



**TERNA ENERGY**

**Industrial Commercial Technical Societe Anonyme**

85 Mesogeion Ave., 115 26 Athens, Greece

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

**SEMI-ANNUAL FINANCIAL REPORT**

**for the period ended as at June 30th 2021**

**(1 January - 30 June 2021)**

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

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**I. REPRESENTATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS  
(according to article 5, par. 2, Law 3556/2007)**

The below statements are made by the following representatives:

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

**WE HEREBY DECLARE AND CERTIFY**

To the best of our knowledge that:

- a.** The attached six-month financial statements of the Company TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY (the Company) for period from January 1<sup>st</sup> 2021 to June 30<sup>th</sup> 2021, prepared according to the applicable International Financial Reporting Standards (IFRS), adopted by the European Union and applied in the Interim Financial Reporting (International Accounting Standard 34) present truly and fairly the assets and liabilities, the equity as at 30/06/2021 and the comprehensive financial results of the Company for the first six-month period of 2021 as well as of the companies included in the consolidation in aggregate, according to par. 3 – 5 of article 5 of Law 3556/2007, and
- b.** The six-month Board of Directors Report presents in a true and fair view the information required according to par. 6 of article 5 of Law 3556/2007.

Athens, 30/09/2021

Chairman of the BoD

Chief Executive Officer

Executive Member  
of the BoD

George Peristeris

Emmanouil Maragoudakis

George Spyrou

## **II. SIX-MONTH REPORT OF THE BOARD OF DIRECTORS on the consolidated and separate financial statements of the Company “TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY” for the period 01/01/2021 – 30/06/2021**

The current Six-month Report of the Board of Directors, pertaining to the interim period from January 1st to June 30th 2021, has been prepared and is in compliance with the provisions of Law 4548/2018 and Article 5 of Law 3556/2007 and the relevant executive decisions of the Hellenic Capital Market Commission Board of Directors.

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

### **Introduction**

The current report briefly presents the financial information for the six-month reporting period, as well as the most significant events that took place (before and after the reporting date of the financial statements). It also describes the main risks and uncertainties that the Group may face during the second half of 2021 and, finally, lists the significant transactions that took place between the issuer and its affiliates.

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

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

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

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

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

which, the data for the course of the Greek Economy has started to present encouraging data with the indices recording the first signs of recovery.

***“Developments and prospects of the economic activity***

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

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

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

***Fiscal developments***

*The outbreak of the pandemic in early 2020 led to measures of social and economic activity’s restraint that were imposed for long periods of time. Combined with the increased uncertainty, it was caused a large decline in real GDP of Greece by 8.2% in 2020 and the upward trend of the economy for three years was halted.*

*The pace of recovery in the current situation is inextricably linked to the achievement of the population’s immunity and the evolution of the epidemiological situation which will allow the non-imposition of new restrictive measures. A further significant effect on the final result of the recovery will have the rate of European support funds’ absorption and the course of tourism, which already seems to have contributed to the normalization of the Economy. In the same positive direction, it is estimated that it will act any acceleration of household consumption expenditure after the pandemic.*

*Regarding the uncertainties arising from the external environment, the following are pointed out: a) the potential deterioration of the epidemiological data in countries of tourists’ origin and b) the geopolitical tensions in the wider region and the possible resurgence of the refugee crisis.*

*Thereinafter, in the Stability Program 2021, it is estimated that the primary result of the general government will be formed into a deficit of 7.2% of GDP for 2021 (compared to the initial forecast for a deficit of 3.8% of GDP in the Budget). Government debt is projected to decrease slightly to 204.8% of GDP in 2021 (compared to an initial debt forecast of 184.7% of GDP in the Budget), from 205.6% of GDP in 2020, due to the projected increase in nominal GDP by 3.8%.*

*The additional fiscal expansion decided in 2021, with the consequent maintenance of the significant primary deficit of the general government for the second year, is expected to change the course of de-escalation of the public debt that had been foreseen in the Budget. Therefore, the ratio of public debt to GDP is estimated, according to the Stability Program 2021, to remain high in 2021 and to escalate only marginally to 204.8% of GDP, mainly reflecting the estimated improvement of nominal GDP by 3.8%, rate that is expected to further improve, ie to 5.9% according to the recent findings published by ELSTAT. Its de-escalation is projected to be more pronounced in the coming years, at 189.5% of GDP in 2022, 176.7% of GDP in 2023 and 166.1% of GDP in 2024, provided the gradual return of the primary fiscal result to positive ground and steadily improving economic activity."*

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

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

Despite the difficulties, the way seems to be open for the Group, since the preparations it has completed for a generation of new projects aimed at strengthening the green economy and environmental protection make it ready for immediate action and place it into a highly competitive position, allowing the Group to implement its business plan and further consolidate its leading position in the Greek market and its expansion in the international arena.

## TERNA ENERGY GROUP

Six-month Financial Report for the period from January 1st to June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

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It is through hard work, determination and business acumen that Management of TERNA ENERGY continues to invest in the RES segment at a high pace in order to establish a solid foundation of the Company's sustainable development, which is the long-term goal of its next 10-year strategic plan.

On 30/06/2021, TERNA ENERGY Group had over 1,300 MW in operation, under construction or ready for construction in Greece, Central and Eastern Europe. In particular, the total installed capacity of the Group in Greece and abroad amounts to 895.3 MW, while it also has RES facilities under construction or ready for construction of a total capacity of 406 MW in Greece. Furthermore, the Group develops additional projects of a total capacity of 1,983 MW in Greece, which will be ready for construction within the next period and will allow the achievement of the objective of 3,000 MW by 2025. It is worth mentioning that the Group promotes two (2) large pumping storage projects, as well as a significant number of photovoltaic parks in Greece, which could further strengthen the aforementioned objective.

In particular:

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

	<b>TOTAL</b>	<b>GREECE</b>	<b>POLAND</b>	<b>BULGARIA</b>
WIND PARKS	<b>866,4</b>	734,4	102	30
HYDROELECTRIC	<b>17,8</b>	17,8	-	-
PHOTOVOLTAIC	<b>8,5</b>	8,5	-	-
BIOMASS	<b>2,6</b>	2,6	-	-
<b>TOTAL</b>	<b>895,3</b>	<b>763,3</b>	<b>102</b>	<b>30</b>

b) In the waste management sector on 29/01/2021, the Public Private Sector Partnership (PPP) project "Integrated Waste Management of Peloponnese Region", between the "Perivallontiki of Peloponnese", subsidiary of TERNA ENERGY Group, and the Region of Peloponnese, commenced. This is the largest PPP waste management project in the country, which implements most of the Regional Waste Management Plan (PESDA) of Peloponnese, while operating in parallel and in addition to the Local Recycling Plans at the source of the Municipalities. The contract of the project "Integrated Waste Management of Peloponnese Region" provides for the construction and operation of three (3) Waste Treatment Units (WTUs) and an equal number of Landfills in Arkadia, Messinia and Lakonia as well as of two (2) Waste Transfer Stations in Korinthia and Argolida.

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 first semester of 2021 the consolidated turnover of the Group from continuing operations amounted to € 139.6 mn compared to € 116.7 mn in the first semester of 2020, enhanced by 19.6%, consequence of new wind parks' commissioning in Greece. The operating earnings before interest, taxes, depreciation and amortization (EBITDA) of the Group from continuing operations amounted to € 68.3 mn compared to € 67.8 mn

in the first semester of 2021 marginally increasing by 0.7%. The earnings before taxes from continuing operations formed to € 36.6 mn, enhanced by 4.0% compared to the first semester of 2020. The net profit for the period from continuing operations attributed to the shareholders of the parent company amounted to € 28.5 mn, enhanced by 3.8%. The increase in the net profit for the period from continuing operations attributed to the shareholders of the parent company by € 1.0 mn is mainly due to new RES units' commissioning. The Net profit from continuing operations excluding the results from financial instruments recorded in the fair value and the income from insurance indemnities amounted to € 28.9 mn increased by 2.7% compared to the first semester of 2020. Finally, the Earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations excluding the income from insurance indemnities amounted to € 68.0 mn, enhanced by 0.8% compared to the first semester of 2020.

Losses from discontinued operations for the first half of 2021 amounted to € (94.38) million and relate to the results of discontinued operations from the discontinuance of consolidation of three (3) Wind Parks in Texas, USA, as a result of the effects of extreme weather conditions that occurred in the region, in February 2021 (see in detail Note 6 of the Interim Condensed Financial Statements). It is noted that for the corresponding comparative period the result from discontinued operations amounted to losses of € (2.33) million and includes the results of three (3) Wind Parks in Texas, USA, as well as the results of Mountain Air (Wind Park in Idaho, USA, which was sold on 15/07/2020).

The total losses (from continuing and discontinued operations) amounted to € (64.34) million, in comparison with profits of € 12.88 million in the corresponding previous period. For the first half of 2021 the total losses distributed to the Owners of the Parent Company amounted to € (65.01) million while the profits distributed to the Non-Controlling Interest amounted to € 0.66 million.

With respect to the results from continuing operations of the remaining segments:

- The **energy segment** reported sales of € 98.5 mn, enhanced by 6.6% compared to the first semester of 2020, while the operating profitability before depreciation (EBITDA) amounted to € 67.4 mn, noting an increase of 0.9% relatively to the respective comparative period of 2020. The respective enhancement is attributed mainly to the commissioning of new Wind Parks in Greece.
- The segment of **trade in electric energy** realized sales of € 26.6 mn, noting an increase compared to the first semester of 2020. The operating profit before depreciation (EBITDA) for the segment amounted to € (0.5) mn, compared to € 0.5 mn in the first semester of 2020.
- The turnover of TERNA ENERGY **construction activity** amounted to € 15.0 mn sales, reporting a decrease by 4.4% compared to the first semester of 2020. From the total turnover amount of € 6.5 mn concerned clients outside the Group. The operating profit before depreciation (EBITDA) of the construction segment amounted to € 1.7 mn compared to € 1.1 mn in the respective comparative period of 2020. Particularly, the backlog of the construction works at the end of the first semester in 2021 amounted to € 104.9 mn out of which amount of € 100.4 mn concerned concession projects.
- Finally the revenues of the **concession segment** reached € 8.1 mn compared to € 6.4 mn in the first half of 2020, noting an increase of 25.9% attributed mainly to the increase in the scope of e-ticket

management companies. The operating profit before depreciation (EBITDA) reached € 0.7 mn compared to €0.8 mn in the corresponding comparative period of 2020.

The Group's financial position remains satisfactory as cash and cash equivalent stood at € 310.7 million, while loan liabilities amounted to € 810.0 million. Therefore, the net debt position (bank liabilities less cash and cash equivalent less restricted deposits) stood at € 436.5 million. It is to be noted that the Group's cash and cash equivalent include refunds of € 3 million related to grants received due to cancellation of construction or expiry of the deadlines regarding the decisions on several Wind Parks. The aforementioned amounts will be refunded as soon as the relevant procedures of the authorized departments of the Ministry of Development have been completed and have been excluded from all restricted and non-restricted cash for the above calculation.

In the first half of the current year, TERNA ENERGY Group investments amounted to € 68.7 million. The Group's on-going investing activities generate the conditions for stabilization of increased flows of revenue and profitability on a long-term basis.

#### **B. Significant events within the first six-month period of the current fiscal year**

The following significant events took place in the first six-month period of 2021:

- **New investments in the field of floating photovoltaic (FPV) systems**

On 19/01/2021, the Company announced that it expands its activities in the field of floating photovoltaic (FVP) plants. In this context, the Company submitted to RAE (Greece's Regulatory Authority for Energy) applications for the issuance of a producer certificate for (3) three floating photovoltaic (FPV) systems in an equal number of artificial reservoirs, the total capacity of which amounts to 265 MW.

More specifically, the applications for the development of projects of this innovative clean energy production technology concern the installation of:

- 120 MW in the Artificial Reservoir of Kastraki
- 103 MW in the Artificial Reservoir of Pournari
- 42 MW in the Artificial Army Reservoir

The total amount of investments for the development of the above three RES facilities will exceed 170 million Euro. It is worth noting that the installation of the three floating photovoltaic (FPV) systems concerns locations outside "Natura" areas and provides for a coverage rate not exceeding 5.5%, in accordance with the International Sustainability Practices. The above investment of TERNA ENERGY Group is a new addition to the investment plan for the production and storage of clean energy that has already been announced by Management and concerns the development of Wind Parks as well as the implementation of energy storage projects in Greece via pumped storage. Therefore, the implementation of the three floating photovoltaic systems will increase the existing target for total installed capacity in the next five years from 2.8 GW to over 3 GW.

- **HERON E.NA: Energy Independence for all**

On 25/01/2021 HERON, in co-operation with TERNA ENERGY Group, presented to the Greek market “HERON EN.A”, a pioneering, innovative program through which consumers acquire energy independence, by significantly reducing, or even zeroing, the cost of their energy on an annual basis.

EN.A is a product of the strategic cooperation of two leading Groups in the energy field, the HERON Group, the first private Group to invest in thermal electricity generation and supply in Greece, and TERNA ENERGY Group, one of the largest investors and producers in Renewable Energy Sources (RES) in Greece, and at the same time one of the largest Greek RES Groups internationally. Through this cooperation, energy from existing and future PV and Wind Parks in Greece will be reserved for HERON customers who will participate in the project.

- **Integrated Waste Management of the Region of Peloponnese” Initiation of the Construction Phase**

On 29/01/2021, the Public Private Sector Partnership (PPP) project “Integrated Waste Management of Peloponnese Region”, between the “Perivallontiki of Peloponnese”, subsidiary of TERNA ENERGY Group, and the Region of Peloponnese, commenced. The project is the largest PPP on waste management in the country and for the most part implements the Waste Management Regional Plan of the Peloponnese Region while also operating alongside local recycling programs of municipalities. The partnership agreement provides for the construction and operation of three (3) Waste Processing Units and an equal number of sanitary Landfill Sites for the process residue in the prefectures of Arcadia, Messinia and Lakonia, as well as of two (2) Waste Transfer Stations in Korinthia and Argolida. The project is designed to generate green energy, making it an environmentally-friendly infrastructure with a zero energy footprint. It is also expected to reduce waste management costs for the local municipalities while also eliminating levied fines. The agreement’s total duration is 28 years and comprises a 24-month construction period and a 26-year operation period. It is worth noting that as of the 10th month after the effective date of the agreement, the company will start operating the intermediate waste management facilities. The investment is estimated to reach 152 million euro, 62.5 of which derive from NSRF (National Strategic Reference Framework) funding. The project’s plan provides for the creation of 600 new jobs during construction, 200 working positions during the operation period, as well as a large number of parallel jobs. Integrated waste management ensures compliance with current national and European legislation, advances environmental protection and leads to significant improvement in the quality of life and sanitary conditions. The project’s realization with cutting-edge technology will address the environmental issue of the Peloponnese Region and produce benefits for the Tourism industry, Education and Sustainable Agriculture, a strategic objective for Greece.

- **Discontinued operations**

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

In Note 6 of the Interim Condensed Financial Statements, there are described in detail the unprecedented extreme weather conditions of February 2021 in the US state of Texas (hereinafter referred to as "the Natural Phenomenon") and its direct impact on the activities of the TERNA ENERGY USA HOLDING CORP ("TERNA USA") subgroup and in particular the sub-Group TERNA DEN LLC (which includes parent company TERNA DEN LLC and

US subsidiaries that own and operate the Group's 3 Texas Wind Parks - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I - total power 510MW).

The previous examination of the risks (before the occurrence of the natural phenomenon) was done with the contribution of the best market consultants without relevant indications regarding the risk of a corresponding event. At the same time, insurance coverage could not cover the event, as such an event was not foreseen in the risk analysis of the insurance companies.

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

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

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

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

- **Signing of the agreement for the project of electronic ticket of Thessaloniki**

On 25/02/2021, TERNA ENERGY signed the agreement for the project «Digital Transformation, Telematics and Unified Automatic Fare Collection System for the Transport Authority of Thessaloniki».

Contractor of the project is the joint venture TERNA ENERGY (70%) – INDIGITAL (15%) – AMCO (15%). The total budget amounts to € 30 million plus VAT while installation works are scheduled to begin by first semester of 2022.

The project concerns the complete digital transformation of the Transport Authority of Thessaloniki, according to the standards of good practice of other transport operators in Europe.

Contracting Authority is the Information Society SA and the funding comes from the Ministry of Digital Policy and Media.

The agreement provides for the construction period (12 months) and the provision of maintenance and operation support services for 5 years from completion, while the Contracting Authority reserves the right to extend the maintenance and operation support period for another 5 years.

TERNA ENERGY Group has implemented the corresponding project in Athens on behalf of OASA Group (Athens Urban Transport Organization – AUTO), which makes the company an expert and leader in the market of Automatic Fare Collection Systems.

- **Collaboration with OCEAN WINDS to co-develop floating offshore Wind Parks in Greece of total capacity over 1,5 GW**

On 02/03/2021, OCEAN WINDS (OW) (a Joint Venture between EDP Renewables and ENGIE) and TERNA ENERGY have signed a collaboration agreement to co-develop floating offshore wind parks in the Greek seas.

OCEAN WINDS has a wide portfolio of fixed and floating offshore Wind Parks under development, construction and operation in various markets throughout Europe, North America and Asia composed of 1.5 GW under construction and 4 GW under development, and 5 to 10 GW in the advanced development stages by 2025.

TERNA ENERGY is a major player in the Renewable Energy Market and has more than 1.3 GW in operation, under construction or ready for construction in Greece and abroad.

OW and TERNA ENERGY, will join forces to identify the most suitable areas and consequently develop a pipeline of projects in excess of 1.5 GW with a consistent development roadmap rolled out throughout the current decade.

George Peristeris, Chairman of TERNA ENERGY, said: *“TERNA ENERGY, in its long commitment to provide clean and renewable energy in Greece, has identified that the next step towards sustainability is the development of offshore Wind Parks. Floating offshore wind is ideal for the Greek seas, due to their depth and unique*

*characteristics. To that end, TERNA ENERGY is proud to announce the strategic partnership with OW, whose unparalleled experience in the offshore wind sector and the development of floating Wind Parks will help us establish this new sector in the Greek energy market. Together, we will be able to provide the Greek energy sector with the necessary capacity of sustainable energy to achieve our national energy targets. At the same time, we will add value to multiple economic sectors of the local economy, by providing new investments in shipyards, ports grid interconnections and other sectors that will boost the local economy and create multiple direct and indirectly - working positions."*

- **Changes in withholding voting rights**

Following the 19/03/2021 and 21/04/2021 changes in the voting rights of Mr. Georgios Peristeris, the percentage of his withholding shares and voting rights now, as at 30/06/2021, amount to 11.0583 %. Also, on 21/04/2021 there was a change (increase) in the withholding voting rights of the shareholder ATALE ENTERPRISES LIMITED, which now amount to 6%.

- **Hybrid Station of electric and thermal energy generation from RES in the island of Ag. Efstratios**

On 30/03/2021, a contract was signed for the project "Hybrid station for the generation of electric and thermal energy from RES in the island of Ag. Efstratios", between TERNA ENERGY and the Center for Renewable Energy Sources and Saving (CRES).

On the occasion of the contract's signing, Mr. Manolis Maragoudakis, CEO of TERNA ENERGY, said: *"It is with great pleasure that we signed today the contract for the transformation of Agios Efstratios into a "green island", namely its transformation into an energy autonomous island, into electricity and heat. We aspire in collaboration with CRES, the Municipal Authority and the inhabitants of the island, to deliver on time and perfectly in operation, a project with great, technically, complexity. A project that introduces in our country new technologies that combine green energy production with storage and utilization. A historic island, the innovation of CRES and the know-how of TERNA ENERGY join forces for a creative result "*.

Analytically, the project includes the design, procurement, installation and commissioning of:

- a Hybrid Station (YVS) for generating power from Renewable Energy Sources (RES) on Ag. Efstratios island, comprising a wind turbine (A / G), a photovoltaic station (PV), storage accumulators and an Energy Management and Monitoring System.
- an integrated system of remote heating of the Ai Stratis community, including building facilities. The remote heating system will include central units of heat production and storage (hot water tanks), as well as the distribution network of thermal energy to the final consumers. Thermal energy produced, will suffice for covering heating and hot water needs of all houses at the entire Ag. Efstratios settlement.

The two subsystems will work together and they will function as one. The goal is the contribution of Renewable Energy Sources in the electrical system of the island to exceed 85% and at the same time to maximize the coverage of the households' needs in heating and hot water, from Renewable Energy Sources.

The contract also stipulates that TERNA ENERGY will undertake the operation and maintenance of the project for twelve (12) years.

