new wind farms were under construction or had been contracted, the vast majority of which are expected to be connected to the grid within the next 12 months. A further 450 MW are in the process of being contracted or about to commence construction. To these must be added another 400 MW that have been tendered, submitted performance guarantees but do not belong to any of the above categories. Thus, total wind capacity is expected to approach 6.5 GW within the next three years.

Regarding photovoltaics, the latest data for the entire country (DAPEEP-March 2023) indicate that the installed capacity reached 5,490 MW, with an increase of 220 MW for the first quarter compared to the end of 2022, while according to the estimates of the DAPEEP, additions at least similar to 2022 (1,235 MW) are expected to be added in the entire year.

TERNA ENERGY Group, in the first half of the year, continued the implementation of its investment plan with the construction of mature projects and the reinforcement of its investment portfolio with the further maturation of projects from the existing portfolio and the addition of new projects in various stages. As part of this plan, the grid connection of the wind farm cluster at Kafirea with a total capacity of 327 MW has been initiated. By the end of June, 59% of the wind turbines (204.4 MW) had been installed and connected, with the project being fully operational as of the publication date of the Financial Statements.

Furthermore, for the long-duration Pumped Storage project in the area of Amphilochia (680 MW), which had already started at the end of last year, construction work continues and its completion is scheduled to take about three years.

Specifically:

a) In the energy sector the installed capacity settled as follows:

	TOTAL	GREECE	POLAND	BULGARIA
WIND PARKS	1.066,8	934,8	102	30
HYDROELECTRIC	17,8	17,8		
PHOTOVOLTAIC	8,5	8,5		
BIOMASS	2,6	2,6		
TOTAL	1.095,7	963,7	102	30

*The table includes 167.4 MW of wind farms that are in testing operation in Greece

At the same time, several new projects of significant capacity in Greece and abroad (mainly photovoltaics) are ready for implementation. As a result of the above-mentioned, the total capacity of projects in operation, under construction and ready for construction exceeds 2,000 MW now, aiming to exceed 6,000 MW by the end of the decade.

TERNA ENERGY Group possesses the largest and most diversified portfolio of renewable energy projects in the country at various stages of maturity with a total capacity of more than 12 GW.

b) In the waste management sector, the Group operates the project Waste Management of Epirus Region, while during 2022 it started operating the Transitional Management Unit of Arcadia, the Waste Transloading Station of Argolida and the Waste Transloading Station of Corinthia as part of the Public-Private Partnership (PPP) project "Integrated Waste Management of the Peloponnese Region", which is implemented by the Group company PERIVALLONTIKI PELOPONNISOU M.A.E.

In the context of the same contract, the construction of the Transitional Management Units of Messinia and Laconia and further the construction of the Waste Management Units is in progress. This project is being implemented with the main objective of providing modern waste management services aiming to protect the environment, ensuring public health, and providing multiple benefits to local communities as development cells of the circular economy.

c) Construction segment refers mainly to the construction of new RES production units, the installation of waste management units and other facilities that the Group has undertaken based on PPP contracts public-private partnership agreements.

For the six-month period ended 30 June 2023 the consolidated sales of the Group from continuing operations reach the amount of € 145,6 million compared to € 155,9 mill. in 2022, decrease of 6,6%. Operating earnings before interest, taxes, depreciation, and amortization (EBITDA) from the Group's continuing operations amounted to € 74,3 million compared to € 80,4 million of the corresponding six-month period of the previous year, decreased by 7,7%. The decrease in both sales and operating earnings before interest, taxes, depreciation and amortization (EBITDA) was influenced by the decrease in the production of electricity from wind farms as a consequence of the extremely low wind power that was registered during the first half of 2023.

Profit before taxes from continuing operations amounted to € 29,8 million, decreased by 32,4% compared to € 44,0 million in the six-month period of the previous year 2022. Net operating profit from continuing operations attributed to the shareholders of the parent company amounted to 22,2 million, decreased by 24,6% compared to six-month period of the previous year (2022: € 29,4 million).

The decrease in net operating profit from continuing operations attributed to the shareholders of the parent company by € 7,2 million is mainly due to the reduced wind power. Net profit from continuing and discontinued operations excluding the Share Distribution Plan's expense and results from financial instruments at fair value amounted to € 23,8 million, decreased by 50,8% compared to the six-month period of the previous year. Finally, earnings before interest, taxes, financial, investment results and depreciation (EBITDA) from continuing operations excluding the Share Distribution Plan's expense amounted to € 74,7 million, decreased by 25,0% compared to the six-month period of the previous year.

Regarding the results from continuing operations of the individual sectors:

- The **energy sector** realized sales of € 105,4 million, decrease of 13,8% compared to the six-month period of 2022, while operating profitability (EBITDA) amounted to € 70,4 million, decreased by 6,4% compared to the corresponding period of the year 2022. This decrease is mainly due to the reduced wind power of the first half of the year 2023.
- The **turnover of the construction activity** of TERNA ENERGY amounted to € 54,2 million decreased by 41,4% compared to the same period of the previous year. The decrease is mainly attributable to the nature of this activity, as the development of new Wind Farms in the South Evia region and the construction of waste management plants in the Peloponnese Region tend to be mostly completed during the year 2023 and there are no new construction contracts. Of the total turnover, an amount of EUR 26.78 million related to customers outside the Group. The operating earnings before depreciation (EBITDA) of the construction sector amounted to € 3,0 million compared € 9,0 million of the correspondent period of 2022. Particularly, the outstanding balance of construction works (backlog) amounted to € 27,2 million in the end of year 2023 part of which amounted to € 26,2 million is related with concession projects.
- Revenues from the **concessions sector** amounted to € 13,4 million compared to € 9,2 million of the same period of 2022 increased by 45,6% mainly due to the improvement in the production volumes of the waste treatment plants after the start of the trial operation of the Arkadia waste treatment plant. Operating earnings (EBITDA) amounted to € 3,9 million, compared to € 0,8 million in the six-month period of 2022.
- Finally, the Group's research and development expenses incurred during the first half of the year 2023 amounted to € 3,719 thousand. These expenses are mainly related to the development of new renewable energy production units and the possibility of concluding new contracts in the construction and concessions segments through public tenders.

The Group's financial position remains stable, as cash and cash equivalents amounted to € 393,2 million, while an amount of € 69.8 million relates to restricted cash deposits related to the borrowing obligations of the Group companies. Loan liabilities amounted to € 1.164,1 million forming the net debt position (borrowings less cash and cash equivalents less restricted deposits related to borrowings) as at 30/06/2023 to € 770,9 million compared with € 669,3 million of the previous year. It is noted that the Group's cash and cash equivalents include amounts of € 3,0 million, to be returned, that are related with grants due to cancellation of construction or expiry of the deadlines for decisions regarding certain Wind Farms. These

amounts will be returned as soon as the relevant procedures of the competent departments of the Ministry of Development have been completed and as soon as they have been excluded from the total restricted cash for the above calculation.

For the six-month period ended at 30/06/2023, TERNA ENERGY Group's investments totaled € 125,6 million. The Group's continued investment activity creates the conditions for the stabilisation of an increased revenue stream and profitability on a long-term basis.

B. Significant events in the first half of the current financial year 2023

During the first half of 2023 the following significant events occurred:

- **Dividend distribution according to the resolutions of the Annual General Meeting of 14/06/2023**

On 14/06/2023, the Annual General Meeting of the Shareholders of TERNA ENERGY S.A. convened, which approved the Management Board's proposal for the shareholders' distribution of earnings and reserves in the total amount of EUR 44.604.209,65, i.e., € 0,38 per share, according to article 162 par. 3 of Law 162/2018, para. 4548/2018. This amount will be increased by the dividend corresponding to the treasury shares that the Company holds.

- **New investments in wind farms and photovoltaic power plants**

On 10 February 2023, the Company proceeded with the acquisition of the total shares of the company ANAX IKE, which was subsequently renamed into TERNA ENERGY SAPPON IKE. The company is developing a 246.35 MW photovoltaic power plant in the region of Rodopi Prefecture.

- **Establishment of a new company in the concessions sector**

On 17 May 2023, the Group's parent company, TERNA ENERGY S.A. founded, in cooperation with the GRID TELECOM S.A. a company under the name of TERNA FIBER SPECIAL PURPOSE S.A. This company is a Company Vehicle for the implementation of the Partnership Agreement that will be signed between the Greek State through the Ministry of Digital Governance (hereinafter referred to as "the Contracting Authority"), the Company and the founders - original shareholders of the Company as third party contractors, for the execution of the project "Ultra Ultra High Broadband Infrastructure - ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6, as indicated in the Call for Expression of Interest and the Call for Tenders Document.

- **Company's Share Distribution Plan**

Within the framework of the Share Distribution Plan, the Management of "TERNA ENERGY S.A." informed the Investors that for the implementation of the Share Distribution Plan approved by the decision of the Extraordinary General Meeting of the Company's shareholders on December 16, 2020, and following their contribution to the achievement of the financial objectives, the implementation of new projects and the increase of the Company's profitability, it has distributed to twenty-six (26) Directors a total of 2.250,000 New Shares, which resulted from increases in its share capital with capitalization of share premium reserves and represent 1.9% of the paid-up share capital. The shares were distributed through an off-market transaction on 22/6/2023.

It is noted that given that the New Shares are of the same class as the Company's shares already traded on the Main Market of the Athens Stock Exchange and represent, over a period of twelve months, approximately 1.9% of the Company's already listed shares, i.e. less than 20% of the number of shares of the same class already listed for trading on the Stock Exchange. A. without any other listing beyond that in the last twelve months, there is no obligation to publish a prospectus for the listing of the New Shares for trading on the Stock Exchange, in application of the exception in paragraph (a) of subparagraph (a). 5 of Article 1 of Regulation (EU) 2017/1129. Accordingly, the Company's share capital currently amounts to €35,431,527.00 divided into 118,105,090 common voting registered shares with a nominal value of €0.30 each.

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

From 01/07/2023 and until the preparation date of the present report, the following important events occurred:

- **Completion of the installation of all the wind turbines of the Wind Farm in the area of Kafireas**

The installation of all the wind turbines of the Group's Wind Farm Complex in the area of Karystos & Kafirea with a total capacity of 327 MW has been completed. This project is the largest project of Terna Energy Group in the field of renewable energy and Wind Energy in particular.

- **Start of operation of the Transitional Waste Management Station of the 2nd DE (Messinia) of the Peloponnese Region.**

On 30/06/2023 the Independent Auditor issued the Acceptance Certificate of the Transitional Waste Management Station 2nd DE (Messinia) following the successful completion of the trial period of the above-mentioned Station, whereby on the above mentioned date the Planned Date of Availability of the Transitional Waste Management Services of the Transitional Waste Management Station 2nd DE (Messinia) was reached. The successful completion of the trial period and the issuance of the aforementioned Acceptance Certificate marks the start, as of 1 July 2023, of the Transitional Management Services Period of the Transitional Waste Management Station 2nd DE (Messinia) for the acceptance and treatment of municipal solid waste in accordance with the terms of the Partnership Agreement.

D. Prospectives

The performance of the first half of the current year has been negatively affected by the weak wind conditions recorded in the country and in the Northern Hemisphere generally, compared to the particularly strong conditions recorded in the first half of last year. This fact is consistent with the stochasticity that characterises wind farm production and is reflected in any forecasting model, but does not affect the long-term performance of the projects, which are estimated to have a lifespan of 25 years.

Regarding the immediate future periods, Terna Energy Group expects a significant increase of revenues and operating profitability subsequent to the commissioning of the Kafireas wind farm before the end of the third quarter of the current year. The commissioning marks an increase in installed capacity of approximately 35% and is expected to have a proportionate impact on operating profitability (on an annualised basis). It is also worth mentioning that, the Peloponnese waste management project that is now fully in commercial

operation, together with the other concessions/ PPP projects (waste management in Epirus, Electronic Ticketing) further enhance the Group's long-term performance.

Regarding the mid-term perspective, the Group continues with its investment plan, having now under construction the large pumped storage project in Amfilochia with a total investment of EUR 650 million. The construction of new parks (mainly photovoltaic) in Greece is scheduled to be started gradually from the end of this year and within 2024, while projects abroad continue to be considered on a case-by-case basis. At the same time, the Group is advancing the procedures for the maturation of projects of various technologies (e.g. hydroelectric, storage, hybrid, etc.) in Greece that are expected to be able to progressively starting construction from next year. Finally, emphasis is also being given to new concessions/ PPP projects (waste management, digital transformation, etc.) that can further enhance the Group's revenues in the long term while also offering synergies.

Given the above and despite the continuous challenges and the ever-volatile conditions in the energy markets in Greece and abroad, as the recent past has shown, Terna Energy Group is going to continue playing a leading part. The Group's long-term target to approach a portfolio of projects of more than 6.0 GW in operation before the end of the current decade should be mentioned.

E. Risks and uncertainties

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

The Group, in order to deal with the financial risks and to limit their negative impact on its financial results, monitors the fluctuations of the variables that affect cost and sales and uses the appropriate products, as the case may be.

The main risks and uncertainties related to the Group's operations are as follows:

i. 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 ENEX, DAPEEP and DEDDIE) and foreign Public Sector, while the same is the case regarding the main part of the construction segment receivables.

Given the nature of its operations, the Group traditionally, is not exposed to significant credit risk from trade receivables. In the past, there have been delays in collections from DAPEEP, which have been significantly reduced with the implementation of Law 4254 /14 as well as the extraordinary levy imposed for the fiscal year 2020 to address the side effects of the coronavirus pandemic, on electricity producers from Renewable Energy Sources (RES) power plants, which have been brought into normal or trial operation by 31 December 2015 (Government Gazette 245/09.12.2020). In other transactions with individuals, the Group operates with a view to limiting credit risk and securing its receivables.

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.

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

ii. Foreign exchange risk

Besides Greece, the Group operates in Eastern Europe 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 investments in foreign currency, as well as from net investments in foreign entities. To limit this risk, the Group uses the cash surpluses generated in local currency. During the operational phase, all related costs and revenues are made in local currency, thus excluding any possibility of generating currency exchange differences.

To mitigate this risk, the Group's financial management department systematically monitors exchange rate fluctuations and ensures that they do not adversely affect its cash flow.

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

iii. Interest rate risk

The Group's policy is to minimize its exposure to cash flow interest rate risk with regards to its long-term financing.

In this context, long-term loans received by the Group either bear a fixed interest rate or are hedged for almost the entire duration. Thus, 16,5% of the Group's long-term borrowing refers to fixed interest rate loans, 61,4% refers to floating-rate loans that have been hedged through derivatives with which future fixed rate payments are exchanged against floating rate collections, while 22,2% in floating rate loans on a case-by-case basis euribor or wibor.

The Group's total short-term bank loans are in Euro under floating interest rates linked to euribor. Short-term loans are primarily received as bridge financing during the phase of implementation and construction of the Group's investments (Wind parks). These loans are expected to be repaid within one year, while new short-term loans are expected to be received to finance the construction of new wind parks. Therefore, the Group is exposed to interest rate risk arising from short-term debt and the part of long-term debt that is under floating interest rates.

The Group is not exposed to other interest rate risks.

iv. Market risk analysis

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

v. Liquidity risk analysis

The Group's liquidity is considered satisfactory, as apart from the effective cash and cash equivalents, currently operating wind farms generate satisfactory cash flows on an on-going basis. In the year 2023 net cash flows from continuing operating activities amounted to € 55 million versus € 57 million in 2022. The Group manages its liquidity needs by applying a cautious cash flow planning, by carefully monitoring the balance of long-term financial liabilities as well as by systematically managing the payments which take place daily. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as based on a moving 30-day period. The liquidity needs for the next 6 months, and the next year are defined monthly. The Company maintains cash and cash equivalents in banks, in order to cover its liquidity needs for periods up to 30 days. The capital for mid-term liquidity needs is released from the Company's term deposits.

vi. Other risks and uncertainties

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

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

(a) Special note to the war conflict in the region of Ukraine

The military conflict in the region of Ukraine continues and the chances for resolution remain slim. TERNA ENERGY Group continues to closely monitor the situation, which has not and is not expected to have a direct impact on its figures and performance. Given that the majority of the Wind Parks have a fixed sales price, the significant costs are depreciation of equipment and borrowing costs refer to fixed rate loans, the impact is still insignificant, and this is not expected to change in the foreseeable future. In the operating segment of "Concessions" no significant impact is expected due to the structure of the contracts governing these functions.

Finally, due to the dynamics of these events, new risks may arise. Considering the current uncertainty in the broader economic climate, the Group's management is trying to assess in a prompt manner any indirect effects on the Group.

(b) Wind and hydrological data fluctuations

Regarding its activity in the energy sector, the Group remains exposed to the short-term fluctuations of wind and hydrological data, without affecting the long-term profitability of its projects, if the implementation of its investments is preceded by extensive studies involving long-term studies of the above factors. From now on, calculation models should incorporate new factors allowing for the occurrence of potential events of force majeure, such as the current epidemic, in order to examine in greater depth, the viability of any projected investment.

F. Alternative Performance Measurement Indicators ("APMI")

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

The Group utilizes Alternative Performance Measurement Indicators ("APMI") in its financial, operational and strategic planning decisions, as well as in evaluating and publishing its performance. These APMI serves to better understanding the Group's financial and operating results as well as its financial position when describing the Company's performance, the following indicators are used: Alternative indicators should always be considered in conjunction with the financial results prepared in accordance with IFRSs and in no case should they replace them.