- **Conversion of the 115 CW Airport (Souda) into Net Zero Carbon Emissions**

On 19/04/2021, the important donation of TERNA ENERGY to the Armed Forces of the country, which concerns the conversion of the 115th CW airport in Souda into a "green" facility, namely into an Installation of Net Zero Carbon Emissions Airport with parallel coverage of all needs for electricity, heating and cooling by 100% from Renewable Energy Sources (Net Zero Energy Airport).

After completing the required procedures and obtaining the necessary approvals, works began on the military airport facilities, which are expected to be completed within 15 months.

The annual benefit from the complete exemption of the Unit from the cost of electricity supply and coverage of heating needs will exceed 400 thousand euro.

It is worth noting that the military airport in Souda will be one of the first facilities in the world to receive the certification "Net Zero Energy Airport".

TERNA ENERGY will fully cover the cost of studies, design and construction of all required projects.

In particular TERNA ENERGY proposal includes:

- The installation of a system for the production of electricity from Renewable Energy Sources and specifically from a photovoltaic installation
- The installation of an energy storage system with lithium ion batteries
- "Intelligent" management and control system (Energy Management System) of the produced and consumed energy and the facilities of the unit, so that its Management can manage in the most safe and efficient way all its energy needs
- Interventions and upgrades to already installed systems, such as replacement of existing heating boilers with heat pumps, installation of solar water heaters, supply of electric tricycles for commercial use, replacement of iodine type luminaires with new LED technology and electrification of intra-airport transport, the selection of which and the scope of their application will be determined through the energy audit of the plant facilities and the final energy study of the project.
- Certification of the Carbon Footprint's reduction of the Installation according to the Green House Gas Protocol (GHGP) and ISO 14064
- Certification of 115 CW as Net Zero Energy Military Airport

For the implementation of the necessary projects, TERNA ENERGY will cooperate with the specialized company EASY POWER SA, which has designed, studied and manufactured autonomous / hybrid systems, production and distribution of electricity, produced by the sun - for which it has already been awarded a patent by OBI but also the formation of a technological platform that can ensure the certification of NET ZERO ENERGY, in existing or under construction building infrastructure or facilities.

Upon completion of the project, TERNA ENERGY will undertake the training of the appropriate technical staff of the Air Force for the needs of operational function, monitoring and maintenance of the entire system.

- **Submission of White Dragon proposal for the Important Projects of Common European Interest (IPCEI) of hydrogen**

On 13/05/2021, the national proposal for “White Dragon” was submitted, in the framework of the Greek call for expression of interest for Hydrogen Important Projects of Common European Interest (IPCEI) by a group of companies formed by the largest energy groups in the country.

DEPA Commercial, as project coordinator, in collaboration with Advent Technologies, Damco Energy (Copelouzos Group), PPC, DESFA, HELLENIC PETROLEUM, Motor Oil, Corinth Pipeworks, TAP and Terna Energy submitted to the Greek Government and the EU their investment proposal with total amount exceeding 8 billion Euro, for the development of an innovative integrated green hydrogen project in Greece which covers the entire hydrogen value chain.

The core of the project is based on the gradual replacement of the lignite power plants of West Macedonia and the transition to clean energy having as final goal the de-carbonization of the country’s energy mix. The “White Dragon” project will use large-scale renewable electricity (GW) for the production of green hydrogen by electrolysis in Western Macedonia. Hydrogen will then be stored directly (short-term hydrogen storage) and indirectly (streaming through DESFA’s natural gas pipeline) and, subsequently, through high temperature fuel cells will provide the country’s power grid with electricity as a fixed base load co-generation unit of green energy and heat. The generated heat, as a by-product of green electricity production, could initially have a complementary use to the district remote heating networks of West Macedonia, and in future in other applications that require heat and / or cooling (industries, data centers, greenhouses, etc.).

Moreover, a main goal of the “White Dragon” project is the development, by the cooperating companies, of an integrated Hydrogen Industrial Research Center within the High Technology Hydrogen Node Research & Development & Innovation that will be created in West Macedonia.

Particularly significant, finally, is the intended upgrade and capitalization of the existing energy infrastructure (electricity grids and natural gas pipelines). In particular, natural gas pipelines will be used for the transport of green hydrogen for other uses, as well as for its indirect storage. A necessary condition is the creation of a regulatory framework for Energy Net Metering as a transition option until the full development of the hydrogen economy. To accelerate growth in the framework of “White Dragon”, the National Natural Gas Transmission System will initially be prepared so that it can receive increasing rates of hydrogen, which will reduce the carbon footprint of the fuel and help initiate the hydrogen market.

Moreover, the study and construction of an exclusive hydrogen backbone pipeline will be implemented in Greece, along with the first hydrogen projects in the transport sector (garbage trucks, trucks, trains, cars), with the appropriate infrastructure for hydrogen refueling stations (HRS) and its road transportation and distribution.

The exclusive hydrogen backbone pipeline will enable the interconnection between remote green hydrogen production units with large end consumers (refineries, industrial units, etc.) to help them “green” their production processes, but also the interconnection with the respective systems of neighboring countries.

Finally, through the integrated “White Dragon” project, the possibility will be explored for transport and export potential of hydrogen through TAP Pipeline that already connects Greece with the European markets.

The key elements of the completed “White Dragon” project are:

Total investment cost:	<b>8.063 bn €</b>
Project’s duration:	2022 - 2029 (phases R&D, FID and EET)
Hydrogen production:	<b>250,000 tons/year*</b>
Hydrogen for other uses:	<b>58,000 up to 71,000 tons/year</b>
CO2 Saving:	<b>11.5 million tons/year</b>
Job creation:	<b>18,000 direct job positions and 29,500 indirect</b>

\* Renewable hydrogen will be supplied almost entirely into the pipelines

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

From 01/07/2021 until the date of approval of the attached Financial Statements, the following significant events took place:

- On 20/07/2021, the Athens Stock Exchange announced the establishment of the new index (ATHEX ESG Index) which will monitor the stock market performance of listed ATHEX companies adopting and promoting their practices on the environment, society, and corporate governance (ESG). The design aspires to support the efforts of companies and consequently the Greek Stock Market to signal the efforts of continuous improvement of ESG initiatives as the regulatory environment of non-financial information will evolve.

The new index called "ATHEX ESG Index (ATHEX ESG Index)" was designed to involve a maximum of 60 companies of the ATHEX Organized Market. Its calculation began on Monday, August 2 with a starting price of 1,000 units. The first composition of the index - apart from the other criteria - was determined based on the ESG score obtained from the published data of 2019. In the initial composition of the index participate 35 companies, including the TERNA ENERGY Group. The composition of the index will be reviewed every year and the first revision will take place in November 2021 (simultaneously with the revisions of the other indices calculated by the Athens Stock Exchange) based on the data to be published by the listed companies in the context of non-financial information for fiscal year 2020.

- On September 23, 2021, the Company announced that the joint venture of TITAN and TERNA ENERGY Groups is participating in the tenders for PPPs for Waste Treatment Units (MEA) in Attica and Central

Macedonia. Specifically, on September 22, letters of interest were submitted in the first phase of the tenders for the MEA of the Central Park of the Circular Economy of Attica, the Park of the Circular Economy of the Regional Unit of Piraeus and the Western Sector of the Region of Central Macedonia.

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

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

2021 is a milestone year for the Greek energy market, with the Target Model being fully implemented. The investment interest for new RES projects is expected to be particularly high, a fact that is demonstrated by the significant number of applications and producer certificates issued by RAE.

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

Sustainable development, according to the management of TERNA ENERGY, is not meaningful without the transition to the era of clean energy and the circular economy. In these areas, after all, it has been a pioneer for more than twenty years.

The President of the Company, Mr. George Peristeris, stressed at the Annual Ordinary General Meeting, that, *currently, the Company is in a phase of even greater growth, with the immediately feasible investment plan of the Group, amounting to about 2 billion euro, evolving smoothly and at an intensive pace. It is a unique investment plan that has not been affected by the pandemic and includes investments in key sectors, such as the production and storage of clean energy, the circular economy with pilot projects of integrated waste management, but also innovation, new technologies and the digital transition.*

*A new generation of investments is already being planned to be followed even before the completion of the existing investment plan of 2 billion euro. In this context, the Company is launching an expanded investment plan in new Wind Parks, in terrestrial photovoltaic, but also in floating photovoltaic parks and floating offshore Wind Parks, as well as new investments in energy storage, in addition to the pumping storage project in Amfilochia and the hybrid project in Amari, Crete. Specifically:*

- **Wind Parks:** *The total capacity of the parks that are being built or are ready for construction amounts to 400 MW. In addition, 63 new projects that already have production certificates secured and whose total power exceeds 1.8 GW, are maturing.*

- **Photovoltaic Parks:** *The total power of the P/P promoted by the Company amounts to approximately 1.7 GW, of which more than 1.1 GW already have a production license.*
- **Storage projects:** *The Group's investment plan in storage mainly through pump storage but also through other technologies reaches approximately 2 GW. The projects in Amfilochia and Amari are more mature.*
- **Floating offshore Wind Parks:** *In a joint venture with Ocean Winds, floating parks are planned in the Greek seas with a total capacity of 1.5 GW.*

*In summary, these are new projects with a total capacity of about 7 GW, of which 5 GW have already secured the first licenses, are maturing and will gradually begin to be implemented.*

*At the same time, the Group is preparing for the new generation of waste management projects, claiming every relevant project that is announced in Attica, Thessaloniki and in all regions of the country. At the same time, it claims a series of projects related to new technologies, telecommunications and digital transition, while it participates together with other powerful Greek Groups in the White Dragon program that concerns the use of hydrogen.*

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

*Because without a strong society, entrepreneurship is not meaningful. If the result of our work does not spread towards a lot of people, all this effort does not make sense. In this context, we intensify our social actions even more, supporting the health system, the vulnerable social groups, the young scientists and the local communities where we operate. Let me name two of our typical actions. The conversion of the 115 Military Unit of the military airport in Souda to the first green and energy autonomous military airport in the world through a sponsorship of over 3.5 million euros, but also to the project we undertook to transform the island of Ai Stratis into a green and energy autonomous island.*

*In combination with the actions we have taken over the years for optimal corporate governance and enhancement of the transparency and protection of the interests of our shareholders and partners, we continue to pay particular attention to ESG issues, i.e. those related to environmental protection, society and corporate governance ".*

Taking into account the above, the prospects of the TERNA ENERGY Group for the second half of 2021 are positive, despite the difficult period that the world economy and Greece are going through.

TERNA ENERGY, with consistency and high sense of corporate social responsibility that distinguishes it, will remain a pioneer in the field of investments and will seek to maintain the growth rate of the Group according to its business plan, despite the adverse conditions, unexpectedly worsened by the outbreak of Covid-19 pandemic. Section E (vi) makes a special, brief reference to the potential, relevant risks.

## **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 interim condensed financial information does not include all the financial risk management information and disclosures required in the annual financial statements as of December 31, 2020 and should therefore be read in conjunction with them. There has been no change in risk management policies compared to those of the 31<sup>st</sup> of December 2020.

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

Given the nature of its operations, the Group is not, as a rule, exposed to significant credit risk from trade receivables except delays in collections from DAPEEP, which have been significantly reduced by the application of Law 4254/14 as well as the extraordinary levy imposed, for the financial year 2020, for encountering the side effects of the coronavirus pandemic, to the producers of electricity from Renewable Energy Sources (RES) stations, and particularly for those which have been put into normal or test operation until 31 December 2015 (Government Gazette 245 / 09.12.2020). The one-off extraordinary levy amounted to 6% of electricity sales for the year 2020. For the Group, the relevant extraordinary levy amounted to € 5,252 thousand and burdened the results of the year 2020.

The credit risk in respect of cash and cash equivalents and other receivables is low, since the parties to transaction are banks of high-quality capital structure, the State or the entities of the broader Public Sector or strong business groups.

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

## **ii. Foreign Exchange Risk**

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

Regarding the Company's transactions with foreign entities, such 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, 25.0% of the Group's long-term borrowing refers to fixed interest rate loans, 42.8% refers to floating-rate loans that have been hedged through derivatives with which future fixed rate payments are exchanged against floating rate collections, while 32.2% 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 Parks generate satisfactory cash flows on an on-going basis. In the first half 2021, net cash flows from continuing operating activities amounted to 93 million versus € 89 million recorded in 2020. The Group manages its liquidity needs by applying a cautious cash flow planning, by carefully monitoring the balance of long-term financial liabilities as well as by systematically managing the payments which take place on a daily basis. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as on the basis of a moving 30-day period. The liquidity needs for the next 6 months and the next year are defined monthly.

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

**vi. Other risks and uncertainties**

The Group remains exposed to short-term fluctuations of wind and hydrologic data, a fact, which, however does not affect the long-term efficiency of its projects, as prior to the implementation of the investments extensive studies 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 statement on coronavirus (COVID-2019) pandemic**

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

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

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

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

### **Effects arising from the coronavirus pandemic (COVID-19) and their mitigation measures**

The Group has taken all the necessary measures in order to continue the development of its core operations, continuing the exploitation of RES and implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment.

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

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

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

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

principle, the Management as well as the aforementioned mechanism immediately react in order to address the epidemic crisis with prudence, calm and strategic perspective.

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

#### **(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, as long as 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.

Regarding the unprecedented and extreme weather conditions in the state of Texas, USA, in February 2021 and their impact on the Group's activities, a respective analysis is presented in Note 6 of the Interim Condensed Financial Statements.

#### **F. Alternative Performance Measures ("APMs")**

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

The Group utilizes Alternative Performance Measures ("APMs") in its financial, operational and strategic planning decisions, as well as in evaluating and publishing its performance. These APMs 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) determinants of 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 20.

**EBITDA (Earnings before Interest Taxes Depreciation & Amortisation):** The ratio is calculated as Earnings before Interest & Tax (EBIT) adding the total depreciation of tangible and intangible assets and deducting grants amortisation. 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 amortisation.

**“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 loan liabilities carried forward, less cash and cash equivalents (excluding the amounts of grants to be returned less restricted deposits).

**“Gross Profit Margin”** is a ratio by which the Company’s Management assesses the efficiency of the activities per segment and is defined as Gross Profit to Turnover.

**"Loan Liabilities to Total Capital Employed"** is an indicator, that the Management assesses the Group's financial leverage. Loan Liabilities are the total of Short-term Loans, Long-term Loans and Long-term Loans payable the following year. Total Capital Employed is defined as the total of equity, loan liabilities, equity instruments having a substance of financial liability (Note 14 of the attached Interim Condensed Financial Statements), the repayment of which follows the payment of the debt arising from the respective Wind Parks and is conducted only at the degree where the returns required from their operations, lease liabilities, grants that are reduced by the amount of cash and cash equivalents that is not subject to any restriction or commitment, beyond the commitments associated with the borrowing.

It is to be noted that during the previous year 2020, the Group decided to redefine the presentation of the following financial results ratios ("EBIT", "EBITDA", "Gross Profit Margin" and "Net Debt / Surplus") per operating segment. This Management decision was based on its assessment that this change leads to more relevant information regarding the financial performance and evaluation of the performance of the separate operating segments of the Group.

In particular, from the year 2020 onwards, the operating segments are being presented before the write-offs made among the different operating segments for purposes of consolidated financial statements, in contrast to the presentation until the year 2019, where the operating segments' results were presented following the write-offs among the different segments. The intersegment write-offs (which during the presentation of the separate operating segments were carried out within them) will now be presented separately in a separate column "Intersegment consolidation write-offs". At the same time, the construction segment shall include the construction component of the Concessions.

To facilitate the comparability, this presentation is also prepared for the financial figures of the comparative period of 2020. It is to be noted that the above amendment to the presentation method did not lead to any change in the calculation of these APMs at the Group level during the first half of 2020.

For comparability purposes, the loss of control of the subsidiaries of the TERNA DEN LLC Sub-Group, which own and operate the three (3) Wind Parks in Texas, USA (see Note 6 of the attached Interim Condensed Financial Statements), is also reflected in the figures of the comparative half-year period of 2020. This results in the APMs of the 1st half-year period of 2020, at Group level, not being identical with the published APMs of the Group for the 1st half-year period 2020.

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

TERNA ENERGY GROUP

Six-month Financial Report for the period from January 1st to June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2021</b>							
<b>Turnover</b>							
Sale of goods and services	6,479	98,453	26,583	1,891	6,188	-	<b>139,594</b>
Cross-sectoral income	8,549	-	-	-	-	(8,549)	-
<b>Total turnover from continuing operations</b>	<b>15,028</b>	<b>98,453</b>	<b>26,583</b>	<b>1,891</b>	<b>6,188</b>	<b>(8,549)</b>	<b>139,594</b>
Cost of sales	(13,025)	(43,055)	(26,825)	(1,769)	(5,222)	8,454	<b>(81,442)</b>
<b>Gross Profit from continuing operations</b>	<b>2,003</b>	<b>55,398</b>	<b>(242)</b>	<b>122</b>	<b>966</b>	<b>(95)</b>	<b>58,152</b>
Administrative & distribution expenses	(350)	(10,409)	(187)	(175)	(347)	-	(11,468)
Research & development expenses	(49)	(2,543)	-	-	-	-	(2,592)
Other income / (expenses) and other gains / (losses) determinants EBIT	60	3,697	(69)	28	(2)	6	3,720
<b>Operating results (EBIT) from continuing operations</b>	<b>1,664</b>	<b>46,143</b>	<b>(498)</b>	<b>(25)</b>	<b>617</b>	<b>(89)</b>	<b>47,812</b>
Depreciation	(40)	(23,927)	(16)	(72)	(7)	933	<b>(23,129)</b>
Grants amortisation	-	2,688	-	-	-	-	<b>2,688</b>
<b>EBITDA from continuing operations</b>	<b>1,704</b>	<b>67,382</b>	<b>(482)</b>	<b>47</b>	<b>624</b>	<b>(1,022)</b>	<b>68,253</b>
Long-term loans	-	679,823	-	27,102	14,520	-	<b>721,445</b>
Short-term loans	-	20,156	37	-	-	-	<b>20,193</b>
Long-term liabilities carried forward	-	64,315	-	361	3,708	-	<b>68,384</b>
Cash and cash equivalents	(10,452)	(294,600)	(1,590)	6,668	(10,681)	-	<b>(310,655)</b>
Grants to be returned	-	3,024	-	-	-	-	<b>3,024</b>
Restricted deposits	-	(60,176)	(4,433)	(1,284)	-	-	<b>(65,893)</b>
<b>Net debt / (surplus)</b>	<b>(10,452)</b>	<b>412,542</b>	<b>(5,986)</b>	<b>32,847</b>	<b>7,547</b>		<b>436,498</b>

TERNA ENERGY GROUP

Six-month Financial Report for the period from January 1st to June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2020 *</b>							
<b>Turnover</b>							
Sale of goods and services	1,689	92,318	16,322	1,913	4,502	-	<b>116,744</b>
Cross-sectoral income	14,025	-	-	-	-	(14,025)	-
<b>Total turnover from continuing operations</b>	<b>15,714</b>	<b>92,318</b>	<b>16,322</b>	<b>1,913</b>	<b>4,502</b>	<b>(14,025)</b>	<b>116,744</b>
Cost of sales	(14,264)	(37,285)	(16,179)	(1,288)	(3,862)	13,438	<b>(59,440)</b>
<b>Gross Profit from continuing operations</b>	<b>1,450</b>	<b>55,033</b>	<b>143</b>	<b>625</b>	<b>640</b>	<b>(587)</b>	<b>57,304</b>
Administrative & distribution expenses	(313)	(8,636)	(169)	(218)	(228)	-	<b>(9,564)</b>
Research & development expenses	(27)	(930)	-	(48)	-	-	<b>(1,005)</b>
Other income / (expenses) and other gains / (losses) determinants EBIT	10	2,904	468	(11)	-	-	<b>3,371</b>
<b>Operating results (EBIT) from continuing operations</b>	<b>1,120</b>	<b>48,371</b>	<b>442</b>	<b>348</b>	<b>412</b>	<b>(587)</b>	<b>50,106</b>
Depreciation	(21)	(21,058)	(9)	(52)	(17)	(839)	<b>(20,318)</b>
Grants amortisation	-	2,653	-	-	-	-	<b>2,653</b>
<b>EBITDA from continuing operations</b>	<b>1,141</b>	<b>66,776</b>	<b>451</b>	<b>400</b>	<b>429</b>	<b>(1,426)</b>	<b>67,771</b>
Long-term loans	-	814,658	-	27,262	15,312	-	<b>857,232</b>
Short-term loans	-	27,451	36	-	-	-	<b>27,487</b>
Long-term liabilities carried forward	-	66,027	-	490	2,847	-	<b>69,364</b>
Cash and cash equivalents	-	(263,429)	(2,288)	(16,434)	(8,756)	-	<b>(290,907)</b>
Grants to be returned	-	3,024	-	-	-	-	<b>3,024</b>
Restricted deposits	-	(52,573)	(673)	-	-	-	<b>(53,246)</b>
<b>Net debt / (surplus)</b>	<b>-</b>	<b>595,158</b>	<b>(2,925)</b>	<b>11,318</b>	<b>9,403</b>	<b>-</b>	<b>612,954</b>

\*Amounts adjusted in order to include only continuing operations. The results from discontinued operations are disclosed separately and analysed in a certain note (see Note 6 of the attached Interim Condensed Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

TERNA ENERGY GROUP

Six-month Financial Report for the period from January 1st to June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2021</b>							
Turnover from continuing operations	15,028	98,453	26,583	1,891	6,188	(8,549)	<b>139,594</b>
Cost of sales from continuing operations	(13,025)	(43,055)	(26,825)	(1,769)	(5,222)	8,454	<b>(81,442)</b>
<b>Gross Profit from continuing operations</b>	<b>2,003</b>	<b>55,398</b>	<b>(242)</b>	<b>122</b>	<b>966</b>	<b>(95)</b>	<b>58,152</b>
<b>Gross Profit Margin from continuing operations</b>	<b>13.33%</b>	<b>56.27%</b>	<b>(0.91)%</b>	<b>6.45%</b>	<b>15.61%</b>	<b>1.11%</b>	<b>41.66%</b>

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2020 *</b>							
Turnover from continuing operations	15,714	92,318	16,322	1,913	4,502	(14,025)	<b>116,744</b>
Cost of sales from continuing operations	(14,264)	(37,285)	(16,179)	(1,288)	(3,862)	13,438	<b>(59,440)</b>
<b>Gross Profit from continuing operations</b>	<b>1,450</b>	<b>55,033</b>	<b>143</b>	<b>625</b>	<b>640</b>	<b>(587)</b>	<b>57,304</b>
<b>Gross Profit Margin from continuing operations</b>	<b>9.23%</b>	<b>59.61%</b>	<b>0.88%</b>	<b>32.67%</b>	<b>14.22%</b>	<b>4.19%</b>	<b>49.09%</b>

\*Amounts adjusted in order to include only continuing operations. The results from discontinued operations are disclosed separately and analysed in a certain note (see Note 6 of the attached Interim Condensed Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

TERNA ENERGY GROUP

Six-month Financial Report for the period from January 1st to June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

Amounts in thousand €	30/06/2021	31/12/2020
Short-term loans	20,193	27,487
Long-term loans	721,445	857,232
Long term liabilities carried forward	68,384	69,364
<b>Loan liabilities</b>	<b>810,022</b>	<b>954,083</b>
Total equity	408,406	495,667
Loan liabilities	810,022	954,083
Equity instruments having a substance of financial liability	–	281,263
Lease liabilities (Long-term & Short-term portion)	15,148	11,782
Grants	79,485	82,140
<b>Subtotal</b>	<b>1,313,061</b>	<b>1,824,935</b>
<i>Less:</i>		
Cash and cash equivalents	310,655	290,907
Restricted deposits (Note 12)	65,893	53,246
Grants to be returned (Note 18)	(3,024)	(3,024)
<b>Subtotal</b>	<b>373,524</b>	<b>341,129</b>
<b>Total employed capital</b>	<b>939,537</b>	<b>1,483,806</b>
<b>Loan Liabilities / Total employed capital</b>	<b>86%</b>	<b>64%</b>

#### H. Transaction with related parties

The Company's transactions with related parties pursuant to the provisions of IAS 24 have been conducted under normal market conditions. In the first half of 2021, the amounts of sales and purchases as well as balances of the Company's and Group's assets and liabilities as of 30/06/2021, arising from transactions with related parties are presented in Note 24 to the financial statements.

#### Transactions with members of the BoD

The total amounts paid to the members of the Board of the Group accounted for 1,738,902 Euros (for the Company: 1,438,537 Euros), of which amount of 1,189,800 Euros (for the Company: 1,080,000 Euros) concerns Board fees, while amount of 549,102 Euros (for the Company: 358,537 Euros) concerns the provision of services.

#### I. Treasury Shares

The Company during the period 01/01/2021 - 30/06/2021 purchased 221,500 treasury shares with a nominal value of € 66,450.00 and a purchase value of € 2,708,709.98. The total number of treasury shares held by the Company on 30/06/2021 amounted to 221,500 shares with a total cost of € 2,708,709.98. These shares represented a percentage of 0.19% of the paid-up share capital of the Company.

Athens, 30/09/2021

On behalf of the Board of Directors,

Georgios Peristeris

Chairman of the Board of Directors

### III. INDEPENDENT AUDITOR'S REVIEW REPORT

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

To the Board of Directors of "TERNA ENERGY 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 2021 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, 30 September 2021  
The Certified Auditor Accountant

Dimitra Pagoni  
SOEL Reg. No 30821





**IV. CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED AS AT JUNE 30<sup>th</sup> 2021**

**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 30/09/2021 and have been published on the website [www.terna-energy.com](http://www.terna-energy.com) as well as on the Athens Exchange's website.

The annual financial statements of consolidated subsidiaries in compliance with the Decision of Hellenic Capital Market Commission Board of Directors Num. 8/754/14.4.2016, as it was amended on 23/9/2020, are posted at [www.terna-energy.com](http://www.terna-energy.com).

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 30<sup>TH</sup> JUNE 2021**

	Note	GROUP		COMPANY	
		30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	7	50,098	50,301	2,467	2,283
Tangible assets	8	860,294	1,346,966	74,183	75,586
Right of use assets		15,361	11,677	7,933	4,114
Investment in subsidiaries		-	-	432,299	435,525
Investment in joint ventures		4,921	4,567	4,829	4,689
Investment in associates		62	62	-	-
Other long-term receivables	9	4,474	4,611	125,109	110,950
Receivables from derivatives	16	36	14,544	-	-
Financial Assets – Concessions	10	38,377	46,952	-	-
Investment in equity interests		2,528	2,753	2,528	2,753
Deferred tax assets	23	9,730	10,106	2,109	1,620
<b>Total non-current assets</b>		<b>985,881</b>	<b>1,492,539</b>	<b>651,457</b>	<b>637,520</b>
<b>Current assets</b>					
Inventories		7,882	5,845	5,814	3,557
Trade receivables	11	48,234	84,929	45,990	39,469
Receivables from contracts with customers	11	7,642	19,352	7,973	5,187
Prepayments and other receivables	11	98,335	75,779	82,420	24,078
Income tax receivables		3,972	3,064	1,805	1,311
Other short-term investments		4,297	2,212	-	-
Cash and cash equivalents	12	310,655	290,907	34,622	59,825
<b>Total current assets</b>		<b>481,017</b>	<b>482,088</b>	<b>178,624</b>	<b>133,427</b>
<b>TOTAL ASSETS</b>		<b>1,466,898</b>	<b>1,974,627</b>	<b>830,081</b>	<b>770,947</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributed to the shareholders of the parent</b>					
Share capital	13	34,757	34,757	34,757	34,757
Share premium	13	209,870	209,870	209,870	209,870
Reserves		61,976	58,442	19,787	21,491
Retained earnings		90,585	181,323	60,297	58,087
<b>Total equity attributable to the owners of the parent</b>		<b>397,188</b>	<b>484,392</b>	<b>324,711</b>	<b>324,205</b>
Non-controlling interest		11,219	11,277	-	-
<b>Total equity</b>		<b>408,407</b>	<b>495,669</b>	<b>324,711</b>	<b>324,205</b>

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 30<sup>TH</sup> JUNE 2021**

	Note	GROUP		COMPANY	
		30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Long-term liabilities</b>					
Long-term loans	15	721,445	857,232	366,961	343,792
Lease liabilities		14,304	11,064	7,462	4,114
Equity instruments having a substance of financial liability	14	-	236,184	-	-
Liabilities from derivatives	16	4,260	7,873	1,140	958
Provision for staff indemnities		782	707	664	598
Other provisions	17	17,069	21,346	4,414	4,309
Grants	18	79,485	82,140	17,028	17,657
Liabilities from contracts with customers		718	-	718	-
Deferred tax liabilities	23	32,676	32,474	-	4
Other long-term liabilities	19	10,606	10,290	10,606	10,290
<b>Total long-term liabilities</b>		<b>881,345</b>	<b>1,259,310</b>	<b>408,993</b>	<b>381,722</b>
<b>Short-term liabilities</b>					
Suppliers		38,573	42,247	15,474	15,124
Short-term loans	15	20,193	27,487	20,156	10,013
Long-term liabilities carried forward	15	68,384	69,364	16,827	31,467
Lease liabilities		844	718	432	302
Equity instruments having a substance of financial liability	14	-	45,079	-	-
Liabilities from derivatives	16	1,682	4,774	478	419
Liabilities from contracts with customers		1,519	3,246	19,759	2,006
Accrued and other short-term liabilities	19	33,690	18,830	23,121	5,675
Income tax payable		12,261	7,903	130	14
<b>Total short-term liabilities</b>		<b>177,146</b>	<b>219,648</b>	<b>96,377</b>	<b>65,020</b>
<b>Total liabilities</b>		<b>1,058,491</b>	<b>1,478,958</b>	<b>505,370</b>	<b>446,742</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,466,898</b>	<b>1,974,627</b>	<b>830,081</b>	<b>770,947</b>

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01/01-30/06/2021**

	Note	GROUP		COMPANY	
		01/01 - 30/06/2021	01/01 - 30/06/2020 *	01/01 - 30/06/2021	01/01 - 30/06/2020 *
<b>Continuing operations</b>					
Turnover	5	139,594	116,744	42,599	39,660
Cost of sales	5	(81,442)	(59,440)	(34,896)	(31,467)
<b>Gross profit</b>		<b>58,152</b>	<b>57,304</b>	<b>7,703</b>	<b>8,193</b>
Administrative & distribution expenses	5	(11,468)	(9,564)	(5,162)	(6,095)
Research & development expenses	5	(2,592)	(1,005)	(2,590)	(851)
Other income / (expenses)	20	4,367	1,914	1,181	583
<b>Operating results</b>		<b>48,459</b>	<b>48,649</b>	<b>1,132</b>	<b>1,830</b>
Financial income	5	2,780	2,706	2,345	1,827
Financial expenses	5	(14,860)	(16,172)	(8,234)	(8,242)
Revenue from participating interest and other investments	21	-	-	27,677	26,869
Gains / (Losses) from sale and valuation of participating interest other investments		-	-	-	(70)
Associates and joint ventures profit and loss proportion		214	-	-	-
<b>EARNINGS BEFORE TAX</b>		<b>36,593</b>	<b>35,183</b>	<b>22,920</b>	<b>22,214</b>
Income tax expense	23	(7,473)	(6,776)	646	769
<b>Net earnings for the period from continuing operations</b>		<b>29,120</b>	<b>28,407</b>	<b>23,566</b>	<b>22,983</b>
<b>Discontinued operations</b>					
<b>Net losses for the period from discontinued operations</b>	6	<b>(94,383)</b>	<b>(2,335)</b>	-	-
<b>Net (losses)/earnings for the period</b>		<b>(65,263)</b>	<b>26,072</b>	<b>23,566</b>	<b>22,983</b>
<b>Other comprehensive income</b>					
<b>Items subsequently reclassified in the income statement</b>					
Foreign exchange translation differences from incorporation of foreign operation					
- Gains / (Losses) from present FY		713	(1,532)	-	-
- Reclassification to Income Statement	6.4	706	-	-	-
Cash flow hedges					
- Gains / (Losses) from present FY	16	(38,642)	(11,516)	(242)	(123)
- Reclassification to Income Statement	6.4	39,219	-	-	-
Corresponding income tax		(612)	60	53	29
<b>Total</b>		<b>1,384</b>	<b>(12,988)</b>	<b>(189)</b>	<b>(94)</b>
<b>Items not subsequently reclassified in the Income Statement</b>					
Gains / (Losses) from valuation of participating interest at fair value		(257)	(241)	(257)	(241)
Actuarial Gains / (Losses) from defined benefit plans		(16)	(28)	(16)	(28)
Corresponding income tax		(192)	65	(194)	65
<b>Total</b>		<b>(465)</b>	<b>(204)</b>	<b>(467)</b>	<b>(204)</b>
<b>Other total (loss)/income for the period (after taxes)</b>		<b>919</b>	<b>(13,192)</b>	<b>(656)</b>	<b>(298)</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(64,344)</b>	<b>12,880</b>	<b>22,910</b>	<b>22,685</b>

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01/01-30/06/2021**

	Note	GROUP	
		01/01 - 30/06/2021	01/01 - 30/06/2020 *
<b>Net (losses)/earnings for the period attributed to:</b>			
Shareholders of the parent from:			
- continuing operations		28,457	27,411
- discontinued operations		(94,383)	(2,335)
		<b>(65,926)</b>	<b>25,076</b>
Non-controlling interests from:			
- continuing operations		663	996
		<b>663</b>	<b>996</b>
		<b>(65,263)</b>	<b>26,072</b>
<b>Total comprehensive (loss)/income for the period attributed to:</b>			
Shareholders of the parent from:			
- continuing operations		29,375	14,219
- discontinued operations		(94,383)	(2,335)
		<b>(65,008)</b>	<b>11,884</b>
Non-controlling interests from:			
- continuing operations		664	996
		<b>664</b>	<b>996</b>
		<b>(64,344)</b>	<b>12,880</b>
<b>Basic Earnings per Share (in Euro) attributed to the shareholders of the parent company</b>			
- from continuing operations	13	0.24589	0.24639
- from discontinued operations	13	(0.81554)	(0.02099)
- from continuing and discontinued operations	13	<b>(0.56965)</b>	<b>0.22540</b>
<b>Weighted average number of shares</b>			
Basic	13	115,730,932	111,251,898

**Note:**

\* The items of the consolidated Statement of Comprehensive Income of the comparative half-year period that ended on 30/06/2020 have been restated in order to include only the continuing operations. The results of discontinued operations are disclosed individually and analyzed in a separate note (see Note 6 of Interim Condensed Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

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

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01-30/06/2021**

	Note	GROUP		COMPANY	
		01/01 - 30/06/2021	01/01 - 30/06/2020 *	01/01 - 30/06/2021	01/01 - 30/06/2020 *
<b>Cash flows from operating activities</b>					
<b>Profit before tax</b>		36,593	35,183	22,920	22,214
<i>Adjustments for reconciliation of net cash flows from operating activities</i>					
Depreciation/Amortization of assets and rights to use	7, 8	23,129	20,318	3,454	3,271
Amortization of grants	18	(2,688)	(2,653)	(629)	(629)
Impairment	20	(50)	25	(50)	25
Provisions		66	56	52	48
Interest and related income		(2,780)	(2,706)	(2,345)	(1,827)
Interest and other financial expenses		14,860	16,172	8,234	8,242
Gains and losses from intangible and tangible assets, investment property and rights to use		(179)	2	-	-
Revenue from participating interests and other investment	21	-	-	(27,677)	(26,799)
Percentage in profit after joint ventures income tax		(214)	-	-	-
Foreign currency exchange differences	20	(288)	1,421	-	-
<b>Operating profit before changes in working capital</b>		<b>68,449</b>	<b>67,818</b>	<b>3,959</b>	<b>4,545</b>
<b>(Increase)/Decrease in:</b>					
Inventories		(2,596)	232	(2,258)	276
Trade and non-invoiced receivables from contracts with customers		46,993	24,744	(9,258)	3,087
Prepayments and other short-term receivables		(27,227)	2,535	(22,090)	96
<b>Increase/(Decrease) in:</b>					
Suppliers and liabilities from contracts with customers		72	(575)	18,391	835
Accruals and other short-term liabilities		(1,754)	(8,810)	(1,518)	(2,165)
Other long-term receivables and liabilities		11,997	4,696	1,174	25
Income tax paid		(3,073)	(1,859)	(363)	(520)
<b>Net cash (outflows)/inflows from operating activities of continuing operations</b>		<b>92,861</b>	<b>88,781</b>	<b>(11,963)</b>	<b>6,179</b>
Cash flows from operating activities of discontinued operations		(28,581)	44,931	-	-
<b>Net cash (outflows)/inflows from operating activities</b>		<b>64,280</b>	<b>133,712</b>	<b>(11,963)</b>	<b>6,179</b>

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD 01/01-30/06/2021**

	Note	GROUP		COMPANY	
		01/01 - 30/06/2021	01/01 - 30/06/2020 *	01/01 - 30/06/2021	01/01 - 30/06/2020 *
<b>Cash flow from investing activities:</b>					
Acquisition of tangible and intangible fixed assets	7, 8	(65,189)	(69,346)	(2,261)	(593)
Interest and related income collected		271	22	437	1,588
Payments for acquisition of companies less subsidiaries cash and cash equivalent		(265)	(25,040)	-	(25,040)
Proceeds from loss of control in subsidiaries less Cash and cash equivalent of the companies whose consolidation was discontinued	6.4	(8,031)	(66)	-	17
Payments for acquisition or increase in participating interest in associates and joint ventures		(140)	-	(140)	-
Payments for acquisition of shares, bonds and other securities		(2,264)	(2,924)	(281)	(63)
Proceeds from sale of shares, bonds and other securities		-	-	249	-
Dividends collected		-	-	-	20,261
Issued loans		-	-	(24,965)	(30,295)
Proceeds from issued loans		-	-	4,000	24,695
<b>Net cash outflows from investing activities of continuing operations</b>		<b>(75,618)</b>	<b>(97,354)</b>	<b>(22,961)</b>	<b>(9,430)</b>
Cash flows from investing activities of discontinued operations		-	(182)	-	-
<b>Net cash outflows from investing activities</b>		<b>(75,618)</b>	<b>(97,536)</b>	<b>(22,961)</b>	<b>(9,430)</b>
<b>Net cash flows from financing activities</b>					
Share capital return	13	-	(19,341)	-	(19,341)
Acquisition of Treasury Shares	13	(2,709)	(19,478)	(2,709)	(19,478)
Proceeds from changes in participating interests		-	-	3,026	19,152
Proceeds from long term loans	15	59,516	21,992	12,870	57,100
Payments for long term loans	15	(45,859)	(33,379)	(7,033)	(21,259)
Payments for lease liabilities		(1,177)	(807)	(725)	(223)
Net change in short term loans	15	10,000	88,940	10,000	25,000
Dividends paid	13	(536)	(19,185)	(536)	(19,185)
Interest paid		(15,236)	(13,452)	(5,172)	(7,037)
<b>Net cash inflows from financing activities of continuing operations</b>		<b>3,999</b>	<b>5,290</b>	<b>9,721</b>	<b>14,729</b>
Cash flows from financing activities of discontinued operations		26,313	(32,574)	-	-
<b>Net cash (outflows)/inflows from financing activities</b>		<b>30,312</b>	<b>(27,284)</b>	<b>9,721</b>	<b>14,729</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,974</b>	<b>8,892</b>	<b>(25,203)</b>	<b>11,478</b>
Effect of exchange rate changes on cash & cash equivalent		774	(332)	-	-
<b>Opening cash and cash equivalents</b>	12	<b>290,907</b>	<b>257,464</b>	<b>59,825</b>	<b>58,624</b>
<b>Closing cash and cash equivalents</b>	12	<b>310,655</b>	<b>266,024</b>	<b>34,622</b>	<b>70,102</b>

The operating cash flows of the Company for the six-month period ended 30/06/2021 are presented negative in the amount of € 12 million. This is mainly due to the financing of the execution of the construction contracts (construction of Wind Parks of subsidiaries) with own net working capital.