The following indicators are used when describing the Group's performance by sector:

EBIT (Earnings before Interest & Taxes): It is a ratio by which the Company's Management assesses its operating performance. It is defined as: Turnover, - Cost of sales, - Administrative & distribution expenses, - Research & development expenses, +/- Other Income / (Expenses) and other Gains / (Losses) included in EBIT. The other Income / (Expenses) determinants are defined as Other Income (Expenses), not including foreign exchange valuation differences, Impairment / (Recovery of impairment) of assets as presented in Note 21.

EBITDA (Earnings before Interest Taxes Depreciation & Amortization): The ratio is calculated as Earnings before Interest & Tax (EBIT) adding the total depreciation of tangible and intangible assets and deducting grants depreciations. The greater the indicator is, the more efficient the operation of the Company becomes. The EBITDA is defined as EBIT adding assets depreciation, less grants depreciation.

"Net debt / (Surplus)" is a ratio by which the Company's Management assesses each time the respective cash position. The ratio is defined as total long-term loan liabilities, short-term loan liabilities, long-term liabilities carried forward, less cash and cash equivalents (excluding the amounts of grants to be repaid) less restricted deposits related to bank debt.

"Gross Profit Margin" is a ratio by which the Company's Management assesses the return level and is defined as **Gross Profit to Turnover**.

"Loan Liabilities to Total Capital in Use" is an indicator by which management assesses the Group's financial leverage. Borrowings are defined as the total of Short-term borrowings, Long-term borrowings and Long-term borrowings payable in the following financial year. Total Capital Employed is defined as total Equity, Borrowings, Lease Obligations, Lease Obligations, Grants less the amount of cash and cash equivalents that are not subject to any usage restriction or commitment other than commitments related to borrowings.

The following tables configures the ratios "EBIT", "EBITDA", "Net debt / (Surplus)", "Gross Profit Margin" and "Loan Liabilities to Total Capital Employed":

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total
30th June 2023						
Revenue						
Sales of products and services	26.784	105.424	6.549	6.883	–	145.640
Intersegment revenue	27.376	–	–	–	(27.376)	–
Total revenue from continuing operations	54.160	105.424	6.549	6.883	(27.376)	145.640
Cost of sales	(49.471)	(47.904)	(4.834)	(5.709)	25.387	(82.531)
Gross profit from continuing operations	4.689	57.520	1.715	1.174	(1.989)	63.109
Administrative and distribution expenses	(90)	(16.121)	(367)	(288)	15	(16.851)
Research and development expenses	(415)	(3.304)	(1)	–	–	(3.720)
Other income/(expenses) and other gain/(losses)-EBIT determinants	(1.394)	8.427	1.523	77	–	8.633
Operating results (EBIT) from continuing operations	2.790	46.522	2.870	963	(1.974)	51.171
Depreciation	(249)	(26.556)	(89)	(10)	1.148	(25.756)
Grants' amortization	–	2.676	–	–	–	2.676
EBITDA from continuing operations	3.039	70.402	2.959	973	(3.122)	74.251
Long-term loans	–	937.539	56.441	10.181	–	1.004.161
Short-term loans	–	216	–	–	–	216
Long-term liabilities carried forward	–	136.608	19.585	3.549	–	159.742
Cash and cash equivalents	–	(296.168)	(21.124)	(6.065)	–	(323.357)
Restricted cash	–	(68.124)	(1.320)	(399)	–	(69.843)
Net debt/(surplus)	–	710.071	53.582	7.266	–	770.919

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total
30th June 2022*						
Revenue						
Sales of products and services	24.268	122.359	3.080	6.143	-	155.850
Intersegment revenue	68.157	-	-	-	(68.157)	-
Total revenue from continuing operations	92.425	122.359	3.080	6.143	(68.157)	155.850
Cost of sales	(83.511)	(47.667)	(2.865)	(5.193)	64.014	(75.222)
Gross profit from continuing operations	8.914	74.692	215	950	(4.143)	80.628
Administrative and distribution expenses	(296)	(25.693)	(229)	(231)	6	(26.443)
Research and development expenses	(113)	(3.519)	-	-	-	(3.632)
Other income/(expenses) and other gain/(losses)-EBIT determinants	523	8.013	13	-	(10)	8.539
Operating results (EBIT) from continuing operations	9.028	53.493	(1)	719	(4.147)	59.092
Depreciation	(96)	(24.401)	(70)	(7)	554	(24.020)
Grants' amortisation	-	2.685	-	-	-	2.685
EBITDA from continuing operations	9.124	75.209	69	726	(4.701)	80.427
Long-term loans	-	865.793	73.633	11.900	-	951.326
Short-term loans	-	60.632	-	-	-	60.632
Long-term liabilities carried forward	-	104.381	3.184	3.536	-	111.101
Cash and cash equivalents	-	(359.204)	(21.765)	(7.667)	-	(388.636)
Restricted cash	-	(63.379)	(1.320)	(399)	-	(65.098)
Net debt/(surplus)	-	608.223	53.732	7.370	-	669.325

*The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total
30th June 2023						
Revenue from continuing operations	54.160	105.424	6.549	6.883	(27.376)	145.640
Cost of sales from continuing operations	(49.471)	(47.904)	(4.834)	(5.709)	25.387	(82.531)
Gross profit from continuing operations	4.689	57.520	1.715	1.174	(1.989)	63.109
Gross profit margin from continuing operations	8,66%	54,56%	26,19%	17,06%	7,27%	43,33%
30th June 2022*						
Revenue from continuing operations	92.425	122.359	3.080	6.143	(68.157)	155.850
Cost of sales from continuing operations	(83.511)	(47.667)	(2.865)	(5.193)	64.014	(75.222)
Gross profit from continuing operations	8.914	74.692	215	950	(4.143)	80.628
Gross profit margin from continuing operations	9,64%	61,04%	6,98%	15,46%	6,08%	51,73%

**The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

The ratio “Loan Liabilities to Total Capital Employed” at the end of 2023 and 2022 is as follows:

Amounts in thousand €	30/06/2023	31/12/2022
Short-term loans	216	60.632
Long-term loans	1.004.161	951.326
Long-term liabilities carried forward	159.742	111.101
Loan liabilities	1.164.119	1.123.059
Total equity	471.266	491.175
Loan liabilities	1.164.119	1.123.059
Lease liabilities (Long-term and Short-term portion)	29.236	27.026
Grants	164.643	167.146
Subtotal	1.829.264	1.808.406
<i>Less:</i>		
Cash and cash equivalents	326.356	391.896
Restricted cash related with loans (Note 12)	69.843	65.098
Grants to be rebated (Note 17)	(3.000)	(3.260)
Subtotal	393.199	453.734
Total employed capital	1.436.065	1.354.672
Loan Liabilities / Total employed capital	81%	83%

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 year 2023 the amounts of sales and purchases as well as balances of the Company's and Group's assets and liabilities as of 30/06/2023 arising from transactions with related parties are presented in Note 24 of the financial statements.

Transactions with members of the BoD

The total amounts paid to the members of the Board of the Group accounted for 2.362.000 Euros (for the Parent Company: 2.064.000 Euros), 1.503.000 Euros (for the Parent Company: 1.370.000 Euros) related with Board Rewards, while amount of 859.000 Euros (for the Parent Company: 694.000 Euros) are related with remuneration for professional services.

H. Treasury Shares

The Company during the period 01/01/2023 – 31/12/2023 did not purchase own shares. Hence, on 31/12/2021 the Company owned 653.046 Treasury Shares. These shares represented a percentage 0,55% of the paid-up share capital of the Company.

I. Facilities and Branches

In the context of its business activity, the Company creates Branches, Construction sites and other similar facilities. On 30th of June 2023 the Company had 68 facilities.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Athens, 21/09/2023

On behalf of the Board of Directors,

Georgios Peristeris

Chairman of the Board of Directors

III. INDEPENDENT AUDITOR'S REPORT

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

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 2023 and the related separate and consolidated condensed income statement and statement of comprehensive income, statement 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, 21 September 2023

The Certified Auditor Accountant

George P. Panagopoulos

SOEL Reg. No.36471



IV. CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED AS AT JUNE 30th, 2023 (1 January 2023 - 30 June 2023)

**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 21/09/2023 and have been published on the website www.terna-energy.com as well as on the Athens Exchange's website.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED AND STANDALONE STATEMENT OF FINANCIAL POSITION AS OF 30th, JUNE 2023

	Note	GROUP		COMPANY	
		30/06/2023	31/12/2022	30/06/2023	31/12/2022
ASSETS					
Non-current assets					
Intangible assets	6	64.666	60.473	2.708	2.872
Tangible assets	8	1.272.113	1.169.349	62.364	63.336
Right-of-use assets	7	29.324	27.057	21.283	19.570
Investment in subsidiaries		–	–	366.183	390.829
Investment in joint ventures		4.214	4.164	4.475	4.425
Investment in associates		33	34	–	–
Other long-term receivables	9	5.037	6.461	140.558	142.783
Receivables from derivatives		23.758	26.544	771	935
Financial Assets – Concessions	10	77.179	70.873	–	–
Investments in equity interests		3.752	3.499	3.752	3.499
Deferred tax assets	20	20.620	18.350	6.747	9.411
Total non-current assets		1.500.696	1.386.804	608.841	637.660
Current assets					
Inventories		9.545	9.902	6.285	7.067
Trade receivables	11	62.381	64.736	99.000	150.868
Receivables from contracts with customers	11	27.161	30.551	14.095	13.050
Prepayments and other receivables	11	134.201	131.745	61.668	36.537
Income tax receivables		6.865	7.487	5.016	5.806
Other short-term investments		4.220	4.322	–	–
Receivables from derivatives	15	6.272	7.973	489	176
Cash and cash equivalents	12	326.356	391.896	99.105	110.917
Total current assets		577.001	648.612	285.658	324.421
TOTAL ASSETS		2.077.697	2.035.416	894.499	962.081
EQUITY AND LIABILITIES					
Share capital	19	35.432	34.757	35.432	34.757
Share premium	19	209.195	209.870	209.195	209.870
Reserves	19	63.848	107.180	5.090	48.012
Retained earnings		152.867	129.287	73.379	43.718
Total equity attributable to the shareholders of the parent		461.342	481.094	323.096	336.357
Non-controlling interest		9.925	10.082	–	–
Total equity		471.267	491.176	323.096	336.357

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31st, 2023

	Note	GROUP		ENTITY	
		30/06/2023	31/12/2022	30/06/2023	31/12/2022
Long-term liabilities					
Long-term loans	13	1.004.161	951.326	364.847	388.408
Lease liabilities	14	27.218	25.372	19.609	18.185
Liabilities from derivatives	15	8.328	14.596	1.250	7.845
Provision for staff indemnities	16	269	245	243	218
Other provisions	16	21.918	19.416	4.858	4.741
Grants	17	164.643	167.146	10.627	11.257
Liabilities from contracts with customers		2.706	2.766	2.706	2.766
Deferred tax liabilities	20	51.476	48.080	-	-
Other long-term liabilities		-	7.496	-	7.388
Total long-term liabilities		1.280.719	1.236.443	404.140	440.808
Short-term liabilities					
Suppliers	18	57.200	75.084	43.272	63.068
Short-term loans	13	216	60.632	216	60.632
Long-term liabilities carried forward	13	159.742	111.101	35.307	14.086
Lease liabilities	14	2.018	1.654	1.413	1.369
Liabilities from derivatives	15	7.046	5.768	4.991	5.670
Liabilities from contracts with customers		3.852	8.611	9.147	17.494
Accrued and other short-term liabilities	18	82.779	33.458	72.714	22.597
Income tax payable	20	12.858	11.489	203	-
Total short-term liabilities		325.711	307.797	167.263	184.916
Total liabilities		1.606.430	1.544.240	571.403	625.724
TOTAL LIABILITIES AND EQUITY		2.077.697	2.035.416	894.499	962.081

Note:

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

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED AND STANDALONE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01/01 - 30/06/2023

	Note	GROUP		COMPANY	
		01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Continuing operations					
Revenue		145.640	155.850	73.732	106.684
Cost of sales		(82.531)	(75.222)	(63.669)	(96.514)
Gross profit		63.109	80.628	10.063	10.170
Administrative and distribution expenses		(16.852)	(26.443)	(8.790)	(20.191)
Research and development expenses		(3.719)	(3.632)	(3.089)	(3.546)
Other income/(expenses)	21	7.466	9.466	3.915	1.935
Operating results		50.004	60.019	2.099	(11.632)
Financial income	22	4.444	3.740	2.792	2.981
Financial expenses	22	(24.426)	(19.944)	(10.415)	(9.482)
(Losses)/gains from financial instruments measured at fair value		(270)	210	(270)	210
Revenue from participating interest and other investments	22	-	-	33.763	41.675
Losses from disposals and valuation of participations and other investments	4	-	-	(1.211)	-
profit before tax from continuing operations		29.752	44.025	26.758	23.752
Income tax expense	20	(6.706)	(13.348)	(1.285)	(427)
Net profit for the year from continuing		23.046	30.677	25.473	23.325
Discontinued operations					
Net profit for the year from discontinued	7.2	-	4.664	-	3.208
Net profit for the year from continuing and discontinuing operations		23.046	35.341	25.473	26.533
Other comprehensive income					
Items subsequently reclassified in the Income					
Foreign exchange translation differences from incorporation of foreign operations					
- Gains of the current year		2.206	314	-	-
Cast flows hedges					
-(Losses)/gains of the current year		777	11.531	7.694	(8.335)
Corresponding income tax		(166)	(2.651)	(1.689)	1.834
Total		2.817	9.194	6.005	(6.501)
Items not subsequently reclassified in the					
Gains/(losses) from valuation of participating interest at fair value		51	(79)	51	(79)
Actuarial losses from defined benefit plans		(7)	-	-	-
Corresponding income tax		(12)	17	(11)	17
Total		32	(62)	40	(62)
Other comprehensive (loss)/income for the		2.849	9.132	6.045	(6.563)
Total comprehensive income for the year		25.895	44.473	31.518	19.970

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED AND STANDALONE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01/01 - 30/06/2023

		GROUP	
	Note	01/01 - 30/06/2023	01/01 - 30/06/2022*
Net profit for the year attributed to:			
Shareholders of the parent from:			
- continuing operations		22.180	29.416
- discontinued operations		-	4.235
Total		22.180	33.651
Non-controlling interests from:			
- continuing operations		866	1.261
- discontinued operations		-	429
Total		866	1.690
Net Earnings/(losses) after taxes from continuing and discontinued operations		23.046	35.341
Total comprehensive income for the year			
Shareholders of the parent from:			
- continuing operations		25.028	38.548
- discontinued operations		-	4.235
Total		25.028	42.783
Non-controlling interests from:			
- continuing operations		867	1.261
- discontinued operations		-	429
Total		867	1.690
Total comprehensive income		25.895	44.473
Basic Earnings per share (in Euro) attributed to shareholders of the parent			
- from continuing operations	19	0,19039	0,25464
- from discontinued operations	19	-	0,03666
- from continuing and discontinued operations	19	0,19039	0,29130

Note:

*The comparative figures of the Group and the Company for the financial year 2022 have been restated in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED AND STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01 - 30/06/2023

	Note	GROUP		COMPANY	
		01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Cash flows from operating activities					
Profit before tax from continuing operations		29.752	44.025	26.758	23.752
<i>Adjustments for reconciliation of net flows from operating activities</i>					
Amortisation/depreciation of intangible, tangible and right-of-use assets	6, 7, 8	25.757	24.020	4.068	3.783
Grants' amortisation	17	(2.676)	(2.685)	(629)	(629)
Impairment		2.044	1	1.231	-
Provisions	16	(1.747)	(140)	(1.749)	(144)
Interest and related income	22	(4.443)	(3.740)	(2.792)	(2.981)
Interest and other financial expenses	22	24.426	19.944	10.415	9.482
Results from intangible and tangible assets, investment property and right-of-use assets		-	(42)	1	-
Revenue from participating interest and other investments		-	-	(33.763)	(41.675)
Results from derivatives	15	270	(210)	270	(210)
Foreign currency exchange differences	21	(854)	(1.057)	-	-
Results from Share based payments programmes	19	448	13.132	448	13.132
Operating profit before changes in working capital		72.977	93.248	4.258	4.510
(Increase)/Decrease in:					
Inventories		356	(2.328)	781	(1.990)
Trade receivables and receivables from contracts with customers		(11.076)	4.917	23.949	14.640
Prepayments and other short term receivables		(7.825)	(8.091)	(24.748)	2.319
Increase/(Decrease)\ in:					
Suppliers and liabilities from contracts with customers		11.437	(15.723)	(14.382)	(16.976)
Accrued and other short term liabilities		(3.833)	8.773	(1.924)	(463)
Other long term receivables and liabilities		(2.434)	(16.430)	(59)	2.161
Income tax paid		(4.549)	(7.417)	50	(1.706)
Net cash (outflows)/inflows from operating activities-continuing operations		55.053	56.949	(12.075)	2.495
Cash flows from operating activities - discontinued		2.523	12.595	2.523	(5.387)
Net cash (outflows)/inflows from operating activities		57.576	69.544	(9.552)	(2.892)

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED CONSOLIDATED AND STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01 - 30/06/2023

	Note	GROUP		ENTITY	
		01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Cash flows from investing activities					
Acquisition of tangible and intangible fixed assets	6, 8	(132.724)	(138.859)	(2.613)	(3.392)
Disposal of tangible and intangible fixed assets	6, 8	27	989	10.016	-
Return of grants	17	(260)	-	-	-
Interest and related income collected		487	294	962	318
Payments for acquisition of companies	7.4	(1.429)	(723)	(1.369)	(2.177)
Disposal of interest in subsidiaries	7.1, 7.3	5.498	-	5.498	-
Payments for acquisition or increase in participating interest in associates and joint ventures		(50)	-	(50)	-
Payments for acquisition of shares, bonds and other securities		(179)	(3.699)	(201)	(329)
Dividends received		-	-	28.639	40.674
Issued loans		(156)	-	(1.206)	-
Proceeds from issued loans		-	-	2.265	-
Net cash (outflows)/inflows from investing activities-continuing operations		(128.786)	(141.998)	41.941	35.094
Cash flows from investing activities - discontinued		36	(2)	36	-
Net cash (outflows)/inflows from investing activities		(128.750)	(142.000)	41.977	35.094
Cash flows from financing activities					
Acquisition of treasury shares	19	-	(2.077)	-	(2.077)
Proceeds from changes in participating interest		-	-	29.292	172
Proceeds from long term loans	13	171.098	133.100	6.800	10.164
Payments for long term loans	13	(74.367)	(42.689)	(13.205)	(14.803)
Lease liability payments	14	(1.652)	(1.340)	(1.230)	(888)
Payments of short term loans	13	(60.000)	-	(60.000)	-
Dividends paid	19	(250)	-	-	-
Interest paid		(29.733)	(18.483)	(5.891)	(5.561)
Net cash (outflows)/inflows from financing activities-continuing operations		5.096	68.511	(44.234)	(12.993)
Cash flows from financing activities - discontinued		(3)	(83)	(3)	(6)
Net cash (outflows)/inflows from financing activities		5.093	68.428	(44.237)	(12.999)
Net (decrease)/increase in cash and cash equivalents from continuing operations		(68.637)	(16.538)	(14.368)	24.596
Net (decrease)/increase in cash and cash equivalents from discontinued operations		2.556	12.510	2.556	(5.393)
Net (decrease)/increase in cash and cash equivalents		(66.081)	(4.028)	(11.812)	19.203
Effect of exchange rate changes on cash & cash equivalents		541	1.084	-	-
Opening cash and cash equivalents	12	391.896	397.409	110.917	100.536
Closing cash and cash equivalents	12	326.356	394.465	99.105	119.739

Note:

*The comparative figures of the Group and the Company for the financial year 2022 have been restated in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01 -30/06/2022)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal	Non-controlling interests	Total
1 January 2022		34.757	209.870	63.071	113.191	420.889	10.754	431.643
Net profit for the year from continuing operations		-	-	-	33.651	33.651	1.690	35.341
Other comprehensive income								
Foreign exchange translation differences from incorporation of foreign		-	-	314	-	314	-	314
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		-	-	(62)	-	(62)	-	(62)
Cast flows hedges	15	-	-	8.880	-	8.880	-	8.880
Other comprehensive income for the year (after tax)		-	-	9.132	-	9.132	-	9.132
Total comprehensive income for the year		-	-	9.132	33.651	42.783	1.690	44.473
Formation of reserves	19	-	-	14.567	(1.435)	13.132	-	13.132
Distribution of dividends	19	-	-	-	(34.572)	(34.572)	-	(34.572)
Treasury shares	19	-	-	(2.077)	-	(2.077)	-	(2.077)
Change in the percentage of a consolidated subsidiary	5	-	-	6	1.127	1.133	(1.013)	120
Distribution of reserves		-	-	(4.818)	-	(4.818)	-	(4.818)
Transfers-Other movements		-	-	(8.020)	8.020	-	-	-
Transactions with shareholders		-	-	(342)	(26.860)	(27.202)	(1.013)	(28.215)
Total equity 30th June 2022		34.757	209.870	71.861	119.982	436.470	11.431	447.901

Note:

*The comparative figures of the Group and the Company for the financial year 2022 have been restated in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01 -30/06/2023)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal	Non-controlling interests	Total
1 January 2023		34.757	209.870	107.180	129.287	481.094	10.082	491.176
Net profit for the year from continuing operations		-	-	-	22.180	22.180	866	23.046
Other comprehensive income								-
Foreign exchange translation differences from incorporation of foreign		-	-	2.206	-	2.206	-	2.206
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		-	-	40	-	40	-	40
Cast flows hedges	15	-	-	611	-	611	-	611
Actuarial losses from defined benefit plans	16	-	-	(7)	-	(7)	-	(7)
Other comprehensive income for the year (after tax)		-	-	2.850	-	2.850	-	2.850
Total comprehensive income for the year		-	-	2.850	22.180	25.030	866	25.896
Capitalization of reserves & retained earnings	19	675	(675)	-	(3)	(3)	-	(3)
Formation of reserves	19	-	-	3.444	(2.997)	447	-	447
Distribution of dividends	19	-	-	-	(42.400)	(42.400)	(1.023)	(43.423)
Distribution of reserves	19	-	-	(2.826)	-	(2.826)	-	(2.826)
Transfers-Other movements		-	-	(46.800)	46.800	-	-	-
Transactions with shareholders		675	(675)	(46.182)	1.400	(44.782)	(1.023)	(45.805)
Total equity 30th June 2023		35.432	209.195	63.848	152.867	461.342	9.925	471.267

Note:

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (01/01 -30/06/2022)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal
1 January 2022		34.757	209.870	17.469	50.385	312.481
Net profit for the year from continuing operations		-	-	-	26.533	26.533
Other comprehensive income						
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		-	-	(62)	-	(62)
Cast flows hedges	15	-	-	(6.501)	-	(6.501)
Other comprehensive income for the year (after tax)		-	-	(6.563)	-	(6.563)
Total comprehensive income for the year		-	-	(6.563)	26.533	19.970
Formation of reserves	19	-	-	13.272	(140)	13.132
Distribution of dividends	19	-	-	-	(34.572)	(34.572)
Treasury shares	19	-	-	(2.077)	-	(2.077)
Change in the percentage of a consolidated subsidiary		-	-	-	(180)	(180)
Distribution of reserves		-	-	(4.818)	-	(4.818)
Transfers-Other movements		-	-	1	(1)	-
Transactions with shareholders		-	-	6.378	(34.893)	(28.515)
30th June 2022		34.757	209.870	17.284	42.025	303.936

Note:

*The comparative figures of the Group and the Company for the financial year 2022 have been restated in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements at 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (01/01 -30/06/2023)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Total
1 January 2023		34.757	209.870	48.012	43.718	336.357
Net profit for the year from continuing operations		-	-	-	25.473	25.473
Other comprehensive income						
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		-	-	40	-	40
Cast flows hedges	15	-	-	6.005	-	6.005
Other comprehensive income for the year (after tax)		-	-	6.045	-	6.045
Total comprehensive income for the year		-	-	6.045	25.473	31.518
Capitalization of reserves & retained earnings	19	675	(675)	-	(3)	(3)
Formation of reserves	19	-	-	659	(211)	448
Distribution of dividends	19	-	-	-	(42.399)	(42.399)
Distribution of reserves	19	-	-	(2.826)	-	(2.826)
Transfers-Other movements		-	-	(46.800)	46.800	-
Transactions with shareholders		675	(675)	(48.967)	4.187	(44.780)
30th June 2023		35.432	209.195	5.090	73.378	323.095

Note:

The following notes are an integral part of the Interim Condensed Consolidated and Company Semi-Annual Financial Statements.

IV. NOTE AND DISCLOSURES OF FINANCIAL STATEMENTS

1. GROUP GENERAL INFORMATION

TERNA ENERGY 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, it can undertake private or self-financed projects (based on Law 4412/2016), regardless of budgeting, depending on the technical and financial criteria established every time, independently or through a joint venture.

TERNA ENERGY has succeeded the Technical Constructions Company (ETKA SA), 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 has been listed on ATHEX since 2007.

The Group's operations are mainly performed in Greece, while the Group also has a strong presence in the Balkans and Eastern Europe. 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.
- **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 of the Financial Statements.

The parent company of TERNA ENERGY is GEK TERNA S.A., also a listed entity on the Athens Stock Exchange, Greece. On 30/06/2023, GEK TERNA SA held 36,587% (31/12/2022: 37,298%) of TERNA ENERGY'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 the full consolidation method, given the fact that they comply with the provisions of IFRS 10 assessing that GEK TERNA S.A. exercises control over TERNA ENERGY S.A.

The enclosed separate and consolidated Financial Statements as of 31st December 2021 were approved by the Board of Directors on 21/09/2023.

2. FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Disclosure Framework of Financial Statements

The Company's Interim Condensed Consolidated Financial Statements as at 30 June 2023 covering the six-month period from 1 January to 30 June 2023 comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and their Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union by 30 June 2023. The Financial Statements for the six-month period ended 30 June 2023 have been prepared in accordance with the provisions of International Accounting Standard (IAS) 34 "Interim Financial Reporting". The Group applies all International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and their Interpretations that are applicable to its operations.

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

Going Concern

In determining the appropriate basis for the preparation of the Consolidated and Company Financial Statements, management should consider whether the Group is capable of continuing in business for the foreseeable future. Management believes that the Group and the Company have sufficient resources to ensure that the Group and the Company will continue to operate as a "Going Concern" for the foreseeable future.

2.2 Measurement basis

The accompanying Condensed Interim Consolidated and Standalone Financial Statements as of June 30th, 2023, have been prepared according to the principle of historical cost, apart from financial derivatives, liability for contingent consideration and investments in equity instruments which are being 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

The comparative figures in the Consolidated and Separate Statements of Comprehensive Income and the Consolidated and Separate Statements of Cash Flows have been restated to present the adjustments required to reflect only the Group's continuing operations. (see Note 7.1 of the Annual Financial Statements 31.12.2022)

2.5 Use of estimations

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 year 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 areas requiring the highest degree of judgment as well as the factors mostly affecting the consolidated Financial Statements are presented in Note 3 of the Annual Financial Statements ended on 31st of December 2022.

Uncertainty over Estimations

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 which the Group is exposed to (see analytically Note 3 to the accompanying Interim Condensed Financial Statements as of 30/06/2022).

Estimates during calculation of the value in use of non-current assets.

In the electricity sector from RES, in Greece, Central and Eastern Europe, there was no interruption or other negative impact on the operation of the facilities that the Group exploits. In accordance with the accounting policies followed and the requirements of IAS 36, the Group performs impairment tests on the assets at the end of each annual reporting period. The impairment test, in accordance with the requirements of IAS 36, may be carried out earlier, when there are indications of possible impairment loss. From the relevant impairment test carried out on 30/06/2022, and focusing on both external and internal factors, there was no need to recognize impairment losses in the Interim Condensed Financial Statements as of 30 June 2022. It is noted that the Management will continue to monitor the developments for the rest of the year and adjust its estimates accordingly if required.

Provisions for credit losses according to IFRS 9

Regarding the Group's revenue collections, the Group has not identified significant discrepancies regarding the course of collections in each key operating segment, to the extent they could constitute an indication of significant delays in the collections of each operating segment. In this context, there was no need to recognize additional credit loss provisions in accordance with the requirements of IFRS 9.

2.6 New Standards, Interpretations and Amendments of Standards

The Condensed Interim Financial Statements for the six-month period ended as at 30/06/2023 comprise of a 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 31/12/2022, except for the changes to Standards and Interpretations in force since 01/01/2023 (see Notes 2.6.1 and 2.6.2.).

Therefore, the attached condensed interim six-month financial statements should be read in line with the latest published annual Financial Statements as of 31/12/2022 that include a full analysis of the accounting policies and valuation methods used.

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

The following new Standards, Interpretations, and amendments 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 01/01/2023.

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

In February 2021, the IASB issued limited purpose amendments relating to disclosures of accounting policies. The purpose of the amendments is to improve disclosures of accounting policies to provide more useful information to investors and other users of financial statements. In particular, the amendments require disclosure of significant information about accounting policies, rather than disclosure of significant accounting policies. The Group will consider the impact of all of the above on its Financial Statements. The above have been adopted by the European Union with an effective date of 01/01/2023.

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

In February 2021, the IASB issued limited purpose amendments that clarify the difference between a change in accounting estimate and a change in accounting policy. This distinction is important because a change in accounting estimate is applied without retrospective effect and only to future transactions and other future events, as opposed to a change in accounting policy, which is retrospective and applies to past transactions and other past events. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above has been adopted by the European Union with an effective date of 01/01/2023.

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

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how entities should treat deferred tax arising from transactions such as leases and release obligations - transactions for which entities simultaneously recognise a receivable and a liability. In certain circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that this exemption does not apply and entities are required to recognise deferred tax on these transactions. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above has been adopted by the European Union with an effective date of 01/01/2023.

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

The following new Standards, Interpretations and amendments to Standards have been issued by the International Accounting Standards Board (IASB) but are either not yet effective or have not yet been adopted by the European Union.

Amendments in IAS 12 "Income Taxes" - International Tax Reform - Pillar II Model Rules (effective immediately and for annual periods beginning on or after 01/01/2023)

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 "Income Taxes" related to the Pillar Two Rules of the International Tax Reform,. The amendments introduced: a) a temporary exemption from the recognition requirements for accounting for deferred taxes arising from the implementation of the International Tax Reform (Pillar II) and b) additional disclosures for affected entities. Entities may apply the temporary exemption immediately, but the disclosures are required for the annual period beginning on or after 1 January 2023. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above have not been adopted by the European Union.

Amendments in IAS 1 'Classification of Liabilities as Current or Long-Term' (effective for annual periods beginning on or after 01/01/2024)

In January 2020, the IASB issued amendments to IAS 1 that affect the presentation requirements for liabilities. Specifically, the amendments 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) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the classification of the liability is not affected by management's intentions or expectations regarding the exercise of the right to defer settlement, (c) explain how borrowing conditions affect the classification; and (d) clarify the requirements for classifying liabilities of an entity that is to be or may be settled by issuing its own equity instruments. In addition, in July 2020, the IASB issued an amendment to defer by one year the effective date of the originally issued amendment to IAS 1 as a result of the spread of the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment aimed at improving the information that companies provide about long-term debt covenants. IAS 1 requires a company to classify a loan as long-term only if the company can avoid settlement of the loan within 12 months after the reporting date. However, a company's ability to do so often depends on compliance with its covenants. The amendments to IAS 1 specify that covenants that must be met after the reporting date do not affect the classification of the loan as current or non-current at the reporting date. Instead, the amendments to the Standard require an entity to disclose information about those commitments in the notes to the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above have not been adopted by the European Union.

Amendments in IFRS 16 'Leases: Lease Obligation on a Sale and Leaseback' (effective for annual periods beginning on or after 01/01/2024)

In September 2022, the IASB issued limited purpose amendments to IFRS 16 Leases that add requirements on how an entity accounts for a sale and leaseback ("sale and leaseback") after the transaction date. A sale and leaseback is a transaction in which an entity sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on the accounting treatment of a sale and leaseback at the date of the transaction. However, the Standard had not specified how to measure the transaction after that date. The amendments issued add to the requirements in IFRS 16 on sale and leaseback, thereby supporting consistent application of the accounting standard. These amendments will not change the accounting treatment for leases other than those arising from a sale and leaseback transaction. The Group

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

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Financing Arrangements (effective for annual periods beginning on or after 01/01/2024)

In May 2023, the International Accounting Standards Board (IASB) issued amendments ("Supplier Finance Arrangements"), which amended IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". The IASB issued Supplier Financing Arrangements requiring an entity to provide additional disclosures about supplier financing arrangements. The amendments require additional disclosures that supplement the existing disclosures in those two standards. Those disclosures are intended to help users of financial statements (a) assess how supplier financing arrangements affect an entity's liabilities and cash flows, and (b) understand the effect of supplier financing arrangements on liquidity risks and how the entity might be affected if those financial instruments are no longer available. The amendments to IAS 7 and IFRS 7 are effective for the accounting period beginning on or after 1 January 2024. The Group will consider the impact of all the above on its Financial Statements, although it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": lack of exchangeability (effective for annual periods beginning on or after 01/01/2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" that require entities to provide more useful information in their financial statements when a currency cannot be exchanged for another currency. The amendments include the introduction of a definition of the exchangeability of a currency and the process by which an entity should assess that exchangeability. In addition, the amendments provide guidance on how an entity should calculate the spot rate in situations where the currency is not exchangeable and require additional disclosures in situations where an entity has calculated an exchange rate because of a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods beginning on or after 1 January 2025. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have any. The above have not been adopted by the European Union.

3. RISK MANAGEMENT

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

The interim condensed financial information does not include all the financial risk management information and disclosures required in the annual financial statements as of 31st December 2022 and should therefore be read in conjunction with them. There has been no change in risk management policies compared to 31 December 2022.

(a) Special note to the war conflict in the region of Ukraine

The military conflict in the region of Ukraine continues and the chances for resolution remain slim. TERNA ENERGY Group continues to closely monitor the situation, which has not and is not expected to have a direct impact on its figures and performance. Given that most of the Wind Parks have a fixed sales price, the significant costs are depreciation of equipment and borrowing costs refer to fixed rate loans, the impact is still insignificant, and this is not expected to change in the foreseeable future. In the operating segment of

"Concessions" no significant impact is expected due to the structure of the contracts governing these functions.

Finally, due to the dynamics of these events, new risks may arise. Considering the current uncertainty in the broader economic climate, the Group's management is trying to assess in a prompt manner any indirect effects on the Group.