**Note:**

\* The items of the consolidated Statement of Cash Flows of the comparative half-year period ended on 30/06/2020 were adjusted in order to include only the continuing operations. Net cash flows from operating, investment and financing activities of discontinued operations are included individually and are analyzed in a separate note (see Note 6 of Interim Condensed Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

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

	Note	Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non- controlling interests	Total
<b>1<sup>st</sup> January 2020</b>		<b>34,176</b>	<b>191,793</b>	<b>44,138</b>	<b>156,439</b>	<b>426,546</b>	<b>11,916</b>	<b>438,462</b>
Net profit for the year		-	-	-	25,076	25,076	996	26,072
<b>Other comprehensive income</b>								
Foreign currency translation differences from incorporating foreign operations		-	-	(1,532)	-	(1,532)	-	(1,532)
Gains/(losses) from valuation at fair value of participations (NOT reclassified in the Statement of Comprehensive Income)		-	-	(183)	-	(183)	-	(183)
Cash flows risk hedging	16	-	-	(11,456)	-	(11,456)	-	(11,456)
Actuarial losses form defined benefit plans		-	-	(21)	-	(21)	-	(21)
<b>Other comprehensive losses (after tax)</b>		<b>-</b>	<b>-</b>	<b>(13,192)</b>	<b>-</b>	<b>(13,192)</b>	<b>-</b>	<b>(13,192)</b>
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>(13,192)</b>	<b>25,076</b>	<b>11,884</b>	<b>996</b>	<b>12,880</b>
Capitalization of reserves & retained earnings	13	19,366	(19,366)	-	-	-	-	-
Share capital return	13	(19,366)	-	-	-	(19,366)	-	(19,366)
Formation of reserves		-	-	4,262	(4,262)	-	-	-
Distribution of dividends	13	-	-	-	(19,200)	(19,200)	(2,683)	(21,883)
Treasury Shares		-	-	(19,478)	-	(19,478)	-	(19,478)
Discontinuing subsidiary's consolidation		-	-	-	-	-	(49)	(49)
Increase/(decrease) of percentage of consolidated companies		-	-	-	(471)	(471)	471	-
Transfers - other movements		-	-	(1)	(1)	(2)	1	(1)
<b>Transaction with the owners</b>		<b>-</b>	<b>(19,366)</b>	<b>(15,217)</b>	<b>(23,934)</b>	<b>(58,517)</b>	<b>(2,260)</b>	<b>(60,777)</b>
<b>30<sup>th</sup> June 2020</b>		<b>34,176</b>	<b>172,427</b>	<b>15,729</b>	<b>157,581</b>	<b>379,913</b>	<b>10,652</b>	<b>390,565</b>

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (01/01-30/06/2021)**

	Note	Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non- controlling interests	Total
<b>1<sup>st</sup> January 2021</b>		<b>34,757</b>	<b>209,870</b>	<b>58,441</b>	<b>181,323</b>	<b>484,391</b>	<b>11,277</b>	<b>495,668</b>
Net losses for the period		-	-	-	(65,926)	(65,926)	663	(65,263)
<b>Other comprehensive income</b>								
Foreign currency translation differences from incorporating foreign operations		-	-	1,419	-	1,419	-	1,419
Gains/(losses) from valuation at fair value of participations (NOT reclassified in the Statement of Comprehensive Income)		-	-	(455)	-	(455)	-	(455)
Cash flows risk hedging	16	-	-	(35)	-	(35)	1	(34)
Actuarial losses form defined benefit plans		-	-	(10)	-	(10)	-	(10)
<b>Other comprehensive income (after tax)</b>		-	-	<b>919</b>	-	<b>919</b>	<b>1</b>	<b>920</b>
<b>Total comprehensive losses for the period</b>		-	-	<b>919</b>	<b>(65,926)</b>	<b>(65,007)</b>	<b>664</b>	<b>(64,343)</b>
Share capital increase of subsidiary		-	-	-	-	-	39	39
Formation of reserves		-	-	5,325	(5,325)	-	-	-
Distribution of dividends	13	-	-	-	(19,695)	(19,695)	(488)	(20,183)
Treasury Shares		-	-	(2,709)	-	(2,709)	-	(2,709)
Change in percentage of consolidated subsidiary		-	-	-	208	208	(273)	(65)
<b>Transaction with the owners</b>		-	-	<b>2,616</b>	<b>(24,812)</b>	<b>(22,196)</b>	<b>(722)</b>	<b>(22,918)</b>
<b>30<sup>th</sup> June 2021</b>		<b>34,757</b>	<b>209,870</b>	<b>61,976</b>	<b>90,585</b>	<b>397,188</b>	<b>11,219</b>	<b>408,407</b>

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

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

	Note	Share Capital	Share Premium	Reserves	Retained Earnings	Total
<b>1<sup>st</sup> January 2020</b>		<b>34,176</b>	<b>191,793</b>	<b>11,033</b>	<b>71,025</b>	<b>308,027</b>
Net profit for the year		-	-	-	22,983	22,983
<b>Other comprehensive income</b>						
Gains/(losses) from valuation at fair value of participations (NOT reclassified in the Statement of Comprehensive Income)		-	-	(183)	-	(183)
Cash flows risk hedging	16	-	-	(94)	-	(94)
Actuarial losses form defined benefit plans		-	-	(21)	-	(21)
<b>Other comprehensive losses (after tax)</b>		-	-	<b>(298)</b>	-	<b>(298)</b>
<b>Total comprehensive income for the period</b>		-	-	<b>(298)</b>	<b>22,983</b>	<b>22,685</b>
Capitalization of reserves & retained earnings	13	19,366	(19,366)	-	-	-
Share capital return	13	(19,366)	-	-	-	(19,366)
Formation of reserves		-	-	1,310	(1,310)	-
Distribution of dividends	13	-	-	-	(19,200)	(19,200)
Treasury Shares		-	-	(19,478)	-	(19,478)
<b>Transaction with the owners</b>		-	<b>(19,366)</b>	<b>(18,168)</b>	<b>(20,510)</b>	<b>(58,044)</b>
<b>30<sup>th</sup> June 2020</b>		<b>34,176</b>	<b>172,427</b>	<b>(7,433)</b>	<b>73,498</b>	<b>272,668</b>

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

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (01/01-30/06/2021)**

	Note	Share Capital	Share Premium	Reserves	Retained Earnings	Total
<b>1<sup>st</sup> January 2021</b>		<b>34,757</b>	<b>209,870</b>	<b>21,491</b>	<b>58,087</b>	<b>324,205</b>
Net profit for the year		-	-	-	23,566	23,566
<b>Other comprehensive income</b>						
Gains/(losses) from valuation at fair value of participations (NOT reclassified in the Statement of Comprehensive Income)		-	-	(455)	-	(455)
Cash flows risk hedging	16	-	-	(189)	-	(189)
Actuarial losses form defined benefit plans		-	-	(12)	-	(12)
<b>Other comprehensive losses (after tax)</b>		-	-	<b>(656)</b>	-	<b>(656)</b>
<b>Total comprehensive income for the period</b>		-	-	<b>(656)</b>	<b>23,566</b>	<b>22,910</b>
Formation of reserves		-	-	1,661	(1,661)	-
Distribution of dividends	13	-	-	-	(19,695)	(19,695)
Treasury Shares		-	-	(2,709)	-	(2,709)
<b>Transaction with the owners</b>		-	-	<b>(1,048)</b>	<b>(21,356)</b>	<b>(22,404)</b>
<b>30<sup>th</sup> June 2021</b>		<b>34,757</b>	<b>209,870</b>	<b>19,787</b>	<b>60,297</b>	<b>324,711</b>

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

## EXPLANATORY NOTES TO THE INTERIM CONDENSED SEMI-ANNUAL FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION ABOUT THE GROUP

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

TERNA ENERGY holds Class 6 contractor certificate and its operations in the construction sector include construction of private and public projects as a main contractor or subcontractor or through joint ventures. Based on the effective legislation, it can undertake private and public 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 S.A.), established in 1949 (Government Gazette 166/21.06.1949), which TERNA ENERGY S.A. absorbed in 1999 and which was established in 1997 (Government Gazette 6524/11.09.1997). TERNA ENERGY is domiciled in Athens, Greece, 85 Mesogeion Ave. The Company 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 Parks, solar and hydroelectric energy and biomass.
- **Trade:** trade in electric energy.
- **Concessions:** construction and operation of public sector works (Unified Automatic Collection System and municipal waste treatment facility) in exchange for their long-term exploitation rendering services to the public.

The companies of TERNA ENERGY Group included in the consolidated Financial Statements and their tax non-inspected FYs are analytically recorded in Note 4 to the Financial Statements.

The parent company of TERNA ENERGY, which is also listed on Athens Stock Exchange, is GEK TERNA S.A., which on 30/06/2021 held 37,298% of the Company's issued share capital and voting rights. The financial statements of TERNA ENERGY Group are consolidated in the financial statements of GEK TERNA S.A. under full consolidation method, since in compliance with the provisions of IFRS 10, it has been assessed that GEK TERNA S.A. exercises control over TERNA ENERGY S.A.

The accompanying Interim Condensed Consolidated and Separate Financial Statements for the six-month period ended as at June 30<sup>th</sup>, 2021, were approved by the Board of Directors on 30/09/2021.

## **2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**

### **2.1 Basis for the Presentation of financial statements**

The Condensed Interim Separate and Consolidated Financial Statements as of June 30<sup>th</sup>, 2021, which cover the six-month period from January 1<sup>st</sup> to June 30<sup>th</sup> 2021 have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until June 30<sup>th</sup> 2021. The Financial Statements for the six-month period ended as at June 30<sup>th</sup> 2021 have been prepared in compliance with the provisions of the International Accounting Standard (IAS) 34 “Interim Financial Reporting”. The Group applies all the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and their Interpretations, which apply to the Group’s operations. The relevant accounting policies, whose summary is presented below in Note 2.6, have been applied consistently in all the presented periods.

### **Going Concern**

When the Management defines the appropriate basis for the preparation of the consolidated and separate financial statements, it should examine whether the Group is able to continue as a going concern in the near future. The Group’s Management estimates that the Company and its subsidiaries hold sufficient resources, which ensure their ability to operate as a Going Concern in the foreseeable future.

The decision of the Management to use the going concern principle is based on the estimates related to potential effects of both – outbreak and spread of COVID-19 and the extreme weather conditions adversely affecting the State of Texas, the USA, in February 2021. (see Note 3 “Risk Management” in more detail).

### **2.2 Basis of measurement**

The accompanying Condensed Interim Consolidated and Separate Financial Statements as of June 30<sup>th</sup>, 2021, 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 of the consolidated Statement of Comprehensive Income have been restated in order to present the necessary adjustments to reflect only the continuing operations of the Group (see in detail Note 6).

## **2.5 Use of estimates**

The preparation of the Financial Statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Judgments, assumptions and estimates of the Management affect the amount of valuation of several asset and liability items, the amount recognized during the 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 that require the highest degree of judgment as well as the areas in which estimates and assumptions have a significant effect on the Interim Condensed Consolidated Financial Statements are presented in Note 3 of the Annual Consolidated and Separate Financial Statements for the year ended 31/12/2020.

The changes in relation to the above are analyzed as follows:

### **Significant judgments on behalf of the Management**

*Audit evaluation in the three (3) Wind Parks of the Group in Texas, U.S.A., according to the requirements of IFRS 10*

See analytically note 6.

### **Uncertainty over Estimates**

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 this segment is exposed to (see analytically Note 3 to the accompanying Condensed Interim Financial Statements as of 30/06/2021).

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

In the sector of electricity 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. Regarding the Group's activity in the USA, the Group lost control of the three (3) Wind Parks it owned and operated in Texas, as a result of the adverse effects of the extreme weather conditions that hit Texas, USA in February 2021 and which are described in detail in Note 6 of the financial statements.

In accordance with the accounting policies followed and the provisions of IAS 36, the Group conducts a relevant impairment test of the assets at the end of every annual reporting period. The aforementioned impairment test, in accordance with the provisions of IAS 36, may be conducted earlier, when there are indications of potential impairment loss. Based on the relevant work carried out on 30/06/2021, and focusing on both exogenous and

endogenous factors, there was no need to recognize impairment losses in the consolidated or separate financial statements of the first six-month period of 2021. It is noted that Management will continue to monitor the developments for the remaining 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 any additional credit loss provisions in accordance with IFRS requirements 9.

## **2.6 New Standards, Interpretations and Amendments of Standards**

The Condensed Interim Financial Statements for the six-month period ended as at 30/06/2021 comprise limited scope of information as compared to that presented in the annual Financial Statements. The accounting policies, based on which the Financial Statements were prepared, are consistent with those used under the preparation of the annual Financial Statements for the year ended as at 31/12/2020, except for the changes to Standards and Interpretations in force since 01/01/2021 (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 31/12/2020 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 01/01/2021.

#### **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – Phase 2" (effective for annual periods starting on or after 01/01/2021)**

In August 2020, the IASB has finalized its response to the ongoing reform of IBOR and other interest benchmarks by issuing a package of amendments to IFRS Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for a change in its hedging relationships as a result of the reform, as well as relevant information required to be disclosed. The amendments do not affect the consolidated and separate Financial Statements.

#### **Amendments to IFRS 16 "Leases": Covid-19 – Related Rent Concessions beyond 30 June 2021 (effective for annual periods starting on or after 01/04/2021)**

In March 2021, the IASB issued amendments to the practical expedient of IFRS 16, that extend the application period by one year to cover Covid-19-related rent concessions that reduce only lease payments due on or before 30 June 2022. The amendments do not affect the consolidated and separate Financial Statements.

### **2.6.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union to 30/06/2021**

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

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

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

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2022.

#### **Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (effective for annual periods starting on or after 01/01/2023)**

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity’s right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. The Group will

examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

**Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods starting on or after 01/01/2023)**

In February 2021, the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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

In February 2021, the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

**Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods starting on or after 01/01/2023)**

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations – transactions for which companies recognize both an asset and a liability. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

**Decision of the IFRS Interpretations Committee, with regards to the “Attributing Benefit to Periods of Service (IAS 19)”**

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision on the agenda entitled "Attributing benefits to periods of service (IAS 19)" (which includes explanatory material regarding the attribution of benefits to periods of service) plan of defined benefits analogous to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Plan of Fixed Benefits of Labor Law"). This explanatory information differentiates the way in which the basic principles and rules of IAS 19 have been applied in Greece in the past in this regard, and therefore according to what is defined in the “IASB Due Process Handbook (par. 8.6)”, entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above-mentioned, the above final decision of the Committee's daily agenda will be treated as a Change in Accounting

Policy. The implementation of the decision will be done in accordance with paragraphs 19-22 of IAS 8. The Group, which attributes the benefits in the period spanning from the recruitment date to the date of retirement of the employees, examines the effects of this decision in order to complete the assessment by the end of the year, so that the effects on the financial statements as of 31 December 2021, which are not expected to be material, are retrospectively reflected.

### **3. RISK MANAGEMENT**

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

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

#### **a) Special statement on COVID-2019 pandemic**

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

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

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

Employee safety has been and still is an absolute priority. For this purpose, TERNA ENERGY during the first half of 2021 maintains, through the special committee, which reports to the Supreme Administration, the plan to ensure business continuity by monitoring all relevant developments. Internal and external protocols for regular and urgent communication with employees and other key stakeholders have been maintained and the actions taken since the beginning of the pandemic continue unabated. The Company's actions are reported in detail in Note 42.6 of the Annual Financial Statements of 2020.

**Effects arising from the coronavirus pandemic (COVID-19) and their mitigation measures**

The Group has taken all the necessary measures in order to continue the development of its core operations, continuing the exploitation of RES and implementation of its investment plan in the energy segment, strengthening the efforts aimed at stabilizing the Greek economy and improving prospects of employment.

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

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

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

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

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

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

In Note 6 there are described in detail the unprecedented extreme weather conditions of February 2021 in the US state of Texas (hereinafter referred to as "the Natural Phenomenon") and its direct impact on the activities of the TERNA ENERGY USA HOLDING CORP ("TERNA USA") subgroup and in particular the sub-Group TERNA DEN

LLC (which includes parent company TERNA DEN LLC and US subsidiaries that own and operate the Group's 3 Texas Wind Parks - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I - total power 510MW).

The previous examination of the risks (before the occurrence of the natural phenomenon) was done with the contribution of the best market consultants without relevant indications regarding the risk of a corresponding event. At the same time, insurance coverage could not cover the event, as such an event was not foreseen in the risk analysis of the insurance companies.

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

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

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

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

#### 4. CONSOLIDATED COMPANIES AS OF 30/06/2021

The following changes in the Group structure took place in the first six-month period of 2021 versus 31/12/2020:

On January 29, 2021, the Group through the company TERNA ENERGY OVERSEAS LTD acquired an additional 10% of the shares of its subsidiary TERNA ENERGY TRADING LTD for an amount of € 90 thousand, thus changing the participation percentage in the latter to 61%. As a result of this transaction, the Group increased the percentage of its indirect participation in the subsidiaries TERNA ENERGY TRADING EOOD, TETRA DOOEL SKOPJE, TERNA ENERGY TRADING D.O.O and TERNA ENERGY TRADING SHPK to 61%. It should be noted that in the above companies, TERNA ENERGY TRADING LTD holds 100% of their share capital.

On 30/06/2021, Group lost control of the subsidiaries of the sub-Group TERNA DEN LLC, which own and operate the three (3) Wind Parks in Texas, USA. The results of these Wind Parks for the presented periods are presented in the results from discontinued operations of the Group (see in detail Note 6.5 of the Interim Condensed Financial Statements).

During the first semester of 2021, compared to the comparative first semester of 2020, the Mountain Air Wind Park in Idaho, USA is not included (due to sale on 15/07/2020). The results of this Wind Park for the comparative period are presented in its discontinued operations (see Note 6.5 of the Interim Condensed Financial Statements).

The following tables present the consolidated companies of TERNA ENERGY as at 30/06/2021, their domicile, business activity, the Company's direct and indirect participating interest in their share capital, method of consolidation and tax non-audited years.

##### 4.1 Group Structure

Separate interim condensed financial statements include joint venture GEK TERNA – TERNA ENERGY, at a percentage of 50%, under proportional consolidation method.

ENTITY	DOMICILE	DIRECT PARTICIP. %	INDIRECT PARTICIP. %	TOTAL PARTICIP. %	CONSOLIDATION METHOD	INDIRECT PARTICIPATION SUBSIDIARY	TAX NON-AUDITED YEARS
<b>CONSTRUCTION &amp; CONSESSION SEGMENT – JOINT VENTURES</b>							
J/V GEK TERNA – TERNA ENERGY (INSTALLATION & OPERATION ATS)	Greece	50.00	-	50.00	Proportional consolidation	-	2015-2020

##### 4.2 Group Structure

The Group's structure as of 30/06/2021, is presented as follows:

TERNA ENERGY GROUP

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(Amounts in Euro thousand unless stated otherwise)

ENTITY	DOMICILE	DIRECT PARTICIP. %	INDIRECT PARTICIP. %	TOTAL PARTICIP. %	CONSOLIDATI ON METHOD	INDIRECT PARTICIPATION SUBSIDIARY	TAX NON-AUDITED YEARS
<b><i>HOLDING &amp; FINANCING- SUBSIDIARIES</i></b>							
TERNA ENERGY M.A.E FINANCE	Greece	100.00	-	100.00	Full	-	2016-2020
TERNA ENERGY OVERSEAS LTD	Cyprus	100.00	-	100.00	Full	-	2013-2020
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY TRANSATLANTIC sp.z.o.o.	2011-2020
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
TERNA ENERGY TRADING LTD	Cyprus	-	61.00	61.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
GALLETTE LTD	Cyprus	-	100.00	100.00	Full	ENERGIAKI SERVOUNIOU SA	2013-2020
<b><i>RES ENERGY SEGMENT - SUBSIDIARIES</i></b>							
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
PPC RENEWABLES - TERNA ENERGY SA	Greece	51.00	-	51.00	Full	-	2015-2020
ENERGIAKI SERVOUNIOU SA	Greece	100.00	-	100.00	Full	-	2016-2020
IWECO HONOS LASITHIOU CRETE SA.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGY EVROU SA	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
ENERGIAKI DERVENOCHORION S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGY SA & CO AIOLIKI ROKANI DERVENOCHORION G.P.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
AIOLIKI MARMARIOY EVIAS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
ENERGIAKI DYSTION EVIAS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI KARISTIAS S.A.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
TERNA ENERGY AVETE & SIA ENERGY KAFIREOS EVIAS G.P.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
ENERGIAKI STYRON EVIAS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI MALEAS LAKONIAS. S.A	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGY SA & CO ENERGIAKI VELANIDION LAKONIAS G.P.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
AEOLIKI EAST GREECE S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AEOLIKI PASTRA ATTICA S.A.	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
ENERGIAKI PELOPONNESE S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGIAKI AVETE & SIA AIOLIKI PROVATA TRAINOYPOLEOS	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI DERVENI TRAINOYPOLEOS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
ENERGIAKI FERRON EVROU S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ENERGY AVETE & SIA ENERGIAKI ARI SAPPON G.P	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
TERNA ENERGY AVETE & SIA AIOLIKI POLIKASTROY G.P	Greece	99.00	1.00	100.00	Full	IWECO CHONOS LASITHIOU S.A.	2015-2020
ENERGIAKI XIROVOUNIOY S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI ILIOKASTROU S.A.	Greece	-	100.00	100.00	Full	TERNA ENERGY EVROU S.A. ENERGIAKI	2015-2020
EUROWIND S.A.	Greece	-	100.00	100.00	Full	SERVOUNIOY	2015-2020
DELTA AXIOU ENERGIAKI S.A.	Greece	80.00	-	80.00	Full	-	2015-2020

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TERNA ENERGY AVETE VECTOR WIND PARKS GREECE-WIND PARK TROYLOS G.P.	Greece	90.00	-	90.00	Full	-	2015-2020
TERNA ENERGY THALASSIA WIND PARKS S.A.	Greece	85.00	-	85.00	Full	-	2015-2020
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	77.00	-	77.00	Full	-	2015-2020
VATHYCHORI PERIVALLONTIKI S.A.	Greece	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD VATHYCHORI PERIVALLONTIKI S.A.	2015-2020
VATHYCHORI ENA PHOTOVOLTAIC S.A.	Greece	-	100.00	100.00	Full	-	2015-2020
ALISTRATI ENERGEIAKI LTD	Greece	80.00	-	80.00	Full	-	2015-2020
MALESINA ENERGEIAKI LTD	Greece	80.00	-	80.00	Full	-	2015-2020
ORHOMENOS ENERGEIAKI LTD	Greece	80.00	-	80.00	Full	-	2015-2020
DIRFYS ENERGEIAKI S.A.	Greece	51.00	-	51.00	Full	-	2015-2020
TERNA ENERGY AI-GIORGIS S.A.	Greece	99.40	0.60	100.00	Full	IWECO CHONOS LASITHIOU S.A. AIOLIKI PANORAMATOS DERVENOXORION S.A.	2015-2020
TERNA AIOLIKI XEROVOUNIOU S.A.	Greece	-	100.00	100.00	Full	AIOLIKI MALEAS LAKONIAS S.A. ENERGEIAKI	2015-2020
TERNA AIOLIKI AITOLOAKARNANIAS S.A.	Greece	-	100.00	100.00	Full	SERVOVOYNIYOU	2015-2020
TERNA AIOLIKI AMARYNTHOU S.A.	Greece	-	100.00	100.00	Full	-	2015-2020
TERNA ILIAKI PANORAMATOS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ILIAKI PELOPONNESE S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
TERNA ILIAKI VIOTIAS S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AIOLIKI CENTRAL GREECE S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
VATHYCHORI DYD ENERGEIAKI S.A.	Greece	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
TERNA ENERGY OMALIES S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
EVOIKOS ANEMOS S.A.	Greece	70.00	-	70.00	Full	-	2020
ILIAKI PIKROLIMNIS S.A.	Greece	51.00	-	51.00	Full	-	2020
ILIAKA VAKOUFIA IKE	Greece	-	51.00	51.00	Full	ILIAKI PIKROLIMNIS S.A.	2020
PHOTOVOLTAIC KILKIS IKE	Greece	-	51.00	51.00	Full	ILIAKI PIKROLIMNIS S.A.	2020
VALE PLUS LTD	Cyprus	100.00	-	100.00	Full	-	2015-2020
HAOS INVEST 1 EAD	Bulgaria	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
EOLOS NORTH sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
EOLOS POLSKA sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
EOLOS EAST sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
JP GREEN sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
WIRON sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020
BALLADYNA sp.z.o.o.	Poland	-	100.00	100.00	Full	TERNA ENERGY OVERSEAS LTD	2015-2020

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AEGIS RENEWABLES, LLC	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2020
MOUNTAIN AIR HOLDINGS, LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2020
MOHAVE VALLEY ENERGY LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
TERNA RENEWABLE ENERGY PROJECTS LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
TERNA DEN LLC	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
FLUVANNA INVESTMENTS LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
FLUVANNA HOLDINGS LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
FLUVANNA I INVESTOR, INC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2020
FLUVANNA INVESTMENTS 2, LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2018-2020
CI-II BEARKAT QFPF, LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
CI-II BEARKAT HOLDING B, LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
SPONSOR BEARKAT I HOLDCO, LLC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2020
TERNA HOLDCO INC *	U.S.A.	-	100.00	100.00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2020
<b>ENERGY PRODUCTION FROM RES OPERATING SEGMENT – JOINT VENTURES</b>							
EN.ER.MEL. S.A.	Greece	50.00	-	50.00	Equity	-	2015-2020
OPTIMUS ENERGY S.A.	Greece	51.00	-	51.00	Equity	-	2017-2020
<b>RES ENERGY SEGMENT - ASSOCIATES</b>							
CYCLADES ENERGY CENTER S.A.	Greece	-	45.00	45.00	Equity	IWECO CHONOS SA	2015-2020
HARMONY ENERGY COMMUNITY	Greece	12.50	-	12.50	Equity	-	2019-2020
AMALTHIA ENERGY COMMUNITY	Greece	-	16.67	16.67	Equity	IWECO CHONOS SA	2019-2020
<b>ELECTRIC ENERGY TRADING SEGMENT - SUBSIDIARIES</b>							
TERNA ENERGY TRADING EOOD	Bulgaria	-	61.00	61.00	Full	TERNA ENERGY TRADING LTD	2015-2020
TETRA DOOEL SKOPJE	FYROM	-	61.00	61.00	Full	TERNA ENERGY TRADING LTD	2015-2020
TERNA ENERGY TRADING D.O.O	Serbia	-	61.00	61.00	Full	TERNA ENERGY TRADING LTD	2015-2020
TERNA ENERGY TRADING SHPK	Albania	-	61.00	61.00	Full	TERNA ENERGY TRADING LTD	2018-2020

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<b>CONCESSIONS SEGMENT - SUBSIDIARIES</b>							
HELLAS SMARTICKET S.A.	Greece	35.00	-	35.00	Full	-	2015-2020
PERIVALLONTIKI PELOPONNESE S.A.	Greece	100.00	-	100.00	Full	-	2015-2020
AEIFORIKI EPIRUS MAEES	Greece	100.00	-	100.00	Full	-	2017-2020

  

<b>CONCESSIONS SEGMENT – JOINT VENTURES</b>							
WASTE CYCLO S.A.	Greece	51.00	-	51.00	Equity	-	2015-2020

  

<b>CONSTRUCTION SEGMENT – JOINT VENTURES</b>							
J/V TENERGY-INDIGITAL-AMCO	Greece	70.00	-	70.00	Equity	-	2020

The percentages of voting rights of TERNA ENERGY SA in all the above participations coincide with the percentage the Company holds on the share capital of the companies.

The company HELLAS SMARTICKET SA ("HST") is fully consolidated as a subsidiary, as the Group exercises control over it in accordance with the requirements of IFRS 10.

\* Following the loss of control of the subsidiaries of TERNA DEN LLC Subgroup, which owns and operates the three (3) Wind Parks in Texas, USA (see Note 6), these companies do not have any substantial activity.

## 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.

It is to be noted that within the previous year (on 31/12/2020), the Group decided to redefine the way of presenting only the financial reporting per operating sector. This decision of the Management was based on its assessment that this change leads to providing more relevant information regarding the financial performance and the evaluation of the performance of the individual operating segments of the Group. In particular, the operating segments are presented before the write-offs made between the different operating segments for the purposes of the consolidated financial statements, in contrast to the previous presentation where the operating segments' results were presented after the write-offs between different segments. The Intersegment write-offs (which during the presentation of the individual operating segments carried out within them) are now

presented separately in a separate column "Intersegment consolidation write-offs". Additionally, on Constructions' segment is also included the construction of infrastructure performed under Concession arrangements.

For comparability purposes, the loss of control of the subsidiaries of the TERNA DEN LLC Sub-Group, which own and operate the three (3) Wind Parks in Texas, USA (see Note 6), is also reflected in the comparative figures of the first-half 2020. As a result, the information on operating segments of the first half of the year 2020, at Group level, is not identical with the published information of the Group for the first half of the year 2020.

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

- i. **Constructions:** The segment refers to development of Wind Parks 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. **Trade in electric energy:** The segment refers to trade in electric energy and includes as follows: Supply and sale of electric energy from and to the neighboring markets and the markets of Southeastern Europe/Development of the network of subsidiaries in the Balkan area with the objective of accessing the respective markets of electric energy/Participation in tenders for acquisition of rights for cross-border electric energy transmission. Acquisition of such rights is a requirement for the transmission of electric energy among the neighboring countries/ Continuing operations and analysis of options offered in the international markets of electric energy (on a daily, monthly and annual basis).
- iv. **Concessions:** The segment concerns operation of infrastructure and public sector projects (such as Unified Automatic Collection System and the municipal waste treatment facility in Epirus Region) in exchange for long-term operation of the above projects through provision of services to the public.

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Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2021</b>							
<b>Continuing operations</b>							
<b>Turnover</b>							
Sales of products and services	6,479	98,453	26,583	1,891	6,188	-	<b>139,594</b>
Intersegment revenue	8,549	-	-	-	-	(8,549)	-
<b>Total turnover</b>	<b>15,028</b>	<b>98,453</b>	<b>26,583</b>	<b>1,891</b>	<b>6,188</b>	<b>(8,549)</b>	<b>139,594</b>
Cost of sales	(13,025)	(43,055)	(26,825)	(1,769)	(5,222)	8,454	<b>(81,442)</b>
<b>Gross earnings</b>	<b>2,003</b>	<b>55,398</b>	<b>(242)</b>	<b>122</b>	<b>966</b>	<b>(95)</b>	<b>58,152</b>
Administrative and distribution expenses	(350)	(10,409)	(187)	(175)	(347)	-	(11,468)
Research and development expenses	(49)	(2,543)	-	-	-	-	(2,592)
Other revenue/(expenses) and other profit/(loss) - EBIT determinants	60	3,697	(69)	28	(2)	6	3,720
<b>EBIT from continuing operations</b>	<b>1,664</b>	<b>46,143</b>	<b>(498)</b>	<b>(25)</b>	<b>617</b>	<b>(89)</b>	<b>47,812</b>
Other revenue/(expenses) and other profit/(loss) - non-EBIT determinants	-	655	(8)	-	-	-	647
<b>EBIT from continuing operations</b>	<b>1,664</b>	<b>46,798</b>	<b>(506)</b>	<b>(25)</b>	<b>617</b>	<b>(89)</b>	<b>48,459</b>
Financial income	245	222	-	610	1,703	-	<b>2,780</b>
Financial expenses	(42)	(13,840)	(14)	(632)	(342)	10	<b>(14,860)</b>
Percentage of results of associates and joint ventures	-	214	-	-	-	-	<b>214</b>
<b>Earnings Before Tax</b>	<b>1,867</b>	<b>33,394</b>	<b>(520)</b>	<b>(47)</b>	<b>1,978</b>	<b>(79)</b>	<b>36,593</b>
Income tax	(610)	(6,659)	77	191	(472)	-	<b>(7,473)</b>
<b>Net profit for the year from continuing operations</b>	<b>1,257</b>	<b>26,735</b>	<b>(443)</b>	<b>144</b>	<b>1,506</b>	<b>(79)</b>	<b>29,120</b>
Depreciation	(40)	(23,927)	(16)	(72)	(7)	933	<b>(23,129)</b>
Amortisation of grants	-	2,688	-	-	-	-	<b>2,688</b>
<b>Discontinued operations</b>							
Turnover and other income of discontinued operations	-	32,132	-	-	-	-	<b>32,132</b>
Net losses for the period from discontinued operations	-	(94,383)	-	-	-	-	<b>(94,383)</b>
<b>Net (losses) / profit for the period</b>	<b>1,257</b>	<b>(67,648)</b>	<b>(443)</b>	<b>144</b>	<b>1,506</b>	<b>(79)</b>	<b>(65,263)</b>

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Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2021</b>							
Segment assets (less investments)	29,190	1,387,048	17,798	23,288	38,935	(34,344)	<b>1,461,915</b>
Investments in associates and joint ventures	-	4,983	-	-	-	-	<b>4,983</b>
<b>Total assets</b>	<b>29,190</b>	<b>1,392,031</b>	<b>17,798</b>	<b>23,288</b>	<b>38,935</b>	<b>(34,344)</b>	<b>1,466,898</b>
<b>Segment liabilities</b>	<b>6,642</b>	<b>984,969</b>	<b>10,973</b>	<b>31,253</b>	<b>24,654</b>	-	<b>1,058,491</b>
Long-term Loans	-	679,823	-	27,102	14,520	-	<b>721,445</b>
Short-term Loans	-	20,156	37	-	-	-	<b>20,193</b>
Long term liabilities carried forward	-	64,315	-	361	3,708	-	<b>68,384</b>
Cash and cash equivalents	(10,452)	(294,600)	(1,590)	6,668	(10,681)	-	<b>(310,655)</b>
Grants to be returned	-	3,024	-	-	-	-	<b>3,024</b>
Restricted deposits	-	(60,176)	(4,433)	(1,284)	-	-	<b>(65,893)</b>
<b>Net debt / (surplus)</b>	<b>(10,452)</b>	<b>412,542</b>	<b>(5,986)</b>	<b>32,847</b>	<b>7,547</b>	-	<b>436,498</b>
Lease liabilities	1,059	14,034	50	2	3	-	<b>15,148</b>
Capital expenditures for the year	33	69,625	-	43	-	(992)	<b>68,709</b>

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Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation write-offs	Consolidated Total
<b>30 June 2020 *</b>							
<b>Continuing operations</b>							
<b>Turnover</b>							
Sales of products and services	1,689	92,318	16,322	1,913	4,502	-	<b>116,744</b>
Intersegment revenue	14,025	-	-	-	-	(14,025)	-
<b>Total turnover</b>	<b>15,714</b>	<b>92,318</b>	<b>16,322</b>	<b>1,913</b>	<b>4,502</b>	<b>(14,025)</b>	<b>116,744</b>
Cost of sales	(14,264)	(37,285)	(16,179)	(1,288)	(3,862)	13,438	<b>(59,440)</b>
<b>Gross earnings</b>	<b>1,450</b>	<b>55,033</b>	<b>143</b>	<b>625</b>	<b>640</b>	<b>(587)</b>	<b>57,304</b>
Administrative and distribution expenses	(313)	(8,636)	(169)	(218)	(228)	-	<b>(9,564)</b>
Research and development expenses	(27)	(930)	-	(48)	-	-	<b>(1,005)</b>
Other revenue/(expenses) and other profit /(loss) - EBIT determinants	10	2,904	468	(11)	-	-	<b>3,371</b>
<b>EBIT from continuing operations</b>	<b>1,120</b>	<b>48,371</b>	<b>442</b>	<b>348</b>	<b>412</b>	<b>(587)</b>	<b>50,106</b>
Other revenue/(expenses) and other profit /(loss) - non-EBIT determinants	(107)	(1,427)	77	-	-	-	<b>(1,457)</b>
<b>EBIT from continuing operations</b>	<b>1,013</b>	<b>46,944</b>	<b>519</b>	<b>348</b>	<b>412</b>	<b>(587)</b>	<b>48,649</b>
Financial income	-	26	1	644	2,035	-	<b>2,706</b>
Financial expenses	(47)	(15,105)	(24)	(565)	(432)	1	<b>(16,172)</b>
Profit/(Loss) from financial instruments at fair value	-	-	-	-	-	-	-
<b>Earnings Before Tax</b>	<b>966</b>	<b>31,865</b>	<b>496</b>	<b>427</b>	<b>2,015</b>	<b>(586)</b>	<b>35,183</b>
Income tax	89	(6,187)	(99)	(106)	(473)	-	<b>(6,776)</b>
<b>Net profit for the year from continuing operations</b>	<b>1,055</b>	<b>25,678</b>	<b>397</b>	<b>321</b>	<b>1,542</b>	<b>(586)</b>	<b>28,407</b>
Depreciation	(21)	(21,058)	(9)	(52)	(17)	(839)	<b>(20,318)</b>
Amortisation of grants	-	2,653	-	-	-	-	<b>2,653</b>
<b>Discontinued operations</b>							
Turnover and other income of discontinued operations	-	49,757	-	-	-	-	<b>49,757</b>
Net losses for the period from discontinued operations	-	(2,335)	-	-	-	-	<b>(2,335)</b>

\*Amounts adjusted in order to include only continuing operations. The results from discontinued operations are disclosed separately and analyzed in a certain note (see Note 6), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".

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<b>Operating segments</b>	<b>Construction</b>	<b>Electricity from RES</b>	<b>Electricity trading</b>	<b>Waste management</b>	<b>E-Ticket</b>	<b>Intersegment consolidation write-offs</b>	<b>Consolidated Total</b>
<b>31 December 2020</b>							
Segment assets (less investments)	14,500	1,887,509	18,216	49,429	34,608	(34,264)	<b>1,969,998</b>
Investments in associates and joint ventures	-	4,629	-	-	-	-	<b>4,629</b>
<b>Total assets</b>	<b>14,500</b>	<b>1,892,138</b>	<b>18,216</b>	<b>49,429</b>	<b>34,608</b>	<b>(34,264)</b>	<b>1,974,627</b>
<b>Segment liabilities</b>	<b>3,429</b>	<b>1,410,914</b>	<b>10,100</b>	<b>32,843</b>	<b>21,672</b>	-	<b>1,478,958</b>
Long-term Loans	-	814,658	-	27,262	15,312	-	<b>857,232</b>
Short-term Loans	-	27,451	36	-	-	-	<b>27,487</b>
Long term liabilities carried forward	-	66,027	-	490	2,847	-	<b>69,364</b>
Cash and cash equivalents	-	(263,429)	(2,288)	(16,434)	(8,756)	-	<b>(290,907)</b>
Grants to be returned	-	3,024	-	-	-	-	<b>3,024</b>
Restricted deposits	-	(52,573)	(673)	-	-	-	<b>(53,246)</b>
<b>Net debt / (surplus)</b>	-	<b>595,158</b>	<b>(2,925)</b>	<b>11,318</b>	<b>9,403</b>	-	<b>612,954</b>
Lease liabilities	-	11,718	56	5	3	-	<b>11,782</b>
Equity interests having a substance of financial liability	-	281,263	-	-	-	-	<b>281,263</b>
Capital expenditures for the year	36	88,499	61	448	11	(183)	<b>88,872</b>

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<b>Geographical segments</b>	<b>Greece</b>	<b>Eastern Europe</b>	<b>USA</b>	<b>Consolidated Total</b>
<b>30/06/2021</b>				
Turnover	110,348	29,002	244	<b>139,594</b>
Non-current assets	865,964	117,078	2,839	<b>985,881</b>
Capital expenditure	68,495	7	207	<b>68,709</b>
<b>30/06/2020 *</b>				
Turnover	91,878	24,866	( )	<b>116,744</b>
<b>31/12/2020</b>				
Non-current assets	824,229	119,925	548,385	<b>1,492,539</b>
Capital expenditure	84,279	-	4,593	<b>88,872</b>

*\*Amounts adjusted in order to include only continuing operations. The results from discontinued operations are disclosed separately and analyzed in a certain note (see Note 6), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

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

During the period 01/01/ 2021 - 30/06/2021, an amount of € 71.78 million (51.4%) [01/01/2020 - 30/06/2020: € 73.05 million (62.6%)] of the Group's turnover comes from an external customer (Customer A) of the electricity sector.

## **6. LOSS OF CONTROL OVER THE GROUP'S 3 WIND PARKS IN TEXAS, USA - DISCONTINUED OPERATIONS**

### **6.1 Overview of the February 2021 Natural Phenomenon in Texas, USA and its Impact on Energy Consumption, Energy Infrastructure and Energy Costs**

On 11/02/2021, bad weather of unprecedented power and severity hit most areas of the State of Texas, adversely affecting the Group's activities [through TERNA ENERGY USA HOLDING CORP ("TERNA USA") and in particular the TERNA DEN LLC Subgroup ( which includes US subsidiaries that own and operate the Group's 3 Wind Parks in Texas - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I – of total capacity of 510MW - hereinafter referred to as "the three (3) Wind Parks")], as well as a significant number of other Texas power plants (not just renewables but also gas, coal, and nuclear power plants).

The phenomena began to hit the State severely and already as of 12/02/2021 and the 254 counties of the State of Texas were put in a state of disaster. Extremely low temperatures of up to -22oC were observed, with alternation to snowfall and icy rain, while the accumulation of ice on the wings of the Wind Park machines resulted in their shutdown due to eccentric load.

Extremely low temperatures resulted in:

- (i) the vertical increase in gas and electricity consumption (in the case of electricity, 20% higher consumption was recorded than projected by the grid operator).
- (ii) the insufficiency of available energy production that could not meet the increased demand. The deep cold has greatly affected the electromechanical mechanism in the energy infrastructure, while the electricity transmission and distribution network has suffered significant damages. Due to the combination of the above, the electricity generation capacity was significantly affected.
- (iii) the imposition of controlled / rolling blackouts by ERCOT in order to avoid a generalized blackout throughout the State of Texas and to reduce the demand for electricity in the available (reduced) production. Production capacity in the Texas system was at 50% of the declared as available until the onset of the Natural Phenomenon.
- (iv) the combined conditions of increased consumption and reduced production led to a dramatic increase in the price of electricity, which rose from a level of US \$ 20 / MWh to US \$ 9,000 / MWh, which is the maximum allowed by ERCOT.