(b) Wind and hydrological data fluctuations

Regarding its activity in the energy sector, the Group remains exposed to the short-term fluctuations of wind and hydrological data, without affecting the long-term profitability of its projects, if the implementation of its investments is preceded by extensive studies involving long-term studies of the above factors. From now on, calculation models should incorporate new factors allowing for the occurrence of potential events of force majeure, such as the current epidemic, in order to examine in greater depth, the viability of any projected investment.

4. CONSOLIDATED COMPANIES AS AT 30/06/2023

The following table presents the consolidated companies of TERNA ENERGY as at 30/06/2023, their headquarters, business activity, the Company's direct and indirect shareholding interests in their share capital, method of consolidation and tax non-audited years.

4.1 Company Structure

The following companies are included in the corporate financial statements using the proportionate consolidation method.

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	UNAUDITED FISCAL YEARS
CONSTRUCTION SEGMENT - JOINT OPERATIONS							
J/V GEK TERNA - TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50,00	-	50,00	Proportional	-	2017-2022
RES ENERGY SEGMENT - JOINT OPERATIONS							
ILIAKI PIKROLIMNIS S.A.	Greece	51,00	-	51,00	Proportional	-	2020-2022
ILIAKA VAKOUFIA SINGLE MEMBER PC	Greece	-	51,00	51,00	Proportional	ILIAKI PIKROLIMNIS S.A.	2020-2022
FOTOVOLTAIKA KILKIS SINGLE MEMBER PC	Greece	-	51,00	51,00	Proportional	ILIAKI PIKROLIMNIS S.A.	2020-2022

4.2 Group Structure

As at 30/06/2023, the Group structure is as follows:

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

ECONOMIC ENTITY	DOMICILE	DIRECT PARTICIPATION %	INDIRECT PARTICIPATION %	TOTAL PARTICIPATION %	CONSOLIDATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	UNAUDITED FISCAL YEARS
<i>HOLDINGS AND FINANCING - SUBSIDIARIES</i>							
TERNA ENERGY FINANCE S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ENERGY OVERSEAS LTD	Cyprus	100,00	-	100,00	Full	-	2017-2022
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY TRANSATLANTIC sp.z.o.o.	2011-2022
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2022
GALLETTE LTD	Cyprus	-	100,00	100,00	Full	ENERGIAKI SERVOUNIOU S.A.	2015-2022
<i>RES ENERGY SEGMENT - SUBSIDIARIES</i>							
AIOIKI PANORAMATOS DERVENOCHORION S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
PPC RENEWABLES - TERNA ENERGY S.A.	Greece	51,00	-	51,00	Full	-	2017-2022
ENERGIAKI SERVOUNIOU S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
IWECO HONOS CRETE S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ENERGY EVROU S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOIKI RACHOULAS DERVENOCHORION S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
ENERGIAKI DERVENOCHORION S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOIKI MARMARIOU EUVOIAS M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
ENERGEIAKI DYSTION EUVOIAS M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOIKI KARYSTIAS EVOIA S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
ENERGEIAKI KAFIREOS EUVOIAS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
ENERGIAKI STYRON EVIAS M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI MALEA LAKONIAS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ENERGY SA AND CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
AIOLIKI EASTERN GREECE M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI PASTRA ATTIKIS S.A.	Greece	99,00	1,00	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
ENERGIAKI PELOPONNISOU S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI PROVATA TRAIANOUPOLEOS M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
ENERGIAKI FERRON EVROU M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ENERGY S.A. AND CO ENERGEIAKI ARI SAPPON G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
TERNA ENERGY S.A. AND Co AIOLIKI POLYKASTROU G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
ENERGEIAKI XIROVOUNIOU S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI ILIOKASTROU M.A.E.	Greece	-	100,00	100,00	Full	TERNA ENERGY EVROU S.A.	2017-2022
EUROWIND S.A.	Greece	-	100,00	100,00	Full	ENERGIAKI SERVOUNIOU S.A.	2017-2022
DELTA AXIOU ENERGEIAKI S.A.	Greece	80,00	-	80,00	Full	-	2017-2022
TERNA ENERGY S.A. AND VECTOR GREECE WIND PARKS - TROULOS WIND PARK G.P.	Greece	90,00	-	90,00	Full	-	2017-2022
TERNA ENERGY SEA WIND PARKS S.A.	Greece	85,00	-	85,00	Full	-	2017-2022
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	77,00	-	77,00	Full	-	2017-2022
TERNA ENERGY SAPPON PC	Greece	100,00	-	100,00	Full	-	2020-2022

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

VATHICHORI ENVIRONMENTAL S.A.	Greece	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	-	100,00	100,00	Full	VATHICHORI ENVIRONMENTAL S.A.	2017-2022
ALISTRATI ENERGY LTD	Greece	80,00	-	80,00	Full	-	2017-2022
TERNA ENERGY AI-GIORGIS S.A.	Greece	99,40	0,60	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
TERNA AIOLIKI XEROVOUNIOU S.A.	Greece	-	100,00	100,00	Full	AIOLIKI PANORAMATOS DERVENOCHORION S.A.	2017-2022
TERNA AIOLIKI AITOLOAKARNANIAS S.A.	Greece	-	100,00	100,00	Full	AIOLIKI MALEA LAKONIAS S.A.	2017-2022
TERNA AIOLIKI AMARINTHOU S.A.	Greece	-	100,00	100,00	Full	ENERGIAKI SERVOUNIOU S.A.	2017-2022
TERNA ILIAKI PANORAMATOS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ILIAKI PELLOPONISSOU S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
TERNA ILIAKI VIOTIAS S.A.	Greece	100,00	-	100,00	Full	-	2017-2022
AIOLIKI STEREAS ELLADOS M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
VATHICHORI TWO ENERGY S.A.	Greece	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
TERNA ENERGY OMALIES M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
EVOIKOS ANEMOS S.A.	Greece	70,00	-	70,00	Full	-	2020-2022
KEY SOLAR ENERGY SINGLE MEMBER PC	Greece	100,00	-	100,00	Full	-	2020-2022
KASTRAKI SOLAR ENERGY SINGLE MEMBER PC	Greece	100,00	-	100,00	Full	-	2020-2022
TERNA ENERGY-PUMPED STORAGE I S.M.S.A.	Greece	100,00	-	100,00	Full	-	2022
TERNA ENERGY FIVE TOWERS GP	Greece	90,00	10,00	100,00	Full	IWECO HONOS CRETE S.A.	2017-2022
HAOS INVEST 1 EAD	Bulgaria	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

ECO ENERGY DOBRICH 2 EOOD	Bulgaria	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
EOLOS NORTH sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
EOLOS POLSKA sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
EOLOS EAST sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
JP GREEN sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
WIRON sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
BALLADYNA sp.z.o.o.	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2017-2022
EOLOS DEVELOPMENT Sp.z o.o	Poland	-	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2021-2022
AEGIS RENEWABLES, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2022
MOUNTAIN AIR HOLDINGS, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2022
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2022
TERNA DEN LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2022
FLUVANNA I INVESTOR, LCC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2022
FLUVANNA INVESTMENTS 2, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2018-2022
CI-II BEARKAT QPPF, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2022
CI-II BEARKAT HOLDING B, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2022

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th 2023

(Amounts in Euro thousand unless stated otherwise)

SPONSOR BEARKAT I HOLDCO, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2022
TERNA DER, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	
TERNA DER 2, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	
TERNA DER 3, LLC	U.S.A.	-	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	0
RES ENERGY SEGMENT - JOINT VENTURES							
EN.ER.MEL S.A.	Greece	50,00	-	50,00	Equity	-	2016-2022
RES ENERGY SEGMENT - ASSOCIATES							
CYCLADES RES ENERGY CENTER SA	Greece	-	45,00	45,00	Equity	IWECO HONOS CRETE S.A.	2016-2022
ARMONIA ENERGY SOCIETY	Greece	12,50	-	12,50	Equity	-	2019-2022
CONCESSIONS SEGMENT - SUBSIDIARIES							
HELLAS SMARTICKET S.A.	Greece	35,00	-	35,00	Full	-	2017-2022
PERIVALLONTIKI PELOPONNISOU M.A.E.	Greece	100,00	-	100,00	Full	-	2017-2022
EPIRUS SUSTAINABLE SINGLE OWNED SOCIETE ANONYME SPECIAL PURPOSE	Greece	100,00	-	100,00	Full	-	2017-2022
CONCESSIONS SEGMENT - JOINT VENTURES							
WASTE CYCLO S.A.	Greece	51,00	-	51,00	Equity	-	2017-2022
TEPNA FIBER SPECIAL PURPOSES SOCIETE ANONYME	Greece	50,10	-	50,10	Equity	-	2022
CONSTRUCTION SEGMENT - JOINT VENTURES							
JV TENERGY-INDIGITAL-AMCO	Greece	70,00	-	70,00	Equity	-	2020-2022

The percentage of voting rights of TERNA ENERGY SA in all the above holdings coincides with the percentage of the outstanding share capital or share capital of the companies.

HELLAS SMARTICKET S.A. ('HST') is fully consolidated as a subsidiary, as the Group exercises control over it in accordance with the requirements of IFRS 10.

4.3 Changes in the Group structure within 2023

- On 10 February 2023, the Group's parent company, TERNA ENERGY SA, acquired the entire shareholding of the company ANAX INDIVIDUAL CEMPLE COMPANY, which was renamed TERNA ENERGY SAPPON PC. The above company develops Photovoltaic Stations in the wider area of the Regional Unit of Evros with a total capacity of 246,35 MW.

The purpose of this acquisition is the subsequent implementation of the Group's new investments in the production of energy from renewable sources. Upon examination of the requirements of IFRS 3, resulted that the acquired assets and assumed liabilities of the above company do not constitute an "enterprise" as defined in IFRS 3 and therefore do not fall within the scope of that Standard, but these transactions are accounted for as an acquisition of assets. The accounting policy for the recognition of the transaction is described in the explanatory Note 4.21 of the Annual Consolidated and Company Financial Statements as at 31/12/2022. The cost of the acquisition was allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition, and no goodwill arises from this type of transaction. The total acquisition price of this company, based on the terms of the Share Sale and Transfer Agreement, will depend on the successful outcome of securing the necessary permits for the installation of the photovoltaic panel power generation units, and was estimated at € 6,306 thousand using an appropriate discount rate of 7.95%. The fair value of the liability for the contingent consideration will be measured at each reporting date and up to the estimated date of final measurement and payment, i.e. until 1/12/2023.

Analytical figures related to the acquisition of the above companies are presented below:

TERNA ENERGY SAPPON SINGLE MEMBER PC	Fair values at the acquisition of entity
Intangible assets & Right-of-use assets	6.278
Property, plant and equipment	2
Prepayments and other receivables	145
Cash and cash equivalents	-
TOTAL ASSETS	6.425
Liabilities	
Suppliers & Liabilities from contracts with customers	21
Accrued and other short-term liabilities	98
Total liabilities	119
Fair Value of acquired net assets	6.306
Cash paid as of June 30th, 2023 (a)	829
Minus: Cash received (b)	-
Total Cash outflow as of June 30th, 2023 (a) - (b)	829

The estimated total consideration for the acquisition, including the cash of the acquired company, amounted to € 6,306 thousand, of which € 829 thousand was settled in cash and € 5,477 thousand is a contingent consideration liability (at discounted value).

As a consequence of the above acquisition, the Group recognized intangible assets (licenses for photovoltaic production plants) amounting to € 5.822thousand. The fair value of the intangible assets has been based on a report by an independent appraiser. During the period from the date of acquisition of the companies until 30 June 2023, no results related to these companies have been realized.

- - During the first half of 2023, TERNA ENERGY Group established TERNA DER, LLC TERNA DER 2, LLC TERNA DER 3, LLC which are based in the USA, for the development of new renewable energy projects and liquidated MOHAVE VALLEY ENERGY LLC, FLUVANNA INVESTMENTS LLC, FLUVANNA HOLDINGS LLC, TERNA HOLDCO INC which had no assets and liabilities.

- On 17 May 2023, the Group's parent company, TERNA ENERGY S.A. established jointly with GRID TELECOM S.A. the company named TERNA FIBER SPECIAL PURPOSE S.A. This company is a vehicle company for the execution of the Partnership Agreement to be signed between the Greek State through the Minister of Digital Governance (hereinafter referred to as "the Contracting Authority"), the Company and the founders - original shareholders of the Company as third party contractors, for the execution of the project "Ultra High Speed Broadband Infrastructure - ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6, as indicated in the Call for Expression of Interest and the Call for Tenders Document.

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 individual operating 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:

- i. **Constructions:** The segment refers to development of wind farms and other units for electricity production from renewable energy sources, and also to the construction of the necessary infrastructure (roads, substations, interconnection with the national electric energy grid). Furthermore, the construction segment of the Group undertakes construction of the infrastructure assigned to special purpose companies of the Group in the form of Public-Private Partnerships. Finally, the construction segment of the Group renders services to third parties mainly in small scale infrastructure works under the capacity of the main contractor or subcontractor, or through joint ventures.
- ii. **Electricity from RES:** The segment mainly concerns production of electricity through wind energy. The portfolio also includes a number of photovoltaic projects, hydroelectric projects, and related energy projects with the use of biomass at various development stages.
- iii. **Concessions:** The segment concerns operation of infrastructure and public sector projects (such as Unified Automatic Collection System and the municipal waste treatment facility in Epirus and Peloponnese Regions) in exchange for long-term operation of the above projects through provision of services to the public.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total	Discontinued activities of Electricity trading	Consolidated total
30th June 2023								
Continuing operations								
Revenue								
Sales of products and services	26.784	105.424	6.549	6.883	-	145.640	-	145.640
Intersegment revenue	27.376	-	-	-	(27.376)	-	-	-
Total revenue from continuing operations	54.160	105.424	6.549	6.883	(27.376)	145.640	-	145.640
Cost of sales	(49.471)	(47.904)	(4.834)	(5.709)	25.387	(82.531)	-	(82.531)
Gross profit from continuing operations	4.689	57.520	1.715	1.174	(1.989)	63.109	-	63.109
Administrative and distribution expenses	(90)	(16.122)	(367)	(288)	15	(16.852)	-	(16.852)
Research and development expenses	(415)	(3.303)	(1)	-	-	(3.719)	-	(3.719)
Other income/(expenses) and other gain/(losses)-EBIT determinants	(1.394)	8.427	1.523	77	-	8.633	-	8.633
Operating results (EBIT) from continuing operations	2.790	46.522	2.870	963	(1.974)	51.171	-	51.171
Other income/(expenses) and other gain/(losses)- non-EBIT determinants	-	(1.167)	-	-	-	(1.167)	-	(1.167)
Operating results from continuing operations	2.790	45.355	2.870	963	(1.974)	50.004	-	50.004
Financial income	-	511	2.381	1.552	-	4.444	-	4.444
Financial expenses	(204)	(21.553)	(2.332)	(505)	168	(24.426)	-	(24.426)
Gains/(Losses) from financial instruments measured at fair value	-	(270)	-	-	-	(270)	-	(270)
profit before tax from continuing operations	2.586	24.043	2.919	2.010	(1.806)	29.752	-	29.752
Income tax expense	30	(5.685)	(642)	(409)	-	(6.706)	-	(6.706)
Net profit for the year from continuing operations	2.616	18.358	2.277	1.601	(1.806)	23.046	-	23.046
Depreciation	(249)	(26.557)	(89)	(10)	1.148	(25.757)	-	(25.757)
Grants' amortisation	-	2.676	-	-	-	2.676	-	2.676

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total	Discontinued activities of Electricity trading	Consolidated total
30th June 2023								
Segment assets (except of investments)	57.185	1.909.369	107.019	35.617	(61.805)	2.047.385	26.068	2.073.453
Investment in associates and joint ventures	-	4.248	-	-	-	4.248	-	4.248
Total assets	57.185	1.913.617	107.019	35.617	(61.805)	2.051.633	26.068	2.077.701
Segment liabilities	30.355	1.471.568	82.975	21.493	-	1.606.391	43	1.606.434
Long-term loans	-	937.539	56.441	10.181	-	1.004.161	-	1.004.161
Short-term loans	-	216	-	-	-	216	-	216
Long-term liabilities carried forward	-	136.608	19.585	3.549	-	159.742	-	159.742
Cash and cash equivalents	-	(296.168)	(21.124)	(6.065)	-	(323.357)	-	(323.357)
Restricted cash (Note 12)	-	(68.124)	(1.320)	(399)	-	(69.843)	-	(69.843)
Net debt/(surplus)	-	710.071	53.582	7.266	-	770.919	-	770.919
Lease liabilities	10.834	18.356	-	46	-	29.236	-	29.236
Capital expenditures for the year	-	128.360	5	-	(2.732)	125.633	-	125.633