Due to the generally strong fluctuations in electricity producer prices in Texas, 85% of total electricity generation at ERCOT is allocated through tariff hedging contracts, which, in practice share the risk between producers and their counterparties. In particular, the producers assume the obligation and the risk of production according to a promised profile (which is different per day, per season, or per hour, depending on the producer), while the counterparty assumes the obligation and the risk of purchasing the produced energy according to the agreed energy profile, at a specific price. In case the energy production deviates from the contractual profile, the market price is used.

In this case, as the producers could not produce energy for distribution to their counterparties according to the contractual provisions (as it was the case in the Wind Parks of the TERNA ENERGY sub-Group), the counterparties proceeded to purchase this energy from the free market against the prevailing up to US \$ 9,000 / MWh and

invoiced the producers the difference between the energy purchase price and the respective agreed / contract price (approximately US \$ 20 / MWh), thus causing enormous financial burdens on the producers.

It is noted that all three wind parks in Texas, returned to full operation between 20 and 23 February 2021.

### **6.2 Financial burden on the three (3) Wind Parks of the Group as a result of the Natural Phenomenon**

In the case of the Group's three Wind Parks, these conditions generated an energy shortfall of approximately \$ 30 million per day and ultimately amounted to \$ 179.4 million. In particular, the counterparties Merrill Lynch Commodities, Inc., Morgan Stanley Capital Group Inc. and JPMorgan Chase Bank respectively (hereinafter referred to as "Hedge Providers"), on the basis of the existing hedging contracts with the three Wind Parks, issued Liquidated Damages invoices, covering the period from 13 to 19 February 2021, totally amounting to \$ 179.4 million, allocated as follows: Fluvanna 1 \$ 32.7 million, Fluvanna 2/Gopher Creek \$ 69.6 million and Bearkat \$ 77.1 million.

These invoices were disputed and were not accepted by the Group, as the Management invoked the occurrence of a Force Majeure Event – see Note 6.3.

### **6.3 Actions and decisions of the Management of TERNA ENERGY Group**

The previous risk analysis was performed with the contribution of the best market consultants which did not include the occurrence of a similar event. At the same time, insurance coverage could not cover the event, as no projections were made for such an event in the risk analysis of the insurance companies.

The Management of the Group moved quickly from the first moments of the occurrence of the Natural Phenomenon and proceeded with all the necessary actions, in order to notify the Hedge Providers in time for the occurrence of a Force Majeure Event. With this action, the goal of the Group Management was to activate the contractual provision for the exemption of the three (3) Wind Parks from the obligation to provide energy to Hedge Providers due to force majeure.

The occurrence of Force Majeure was not accepted by the Hedge Providers, as a result of which they proceeded within February 2021 with invoices for unqualified energy ("Liquidated Damages invoices"), which cover the period from 13 to 19 February 2021.

Throughout the onset of the phenomenon, daily discussions with all stakeholders (Hedge Providers, Tax Equity Investors, Lender) and their legal advisors continued with increasing intensity, in order to minimize the adverse effects on the Group. While these discussions were ongoing, the Group Management considered the following three possible actions: (a) Maintaining the three (3) Wind Parks and appealing to the competent courts to initiate a legal dispute with Hedge Providers over the pricing of non-supplied energy (Liquidated Damages invoices) covering the period from the 13th to the 19th of February 2021; Class B interests), (b) finding a mutually acceptable commercial solution to the dispute with the Hedge Providers and (c) divesting from the three (3) Wind Parks in the USA (Class B interests).

After the thorough examination of the above actions by the Management, it was found that the smallest possible impact on the financial results of the Group would result from the choice of the third action, as through the divestment, the loss for the Group is limited to € 94.38 million Euros (see Note 6.4 below for details). In particular, the Management of the Group, after a thorough examination of all data and conditions, decided to enter into an agreement for the sale of 100% of the shares of Class B (membership interests) of the subsidiaries that own and operate the three (3) Wind Parks in Texas towards the lending bank "CI-II FLUVANNA BK / S" ("CIP"), in exchange for the release of the loan obligations of the company TERNA DEN LLC (100% parent of these subsidiaries, which financed the construction of the Wind Parks through borrowing from the CIP). In addition, this solution implies the exemption of the Group from loans and Equity instruments having a substance of financial liability of € 509.74 million (\$ 605.78 million) on 30/06/2021.

Note 6.4 below presents the Management's decision to divest from the three (3) Wind Parks in Texas, as well as the total accounting loss recognized as a result of the consolidated results for the first half of 2021. Finally, it is emphasized that the loss from Disinvestment from the 3 Wind Parks in Texas is a non-recurring event, the effects of which have no effect either on the TERNA ENERGY USA HOLDING GROUP in the USA or in the senior parent company TERNA ENERGY. As a result of the above, apart from the accounting loss, no liquidity or financing issues arose for the Group.

#### **6.4 Deemed disposal of three (3) Wind Parks in Texas, USA, following the Put & Call Option Agreement which resulted in the loss of control**

As a consequence of all the above, and as a result of the continuous consultations and discussions with all the involved parties that started immediately after the occurrence of the Natural Phenomenon, the Management signed on 19/07/2021, with a date of entry into force of 30/06/2021, Put & Call Option Agreement with the lending bank CI-II Fluvanna BK / S (hereinafter "CIP") regarding the sale of Class B Interests held by the Group to the subsidiaries Sponsor Bearkat I Holdco LLC ("Sponsor Bearkat I"), Fluvanna Investments 2 LLC ("Gopher HoldCo") and Fluvanna 1 Investor Inc ("Fluvanna HoldCo") - hereinafter referred to as "the three (3) Wind Parks" or "Disposal Group of Entities".

According to the terms of the signed agreement, CIP (through its affiliated companies) has the right to purchase the Class B Interests of the above companies, and the Group has the right to sell the said holdings. The exercise price of the purchase and sale options was set at 1 US Dollar (\$ 1.00) plus the theoretical repayment of the Group's borrowings to CIP, i.e., the Group's lender bank for financing, through TERNA DEN LLC, the construction of the 3 Wind Parks.

In accordance with the terms of the agreement and the requirements of IFRS 10 "Consolidated Financial Statements", the Management of the Group assessed that it lost on 30/06/2021, the control of the above three (3) Wind Parks, while up to 30/09/2021 was set the deadline for the completion of the Transaction and the transfer of company shares to the Buyer. The said transfer of the company shares completed on 30/09/2021 with the signing of the relevant sale agreement (see detailed Note 28). In particular, according to the definitions of IFRS 10, control exists when the investor exercises power over the investee, holds positions or variable returns

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rights from the investor's participation and has the ability to use his power over the investee in order to influence the amount of its returns. From the evaluation of the contractual rights deriving from the Put & Call Option Agreement, the Management assessed that, from 30/06/2021 and onwards, it has lost the element of power over the three (3) Wind Parks in Texas, USA. Therefore, the Group divested from these investments, through the theoretical sale (deemed disposal) due to the Put Call Options Agreement, which led to a substantial loss of control (the three (3) Wind Parks were considered as a Disposal Group of Entities according to the requirements of the IFRS 5 "Non-current Assets Available for Sale and Discontinued Operations"). The deemed sale of the companies took place against the theoretical consideration equal to the amount of 1 US Dollar (\$ 1.00) plus the theoretical repayment of the existing loan received by the Group through TERNA DEN in order to finance the construction of these Wind Parks (non-cash consideration that essentially relates to the transfer of loans to the Buyer at the date of completion of the transaction - see Notes 15 and 28).

As a result of all the events described above, on 30/06/2021, the Group deconsolidated its participation in the three (3) US Wind Parks (Class B Interests). In the consolidated Financial Statements for the six-month period ended 30/06/2021, the Gains / (Losses) of these Wind Parks which were fully consolidated, as well as the result obtained from the theoretical sale (deemed disposal), have been included in item "Profit / (Loss) after taxes from discontinued operations" (see Note 6.5).

In detail, the book values of the net assets of the above Wind Parks at the date of loss of control are as follows:

<b>Deemed disposal as a result of the Put Call Option Agreement, which led to a loss of control</b>	<b>Book values at the date of loss of control</b>
<b>Assets</b>	
Non-current assets	536,560
Current assets other than cash	22,070
Cash and cash equivalents	8,031
<b>Total assets</b>	<b>566,661</b>
<b>Liabilities</b>	
Long-term loan liabilities	8,602
Equity instruments having a substance of financial liability	233,141
Other Long-Term liabilities	29,610
Short-term loans	28,264
Equity instruments having a substance of financial liability (short-term part)	45,379
Current liabilities including liabilities to Hedge Providers from invoicing of non-supplied energy ("Liquidated Damages invoices")	136,267
<b>Total liabilities</b>	<b>481,263</b>
<b>Net assets disposed</b>	<b>85,398</b>

Respectively, the calculation of the result of the above transactions is analyzed as follows:

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Cash consideration (\$ 1.00)	0
Theoretical repayment of CIP bank loans (lender bank of TERNA DEN to finance the construction of the 3 Wind Parks) - Non-cash consideration	194,356
<b>Theoretical selling price (a)</b>	<b>194,356</b>
<b>Disposal costs (b)</b>	<b>1,423</b>
<b>Book value of the Disposal Group of Entities (c)</b>	<b>85,398</b>
<b>Profit from the presumed sale of the 3 Wind Parks as a result of the loss of control (a) - (b) - (c)</b>	<b>107,535</b>
Less: Reclassification of other comprehensive income related to discontinued operations in current period results	(39,925)
<b>Total profit from the presumed sale as a result of the loss of control</b>	<b>67,610</b>
Results from the discontinued operations of the 3 Wind Parks for the period 01/01 – 30/06/2021	(161,993)
<b>Overall results from discontinued operations (see Note 6.5.2)</b>	<b>(94,383)</b>

The amount of profit was calculated as the difference between the theoretical consideration less the estimated disposal costs of the above holdings of the Group and the book value of the Disposal Group of Entities at the date of loss of control. As a result of the decision of the Group Management to de-consolidate from the investments in the 3 Wind Parks in Texas, USA, the total loss for the Group was reduced from € 161.99 million to € 94.38 million. No liquidity or financing issues arose for the Group.

In accordance with the above details, the presumed sale of the three (3) Wind Parks took place instead of the theoretical consideration equal to the amount of 1 US Dollar (\$ 1.00) plus the theoretical repayment of the existing loan received by the Group (through their parent company TERNA DEN) to finance the construction of these Wind Parks. Based on the requirements of IFRS, it was deemed appropriate to offset the above receivable (non-cash theoretical price of the sale transaction) with the borrowings of the Group (theoretical repayment of loan obligations of TERNA DEN LLC, through the transfer of this liability to the buyer). The presentation of the above receivable and loan liabilities on an offsetting basis, reflects the future cash flows of the Group from the settlement of these financial instruments. The offset reflects the substance of the transaction and was made on the basis that there is a legally strong right to set off the above-mentioned amounts (based on the relevant terms of the contract) and further the Group intends to settle the assets and the liability on an offsetting basis. The relevant settlement (theoretical repayment of Group loan liabilities to CIP) took place on 30/09/2021, when Class B Interests shares were transferred to the Buyer, ie the relevant Sale Agreement was signed (Purchase Sale Agreement) (see Note 28).

## 6.5 Discontinued Operations of the Group

### 6.5.1 Discontinued operations for the comparative reporting period (01/01 - 30/06/2020)

The data of the consolidated Statement of Comprehensive Income for the comparative reporting period (01/01 - 30/06/2020) have been restated in order to include only the continuing operations. The discontinued operations of the comparative period include:

- The results of the 3 Wind Parks (Sponsor Bearkat I, Gopher HoldCo and Fluvanna HoldCo) in Texas, USA for the period 01/01 - 30/06/2020 (due to the loss of control on 30/06/2021 - see Note 6.3 ).
- The results of the Mountain Air Wind Park in Idaho, USA for the period 01/01 - 30/06/2020 (due to sale on 15/07/2020), as a result of the decision of the Management to divest from the (3) remaining parks he owned in the USA in 2021. More specifically, in the annual Financial Statements for the year 2020, the data of the Income Statement of the said Wind Park (for the period 01/01 - 15/07/2020), as well as the result obtained from the sale were included in the results of continued operations, as, based on the definition of discontinued companies and the criteria of IFRS 5, this transaction did not constitute a discontinued operation for the Group's activities. Specifically, after the sale of Mountain Air, the Group continued to operate the remaining three (3) Wind Parks with a total capacity of approximately 510 MW, in the state of Texas, therefore this sale did not represent for the Group an interruption of a significant separate line business activity or a separate significant geographical area of activity. Given the developments that took place in 2021 (see Note 6.3), the Group no longer has the activity of production and sale of electricity in the USA and for this purpose and for the correct presentation of the comparative results, the Mountain Air Park was presented under the discontinued operations of the Group for the comparative period of the first half of 2020.

The Group, despite the above developments and the absence of activity in the production and sale of energy in the US, remains oriented towards its stay in the US market. Specifically, the Management's plan is to continue the development of TERNA ENERGY in the US clean energy market, focusing on the further exploitation of investment opportunities that produce significant value for shareholders.

### 6.5.2 Net Results of the Group from Discontinued Operations

The net results of the Group from discontinued operations for the periods 01/01 - 30/06/2021 and 01/01 - 30/06/2020 are analyzed as follows:

	<b>01/01 - 30/06/2021</b>	<b>01/01 - 30/06/2020</b>
Turnover	32,132	49,757
Cost of sales	(21,337)	(29,977)
<b>Gross profit</b>	<b>10,795</b>	<b>19,780</b>
Administration and distribution expenses	(104)	(223)
Other Income/(Expenses)	(145,360)	4,802
<b>Results from Operating Activities</b>	<b>(134,669)</b>	<b>24,359</b>
Financial Income	259	47
Financial Expenses	(19,447)	(25,606)
Losses from financial instruments valued at fair value	(7,991)	(861)
<b>Losses before income tax</b>	<b>(161,848)</b>	<b>(2,062)</b>
Income tax	(145)	(274)
<b>Net operating losses</b>	<b>(161,993)</b>	<b>(2,336)</b>
Less: Reclassification of other comprehensive income related to discontinued operations in current period results	(39,925)	-
Profit from the presumed sale of the 3 Wind Parks as a result of the loss of control	107,535	-
<b>Net loss for the period from discontinued operations</b>	<b>(94,383)</b>	<b>(2,336)</b>

The table below presents the net cash flows from operating, investment and financial activities related to discontinued operations for the periods 01/01 - 30/06/2021 and 01/01 - 30/06/2020:

	01/01- 30/06/2021	01/01- 30/06/2020
<b>Cash flow analysis of discontinued operations</b>		
Net cash flows from operating activities	(28,581)	44,931
Net cash flows from investment activities	-	(182)
Net cash flows from financial activities	26,313	(32,574)
<b>Total net cash flows from discontinued operations</b>	<b>(2,268)</b>	<b>12,175</b>

The basic earnings per share from discontinued operations for the presented half-year periods 01 / 01-30 / 06/2021 and 01 / 01-30 / 06/2020 amount to € (0.81554) and € (0.02099) respectively (see detailed calculation method in Note 13). There are no diluted earnings per share from discontinued operations.

## 7. INTANGIBLE ASSETS

The summarised movement of the intangible fixed assets of the Group and the Company is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Unamortized value on January 1</b>	<b>50,301</b>	<b>25,344</b>	<b>2,283</b>	<b>2,110</b>
Additions of the period	400	379	332	91
Amortisation of the period from discontinued operations	-	(168)	-	-
Amortisation of the period	(604)	(577)	(148)	(159)
Change due to acquisition	-	30,611	-	-
Exchange rate differences	1	(24)	-	-
<b>Unamortized value of June 30</b>	<b>50,098</b>	<b>55,565</b>	<b>2,467</b>	<b>2,042</b>

The intangible assets of the Group mainly include licenses for production, installation, and operation of power stations as well as intervention and use rights of areas with forest character, where the Wind Parks worth of € 47,410 thousand are installed (31/12/2020: € 47,834 thousand). During the current reporting period, the Company recognized intangible assets (software programs), amounting to € 332 thousand.

During the comparative period, the Group recognized intangible assets (Wind Park licenses), amounting to € 30,611 thousand as a result of the acquisition of the subsidiary RF ENERGY OMALIES SA, which was subsequently renamed TERNA ENERGY OMALIES SA (see Details Note 7.1 of the Annual Financial Statements for the year ended 31/12/2020). These intangible assets will start to be depreciated on the date of completion of the construction of the respective park and the date of electrification of the Wind Parks, with a useful life of 25 years. Within the six-month reporting period, there was no need to recognize relevant impairment losses.

**8. TANGIBLE ASSETS**

The summarised movement of the tangible fixed assets of the Group and the Company, is as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Unamortized value on January 1</b>	<b>1,346,966</b>	<b>1,543,307</b>	<b>75,586</b>	<b>80,387</b>
Additions of the period	68,108	56,606	1,648	412
Borrowing Cost	109	1,385	8	-
Impairment / write-offs for the period	(2,547)	(20)	-	-
Rehabilitation forecasts	92	369	-	-
Depreciation of the period from discontinued operations (see Note 6.4, 6.5)	(11,915)	(17,448)	-	-
Depreciation of the period	(21,999)	(19,345)	(3,059)	(2,998)
Change due to acquisition	-	3,353	-	-
Reductions from loss of control of subsidiaries (see Note 6.4)	(536,560)	-	-	-
Exchange rate differences	18,040	(7,391)	-	-
<b>Unamortized value of June 30</b>	<b>860,294</b>	<b>1,560,816</b>	<b>74,183</b>	<b>77,801</b>

The additions of the Group for the first half mainly concern additions of the category "Fixed assets under construction" amounting to € 55,929 thousand, of which:

- amount of € 16,083 thousand concerns the construction of a Wind Park at TARATSA (33.6 MW) in the Municipality of Thiva through the subsidiary AIOLIKI PROVATA TRAINOYPOLEOS S.A.
- amount of € 16.304 thousand concerns the construction of a cluster consisting of 11 Wind Parks with a total capacity of 213 MW in Evia, namely the W / F OMALIES 30MW, W / F OMALIES II 15MW, W / F KORAKOVRACHOS 21MW, W / F KORAKOVRACHOS II 6MW, W / F KALAMAKI 12MW, W / F KALAMAKI II 18MW, W / F MILZA 18MW, W / F MOLIZEZA I 18MW, W / F DEXAMENES II 15MW, W / F PRARO 36MW and W / F MEGALI PETRA 24M, through the subsidiary TERNA ENERGY OMALIES MAE
- amount of € 12,912 thousand concerns the construction of the Wind Park in the location TSOUKA-SKOURA (32.4 MW) in the Municipality of Karystos through the subsidiary TERNA ENERGY AVETE & SIA ENERGY KAFIREOS EVIAS G.P.

In addition, the Group's period additions include an amount of € 11,356 thousand which relates to advances to the Company's construction suppliers, which for the Group are classified as advances for the acquisition of fixed assets (see Note 11).

The reductions from loss of control of subsidiaries, fixed assets of net book value of € 536,560 thousand, concern the loss of control, on 30/06/2021, of the subsidiaries of the TERNA DEN LLC Sub-Group, which own and operate the three (3) Wind Parks in Texas, USA (see in detail Note 6.4).

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The amount of € 860,294 thousand of the account of the tangible assets of the Group as at 30/06/2021 mainly concerns: (a) "Fixed assets under construction" amounting to € 95,092 thousand for the Group and € 11,662 thousand for Company and (b) "Technological and mechanical equipment" amounting to € 688,943 thousand for the Group and € 56,278 thousand for the Company, which includes Wind Park turbines that have been pledged to credit institutions to secure long-term loans.

The Group and the Company, for the needs of financing their new projects, establish a fictitious pledge on their equipment as well as real encumbrances (usually a mortgage note) on their real estate assets to secure the lenders.

### 9. OTHER LONG-TERM RECEIVABLES

The account Other Long-term Receivables as at 30/06/2021 and 31/12/2020 is analyzed as follows:

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Loans to subsidiaries of the Group & other related companies	688	679	122,174	107,559
Guarantees granted	1,538	1,684	854	1,310
Withholdings of invoiced receivables	2,082	2,082	2,082	2,082
Other long-term financial receivables	978	978	811	811
Impairments	(812)	(812)	(812)	(812)
<b>Total</b>	<b>4,474</b>	<b>4,611</b>	<b>125,109</b>	<b>110,950</b>

The Company participates in bond loan issues of subsidiaries. These loans are being repaid either through bank loans or through premature repayments at their maturity date and carry an interest rate within the range of 3.25% - 4%. During the first half of 2021, loans amounting to € 24,965 thousand were granted to subsidiaries and loans of € 4,000 thousand were repaid by subsidiaries.

### 10. FINANCIAL ASSETS – CONCESSIONS

The Group constructs and operates three concession contracts:

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

In particular, on 27/03/2019, the project "Municipal Solid Waste Treatment Plant of Epirus Region" (hereinafter MEA Epirus) commenced commercial operation. The project was implemented by Epirus Region and "Aeiforiki of Epirus" (a 100% subsidiary of TERNA ENERGY company), with the contribution of the Public & Private Partnerships (PPP) Special Secretariat. With Waste Treatment Plant of Epirus, an important part of the Regional Waste Management Plan (PESDA) of Epirus Region has been implemented, in compliance with the National Waste Management Plan (ESDEA) and European legislation. The maximum annual capacity of MEA Epirus is 105,000 tn. MEA Epirus will be recycling a total of 17,000 tons of appropriate materials and will be producing 10,800 KWh/year of Green Energy, capable of covering the needs of 3,000 families, saving 12,000 tons of CO<sub>2</sub>.

**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.

On 29/01/2021 the above partnership agreement (PPP) entered into force and during the first half of 2021, in addition to the actions related to the permits-studies of the project, the following were carried out: surveys of the supply of materials, equipment and subcontracting works, mobile equipment orders and basic equipment design processes. In addition, the following were carried out: a) at the Waste Management Unit of Arcadia: earthworks (general excavations-embankments), paving works (street and square rehabilitation), excavations and remediation works for the foundation of buildings, reinforced concrete works for buildings, fencing and fire-fighting works, drilling and concreting works of retaining wall piles, archeological sections, excavation and embankment works of foundries, excavation works of foundry drainage wells, and other related works and b) at the Waste Management Unit of Argolida: permanent embankment construction works, preload embankment construction works, installation of wire boxes in the area of the reinforced embankment and installation of controls.

#### **Financial Contribution of Peloponnese Region**

On 26/04/2021 the Peloponnese Region paid the amount of € 11,701 thousand which corresponds to an advance payment of the Financial Contribution of article 36.3 of the Partnership Agreement. This amount has reduced the item "Financial Assets - Concessions" and in particular is included in the line "Decreases in financial

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item” of the following table. Finally, the authority has paid the amount of € 712 thousand which corresponds to the price of the transfer of ownership of the land areas concerning the Waste Management Unit of Messinia, the units of Corinth and Argolida, as well as € 1,190 thousand for the expropriation costs of the land areas of the units of Arcadia and Laconia.

Detailed information on the accounting policy followed and the concessions mentioned above is presented in Note 4.12 of the annual financial statements of the Group for the year ended December 31, 2020.

The analysis of the changes of the generated Financial Assets - Concessions as well as the revenue per category are analyzed as follows:

	Unified Automated System for Ticket Collection	Installation of civil waste processing Epirus Region	Installation of civil waste processing Peloponnese Region	Total
<b>Financial Assets - Concessions</b>				
<b>Opening balance as at 1 January 2020</b>	<b>24,441</b>	<b>16,659</b>	<b>3,308</b>	<b>44,408</b>
Decreases in financial item	(6,151)	(314)	3,574	<b>(2,891)</b>
Reversion of discounting	3,859	1,268	240	<b>5,367</b>
Impairment/Reversion of impairment based on IFRS 9	30	39	(1)	<b>68</b>
<b>Closing balance as at 31 December 2020</b>	<b>22,179</b>	<b>17,652</b>	<b>7,121</b>	<b>46,952</b>
<b>Opening balance as at 1 January 2021</b>	<b>22,179</b>	<b>17,652</b>	<b>7,121</b>	<b>46,952</b>
Decreases in financial item	(3,249)	(870)	(7,014)	<b>(11,133)</b>
Reversion of discounting	1,703	610	245	<b>2,558</b>
<b>Closing balance as at 30 June 2021</b>	<b>20,633</b>	<b>17,392</b>	<b>352</b>	<b>38,377</b>
<b>Analysis of revenues per category first half 2020</b>				
Revenue from construction services	–	212	565	<b>777</b>
Revenue from operation services	3,790	1,913	–	<b>5,703</b>
Reversion of discounting	2,035	621	23	<b>2,679</b>
<b>Total</b>	<b>5,825</b>	<b>2,746</b>	<b>588</b>	<b>9,159</b>
<b>Analysis of revenues per category first half 2021</b>				
Revenue from construction services	1,099	–	5,412	<b>6,511</b>
Revenue from operation services	3,964	1,891	–	<b>5,855</b>
Reversion of discounting	1,703	610	245	<b>2,558</b>
<b>Total</b>	<b>6,766</b>	<b>2,501</b>	<b>5,657</b>	<b>14,924</b>

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

### Trade receivables

The reduction of trade receivables by € 36,695 thousand compared to the year 2020, is mainly due to:

- the fact of the loss of control, on 30/06/2021, of the subsidiaries of the TERNA DEN LLC Sub-Group, which own and operate the three (3) Wind Parks in Texas, USA (see in detail Note 6) as well as,
- the increase of the payment rates of DAPEEP as well as to the collection of receivables from the operating Wind Parks for which on 31/12/2020 the process of issuing operating licenses had not been completed. It is noted that DAPEEP has almost repaid the receivables due.

### Receivables from contracts with customers

The reduction of receivables from contracts with customers by € 11,710 thousand compared to the year 2020, is due to the fact of seasonality and specifically to the fact that the production forecast for June 2021 is lower than that of December 2020.

### Prepayments and other receivables

Prepayments and other receivables of the Group and the Company as of June 30, 2021 and December 31, 2020, are analyzed as follows:

### Prepayments and other financial receivables

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Short-term component of long-term intragroup loans and finance leases	-	-	11,910	3,335
Restricted deposits	65,893	53,246	7,830	4,746
Other intra-group receivables/receivables from related parties	1,587	577	38,761	10,878
Other receivables	2,101	2,490	629	528
Impairments	(33)	(33)	(9)	(9)
Receivable from Deemed Disposal of the 3 Wind Parks in Texas (Note 6.4)	194,356	-	-	-
	<b>263,904</b>	<b>56,280</b>	<b>59,121</b>	<b>19,478</b>
Offsetting of CIP bank loans with Receivable from Deemed Disposal of the 3 Wind Parks in Texas (Note 6.4)	(194,356)	-	-	-
<b>Total</b>	<b>69,548</b>	<b>56,280</b>	<b>59,121</b>	<b>19,478</b>

**Prepayments and other non-financial receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>	<b>30/06/2021</b>	<b>31/12/2020</b>
Prepayments to suppliers	3,969	2,970	15,298	1,510
Prepayments to insurance funds (Technical Projects Social Security)	317	345	297	334
VAT for return - offsetting	12,047	8,488	2,193	1,534
Receivables from other taxes except for income tax	127	78	-	-
Prepaid expenses and transitory debit accounts	10,848	6,139	5,511	1,222
Receivables form grants	1,479	1,479	-	-
<b>Total</b>	<b>28,787</b>	<b>19,499</b>	<b>23,299</b>	<b>4,600</b>
<b>Total prepayments and other receivables</b>	<b>98,335</b>	<b>75,779</b>	<b>82,420</b>	<b>24,078</b>

On 30/06/2021, in the item "Short-term component of long-term intragroup loans and finance leases" of the Company, an amount of € 6,621 thousand is included, which concerns transfer to short-term receivables from long-term intercompany loans, of the common bond loan € 13,487 million between ENERGIAKI PELOPONNISOUSA ("Issuer") and TERNA ENERGY SA ("Bondholder"), with a maturity date of 15/06/2022.

On 30/06/2021, the item "Other intra-group receivables/receivables from related parties" of the Company includes an amount of € 27,677 thousand that concerns the approved dividends of subsidiaries, of which, until the accompanying financial statements approval date, an amount of € 21,979 k was collected (Note 21).

According to the details presented in Note 6.4 of the Interim Condensed Financial Statements, the deemed disposal of the three (3) Wind Parks took place in exchange for a theoretical consideration of € 194,357 thousand, which is equal to the amount of 1 US Dollar (\$ 1.00) in addition to the theoretical repayment of the existing loan received by the Group (through their parent company TERNA DEN) to finance the construction of these Wind Parks. Based on the requirements of IFRS, it was considered appropriate to offset these loan liabilities (theoretical repayment of loan liabilities of TERNA DEN LLC, through the transfer of this liability to the Buyer) with the specific requirement (non-cash theoretical price of the sale transaction). The presentation of the above receivable and the loan liabilities on a net basis reflects the future cash flows of the Group from the settlement of these financial instruments. The set-off was made on the basis that there is a legally strong right to set off the above mentioned amounts (based on the relevant terms of the contract) and further the Group intends to settle the assets and liabilities on a clearing basis. The relevant settlement (theoretical repayment of Group loan liabilities to CIP) took place on 30/09/2021, when Class B Interests shares were transferred to the Buyer, ie the relevant Sale Agreement was signed (Purchase Sale Agreement) (see Note 28).

The increase in the item "Prepayments to suppliers" of the Company, is mainly due to advances related to the construction activity of the Group. It is noted that for the Group, the advances for new Wind Parks are advances for the acquisition of fixed assets. Therefore, at a consolidated level, they are classified under item "Tangible assets".

The change in "Receivables from VAT" is mainly due to the VAT (to be returned or to be offset) which derives from the construction of new projects by the Group's subsidiaries.

The increase in the item "Prepaid expenses and other transitory assets" of both the Group and the Company, is mainly due to prepayments related to the commencement, on 29/01/2021, of the construction of the PPP project "Integrated Waste Management of Peloponnese Region".

## 12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group and the Company as of June 30, 2021 and December 31, 2020, are analyzed as follows:

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Cash in hand	3	3	-	-
Sight deposits	310,652	290,904	34,622	59,825
<b>Total</b>	<b>310,655</b>	<b>290,907</b>	<b>34,622</b>	<b>59,825</b>

The Group's cash and cash equivalents includes amounts for return, of € 3,024 thousand (31/12/2020: € 3,024 thousand) (the Company's cash and cash equivalents do not include amounts to be returned for both the current and the previous period), which relate to grants received, 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 has not been reimbursed until the date of approval of the attached financial statements, as the relevant audit by the competent services has not been completed.

In addition, on 30/06/2021, the Group and the Company maintain restricted deposits amounting to € 65,893 k and € 7,830 k respectively (31/12/2020: € 53.246 k for the Group and € 4,746 k for the Company), which are held in specific bank accounts for the servicing of its short-term operating and financial liabilities. These restricted deposits are classified under the item "Prepayments and other receivables" (Note 11).

## 13. SHARE CAPITAL – EARNINGS PER SHARE

As at 30/06/2021 the share capital of the Company amounts to € 34,756,527.00 divided into 115,855,090 common registered voting shares, with a nominal value of € 0.30 each. The share premium amounts to € 209,870 thousand on 30/06/2021.

### Treasury shares

The Company during the period 01/01/2021 - 30/06/2021 purchased 221,500 treasury shares with a nominal value of € 66,450.00 and a purchase value of € 2,708,709.98. The total number of treasury shares held by the Company on 30/06/2021 amounted to 221,500 shares with a total cost of € 2,708,709.98. These shares represented a percentage of 0.19% of the paid-up share capital of the Company.

**Distribution of Dividends**

On 23/06/2021, the Ordinary General Meeting of the Company's Shareholders convened and approved the distribution of a dividend of € 0.17 per share, i.e. a total amount of € 19,695 thousand for the year 2020, from the Company's reserves of article 48 of Law 4172/2013, in accordance with article 162, par. 3 of Law 4548/2018. On 12/07/2021, the Company proceeded to the payment of the above approved dividend. Given that this amount is subject to withholding tax of 5%, according to article 24 of Law 4646/2019, the shareholders received a total net amount of € 18,710,597.04, i.e. a net amount of € 0.1615000 per share. This amount was increased by the dividend corresponding to the 221,500 treasury shares held by the Company on the cut-off date. Therefore, the shareholders received a total amount of € 0.170325641 per share, i.e. a total net amount of € 0.161809359 per share.

**Earnings per share**

Basic earnings per share were calculated through the weighted average number of ordinary shares, excluding the weighted average number of treasury shares. No adjustment is made to profits (numerator). Finally, no diluted earnings per share are effective regarding the Group and the Company in the six-month period ended as at 30/06/2021 and the respective comparative six-month period.

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

The Group has entered into agreements with "Tax Equity Investors" (hereinafter "TEI") in the USA in order to make the best possible use of tax benefits, provided by the local legislation. According to these agreements, the cash flows and tax benefits generated by Wind Parks are distributed conventionally amongst investors (tax equity investors, hereinafter "TEI") and the Group. The accounting policy applied in respect of the aforementioned financial liabilities is analytically presented in Note 4.11.5(iii) to the annual publicized consolidated and separate financial statements for FY ended as at 31/12/2020.

According to what is mentioned in detail in Note 6 of the Financial Statements, on 30/06/2021, the Group lost control of the subsidiaries of the sub-Group TERNA DEN LLC, which own and operate the three (3) Wind Parks in Texas, USA. As a result of this fact, the Group derecognized the balance on 30/06/2021, of the Equity instruments having a substance of financial liabilities, amounting to € 278,520 thousand (\$ 330,992 thousand).

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

	<b>GROUP</b>	
	<b>30/06/2021</b>	<b>31/12/2020</b>
Financial liabilities	–	193,654
Deferred income (*)	–	42,530
<b>Long-term component</b>	–	<b>236,184</b>
Long-term financial liabilities payable in the following year	–	45,079
<b>Short-term component</b>	–	<b>45,079</b>
<b>Total</b>	–	<b>281,263</b>

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

Changes in equity instruments having a substance of financial liabilities during the interim period 01/01/2021 - 30/06/2021 and the respective six-month comparative period of 2020 are analyzed as follows:

	GROUP	
	30/06/2021	30/06/2020
<b>Financial liabilities</b>		
<b>Opening balance</b>	<b>238,733</b>	<b>323,947</b>
Received from TEI	1,507	529
Distribution of cash to TEI	(166)	(2,432)
Value of tax benefits transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	(22,608)	(24,260)
Period's interest transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	11,525	14,844
Reductions from loss of control of subsidiaries (see Note 6.4)	(236,626)	-
Exchange differences transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	7,635	(1,170)
<b>Closing balance</b>	<b>-</b>	<b>311,458</b>
<b>Deferred income</b>		
<b>Opening balance</b>	<b>42,530</b>	<b>51,825</b>
Value of tax benefits transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	1,377	741
Amortization of tax benefits transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	(3,371)	(3,478)
Reductions from loss of control of subsidiaries (see Note 6.4)	(41,893)	-
Exchange differences transferred to the results of the period from discontinued operations (see Note 6.4, 6.5)	1,357	(165)
<b>Closing balance</b>	<b>-</b>	<b>48,923</b>

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

As a consequence of the fact of the loss of control that took place on 30/06/2021, for the first half of 2021, the value of the tax losses of € 3,371 thousand attributed to the TEI, and is recognized in other income (Note 20), based on fixed depreciation method during the contract, was transferred to the line "Results for the period from discontinued operations" (first half of 2020: € 3,478 thousand).

As a result of the fact of the loss of control that was carried out on 30/06/2021, for the first half of 2021, the value of PTCs amounting to € 21,231 thousand, which are related to the energy production of the Wind Park based on actual production, and is recognized in turnover, was transferred to the line "Results for the period from discontinued operations" (first half of 2020: € 23,519 thousand).

## 15. BORROWINGS

Changes in short-term and long-term borrowings of the Group and the Company as at 30/06/2021 and 30/06/2020 are summarized as follows:

	GROUP		COMPANY	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
<b>Long-term loans</b>				
<b>Opening balance</b>	<b>857,232</b>	<b>906,518</b>	<b>343,792</b>	<b>304,086</b>
New borrowing	100,076	21,992	12,870	57,100
Loans repayment	(7,164)	(2,259)	–	(14,311)
Capitalization of interest	(785)	1,262	552	212
Transfer between long-term and short-term components of liabilities	(38,648)	(28,396)	9,747	(23,407)
Interest for the period from discontinued operations (see Note 6.4, 6.5)	1,954	1,594	–	–
Change due to acquisition	–	(563)	–	–
Reductions from loss of control of subsidiaries (see Note 6.4)	(8,602)	–	–	–
Foreign currency translation differences	5,655	(2,507)	–	–
<b>Balance of Long-term loans (a)</b>	<b>909,718</b>	<b>897,641</b>	<b>366,961</b>	<b>323,680</b>
Offsetting with Receivable from Deemed Disposal of the 3 Wind Parks in Texas (Note 6.4)	(188,273)	–	–	–
<b>Closing balance (b)</b>	<b>721,445</b>	<b>897,641</b>	<b>366,961</b>	<b>323,680</b>
<b>Long-term liabilities payable in the following fiscal year</b>				
<b>Opening balance</b>	<b>69,364</b>	<b>70,214</b>	<b>31,467</b>	<b>39,926</b>
Loans repayment	(38,695)	(31,120)	(7,033)	(6,948)
Capitalization of interest	(119)	(7,685)	2,140	601
Transfer between long-term and short-term components of liabilities	38,648	28,396	(9,747)	23,407
Interest for the period from discontinued operations (see Note 6.4, 6.5)	5,142	8,396	–	–
Foreign currency translation differences	127	(270)	–	–
<b>Balance of Long-term liabilities payable in the following fiscal year (c)</b>	<b>74,467</b>	<b>67,931</b>	<b>16,827</b>	<b>56,986</b>
Offsetting with Receivable from Deemed Disposal of the 3 Wind Parks in Texas (Note 6.4)	(6,083)	–	–	–
<b>Closing balance (d)</b>	<b>68,384</b>	<b>67,931</b>	<b>16,827</b>	<b>56,986</b>

TERNA ENERGY GROUP

Interim Condensed Financial Statements as of June 30th 2021

(Amounts in Euro thousand unless stated otherwise)

<b>Short-term loans</b>				
<b>Opening balance</b>	<b>27,487</b>	<b>36,453</b>	<b>10,013</b>	<b>5,165</b>
New borrowing	24,054	145,174	10,000	57,000
Loans repayment	(3,726)	(51,464)	–	(32,000)
Capitalization of interest	(464)	1,483	143	249
Interest for the period from discontinued operations (see Note 6.4, 6.5)	393	329	–	–
Reductions from loss of control of subsidiaries (see Note 6.4)	(28,264)	–	–	–
Foreign currency translation differences	713	(172)	–	–
<b>Closing balance (e)</b>	<b>20,193</b>	<b>131,803</b>	<b>20,156</b>	<b>30,414</b>
<b>Total borrowings (a) + (c) + (e)</b>	<b>1,004,378</b>	<b>1,097,375</b>	<b>403,944</b>	<b>411,080</b>
Offsetting with Receivable from Deemed Disposal of the 3 Wind Parks in Texas (Note 6.4)	(194,356)	–	–	–
<b>Total Borrowings (b) + (d) + (e)</b>	<b>810,022</b>	<b>1,097,375</b>	<b>403,944</b>	<b>411,080</b>

According to the details presented in Note 6.4 of the Interim Condensed Financial Statements, the deemed disposal of the three (3) Wind Parks took place in exchange for a theoretical consideration of € 194,357 thousand, which is equal to the amount of 1 US Dollar (\$ 1.00) in addition to the theoretical repayment of the existing loan received by the Group (through their parent company TERNA DEN) to finance the construction of these Wind Parks. Based on the requirements of IFRS, it was considered appropriate to offset these loan liabilities (theoretical repayment of loan liabilities of TERNA DEN LLC, through the transfer of this liability to the Buyer) with the specific requirement (non-cash theoretical price of the sale transaction). The presentation of the above receivable and the loan liabilities on a net basis reflects the future cash flows of the Group from the settlement of these financial instruments. The set-off was made on the basis that there is a legally strong right to set off the above mentioned amounts (based on the relevant terms of the contract) and further the Group intends to settle the assets and liabilities on a clearing basis. The relevant settlement (theoretical repayment of Group loan liabilities to CIP) took place on 30/09/2021, when Class B Interests shares were transferred to the Buyer, ie the relevant Sale Agreement was signed (Purchase Sale Agreement) (see Note 28).

The Group's long-term loans mainly concern financing its business activities and mainly pertain to financing construction and operation of installations in relation to renewable energy sources. The Group's short-term loans pertain to bank borrowings received at regular intervals and renewable in proportion to the needs. Collected amounts are mainly used in order to cover liquidity needs during the Wind Parks construction period of the Group's energy sector.

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

To secure the Group loans, Wind Parks generators are collateralized, as well as cash while insurance contracts, receivables from the sale of electric energy to DAPEEP or/and HEDNO and debt securities (subsidiaries' bonds owned by the parent company and subsidiaries' shares) are pledged to banks. In the context of this form of

financing, the Group's companies maintain a series of restricted bank accounts, which serve the above liabilities. The submitted collaterals exceed the amount of the Group's loan liabilities.