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total	Discontinued activities of Electricity trading	Consolidated total
30th June 2022*								
Continuing operations								
Revenue								
Sales of products and services	24.268	122.359	3.080	6.143	-	155.850		155.850
Intersegment revenue	68.157	-	-	-	(68.157)	-	-	-
Total revenue from continuing operations	92.425	122.359	3.080	6.143	(68.157)	155.850	-	155.850
Cost of sales	(83.511)	(47.667)	(2.865)	(5.193)	64.014	(75.222)		(75.222)
Gross profit from continuing operations	8.914	74.692	215	950	(4.143)	80.628	-	80.628
Administrative and distribution expenses	(296)	(25.693)	(229)	(231)	6	(26.443)		(26.443)
Research and development expenses	(113)	(3.519)	-	-	-	(3.632)	-	(3.632)
Other income/(expenses) and other gain/(losses)-EBIT determinants	523	8.013	13	-	(10)	8.539	-	8.539
Operating results (EBIT) from continuing operations	9.028	53.493	(1)	719	(4.147)	59.092	-	59.092
Other income/(expenses) and other gain/(losses)- non-EBIT determinants	-	927	-	-	-	927	-	927
Operating results from continuing operations	9.028	54.420	(1)	719	(4.147)	60.019	-	60.019
Financial income	617	293	912	1.918	-	3.740	-	3.740
Financial expenses	(72)	(17.840)	(1.819)	(276)	63	(19.944)		(19.944)
Gains/(Losses) from financial instruments measured at fair value	-	210	-	-	-	210	-	210
profit before tax from continuing operations	9.573	37.083	(908)	2.361	(4.084)	44.025	-	44.025
Income tax expense	(1.103)	(12.022)	270	(493)	-	(13.348)	-	(13.348)
Net profit for the year from continuing operations	8.470	25.061	(638)	1.868	(4.084)	30.677	-	30.677
Depreciation	(96)	(24.402)	(70)	(7)	555	(24.020)	-	(24.020)
Grants' amortisation	-	2.685	-	-	-	2.685	-	2.685

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total	Discontinued activities of Electricity trading	Consolidated total
Discontinued operations								
Revenue and other income from discontinued operations	-	-	-	-	-	-	(120.891)	(120.891)
Net profit for the year from discontinued operations	-	-	-	-	-	-	4.664	4.664
Net profit for the year from continuing and discontinuing	8.470	25.061	(638)	1.868	(4.084)	30.677	4.664	35.341

*The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see Notes 7.1 and 7.2 of the Annual Financial Statements on 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

Operating segments	Construction	Electricity from RES	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total	Discontinued activities of Electricity trading	Consolidated total
31st December 2022								
Segment assets (except of investments)	44.855	1.865.487	101.915	33.752	(59.998)	1.986.011	45.207	2.031.218
Investment in associates and joint ventures	-	4.198	-	-	-	4.198	-	4.198
Total assets	44.855	1.869.685	101.915	33.752	(59.998)	1.990.209	45.207	2.035.416
Segment liabilities	26.931	1.398.300	82.320	20.066	-	1.527.617	16.623	1.544.240
Long-term loans	-	865.793	73.633	11.900	-	951.326	-	951.326
Short-term loans	-	60.632	-	-	-	60.632	-	60.632
Long-term liabilities carried forward	-	104.381	3.184	3.536	-	111.101	-	111.101
Cash and cash equivalents	-	(359.204)	(21.765)	(7.667)	-	(388.636)	-	(388.636)
Restricted cash	-	(63.379)	(1.320)	(399)	-	(65.098)	-	(65.098)
Net debt/(surplus)	-	608.223	53.732	7.370	-	669.325	-	669.325
Lease liabilities	9.116	17.905	-	5	-	27.026	-	27.026
Capital expenditures for the year	3	253.602	458	-	(13.706)	240.357	1	240.358

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Geographical segments (continuing operations)	Greece	Eastern Europe	USA	Consolidated total
30/06/2023				
Revenue	130.423	15.217	–	145.640
Non-current assets	1.398.988	100.635	1.073	1.500.696
Capital expenditures	125.634	–	–	125.634
30/06/2022*				
Revenue	137.167	17.985	698	155.850
31/12/2022*				
Non-current assets	1.284.356	99.936	2.512	1.386.804
Capital expenditures	239.698	–	660	240.358

*The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements on 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

The turnover in the energy segment, from continuing activities, due to its nature, depends on the legislative framework, which is locally in effect regarding the energy administrators, in both the domestic market and in Bulgaria, Poland.

During the period 01/01/2023 - 30/06/2023, an amount of € 72,8million (50,0%) 2022: € 70,4 million (45,2%) of the turnover from continuing activities of the Group derived from a single external customer (Customer A) active in the electricity sector.

6. INTANGIBLE ASSETS

The condensed statement of intangible assets of the Group and the Company is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
Net book value 1st of January	60.473	50.909	2.872	2.857
Additions	436	208	119	208
Disposals/Write offs	–	(74)	–	–
Impairment	(1.275)	–	(25)	–
Increase/(Decrease) with offsetting liabilities	(498)	–	–	–
Amortisation	(751)	(729)	(258)	(241)
Change due to take over of subsidiary	6.278	6.473	–	–
Foreign exchange differences	3	(1)	–	–
Net book value 30st of June	64.666	56.786	2.708	2.824

The Group's intangible assets mainly include production, installation, and operation licenses for energy plants as well as rights of intervention and use of forested land, where the Wind Farms are installed, valued at € 63.531 thousand (30/06/2022: € 55,432 thousand). The account "Change due to acquisition of a new company" in the first half of 2023 mainly includes production licenses for the installation of new RES plants amounting to € 5.822 thousand as a result of the acquisition of the subsidiary Terna Energy Sappon PC (see in detail Note 4.3).

The "Impairment" account includes impairments of intangible assets relating to under development plants that management has decided not to implement as in the context with its strategic planning.

7. RIGHTS IN USE OF ASSETS

The condensed statement of the Group's and the Company's rights of use of fixed assets has the following table:

	GROUP		COMPANY	
	2023	2022	2023	2022
Net book value 1st of January	27.057	19.535	19.570	12.158
Additions and changes due to modification of existing contracts	3.092	3.757	2.295	3.699
Depreciation	(746)	(627)	(582)	(464)
Depreciation capitalized in Assets	(219)	(78)	-	-
Foreign exchange differences	140	(48)	-	-
Net book value 30st of June	29.324	22.539	21.283	15.393

The amortization of the Group's rights of use for the period 01/01 - 30/06/2023 has been recorded in Cost of sales by € 310 thousand (€ 284 thousand in the period 01/01 - 30/06/2022), in administrative expenses and disposal costs by € 305 thousand. (€ 274 thousand in the period 01/01 - 30/06/2022), to Research and development expenses by € 130 thousand (€ 68 thousand in the period 01/01 - 30/06/2022) and to Other income/(expenses) by € 1 thousand (€ 1 thousand in the period 01/01 - 30/06/2022).

Respectively, the amortization of the Company's property rights for the period 01/01 - 30/06/2022 has been recorded in Cost of sales by € 344 thousand (€ 175 thousand for the period 01/01 - 30/06/2022), in administrative and disposal costs by € 169 thousand (€ 220 thousand for the period 01/01 - 30/06/2022), and in Research and development expenses by € 67 thousand (€ 67 thousand in the period 01/01 - 30/06/2022) and in Other income/(expenses) by € 1 thousand (€ 1 thousand in the period 01/01 - 30/06/2022).

8. TANGIBLE ASSETS

The condensed statement of tangible assets of the Group and the Company is as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
Net book value 1st of January	1.169.349	983.391	63.336	73.645
Additions	113.024	116.098	2.259	2.311
Borrowing cost	10.402	2.958	-	-
Disposals/Write offs	(2)	(873)	(2)	-
Increase/(Decrease) with offsetting liabilities	(1.327)	-	-	-
Dismatling provision	1.773	-	-	-
Impairment	(773)	-	-	-
Depreciation	(24.041)	(22.615)	(3.229)	(3.085)
Change due to take over of subsidiary	2	29	-	-
Foreign exchange differences	3.706	(1.277)	-	-
Net book value 30th June 2023	1.272.113	1.077.711	62.364	72.871

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

The Group's acquisitions in the first half of 2023 mainly relate to additions in the category "Fixed assets under construction" of the amount of € 96.387 thousand related to the construction of wind farms of total capacity of 327 MW in Evia, which belong to TERNA ENERGY OMALIES SA, ENERGY KAFIREOS EVOIAS SA, AIOLIKI KARISTIA EVOIAS SA as well as with the construction of the new pumped storage project that the Group is constructing in the wider area of Amfilochia Aitoloakarnania. In addition, the Group's additions for the period include an amount of € 82,197 thousand relating to prepayments to suppliers of the Company's construction business, which for the Group are classified as prepayments for the acquisition of fixed assets.

The amount of € 1.272.113 thousand of the Group's property, plant and equipment account as at 30/06/2023 mainly relates to (a) "Fixed assets under construction" amounting to € 457.275 thousand for the Group and € 5.214 thousand for the Company and (b) "Technical and mechanical equipment" amounting to € 723.568 thousand for the Group and € 45.269 thousand for the Company, which includes wind turbines of Wind Farms pledged to credit institutions to secure long-term loans.

The Group and the Company, for the purpose of financing their new projects, establish a fictitious pledge on their mobile equipment as well as encumbrances (usually a mortgage lien) on real estate owned by them to secure the lenders.

9. OTHER LONG-TERM RECEIVABLE

Other Long-term receivables as at 30/06/2023 and 31/12/2022 are analyzed as follows:

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Loans to subsidiaries of the Group and other related companies	1.378	1.200	138.297	138.918
Guarantees granted	741	2.342	179	1.783
Other long-term receivables	2.893	2.894	2.892	2.892
Impairments	(810)	(810)	(810)	(810)
Long term grants receivables	835	835	-	-
Total	5.037	6.461	140.558	142.783

The Company participated in bond loan issues of subsidiaries. The loans will be repaid either at their maturity date or through premature repayments and carry an interest rate within the range of 3,25%-4,00%. During the first half of 2023, loans of € 1,206 thousand were granted to subsidiaries and loans of € 1,230 thousand were repaid by subsidiaries.

The decrease in the line item "Miscellaneous guarantees granted" at the Group and Company level relates to the return of guarantees granted as a result of the discontinuation of the Trading segment's activity.

The "Long-term receivables from grants approved but not received" relates to the receivable of the Group's subsidiary Aeoliki Rachoulas Dervenochorion S.A.

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 were completed in 2017, and during the first half of 2017, the operation started, which is expected to last 10 years and 4 months. During the project, the company performs additional construction works on the fare collection system in the OASA line extensions.

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.

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 CO₂.

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 for construction and operation of three (3) Waste Treatment Units (WTUs) and an equal number of (Landfills) in Arcadia, Messinia and Laconia, as well as two (2) Waste Transfer Stations (WTS) in Korinthia and Argolida. The Partnership Agreement includes study, licensing, financing, construction, insurance, operation and maintenance of the Project for the next 28 years. The construction term is 24 months, and from the 10th month after the contract enters into force, a transitional waste management plant is projected to alleviate the major problem of the Region.

In the year 2022, the Transitional Management Unit of Arcadia was put into operation, the Waste Transfer Station of Argolida and the Waste Transfer Station of Corinthia in the framework of the Public-Private Partnership (PPP) project "Integrated Waste Management of the Peloponnese Region", which is implemented by the Group company PERIVALLONTIKI PELOPONNESE SINGLE MEMBER S.A. Under the same contract, the construction of the Transitional Management Units of Messinia and Laconia and further the construction of the Waste Management Units is in progress. This project is being implemented with the main objective of providing modern waste management services aiming at protecting the environment, ensuring public health and providing multiple benefits to local communities as cells for the development of the circular economy.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Detailed information on the accounting policy followed and the concessions mentioned above is presented in Note 4.11 of the Group's Annual Financial Statements as at 31 December 2022.

The analysis of the changes of 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 2022	23.428	17.129	20.796	61.353
Increase/(decrease) in financial asset	(6.488)	(1.713)	17.827	9.626
Reversion of discounting	3.549	1.301	3.089	7.939
Recovery of impairment/(impairment)	1	(2)	9	8
Closing balance as at 31st December 2022	20.490	16.715	41.721	78.926
Opening balance as at 1 January 2023	20.490	16.715	41.721	78.926
Increase/(decrease) in financial asset	(3.442)	(883)	7.110	2.785
Reversion of discounting	1.552	637	1.744	3.933
Closing balance as at 30st June 2023	18.600	16.469	50.575	85.644
Financial Assets - Concessions Long term	14.695	15.970	46.514	77.179
Financial Assets - Concessions Short term	3.906	498	4.061	8.465
Analysis of revenues per category of A' Half of 2022				
Revenue from construction services	-	-	23.303	23.303
Revenue from operation services	5.135	2.512	909	8.556
Reversion of discounting	1.918	650	879	3.447
Total	7.053	3.162	25.091	35.306
Analysis of revenues per category of A' Half of 2023				
Revenue from construction services	-	-	23.162	23.162
Revenue from operation services	5.664	2.745	3.710	12.119
Reversion of discounting	1.552	637	1.744	3.933
Total	7.216	3.382	28.616	39.214

11. TRADE RECEIVABLES, RECEIVABLES FROM CONTRACTS WITH CUSTOMERS, PREPAYMENTS AND OTHER RECEIVABLES

Trade receivables & receivables from contracts with customers

The decrease in trade receivables and receivables from customer contracts of € 5,745 thousand compared to the year 2022 is mainly due to the change in receivables of the Trading segment as a result of the discontinuation of the business (see Note 2.4).

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

The Group's and the Company's advances and other receivables as of June 30, 2023, and December 31, 2022 are as follows:

Prepayments and other financial receivables

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Short-term part of receivables from long-term intra-group loans and leases	1	-	6.730	5.338
Restricted cash	69.843	68.098	18.932	3.000
Other intra-group receivables / receivables from other related parties	98	274	6.454	1.031
Other receivables	6.310	7.553	2.683	6.443
Impairments	(31)	(31)	(29)	(29)
Total	76.221	75.894	34.770	15.783

Prepayments and other non-financial receivables

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Prepayments to suppliers	5.979	6.042	7.489	9.761
Prepayments to social security funds	435	353	382	306
VAT for return-offsetting	30.437	36.021	2.075	37
Receivables from other taxes other than income tax	93	88	-	-
Prepaid expenses and other transitory asset accounts	20.409	12.720	16.953	10.650
Receivables from grants	627	627	-	-
Total	57.980	55.851	26.899	20.754
Total prepayments and other receivables	134.201	131.745	61.669	36.537

On 30/06/2023, the line item "Short-term part of receivables from long-term intra-group loans and leases" of the Company, relates to the current portion of receivables from long-term intercompany loans granted to subsidiaries.

On 30/06/2023, the item "Other intragroup receivables / receivables from other related parties" of the Company, included amounts of € 5.384 thousand that relate to approved dividends of subsidiaries, which, until the date of approval of the attached financial statements, had not been collected (Note 24).

The increase in the "Committed deposits" account of the Company relates to the required commitment set out in the terms of the Bond Loan of TERNA ENERGY FINANCE SPSA, according to which distributions by the parent company to its shareholders are effected after the granting of guarantees to the subsidiary TERNA ENERGY FINANCE SPSA. These commitments are subsequently replaced by bank letters of guarantee, thus converting these amounts into cash.

The variation in the account "VAT refundable - offset" is mainly due to the VAT (refundable or offset) resulting from the construction of new projects of the Group's subsidiaries.

The increase in the account "Prepaid expenses and other transitional asset accounts" of both the Group and the Company is mainly due to prepayments related to the construction of the PPP project "Integrated Waste Management of the Peloponnese Region".

12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group and the Company as of June 30th, 2023 and December 31st, 2022 are analyzed as follows:

	GROUP		ENTITY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Cash in hand	6	7	-	-
Sight deposits	326.329	391.889	99.105	110.917
Time deposits	22	-	-	-
Total	326.357	391.896	99.105	110.917

The Group's cash and cash equivalents include amounts for return, of € 3.000 thousand (2022: € 3.260 thousand) which relate to grants received from subsidiaries, due to cancellation of construction or expiration of the time limits set by the decisions of inclusion of certain Wind Parks. The above amount of the grant to be returned had not been reimbursed until the date of approval of the attached financial statements, as the relevant audit by the competent services had not been completed.

In addition, on 30/06/2023 the Group and the Company possessed restricted deposits amounting to € 69.843 thousand and € 18.932 thousand respectively (31/12/2022: € 68.098 thousand for the Group and € 3.000 thousand for the Company), which were maintained in specific bank accounts to service their short-term operating and financial liabilities. Those restricted cash deposits were classified under "Prepayments and other receivables" (Note 11).

Of the above restricted cash deposits, those who are directly related to the bank borrowings, amounted on 30/06/2023 to € 69,843 thousand for the Group and € 18,932 thousand for the Company.

13. LOANS

The analysis of changes in the aforementioned loan liabilities of the Group and the Company as of June 30th, 2023, and 2022, is presented below as follows:

	GROUP		COMPANY	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Long-term loans				
Opening balance	951.326	872.144	388.408	389.790
New loans	171.098	133.100	6.800	10.164
Loan repayment	(4.758)	(8.066)	(7.300)	(8.700)
Capitalization of interest	3.311	3.189	535	498
Transfer between long-term and short-term loan liabilities	(117.466)	(44.992)	(23.596)	(5.905)
Foreign exchange differences	651	(398)	-	-
Closing balance (a)	1.004.162	954.977	364.847	385.847
Long-term liabilities carried forward				
Opening balance	111.101	70.966	14.086	14.318
Loan repayment	(69.609)	(34.623)	(5.905)	(6.103)
Capitalization of interest	636	(21)	3.529	2.698
Transfer between long-term and short-term loan liabilities	117.466	44.992	23.596	5.905
Foreign exchange differences	148	(58)	-	-
Closing balance (b)	159.742	81.256	35.306	16.818

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Short-term loans				
Opening balance	60.632	40.425	60.632	40.425
Loan repayment	(60.000)	-	(60.000)	-
Capitalization of interest	(415)	(2)	(415)	(2)
Closing balance (c)	217	40.423	217	40.423
Total loans (a) +(b) +(c)	1.164.121	1.076.656	400.370	443.088

The Group's long-term loans are related to the financing of its activities and mainly concern the financing of the construction and operation of renewable energy facilities and waste management facilities. The Group's short-term loans relate to bank loans of regular maturity and are renewed according to necessity. The amounts drawn are mostly used to satisfy the liquidity needs in the construction period of the wind farms of the Group's energy business.

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

For the purpose of guaranteeing all the Group's loans, wind turbines of the wind farms, cash, insurance policies and receivables from the sale of electricity to ENEX, DAPEP or HEDNO and securities (i.e. bonds of subsidiaries owned by the parent company and shares of subsidiaries) are pledged as collateral for all the Group's loans. In the context of this type of financing, the Group of companies maintain several blocked bank accounts in order to support these liabilities. The collateral provided covers the amount of the Group's debt obligations.

On 30/06/2023, the total borrowings include amounts of subordinated loans (non-recourse debt to the parent company) of € 858.732 thousand, while the amounts of loans with the right of recourse to the parent company (recourse debt) amount to € 305.388 thousand. The loans guaranteed by the parent company include the common bond loan of TERNA ENERGY FINANCE SPSA issued in 2019, with a total unamortized value on June 3th, 2023 of € 148.805 thousand

Regarding the Group's long-term borrowings totaling € 1.163.903 thousand liabilities plus long-term liabilities payable in the following year): (a) in Greece it consists in Euro standing 98,60% of the total, (b) in Poland - in PLN 1,30% of the total and (c) in Bulgaria - in EUR 0,10% of the total. Of the total Group long term debt, as reported at the end of the fiscal year, 16,50%, are at a fixed interest rate, 61,40%, are floating-rate loans that have been hedged with future fixed rate payments against floating rate receipts, while 22,20% % are in floating rate loans on a case-by-case basis euribor or wibor.

The weighted average interest rate on the Group's long-term loans for the periods ended on 30/06/2023 and 30/06/2022 is 4,00% and 3,12% respectively. The weighted average interest rate for short-term loans was 5,00% and 3,35% for the periods ended on 30/06/2023 and 30/06/2022 respectively.

The total interest of the above loans for the periods ended on 30/06/2023 and 30/06/2022 regarding the Group amounted to € 21.176 thousand and € 17.110 thousand respectively, and for the Company amounted to € 8.895 thousand and € 8.192 thousand respectively (see Note 22).

The Company's long-term loans also include the loans received by its subsidiaries, amounted to € 325.965 thousand on June 30th, 2023.

Significant changes in loan liabilities of the Group and the Company for the annual period ended on 30/06/2023 are presented below.

New loans

The Group's new borrowings taken up during the first half of 2023 were principally used to finance investments in wind farms of subsidiaries, specifically:

- For the wind farm "Aidoni" of the subsidiary company AIOLIKI KARISTIAS EVOIAS S.A., a bond loan with a nominal value of € 19,570 thousand was raised, based on the loan agreement signed in 2022. This contract expires in 2040. The interest rate was determined at 6-month Euribor plus margin.

- For the wind farms "Milia", "Muriza - Petra Megali - Vranouli", "Tsouka-Mandriyara", "Tsouka-Skoura", "Dugza-Antias" and "Vios-Kalamaki-Bathriza" of the subsidiary ENERGEIAKI KAFIREOS S.A., a bond loan with a nominal value of € 117,734 thousand was raised, based on the loan agreement signed in 2022. This contract expires in 2040. The interest rate was determined at 6-month Euribor plus margin.

- For the wind farms "OMALIES I", "OMALIES II", "KORAKOVRACHOS I", "KORAKOVRACHOS II", "DEXAMENES II", "MILZA", "PRARO", "MOLIZZA", "KALAMAKI I" and "KALAMAKI II" of the subsidiary ENERGEIAKI OMALIES M.A.E., a bond loan with a nominal value of € 29,768 thousand was raised, based on the loan agreement signed in 2022. This contract expires in 2040. The interest rate was determined at 6-month Euribor plus margin.

- A bond loan with a nominal value of € 4,025 thousand was raised for the financing needs of the subsidiary company PERIVALONITIKI PELOPONISOU S.A. in the context of the implementation of the construction of the municipal waste treatment facilities of the Peloponnese Region. The contract expires in 2041. The interest rate was set at Euribor 6 months plus margin.

The Group has the obligation to maintain specific financial ratios related to bond loans. As at 30 June 2023, the Group was in full compliance with the required limits of the financial ratios, in accordance with the requirements of its loan agreements, except for a loan with an amortized amount of €24,267 thousand which was reclassified to the Company's and the Group's current liabilities and specifically to the line item "Long-term liabilities payable in the next financial year" since as at 30 June 2023 the financial ratios of the specific loan agreement were not being complied with. It is noted that by the date of publication of the Financial Statements the reasons for non-compliance have been resolved.

14. LEASE LIABILITIES

The changes in lease liabilities as of June 30th, 2023 and 2022 are presented below as follows:

	GROUP		COMPANY	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Opening balance	27.026	19.853	19.554	12.477
Additions and changes due to modification of existing contract	2.772	3.629	1.975	3.578
Repayments under lease agreements	(1.333)	(1.219)	(911)	(766)
Financial cost for the year	447	441	404	290
Interest capitalised on assets	166	63	-	-
Foreign exchange differences	158	(55)	-	-
Closing balance	29.236	22.712	21.022	15.579

For the period 01/01/2023 - 30/06/2023 the Group and the Company recognized rental expenses from short-term leases of € 389 thousand and € 677 thousand, respectively, while no leases of low values assets are effective.

15. FINANCIAL DERIVATIVES

The Group and the Company financial derivatives as at 30/06/2023 and 31/12/2022 are analyzed as follows:

	Note	GROUP		COMPANY	
		30/06/2023	31/12/2022	30/06/2023	31/12/2022
Liabilities from derivatives					
- Cash flow hedging					
Interest Rate Swaps	15.1	9.133	6.849	-	-
Fixed for floating swap contracts	15.2.1	6.241	13.515	6.241	13.515
Total liabilities from derivatives		15.374	20.364	6.241	13.515
Long-term liabilities from derivatives		8.328	14.596	1.250	7.845
Short-term liabilities from derivatives		7.046	5.768	4.991	5.670
		GROUP		ENTITY	
	Note	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Receivables from derivatives					
- Cash flow hedging					
Interest Rate Swaps	15.1	30.030	34.517	1.260	1.111
Total receivables from derivatives		30.030	34.517	1.260	1.111
Long-term receivables from derivatives		23.758	26.544	771	935
Short-term receivables from derivatives		6.272	7.973	489	176

The aforementioned financial instruments are measured at their fair value (see Note 25).

Within the interim period ended 30 June 2023, a total loss of € 270 thousand was recognized in the results of the year from changes in fair value, which is included in the item "Losses from financial instruments valued at fair value". The total changes in fair value recognized in other comprehensive income amounted to a loss of € 777 thousand (2022: profit of € 11.531 thousand).

15.1 Forward Interest Rate Swaps

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

The objective of interest rate swaps is to offset the risk of adverse cash flows of future cash flows arising from interest on loan contracts entered into as a result of activities, in particular the electricity generation sector. 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 30/06/2023, throughout the time horizon of such contracts.

The fair value of these contracts as of 30/06/2023 amounted to a total net liability of € 20.897 with the total nominal value of the contracts amounting to € 575.770 thousand for Greece and Bulgaria). As of 30/06/2023, these derivatives met the requirements for cash flow hedging, in accordance with the provisions of IFRS 9 and from their measurement at fair values a profit of € (6.767) thousand (2022: loss € 20.942 thousand) was

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

recognized in the item "Cash flow hedging" in the other comprehensive income statement. These financial liabilities are classified in the fair value hierarchy at level 2 (see Note 25).

15.2 Derivatives for hedging changes in energy market prices

Fixed for floating swap contracts HERON EN.A and HERON EN.A BUSINESS.

In year 2021, HERON ENERGY (ENERGIAKI) SA, in collaboration with TERNA ENERGY Group presented in the Greek market the plan "HERON EN.A", through which the TERNA ENERGY Group has agreed to sell the production of Renewable Energy Sources (RES) to HERON for 25 years. In addition, on 20/09/2021, HERON ENERGY SA, in collaboration with TERNA ENERGY Group presented to the Greek market the plan "HERON EN.A BUSINESS", through which the TERNA ENERGY Group has agreed to sell the production of Renewable Energy Sources (RES) to HERON for 20 years. TERNA ENERGY Group, based on these agreements, will receive fixed cash flows from the EN.A plan, while it will pay the floating cash flows (Proxy Market Revenues) to HERON (fixed for floating swap contract).

The fair value of this derivative on 30/06/2023 amounted to a total liability of € 6.241 thousand. On 31/12/2023, this derivative met the requirements for cash flow hedging, in accordance with the provisions of IFRS 9 and from its measurement at fair value a loss of € 7.544 thousand was recognized in the item "Cash flow hedging" in the other comprehensive income. For the effective part of the valuation while for the ineffective part of the valuation there was a valuation loss of € 270 thousand. This financial liability has been classified in the fair value hierarchy at level 3 (see Note 25).

16. OTHER PROVISIONS

The condensed movement of the Group's and the Company's other provisions for the six-month period ended June 30, 2023 June 30, 2022 , respectively, was as follows:

Other provisions - Long term part	GROUP		COMPANY	
	2023	2022	2023	2022
Balance 1st January	19.416	18.071	4.741	4.954
Provision recognized in the income statement	590	431	117	111
Provision recognized in tangible assets	1.773	-	-	-
Provisions used	-	(169)	-	(169)
Foreign exchange differences	139	(49)	-	-
Balance 30st June	21.918	18.284	4.858	4.896

The aforementioned provisions of the Group and the Company are presented entirely as long-term provisions, except for provisions for loss-making construction projects, the short-term part of which is included in "Accrued and other current liabilities" (see Note 18).

All other provisions, with the exception of the provision for landscape restoration, are not shown at discounted amounts as there is no precise estimate of when they will be paid.

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

The companies of the Group's energy sector are under obligation to proceed with environmental rehabilitation in locations, where they have installed electricity production units following the completion of the operations based on the effective licenses granted by the states where the installations are being implemented. The above provision for the Group amounts to € 21.022 thousand (30/06/2022: € 17.123 thousand) and for the Company in € 4.098 thousand (30/06/2022 € 3,870 thousand) reflects the expenses required for the removal of equipment and restoration of the area in which the equipment used to be installed, applying available technology and materials.

The remaining amount of provisions relates to provisions for pending legal cases and potential tax audit litigation (Note 20).

17. GRANTS

A condensed summary of the Group's and the Company's grants as at 30/06/2023 and 30/06/2022 was as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
Balance 1st January	167.146	76.736	11.257	16.398
Amortisation recognized in the Income Statement	(2.676)	(2.685)	(630)	(629)
Foreign exchange differences	173	(71)	-	-
Balance 30st June	164.643	73.980	10.627	15.769

Grants relate to government grants for the development of Wind Farms and are amortized in the Statement of Total Income for the period they refer to, according to the depreciation rate of granted fixed assets. The above grants are being amortized in the revenue side only to the extent which corresponds to any fully completed and operating wind farms.

"Grants" include grants approved but not received, totalling € 835 thousand, which were classified under "Other long-term receivables" (see Note 9). These grants are related to the receivable of the Group's subsidiary Aeoliki Rahoulas Dervenochoria S.A.

In August 2022, the Group's subsidiary TERNA ENERGY - ANTLESOTOMEISI I M.A.E. received the first instalment of € 100 million of investment aid through the Public Investment Programme for the project "Subproject 1. Pumping Station of Western Greece (Amphilochia), 680MW capacity" which has been included in the Recovery and Resilience Fund.

18. SUPPLIERS, ACCRUED AND OTHER LONG – TERM AND SHORT-TERM LIABILITIES

The Group's and the Company's trade payables as at 30/06/2023 and 31/12/2022 are as follows:

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Suppliers	57.200	75.084	43.272	63.068
Total	57.200	75.084	43.272	63.068

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Liabilities to suppliers mainly relate to liabilities related to the construction and operation of renewable wind and hydroelectric energy facilities, photovoltaic parks, as well as other Renewable Energy Sources (RES).

The fluctuations in the Group's and the Company's trade payables for the six months ended 30/06/2023 were mainly attributed to the Group's construction activity and more specifically the construction of wind farms in the South Evia region.

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities of the Group and the Company as at 30/06/2023 and 31/12/2022 are as follows:

	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Accrued and other short-term financial liabilities				
Liabilities from dividends payable and return of capital	45.849	495	44.849	245
Other liabilities to related parties	960	523	941	503
Employee fees due	566	525	504	478
Accrued expenses	1.911	5.021	887	2.007
Short term liabilities from entities acquisitions	23.231	11.028	23.231	11.028
Sundry creditors	571	724	461	366
Total	73.088	18.316	70.873	14.627
	GROUP		COMPANY	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Other short-term non-financial liabilities				
Liabilities from taxes-duties other than income tax	5.550	8.801	793	5.006
Social security funds	484	651	391	534
Grants to be returned (see Note 17)	3.000	3.260	-	-
Provisions for loss-bearing construction contracts	657	2.430	657	2.430
Total	9.691	15.142	1.841	7.970

The item "Dividend payable and return of capital" includes an amount of € 44,604 thousand which relates to dividend payable in accordance with the decision of the Annual General Meeting of Shareholders of the parent company dated 14 June 2023.

19. SHARE CAPITAL RESERVES AND EARNING PER SHARE

SHARE CAPITAL - EARNINGS PER SHARE

As of 30/06/2023, the share capital of the Company amounts to € 35.431.527,00 divided into 118.105.090 common shares with voting rights, with a nominal value of € 0,30 each. The difference in favour of the Company as at 30/06/2023 amounts to € 209,195 thousand.

Changes during the first half of 2023

- According to the decision of the Board of Directors of the Company dated January 18, 2023, pursuant to the resolution of the Extraordinary General Meeting of Shareholders of December 16, 2020, the Company's share capital was increased by the amount of Euro Three Hundred and Sixty Thousand (€ 360. 000,00) by issuing

one million two hundred thousand (1,200,000) new common voting registered shares with a nominal value of thirty cents (€ 0.30) each, by capitalizing reserves from the issuance of shares in excess of par value.

- According to the decision of the Board of Directors of the Company dated 24 May 2023, pursuant to the resolution of the Extraordinary General Meeting of Shareholders of 16 December 2020, the Company's share capital was increased by the amount of Euro Three Hundred and Fifteen Thousand (€ 315. 000,00) by issuing one million fifty thousand (1,050,000) new common shares with voting rights, with a nominal value of thirty cents (€ 0.30) each, by capitalizing reserves from the issuance of bonus shares.

Dividend distribution

On 14/06/2023, the Annual General Meeting decided the distribution of profits and reserves in the total amount of EUR 44,604,209.65, i.e. € 0.38 per share, in accordance with article 162 par. 3 of the Law. 4548/2018. This amount is subject to 5% withholding tax, in accordance with article 24 of Law no. 4646/2019 and therefore the shareholders will receive a total net amount of EUR 42,373,999.17, i.e. a net amount of EUR 0,3587821589 per share. This amount will be increased by the dividend corresponding to the 653,046 treasury shares held by the Company. On July 3, 2023, the shareholders received a total amount of EUR 0.3797652908 per share, i.e. a total net amount of EUR 0.3607770263 per share.

Earnings per share

Basic earnings per share as reported in the Statement of Comprehensive Income in the Interim Condensed Consolidated Financial Statements as of June 30, 2023 were calculated using the weighted average number of ordinary shares, minus the weighted average number of treasury shares. No adjustment is made to earnings (numerator). Lastly, there are no diluted earnings per share for the Group and the Company for the six-month period ended 30 June 2023 and the corresponding comparative six-month period.

Reserves

The Company's reserves include Statutory Reserve, Treasury Share Reserve, Foreign Exchange Reserve, Hedging Reserve, Actuarial Gains/(Losses) Reserve, Development and Tax Act Reserve and Free Share Plan Reserve. In the Statement of Changes in Equity of the Interim Condensed Consolidated Financial Statements as at 30 June 2023, there is a transfer from the line item Reserves to the line item Retained earnings of €46,800 thousand relating to the distribution of reserves from the Company's free share plan.

Reserves from Share based payments programs.

The Extraordinary General Meeting of 16.12.2020 of TERNA ENERGY SA approved the distribution of up to two million five hundred thousand (2.500.000) new shares to be issued with capitalization of reserves from the issue of premium shares to Executive Members of the Board of Directors and senior executives of the Company due to their contribution to the achievement of financial goals, in the implementation of new projects as well as in increasing the profitability of the Company within the three-year period 01.01.2021-31.12.2023. The Board of Directors was further authorized to determine the beneficiaries, the way of exercising the right and the conditions of the program, as well as the regulation of all relevant procedural issues for the implementation of the decision.

The Board of Directors of the Company at its meeting of 19.03.2021, in implementation of the above decision of the Extraordinary General Meeting of Shareholders, accepted the recommendation of the Nominations and Remuneration Committee regarding the Revision of the Remuneration Policy, the Review of the Program Implementation Period (extension of the Program by one year, i.e. ending on 31.12.2024 – the extension of

the duration of the program, in combination with its inclusion in the Remuneration Policy was approved by the Regular General Meeting of the Company's Shareholders on 23.06.2021), the conditions for the implementation of the Program, as well as the Criteria - Objectives of the Program (refer to the fulfillment of performance conditions not related to the market - e.g. project construction objectives, EBITDA, etc.), as well as regarding the Distribution of the shares per Criterion – Objective. At the same meeting, the Board of Directors reserved to decide further on the selection criteria of the beneficiaries, the distribution of the shares to the beneficiaries and on the vesting criteria per beneficiary at a new meeting after a new relevant proposal from the Nominations and Remuneration Committee.

At the meeting of January 26, 2022, the Board of Directors proceeded with the selection of the beneficiaries of the Share based payments programs as well as the allocation percentages in accordance with the recommendation of the Nominations and Remuneration Committee.

The Board of Directors of "TERNA ENERGY", by its resolutions of 18/01/2023 and 24/5/2023, approved the increase of the Company's Share Capital by the amount of Euro Six Hundred and Seventy-Five Thousand (€ 675.000,00) through the issuance of Two Million Two Hundred and Fifty Thousand (2.250. 000) of new ordinary registered shares with voting rights, with a nominal value of thirty-euro cents (€0.30) each, with capitalization of share premium reserves and their free distribution to Executive Members of the Board of Directors and senior management of the Company, in accordance with the approved Share Distribution Plan. This decision is related to the achievement of targets representing 90% of the total number of shares included in the Share Distribution Plan. The results shown in the Statement of Comprehensive Income, for the six-month period ended June 30, 2023, were charged with the amount of € 448 thousand in related with the implementation of the aforementioned program.

20. INCOME TAX – DEFERRED TAXATION

The tax rate for legal entities in Greece for fiscal years 2023 and 2022 is 22%.

The effective final tax rate differs from the nominal tax rate. There are several factors that affect the effective tax rate, the most important of which are the non-tax deductibility of certain expenses, the differences in depreciation rates arising between the useful life of the asset and the rates set by Law 4172/2013 and the ability of companies to form tax-free deductions and tax-free reserves.

Income tax expense is recorded based on management's best estimate of the weighted average annual tax rate for a full year. The weighted average tax rate for the six-month period ended June 30, 2023, for the Group was 22.54% and for the Company was 4.80%. The reduced tax rate for the Company resulted primarily due to income from dividends from subsidiaries that are exempt from income tax. In the corresponding comparative period of 2022, the tax rate for the Group was 30.32% and for the Company was 1.80%.

Income tax returns are submitted on an annual basis, but the profits or losses declared remain provisional until the tax authorities audit the taxpayer's financial books and records, and a final audit report is issued. Subsequent to the date of the attached half-yearly financial report, the Company was notified of the partial tax audit report for fiscal years 2017 and 2018 from the Tax Authority. The total impact on the Company's and the Group's 2023 results from the audit of fiscal years 2017 and 2018 amounts to € 84 thousand.

The Group annually assesses the contingent liabilities expected to arise from the audit of past years, with provisions being made where necessary. The Group has recognised provisions for unaudited tax years of €560 thousand and management believes that, in addition to the provisions recognised, any tax amounts likely to arise will not have a significant impact on the Group's and the Company's equity, results and cash flows. Information on unaudited tax years is set out in Notes 4 and 27 to the Interim Financial Statements.

21. OTHER INCOME/(EXPENSES)

The analysis of the other income / (expense) amount as of June 30, 2023, and 2022, respectively, is presented in the table below:

	GROUP		COMPANY	
	01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Other income				
Income from sale of waste material	26	32	3	185
Income from leases	14	14	181	35
Income from transfer of expenses	1.029	19	6.977	3.693
Income from insurance indemnities	4.524	3.952	2.213	211
Income from legal damages	1.505	2.193	-	491
Grants amortisation (see Note 17)	2.676	2.685	629	629
Other income	272	94	117	5
Foreign exchange differences (credit)	881	928	5	-
Total other income from continuing operations	10.927	9.917	10.125	5.249
Total other income	10.927	9.917	10.125	5.249

*The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements on 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

In the account "Insurance claims income" at the corporate level the increase is attributable to compensation for reinstatement costs and loss of profit as a consequence of mechanical damage. In the half-yearly financial statements as of 30 June 2023, in the account "Income from legal indemnities" at Group level, the amount of € 1,505 thousand has been recognized based on a court decision (No. 3223/2023 decision of the Athens Court of Appeal) regarding the case between the subsidiary company AIFORIKI HEPIRIOU MAEES and the Region of Epirus, which was positively concluded for the Group.

	GROUP		COMPANY	
	01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Other expenses				
Cost of sales and inventory consumption	(757)	-	(757)	-
Subcontractors fees and expenses	(104)	-	(104)	-
Fees for engineers, studiers, technical consultants and third parties	(511)	-	(5.286)	(3.309)
Leases	(7)	-	(7)	-
Taxes, duties and contributions	(6)	-	(5)	-
Travel expenses	(15)	-	(15)	-
Non accounted for fixed assets depreciation	(1)	(1)	(1)	(1)
Insurance premiums	(6)	-	(6)	-
Transportation expenses	(1)	-	(1)	-
Legal damages and litigation costs	-	(432)	-	-
Other	(3)	(9)	(3)	-
Taxes, fees and insurance contributions of previous years and fines and surcharges related to these	(6)	(9)	(5)	(4)

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Impairments/write-offs	(2.044)	(1)	(20)	-
Foreign exchange differences (debit)	-	-	-	(1)
Total other expenses from continuing operations	(3.461)	(452)	(6.210)	(3.315)
Total other expenses	(3.461)	(452)	(6.210)	(3.315)
Total other income/(expenses) from continuing operations	7.466	9.465	3.915	1.934
Total other income/(expenses)	7.466	9.465	3.915	1.934

**The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements on 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

The account "Impairment/write-offs" includes impairments and write-offs of tangible and intangible fixed assets, related to facilities that management has decided not to implement in the context of its strategic planning.

The Company's account "Fees for engineers, consultants, technical advisors and third parties" of € (5.286) thousand includes the Company's administrative support costs for the period 01/01/2023 - 30/06/2023, which are subsequently passed on to the Group's subsidiaries. The income from the pass-through of these costs is included in the account "Income from charge-offs".

22. INVESTMENT INCOME FINANCIAL INCOME-(EXPENSES)

REVENUE FROM PARTICIPATIONS

The line item "Income from equity investments and other investments" includes dividend income that the Company collects from its subsidiaries. Total dividend income as at 30/06/2023 amounts to € 33,763 thousand (30/06/2022: € 41,675 thousand) of which, as at the date of approval of the accompanying Interim Condensed Financial Statements, an amount of € 28,930 thousand has been collected.

OTHER FINANCIAL INCOME/(EXPENSES)

The financial income/(expenses) of the Group and the Company as of 30 June 2023 and 2022, respectively, are analyzed as follows:

	GROUP		COMPANY	
	01/01 - 30/06/2023	01/01 - 30/06/2022*	01/01 - 30/06/2023	01/01 - 30/06/2022*
Interest on short-term Loans	(604)	(675)	(604)	(675)
Interest on long-term Loans	(20.572)	(16.435)	(8.291)	(7.517)
Interest on lease liability	(447)	(440)	(404)	(290)
Expenses from unwinding of provisions and long-term liabilities	(920)	(663)	(447)	(344)
Commissions, bank charges and other expenses	(1.871)	(1.643)	(669)	(656)
Other financial expenses	(12)	(88)	-	-
Financial expenses from continuing operations	(24.426)	(19.944)	(10.415)	(9.482)

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

Financial expenses	(24.426)	(19.944)	(10.415)	(9.482)
Interest from sight deposits	454	259	10	1
Interest income from bond and other intercompany loans	23	-	2.782	2.684
Income from unwinding of long-term receivables	3.933	3.447	-	-
Other financial income	33	34	-	296
Financial income from continuing operations	4.443	3.740	2.792	2.981
Financial income	4.443	3.740	2.792	2.981
Net financial results from continuing operations	(19.983)	(16.204)	(7.623)	(6.501)
Net financial results	(19.983)	(16.204)	(7.623)	(6.501)

**The comparative figures of the Group's and the Company's results for the financial year 2022 have been revised in order to include only continuing operations, as a consequence of the recognition of the discontinued operations of the Company's segment (see. Notes 7.1 and 7.2 of the Annual Financial Statements on 31 December 2022), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

23. PERSONNEL NUMBER

The average headcount of full-time employees, in the first half of 2023, was 441 in the Group and 398 in the Company (407 and 340, respectively, employees in the first half of 2022).

24. TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period 01/01/2023- 30/06/2023 and the comparative six-month period 01/01/2022 - 30/06/2022, as well as the balances of assets and liabilities arising from such transactions as at 30/06/2023 and 31/12/2022, are as follows:

Company's transactions with subsidiaries

a) Assets

Amounts in € '000

	Company	
	30/06/2023	31/12/2022
Trade receivables	73.470	111.703
Long-term loans	138.240	138.918
Short-term part of receivables from long-term loans	6.729	5.338
Intercompany receivables from cash and other receivables	6.435	2.005
Total	224.874	257.964

b) Liabilities

Amounts in € '000

	Company	
	30/06/2023	31/12/2022
Suppliers	7.215	15.068
Long-term loans	321.813	322.313
Long-term liabilities carried forward	4.151	1.056
Other liabilities	7.095	15.808
Total	340.274	354.245

c) Income

Amounts in € '000

	Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022
Income from electric energy sale	-	17.106
POC construction material	50.018	86.896
Repairs and maintenance	3.704	3.373
Other services	5.430	2.726
Other income and sales	5.300	3.802
Financial income	2.782	2.945
Total	67.234	116.848

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

d) Expenses

Amounts in € '000

	Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022
Electric energy acquisition cost	1	13.167
Fees and other third party expenses	403	214
Other expenses	-	2
Financial expenses	5.889	5.608
Total	6.293	18.991

e) Revenue from participating interest and other investments

Amounts in € '000

	Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022
Derivative income	33.763	41.675
Total	33.763	41.675

Transactions with other related parties

a) Assets

Amounts in € '000

	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Trade receivables	35.223	41.046	32.114	36.018
Loans and Guarantees	958	887	56	-
Prepayments and other receivables	205	5.828	200	5.543
Total	36.386	47.761	32.370	41.561

b) Liabilities

Amounts in € '000

	Group		Company	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Suppliers	9.483	31.159	7.661	17.675
Other liabilities	18.136	12.335	17.507	1.309
Total	27.619	43.494	25.168	18.984

c) Income

Amounts in € '000

	Group		Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022	01/01 - 30/06/2023	01/01 - 30/06/2022
Income from electric energy sale	24.255	3.527	3.409	-
Income from construction services	1.286	-	1.286	-
Other income	1.055	35	1.055	35
Financial income	17	27	1	27
Total	26.613	3.589	5.751	62

d) Expenses

Amounts in € '000

	Group		Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022	01/01 - 30/06/2023	01/01 - 30/06/2022
Electric energy acquisition cost	57	9.197	57	9.180
Fees and other third party expenses	1.511	506	1.432	506
Other expenses	70.828	4.193	928	635
Financial expenses	1	25	-	25
Total	72.397	13.921	2.417	10.346

TERNA ENERGY GROUP

Semi-Annual Financial Report for the period from January 1st to June 30th, 2023

(Amounts in thousands of Euros unless mentioned otherwise)

The most significant transactions and balances of the Company with its subsidiaries as of 30/06/2023 presented below as follows:

		ASSETS	LIABILITIES	INCOME	EXPENSES
AIOLIKI EASTERN GREECE M.A.E.	Subsidiary	2.695	8	332	-
AIOLIKI MARMARIOU EUVOIAS M.A.E.	Subsidiary	6.053	2.856	445	56
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Subsidiary	191	25.513	305	413
ENERGIAKI SERVOUNIOU S.A.	Subsidiary	151	16.008	255	313
IWECO HONOS CRETE S.A.	Subsidiary	51	1.121	98	19
AIOLIKI PROVATA TRAIANOUPOLEOS M.A.E.	Subsidiary	18.353	-	730	-
EUROWIND S.A.	Subsidiary	102	17.642	156	302
ENERGEIAKI DYSTION EUVOIAS M.A.E.	Subsidiary	2.271	30	315	-
AIOLIKI KARYSTIAS EVOIA S.A.	Subsidiary	12.049	-	1.062	-
ENERGEIAKI KAFIREOS EUVOIAS S.A.	Subsidiary	25.863	3	8.954	-
ENERGIAKI STYRON EVIAS M.A.E.	Subsidiary	4.447	4.080	190	80
TERNA ENERGY AI-GIORGIS S.A.	Subsidiary	2.016	-	1.073	-
TERNA AIOLIKI AMARINTHOU S.A.	Subsidiary	1.173	-	193	-
AIOLIKI PASTRA ATTIKIS S.A.	Subsidiary	178	4.070	228	119
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Subsidiary	3.631	-	132	-
ENERGIAKI PELOPONNISOU S.A.	Subsidiary	15.831	-	567	-
EPIRUS SUSTAINABLE SINGLE OWNED SOCIETE ANONYME SPECIAL PURPOSE	Subsidiary	14.830	4	2.425	24
PERIVALLONTIKI PELOPONNISOU M.A.E.	Subsidiary	34.008	6.891	25.642	379
ENERGIAKI SERVOUNIOU S.A.	Subsidiary	151	16.008	255	313
TERNA ENERGY FINANCE S.A.	Subsidiary	1	147.673	-	2.654
TERNA ENERGY EVROU S.A.	Subsidiary	163	34.637	249	650
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Subsidiary	427	25.472	463	472
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Subsidiary	580	4.579	393	79
TERNA ENERGY-PUMPED STORAGE I S.M.S.A.	Subsidiary	637	-	684	-
TERNA ENERGY OMALIES M.A.E.	Subsidiary	69.244	258	21.037	-
		215.096	306.853	66.183	5.873

Remuneration of Board of Directors members and senior executives of the Company: The fees of the Board of Directors members and senior executives for the periods 01/01/2023-30/06/2023 and 01/01/2022-30/06/2022 are presented below as follows:

	Group		Company	
	01/01 - 30/06/2023	01/01 - 30/06/2022	01/01 - 30/06/2023	01/01 - 30/06/2022
Fees of Board of Directors	1.503	1.492	1.370	1.370
Remuneration granted to executives who are executive members of the Board of Directors	859	462	694	336
	2.362	1.954	2.064	1.706

The Statement of Comprehensive Income, for the six-month period ended 30 June 2023, was charged with the amount of € 448 thousand relating to the Share Distribution Plan (Note 19).

25. FAIR VALUE MEASUREMENT

Fair value measurements of financial assets

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 of 30/06/2023 and 31/12/2022 classified in the aforementioned levels of hierarchy, are as follows:

30th June 2023

Financial Assets	Stage 1	Stage 2	Stage 3	Total
Other short-term investments	4.220	-	-	4.220
Investments in equity interests	-	-	3.752	3.752
Receivables from derivatives	-	30.030	-	30.030
Total	4.220	30.030	3.752	38.002
Financial Liabilities				
Liabilities from derivatives	-	9.133	6.241	15.374
Contingent consideration from acquisition of assets	-	-	23.231	23.231
Total	-	9.133	29.472	38.605
Net Fair Value	4.220	20.897	(25.720)	(603)

31st December 2022

Financial Assets	Stage 1	Stage 2	Stage 3	Total
Other short-term investments	4.322	-	-	4.322
Investments in equity interests	-	-	3.499	3.499
Receivables from derivatives	-	34.517	-	34.517
Total	4.322	34.517	3.499	42.338
Financial Liabilities				
Liabilities from derivatives	-	6.849	13.515	20.364
Contingent consideration from acquisition of assets	-	-	18.525	18.525
Total	-	6.849	32.040	38.889
Net Fair Value	4.322	27.668	(28.541)	3.449

There were no changes in the valuation techniques applied by the Group within the current reporting period. Moreover, there were no transfers of amounts between the fair value hierarchy levels 1 and 2 during 2023 & 2022.

The level 2 derivative financial instruments relate to forward rate swap contracts, while those of level 3 relate to fixed for floating swap contracts of the HERON EN.A and HERON EN.A BUSINESS plan and the possible consideration from the acquisition of assets (see Note 15). To determine the fair value of the above financial instruments, the Group uses appropriate valuation techniques depending on the category of financial instrument. With regard to forward rate swap contracts, their fair value is measured by reference to market interest rate curves, through valuations by credit institutions and in combination with internal valuation using interest rate curves. With regard to the fixed for floating swap contracts of the HERON EN.A and HERON EN.A BUSINESS plan, their fair value is determined by using future market prices and discounting their estimated future value at present value.

The fair value of the contingent consideration from acquisition of assets (see Note 4), was calculated using the probability weighted payout approach at the date of acquisition. The fair value of the consideration as at 30 June 2023 was determined to be € 23,231 thousand. and was measured at its present value using appropriate discount rates of 6.14% for TERNA ENERGY OMALIES MAE, 8.03% for KEY ENERGY IKE and KASTRAKI ENERGY IKE and 7.95% for TERNA ENERGY SAPON IKE. The fair value of the contingent consideration liability is measured at each reporting date and up to the date of final measurement and payment. These dates are estimated to be no later than 30/06/2024 for TERNA ENERGY OMALIES and 31/12/2023 for KEY SOLAR ENERGY IKE, KASTRAKI SOLAR IKE and TERNA ENERGY SAPON PC.

Fair value measurements of financial instruments through Level 3

The changes in the Group's financial instruments classified as Level 3 for the years ended at 30/06/2023 and 31/12/2022 are presented below:

	30/06/2023			31/12/2022		
	Investments in equity interests	Derivatives	Contingent consideration from acquisition of assets	Investments in equity interests	Derivatives	Contingent consideration from acquisition of assets
Opening balance	3.499	(13.515)	(18.525)	2.583	(5.164)	(10.549)
- Acquisition	201	-	(6.306)	1.107	(8.351)	(7.105)
- Return of capital	-	-	1.429	-	-	-
- (Impairment)	52	-	497	(191)	-	-
- Finance cost	-	-	(326)	-	-	(871)
- Effect of evaluation	-	7.274	-	-	-	-
Closing balance	3.752	(6.241)	(23.231)	3.499	(13.515)	(18.525)

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 13.

27. CONTINGENT ASSETS AND LIABILITIES

27.1 Non audited Fiscal Years

The Group's tax liabilities are not final as there are non-inspected tax years, which are analyzed in Note 5 to the accompanying Financial Statements. For non-inspected tax years there is the possibility additional taxes and surcharges to be imposed at the time they are inspected and finalized. The Group assesses annually any contingent liabilities that are expected to arise from the tax inspection of past years, making relevant provisions where appropriate. The Group has made provisions for non-inspected tax years of € 560 thousand (31/12/2022: € 560 thousand). Management considers that in addition to the provisions made, any tax amounts that may arise will not have a significant impact on the equity, results and cash flows of the Group and the Company.

In application of relevant tax provisions: a) of par. 1 of Article 84 of Law No. 2238/1994 (pending income tax cases), b) par. 1 of Article 57 of Law of income tax (2238). 2859/2000 (pending VAT cases) and c) par. 5 of Article 9 of Law No. 2523/1997 ("fines for income tax cases"), the State's right to impose the tax for the years up to 2016 has expired by 31/12/2022, with the reservation of special or exceptional provisions that may provide for a longer limitation period and under the conditions that they stipulate.

In addition, in the absence of an existing provision on limitation in the Code of Laws on Stamp Duty, the relevant claim of the State for the imposition of stamp duty is subject to the twenty-year limitation period under Article 249 of the Civil Code for cases created up to the 2013 financial year. From 1/1/2014 and after the entry into force of Law No. 4174 /2013, the limitation period for the imposition of stamp duties is limited to 5 years since the procedures for its imposition and collection are now included in the provisions of the Code of Tax Procedures.

Tax Compliance Reports

For the financial years 2011 to 2021, the Group's companies operating in Greece and meeting the relevant criteria for being subject to the tax audit of the Certified Public Accountants received a Tax Certificate, in accordance with par. 5 of article 82 of Law 2238/1994 and article 65A par. 1 of Law 4174/2013, without any substantial differences. It should be noted that, according to Government Resolution 1006/2016, companies that have been subject to the aforementioned special tax audit are not exempted from the regular audit by the competent tax authorities. Furthermore, in accordance with the relevant legislation, for the fiscal years 2016 and onwards, the audit and the issuance of the Tax Certificate is applicable on an optional basis.

For the fiscal year 2022, for the Group's companies operating in Greece have been subject to the optional tax audit of the Certified Public Accountants, this special audit for the obtaining of a Tax Certificate is in progress and is expected to be completed after the publication of the interim condensed financial statements. Upon completion of these tax audits, management does not expect to incur any significant tax liabilities other than those recorded and reflected in the financial statements of the Group and the Company.

It should be noted that, in accordance with the provisions of the tax return no. Government Resolution 1192/2017, the State's right to impute tax up to and including the 2016 financial year has expired with the exception of the special provisions on 10-year, 15-year and 20-year limitation periods.

27.2 Commitments from construction contracts

The outstanding balance of the projects from construction contracts of the Group amounts on 30/06/2023 at € 27,2 million (31/12/2022:€ 54,0 million) which includes the outstanding balance (backlog) from concession contracts of € 26,2 million (31/12/2022: € 48.8 million).

27.3 Litigations

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

In this context, the Group recognized as of 30/06/2023 provisions of € 335 thousand (31/12/2022: € 335 thousand). Management, as well as legal consultants, consider that outstanding cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company, or the results of their operation apart from the provision already made for litigations.

Analytically:

Legal claims against the Group/Contingent Liabilities

TERNA ENERGY S.A.

- A total of nineteen (19) people sued the Company in the Athens Court for the payment of the total amount of € 2.522.500,00 from tort liability, i.e. € 2.332.500,00 for property damage and € 190.000 for non-pecuniary damage. The discussion of the case was set for 15.10.2015, whereupon it was postponed to 07.12.2017 at the request of the plaintiffs. However, on 15.11.2017, the plaintiffs notified an identical suit with the same total amount claimed with a waiver of the previous suit. This new suit was discussed on 7-3-2019. In respect thereof, judgment no. 1589/2020 was issued, which rejected the suit. The opposing parties have not appealed, and legal advisors presume that they will not do so.

- Legal action by a total of twenty-one (21) individuals against the Company. Intervenors in this action were AOLIKIKI STEREAS ELLADOS M.A.E. for the Company and against the opposing parties and the Hellenic State against the opposing parties. The formal trial took place on 21.03.2023. The Group's Legal Department presumes the dismissal of this lawsuit.

- Action brought by 2 individuals in the Athens Court against the Company, for compensation for damages, due to, as the individuals claim, damage to their business due to the Company's activity in the wider area of Mount Ochi, in Evia. The action will be discussed under the new ordinary procedure of the Civil Code. The Group's Legal Department presumes that this claim will be dismissed.

- Action brought by a person before the Chalkida Court against, inter alia, the Company, for payment of damages, for compensation for pecuniary and non-pecuniary losses and for moral damages, which, according to the person's allegations, were caused by the Company's activity in an area of the Municipality of Eretria, in Evia. The action will be discussed under the new ordinary procedure of the Civil Code. The Group's Legal Department presumes that this lawsuit will be dismissed.

TERNA ENERGY SA and TERNA ENERGY AI GIORGIS SA

- 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.

The Lawsuit - Complaint dated 1/7/2019 brought at the Athens Court of First Instance by an individual against "TERNA ENERGY SA" and "TERNA ENERGY AIGORGIS S.A.", which was notified on 31-07-2019, requesting the restitution of the island of Agios Georgios, Attica, as an alleged leasehold property allegedly owned by the plaintiff, was heard on 6 September 2019. Thereupon, a decision No. 619/2020 was issued, which upheld the claim, ordered the restitution of the island of Agios Georgios to the plaintiff by TERNA ENERGY S.A. or anyone who derives rights from it, including "TERNA ENERGY S.A. AI GIORGIS S.A." (it is understood that TERNA ENERGY S.A. has transferred the Lease to that company, or has subleased a lease to it) and declared the decision provisionally enforceable. On 15.06.2020, "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." received a court order for voluntary compliance with the above decision, otherwise the court decision would be enforced. The companies "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." filed an application for suspension of execution of the above order, requesting an interim injunction, heard on 18 June 2020 and granted on 19 June 2020 until the hearing of the Application for Interim Measures on 28 July 2020, on which the decision no. 4555/2020 which granted the stay, and an appeal against decision No. 619/2020, on which was issued decision No. 548/2021 of the Athens Court of Appeal, which allowed the appeal, struck out the 619/2020 decision, retried the claim and dismissed it in its entirety. The opposing party filed a Petition for Appeal, which was heard by the Supreme Court of Greece and a 389/2022 decision was issued, which annulled the 548/2021 decision and referred the case back to the Court of Appeal for a new trial, which took place on June 7, 2022. In its decision, the Supreme Court of Greece did not raise any disputed issue (legal or factual) against the companies and did not create a negative precedent for the continuation of the case by binding the Court of Appeal (e.g. ownership of the island, validity of the lease, etc. etc.), but considered that the Court of Appeal had in its judgment partly contradictory reasons (559 no. 19 CCP) because on the one hand it accepted that the judgment that the lease contract was null and void had become final, but on the other hand it also had a consideration with regard to the "termination" of the lease. In any event, the revocation of the 548/2021 decision revives the 4555/2020 decision of the Mon. Athens Prot. of Athens, which has suspended the execution/executability of decision No. 619/2020. Given the generally positive course of the case so far, it is our opinion that the companies will be vindicated before the Court of Appeal as well and their appeal will be accepted.

The other party filed a lawsuit against "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", requesting the Application for Precautionary Measures, with a request for the termination of the Provisional Order as of 19.06.2020 of the Chairman of the Court of First Instance, granted in respect of as of 16.06.2020 Application for Suspension of Enforcement of the companies "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A." or - alternatively - continuation of validity of the above Interim Order under the condition of payment to the applicant of the amount of € 8.9 k per month as compensation for the use of its property. Both claims were heard on July 28, 2020 and regarding those claims, no. 4555/2020 decision was issued, accepting the application for precautionary measures of "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", focusing on the issue of the installation of the latter, based on the protocols and not any type

of lease relationship, speculating that this reason will be accepted in the Court of Appeal. A guarantee was ordered to be submitted in favor of the other party to the Deposits and Loans Fund, amounting to € 6 k.

Finally, the same opponent, succeeded in issuing against the Company no. 10898/2019 Payment Order of the Judge of the Single Member Court of First Instance of Athens, Chairman of the Court of First Instance, pursuant to which and from the order dated as at 04/12/2019 placed under a copy of the first executable inventory of the above payment order, the Company was ordered to pay to the other party a total amount of € 369.3 k plus legal interest. The Company timely filed (GAK 108200/2019 and EAK 13627/2019) an Application for suspension of execution of the above payment order with a request for a temporary order, regarding which the temporary order as of 10.12.2019 of the Chairman of the Single Member Court of First Instance of Athens was issued, granting - temporarily and until the discussion of the above application on 11.03.2020 and given the course of the hearing - a suspension according to article 632 § 3 of the execution of the above payment order no. 10898/2019 setting the condition of the payment of guarantee by the Company amounting to € 50,000 within 15 working days from the publication of the temporary order. In this regard, a Letter of Guarantee of the NATIONAL BANK OF GREECE SA no. 633/7404778 / C was issued, which was submitted to the Athens Court of First Instance, drafted under no. 519 / 31-12-2019 Guarantee Report. The application for precautionary measures was heard on 11.03.2020 and the validity of the effective interim injunction was extended until the issuance of the relative decision on it. No. 3804/2020 decision was issued, suspending the Payment Order until the issuance of a final decision regarding the case as of 19.12.2019, without the provision of a guarantee.

Finally, the same opposing party brought an action before the Athens Court of First Instance against "TERNA ENERGY SA" and "TERNA ENERGY A.I. GIORGIS S.A.", which was notified on 20.07.2020, with which it waived its right to the 13. 01.01.2020 of its action against the same opposing parties and on the other hand, it seeks compensation in the amount of € 235 k due to tort, according to Article 914 of the Civil Code, consisting of the occupation of the island of Ag. George and the loss of income from the exploitation of the island by the plaintiff. The action will be heard at a formal hearing on 23-3-2023. The Group's Legal Department presumes that this lawsuit will be dismissed.

TERNA ENERGIAKI AI GIORGIS S.A.

Action brought by a natural person against TERNA ENERGIAKI AI GIORGIS S.A. to the Piraeus Court , for the compensation payment for the performance of an expert opinion, to be discussed on 19/9/2023. The Group's Legal Department anticipates the dismissal of this claim.

AIOLIKI STEREAS ELLADOS S.A.

Action brought by 21 natural persons against TERNA ENERGY S.A., in favour of which AIOLIKI STEREAS ELLADOS S.A. intervened and against the opposing parties and the Greek State against the opposing parties. The formal hearing date has been set for 21.03.2023. The Group's Legal Department presumes that this lawsuit will be dismissed.

AIOLIKI MARMARIOU EVOIAS SA

Individuals (three 3) filed before the Magistrate Court of Karystos, Lawsuit against the Company with a request to recognize unlawful actions in the specific areas within the installation polygon of "Karabila" Wind Farm, requesting that these areas should be returned and the contractions on them – removed. On the above, the no. 15/2021 decision of the Magistrate Court of Karystos was issued, which postponed the issuance of a final decision and ordered the conduct of an expert opinion on specific issues and the resumption of the discussion. The Group's Legal Department presumes that this lawsuit will be dismissed. Moreover, on 23-10-2020, an individual person filed before the Single Member Court of First Instance of Chalkida the Lawsuit against the company with a request to recognize a conjuncture of rights by 12.5% and draw the company away from the specific areas within the installation polygon of "Karabila" Wind Farm, requesting compensation for non-pecuniary damage at an amount of € 120,000. The lawsuit was discussed on 17/12/2021 and we are awaiting the relevant decision. The Group's Legal Department presumes that this lawsuit will be dismissed.

ENERGEIAKI DYSTION EUVOIAS SA

- Individuals (total of nine (9)) filed a Lawsuit against the Company before the Tamymea Magistrate Court for Disturbance of Law against the Company, on which Judgment No. 45/2022 was issued, which dismissed the lawsuit. Further, on 16.09.2022, an appeal was served on 2 of the above individuals against the Company and against Decision No. 45/2022 of the Tamynia Magistrate Court, which is scheduled to be heard on 3/11/2023. The Group's Legal Department presumes that this lawsuit will be dismissed.

- Individuals have filed a lawsuit before the Chalkida Court of First Instance, which is directed against the Greek State and our Company, requesting that their ownership of the Company's property be recognized and that the Company be expelled from this property. The action was discussed and a decree no. 229/2022 Decision, which ordered the hearing to be reopened in order to produce the plaintiffs' submissions: (a) the decision of the Special Committee for the examination of the plaintiffs' objections to the forestry character of the disputed area and any corresponding corrections to the posted forestry map; and (b) the gazette gazette with the publication of the forestry map for the disputed area described in the statement of reasons, as ratified by the Coordinator of the relevant Decentralized Administration. To date, there has been no development in the information requested. The Group's Legal Department presumes that this lawsuit will be dismissed.

ENERGI AKI STYRON EVOIAS SA

- Two natural persons filed a lawsuit against the Company at the Court of Arbitration of Karystos, with the main claim for recognition of their status as tenants and owners of 3/4 of the first and 1/4 of the second property of the land district of the Municipality of Karystos. As this is a forest land, which is managed by the competent Forestry Department as public, the Company, which has been legally established on the disputed land by the Forestry Department of Karystos, has appealed to the Greek State to support it in this lawsuit, for which we believe that it will not succeed. The Greek State has intervened in the lawsuit in support of the Company. In this regard, a preliminary ruling was issued by the Karystos Magistrate's Court No. 11/2021, which postponed the issuance of a final decision and ordered an expertise on specific issues, which has not proceeded.

TERNA AIOLIKI AMARYNTHOY SA

- Action brought by a person before the Chalkida Court against, inter alia, the Company, for payment of damages, for compensation for pecuniary and non-pecuniary losses and for moral damages, which, according to the person's allegations, were caused by the Company's activity in an area of the Municipality of Eretria, in Evia. The action will be discussed under the new ordinary procedure of the Civil Code. The Group's Legal Department presumes that this lawsuit will be dismissed.

27.4 Guarantees

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

The types and amounts (in thousand Euro) of the letters of guarantee issued by the Group to its counterparties as of 30/06/2023:

Type of Letter of Guarantee	Amount 30/06/2023	Amount 31/12/2022
Contract execution guarantees for construction	243.341	222.403
Guarantees of payment	20.592	23.906
Tender guarantees	3.685	3.150
Guarantees of warranty execution for Agreements of Private	13.689	12.808
Guarantees of warranty execution for Grants	116.756	128.560
Guarantees of warranty execution for Other Agreements	12.033	12.241
Total	410.096	403.069

28. EVENTS AFTER THE REPORTING DATE OF STATEMENT OF FINANCIAL POSITION

From 01/07/2023 until the preparation date of the present report, the following important events occurred:

- **Completion of the installation of all the wind turbines of the Wind Farm in the area of Kafireas**

The installation of all the wind turbines of the Group's Wind Farm Complex in the area of Karystos & Kafirea with a total capacity of 327 MW has been completed. This project is the largest project of Terna Energy Group in the field of renewable energy and Wind Energy in particular.

- **- Start of operation of the Transitional Waste Management Station of the 2nd DE (Messinia) of the Peloponnese Region.**

On 30/06/2023 the Independent Auditor issued the Acceptance Certificate of the Transitional Waste Management Station 2nd DE (Messinia) following the successful completion of the trial period of the above-mentioned Station, whereby on the above-mentioned date the Planned Date of Availability of the Transitional Waste Management Services of the Transitional Waste Management Station 2nd DE (Messinia) was reached. The successful completion of the trial period and the issuance of the aforementioned Acceptance Certificate marks the start, as of 1 July 2023, of the Transitional Management Services Period of the Transitional Waste Management Station 2nd DE (Messinia) for the acceptance and treatment of municipal solid waste in accordance with the terms of the Partnership Agreement.

29. APPROVAL OF FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the annual period ended on 30/06/2023 were approved by the Board of Directors of TERNA ENERGY S.A. on 21/09/2023.

Chairman of the Board of Directors	Chief Executive Officer	Executive Member of the Board of Directors	Chief Financial Officer	Chief Accountant
George Peristeris	Emmanouil Maragoudakis	Aristotelis Spiliotis	Emmanouil Fafalios	Artan Tzanari
ID No. AB 560298	ID No. AB 986527	ID No. AK 127469	ID No. AK 082011	ID No. AM 587311 License Reg. No A' CLASS 064937