As at 30/06/2021, the total borrowings include amounts of subordinated loans (non-recourse debt to the parent company) of € 500,254 thousand, while the amounts of loans with the right of recourse to the parent company (recourse debt) amount to € 309,768 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 30, 2021 of € 147,758 thousand.

### **New Borrowings**

New loans, issued by the Group in the first six-month period of 2021, was mainly used to finance investments in Wind Parks of subsidiaries and repay short-term bank loans potentially issued in order to finance timely and prompt implementation of their construction schedule, namely:

- Regarding Wind Parks "Pyrgari-Dardiza", "Karabyla" and "Galossi" of the subsidiary AIOLIKI MARMARIOU EVIAS MAE, the remaining bond loan of nominal value of € 13,771 thousand was drawn, based on the loan agreement signed in 2020. The duration of the loan was set at 14 years expiring in 2034. The interest rate was set at 6 month Euribor plus margin.
- Regarding Wind Parks "Mesokipi" and "Agriachladia" of the subsidiary ENERGIAKI DYSTION EVIAS S.A., the remaining bond loan of nominal value of € 8,501 thousand was drawn, based on the loan agreement signed in 2020. The duration of the loan was set at 14 years expiring in 2034. The interest rate was set at 6 month Euribor plus margin.
- Regarding Wind Parks "Voureza", "Koskina Lakka" and "Pyrgari II" of the subsidiary AEOLIKI EASTERN GREECE S.A., the remaining bond loan of nominal value of € 14,277 thousand was drawn, based on the loan agreement signed in 2020. The duration of the loan was set at 14 years expiring in 2034. The interest rate was set at 6 month Euribor plus margin.
- For the Wind Park "Chylos" of the subsidiary company ENERGIAKI FERRON EVROS MAE, a bond loan with a nominal value of € 10,570 thousand was raised. The long-term bond loan undertaken is a refinancing, under more favorable terms, of the bond loan taken out in 2013, of amortized amount of € 3,110 thousand. The duration of the loan was set at 11 years with maturity in the year 2032. The interest rate was set at 6 month Euribor plus margin.
- For the Wind Park "Logkarakia" of the subsidiary AEOLIKI ILIOKASTROU SA, a bond loan with a nominal value of € 11,125 thousand was raised. The long-term bond loan undertaken is a refinancing, under more favorable terms, of the bond loan taken out in 2015, of amortized amount of € 5,773 thousand. The duration of the loan was set at 9 years with maturity in the year 2030. The interest rate was set at 6 month Euribor plus margin.
- The new borrowings include the raising of € 54.9 million for the financing of discontinued operations. Due to the loss of control of Wind Parks of USA on 30/6/2021 as a result of the Put and Call Option Agreement (see Note 6) the total borrowing of the Group decreased by € 231.2 million.

The Group has the obligation to maintain specific financial ratios relating to bond loans. As at 30 June 2021, the Group was in full compliance with the required limits of these ratios, according to the provisions of the respective loan agreements.



The total changes in fair value recognized in other comprehensive income amounted to a loss of € 38,642 thousand (first half of 2020: loss of € 11,516 thousand). Within the current reporting period and due to the above mentioned loss of control, a loss of € 39,219 thousand was reclassified from the relevant account "Reserve of differences from cash flow hedging risk" to the results for the period from discontinued operations.

### **16.1 Forward Interest Rate Swaps**

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

The objective of interest rate swaps is to offset the risk of adverse 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 30/06/2021 throughout the time horizon of such contracts.

The fair value of these contracts as at 30/06/2021 amounted to a total net liability of € 5,340 thousand (with the total nominal value of the contracts amounting to € 267,871 thousand for Greece and Bulgaria). As at 30/06/2021, 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 € 3,052 thousand (first half of 2020: loss € 1,135 thousand) was recognized in the item "Cash flow hedging" in the other comprehensive income. These financial liabilities are classified in the fair value hierarchy at level 2 (see Note 25).

### **16.2 Derivatives for hedging changes in energy market prices**

#### **16.2.1 Fixed for floating swap contract "HERON EN.A" Plan**

On 25/01/2021, HERON, in collaboration with TERNA ENERGY Group presented in the Greek market the so-called "HERON EN.A", through which TERNA ENERGY Group has agreed to sell the production of Renewable Energy Sources (RES) to HERON for 25 years. Based on this agreement, TERNA ENERGY Group will be receiving fixed cash flows from the EN.A plan, while it will be paying the floating cash flows (Proxy Market Revenues) to HERON (fixed for floating swap contract).

The fair value of this derivative on 30/06/2021 amounted to a total liability of € 566 thousand. On 30/06/2021, 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 € 566 thousand was recognized in the item "Cash flow hedging" in the other comprehensive income. This financial liability has been classified in the fair value hierarchy at level 3 (see Note 25).

#### **16.2.2 Hedging derivatives in energy purchase prices for the Group's RES investments in the USA**

On 31/12/2020, the fair value of hedging derivatives utilized against the changes in energy purchase prices for the Group's RES investments in USA was determined at a net receivable of € 10,289 thousand.

On 31/05/2021, the Group prematurely terminated a collar type option as well as a swaption type option. The fair value as of 31/12/2020 that was derecognized, implied a net receivable of € 2,569 thousand. Also, the early termination resulted in an additional cost of € 1,618 thousand, which is included in the "Results for the period from discontinued operations".

According to what is mentioned in detail in Note 6 of the Financial Statements, on 30/06/2021, the Group lost control of the subsidiaries of the sub-Group TERNA DEN LLC, which own and operate the three (3) Wind Parks in Texas, USA. As a result of the event of the loss of control, the fair value as of 31/12/2020 that was derecognized, implied a net receivable of € 7,720 thousand. In addition, within the six-month period ended 30/06/2021, a loss of € 7,991 thousand in the results of the period from changes in the fair value from the above derivatives, was transferred to the "Results for the period from discontinued operations". For purposes of comparability, the corresponding loss of € 861 thousand recognized in the first half of 2020 in the item "Losses from financial instruments at fair value" was transferred to the "Results for period from discontinued operations". Furthermore, the total changes in fair value recognized in the item "Cash flow hedging" of the statement of other comprehensive income, which is later reclassified in the results, amounted to a loss of € 39,219 thousand (first half of 2020: loss of € 10.381 thousand) and relate to the discontinued operations in the USA.

## 17. OTHER PROVISIONS

Changes in other provisions of the Group and the Company in the six-month period ended as at 30/06/2021 and 30/06/2020 respectively are briefly recorded below as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Balance 1 January</b>	<b>21,346</b>	<b>21,550</b>	<b>4,309</b>	<b>4,111</b>
Provision recognized in the income statement	439	587	105	99
Provision recognized in property, plant and equipment	92	369	-	-
Provisions for the period from discontinued activities (see Note 6.4, 6.5)	145	-	-	-
Reductions from loss of control of subsidiaries (see Note 6.4)	(5,133)	-	-	-
Foreign exchange differences	180	(156)	-	-
<b>Balance 30 June</b>	<b>17,069</b>	<b>22,350</b>	<b>4,414</b>	<b>4,210</b>

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

The companies of the Group's energy sector are under obligation to proceed with environmental rehabilitation in locations, where the Wind Parks, producing electricity, are installed, and following the completion of this

phase, based on the effective licenses granted by the states where the Wind Parks have been installed. The above provision for the Group as of 30/06/2021 amounts to € 16,174 thousand (€ 21,456 thousand as of 30/06/2020) and for the Company to € 3,654 thousand (€ 3,450 thousand as of 30/06/2020) and reflects the discounted value of the expenses required for the removal of equipment and restoration of the area in which the equipment used to be installed, using current technology and materials.

The remaining amount of the provisions pertains to provisions for pending legal cases and tax inspection differences (Note 27).

## 18. GRANTS

Changes in the grants of the Group and the Company as at 30/06/2021 and 30/06/2020 are briefly described as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Balance 1 January</b>	<b>82,140</b>	<b>134,322</b>	<b>17,657</b>	<b>18,916</b>
Amortisation recognized in the income statement (Note 20)	(2,688)	(2,653)	(629)	(629)
Results for the period from discontinued operations (see Note 6.4, 6.5)	-	(1,323)	-	-
Foreign exchange differences	33	(380)	-	-
<b>Balance 30 June</b>	<b>79,485</b>	<b>129,966</b>	<b>17,028</b>	<b>18,287</b>

Grants relate to government grants for the development of Wind Parks and are amortized in the income statement for the period they refer to, according to the depreciation rate of granted fixed assets. The above grants are being amortised in the revenue side only to the extent which corresponds to any fully completed and operating Wind Parks.

The "Grants" include approved though not collected grants, totaling € 1,479 k, classified as "Prepayments and other receivables" (see Note 11). These grants were recognized based on the Group Management's certainty that all the terms and conditions, facilitating their collecting, are complied with and that eventually the amounts will be received following the completion of the relevant investments.

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

The item "Other long-term liabilities" of the Interim Condensed Financial Statements of 30/06/2021 amounting to € 10,606 thousand (31/12/2020: € 10,290 thousand) concerns the liability of a contingent consideration related to the acquisition of the company "RF Energy Omalies MAE ". This liability is discounted using an appropriate discount rate of 6.14%. The fair value of the liability for any consideration will be measured at each reporting date and up to the date of its final measurement and payment, i.e. until 31/12/2022.

Accrued Short-term Liabilities of the Group and the Company as at 30/06/2021 and 31/12/2020 are analyzed as follows:

	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Accrued and other short-term financial liabilities</b>				
Liabilities from dividends payable and capital return	19,861	213	19,373	213
Other liabilities from related parties	299	265	181	151
Employee fee due	382	341	325	285
Accrued expenses	4,197	8,865	912	1,967
Sundry creditors	2,237	1,227	678	770
<b>Total</b>	<b>26,976</b>	<b>10,911</b>	<b>21,469</b>	<b>3,386</b>
	GROUP		COMPANY	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Other short-term non-financial liabilities</b>				
Liabilities from taxes-duties other than income tax	3,161	4,384	1,202	1,857
Social security funds	529	511	450	432
Grants to be returned (Note 18)	3,024	3,024	-	-
<b>Total</b>	<b>6,714</b>	<b>7,919</b>	<b>1,652</b>	<b>2,289</b>

On 31/12/2020, the item "Accrued expenses" includes the amount of an extraordinary levy imposed for the financial year 2020 - for addressing the side effects of the coronavirus pandemic - for RES projects in Feed-in Tariff regime that have been placed into operation prior to December 31, 2015. The levy is estimated at an amount equal to 6% of the turnover from RES energy production for the year 2020 and for the Group amounted to € 5,252 thousand. This amount decreased to € 2,915 thousand for the first half of 2021 and is expected to settle at zero by the end of the year.

The item "Liabilities from dividends payable and capital return" of both the Group and the Company, includes an amount of € 19,160 thousand, which relates to the Company's obligation to distribute a dividend of € 0.17 per share, i.e. a total amount of € 19,695 thousand for the year 2020 minus the withholding part of 5% of the dividend tax amounting to € 535 thousand according to the decision of the Ordinary General Meeting of the Company's Shareholders dated 23/06/2021. This obligation was repaid on 12/07/2021 (for more information, see Note 13).

## 20. OTHER REVENUE / (EXPENSES)

Other revenue / (expenses) as of June 30<sup>th</sup> 2021 and 2020 respectively are analyzed in the table below as follows:

### Other income

	GROUP		COMPANY	
	01/01 - 30/06/2021	01/01 - 30/06/2020	01/01 - 30/06/2021	01/01 - 30/06/2020
<b>Other income</b>				
Income from sale of waste material	11	-	11	7
Income from leases	14	24	35	44
Income from transfer of expenses	17	-	2,684	-
Income from insurance indemnities	263	309	193	137
Income from the forfeiture of guarantees received and penalties clauses	94	650	-	-
Grants amortisation (Note 18)	2,688	2,653	629	629
Income from expense grants	116	-	116	-
Other income	717	52	240	68
Impairment recovery	50	-	50	-
Foreign exchange differences (credit)	647	-	-	-
<b>Total other income from continuing operations</b>	<b>4,617</b>	<b>3,688</b>	<b>3,958</b>	<b>885</b>
Total other income from discontinued operations	3,485	4,802	-	-
<b>Total other income</b>	<b>8,102</b>	<b>8,490</b>	<b>3,958</b>	<b>885</b>

### Other expenses

	GROUP		COMPANY	
	01/01 - 30/06/2021	01/01 - 30/06/2020	01/01 - 30/06/2021	01/01 - 30/06/2020
<b>Other expenses</b>				
Remuneration of engineers, designers, technical consultants and third parties	-	-	(2,585)	-
Donations - grants	(5)	-	(2)	-
Non accounted for fixed assets depreciation	(1)	(1)	(1)	(1)
Other expenses	(239)	(114)	(186)	(98)
Tax, duties and insurance contribution of previous years and penalties and surcharges	(5)	(201)	(2)	(177)
Impairments/write-offs	-	(25)	-	(25)
Foreign exchange differences (debit)	-	(1,433)	(1)	(1)
<b>Total other expenses from continuing operations</b>	<b>(250)</b>	<b>(1,774)</b>	<b>(2,777)</b>	<b>(302)</b>
Total other expenses from discontinued operations	(148,845)	-	-	-
<b>Total other expenses</b>	<b>(149,095)</b>	<b>(1,774)</b>	<b>(2,777)</b>	<b>(302)</b>
<b>Total other income/(expenses) from continuing operations</b>	<b>4,367</b>	<b>1,914</b>	<b>1,181</b>	<b>583</b>
Total other income/(expenses) from discontinued operations	(145,360)	4,802	-	-
<b>Total other income/(expenses)</b>	<b>(140,993)</b>	<b>6,716</b>	<b>1,181</b>	<b>583</b>

The item "Remuneration of engineers, designers, technical consultants and third parties" of the Company amounting to € 2,585 thousand, includes administrative support expenses of the Company for the period 01/01/2021 - 30/06/2021, which are then passed on to the Group's subsidiaries. Income from the transfer of these expenses is included in the item "Income from transfer of expenses".

## **21. REVENUE FROM PARTICIPATIONS INTEREST AND OTHER INVESTMENTS**

The item "Revenue from participations interest and other investments" includes the revenue from dividends required by the Company from its subsidiaries. As at June 30th 2021, total revenue from dividends stands at € 27,677 k (30/06/2020: € 26,869 k), of which, as until the accompanying Interim Condensed Financial Statements approval date, an amount of € 21,979 k was collected.

## **22. NUMBER OF PERSONNEL**

The average headcount of full-time employees in the Group in the first six-month of 2021 was 341, and in the Company 198 (330 and 192 respectively in the first six-month of 2020).

## **23. INCOME TAX**

The tax rate for legal entities in Greece in the year 2021 after the enactment of Law 4799/2021 which amended par. 1 of no. 58 of Law 4172/2013 is set at 22% while for the year 2020 it was 24%. The effect from this reduction of the tax rate in the first half of 2021, on the results and other comprehensive income of the Group amounted to income of € 2,136 thousand and a loss of € 338 thousand respectively.

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

Income tax expense is recorded based on the management's best valuation on the weighted average annual tax rate for a full year. For the Group, the weighted tax rate for the six-month period ended 30/06/2021 was 20.42 %, while it was negative for the Company (2.82) %. The negative tax rate for the Company has arisen mainly due to income from dividends of subsidiaries, exempted from income tax. In the corresponding comparative period of 2020, the tax rate for the Group was 19.26 % and for the Company (3.46) %.

Tax return statement is submitted on an annual basis but declared profits or losses remain provisional until the tax authorities inspect the taxpayer's books and records and issue a final audit report.

In February 2021 the Company received an order from the Tax Authorities for a partial tax audit of the fiscal years 2015 and 2016, to be conducted by the Audit Authority for Large Enterprises (KEMEP). This audit has

started and the Company's Management estimates that the audit is not expected to have a significant impact on the results of the Company and the Group.

The Group annually estimates any contingent liabilities, expected to arise from the audit of past years, making relevant provisions where appropriate. The Group made provisions of € 560 k for tax non-inspected years and the Management believes that apart from the provisions made, any potentially arising tax amounts will not have a significant impact on the Group's and Company's equity, results and cash flows. Information regarding tax non-inspected years is presented in Notes 4 and 27.1 to the Financial Statements.

## 24. TRANSACTIONS WITH RELATED PARTIES

The transactions of the Company and the Group with related parties for the period 01/01/2021 - 30/06/2021 and the comparative six-month period 01/01/2020 - 30/06/2020, as well as the other receivables and liabilities arising from such transactions as of 30/06/2021 and 31/12/2020, are as follows:

### The Company's transactions with subsidiaries

#### a) Assets

##### Amounts in € '000

Trade receivables	
Long-term loans	
Short-term part of receivables from long-term intercompany loans	
Intercompany receivables from cash and other receivables	
Dividends receivable	
<b>Total</b>	

Company	
30/06/2021	31/12/2020
38,155	27,441
122,174	94,559
11,910	3,335
1,549	2,159
28,666	-
<b>202,454</b>	<b>127,494</b>

#### b) Liabilities

##### Amounts in € '000

Suppliers	
Long-term loans	
Long-term liabilities payable in the following year	
Other liabilities	
<b>Total</b>	

Company	
30/06/2021	31/12/2020
2,549	1,503
284,999	256,279
3,299	16,911
-	680
<b>290,847</b>	<b>275,373</b>

#### c) Income

##### Amounts in € '000

Income from trading electric energy	
POC construction material	
Repairs and maintenance	
Other services	
Other income and sales	
Financial Income	
<b>Total</b>	

Company	
01/01 - 30/06/2021	01/01 - 30/06/2020
3,290	252
10,909	14,357
3,101	2,638
1,524	1,402
3,202	154
2,335	2,065
<b>24,361</b>	<b>20,868</b>

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(Amounts in Euro thousand unless stated otherwise)

**d) Expenses**

	Company	
	01/01 - 30/06/2021	01/01 - 30/06/2020
<b>Amounts in € '000</b>		
Electric energy acquisition cost	4,653	3,002
Fees and other third party expenses	35	-
Other expenses	23	115
Financial expenses	4,912	4,804
<b>Total</b>	<b>9,623</b>	<b>7,921</b>

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

	Company	
	01/01 - 30/06/2021	01/01 - 30/06/2020
<b>Amounts in € '000</b>		
Income from dividends	27,677	26,869
<b>Total</b>	<b>27,677</b>	<b>26,869</b>

**Transactions with other related parties**

**a) Assets**

	Group		Company	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Amounts in € '000</b>				
Trade receivables	1,782	4,667	1,782	2,870
Loans and Guarantees	2,095	2,741	2,090	1,977
Prepayments and other receivables	1,500	319	-	42
<b>Total</b>	<b>5,377</b>	<b>7,727</b>	<b>3,872</b>	<b>4,889</b>

**b) Liabilities**

	Group		Company	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
<b>Amounts in € '000</b>				
Suppliers	689	2,351	559	1,271
Short-term loans	5	-	-	-
Other liabilities	7,610	2,980	7,610	155
<b>Total</b>	<b>8,304</b>	<b>5,331</b>	<b>8,169</b>	<b>1,426</b>

**c) Income**

	Group		Company	
	01/01 - 30/06/2021	01/01 - 30/06/2020	01/01 - 30/06/2021	01/01 - 30/06/2020
<b>Amounts in € '000</b>				
Income from construction services	593	-	593	-
Income from trading electric energy	894	160	-	-
Other income	29	426	29	30
Financial Income	9	17	-	7
<b>Total</b>	<b>1,525</b>	<b>603</b>	<b>622</b>	<b>37</b>

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(Amounts in Euro thousand unless stated otherwise)

d) Expenses

Amounts in € '000	Group		Company	
	01/01 -	01/01 -	01/01 -	01/01 -
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Electric energy acquisition cost	53	43	-	-
Fees and other third party expenses	1,250	577	697	286
Other expenses	159	273	310	265
Financial expenses	4	32	2	3
<b>Total</b>	<b>1,466</b>	<b>925</b>	<b>1,009</b>	<b>554</b>

The most significant transactions and balances of the Company with its subsidiaries as at 30/06/2021 are presented below as follows:

		ASSETS	LIABILITIES	INCOME	EXPENSES
TERNA ENERGY FINANCE SPSA	Subsidiary	1	147,673		2,654
ENERGIKI SERVOUNIOU S.A.	Subsidiary	2,176	14,990	5,958	296
TERNA ENERGY EVROU S.A.	Subsidiary	3,610	42,746	3,709	746
ENERGIKI DERVENOHORION SA	Subsidiary	2,107	3,566	2,200	66
AIOLIKI MARMARIOU EVIAS S.A.	Subsidiary	16,305	-	489	-
ENERGIKI DYSTION EVIAS S.A.	Subsidiary	9,250	-	389	-
ENERGIKI STYRON EVIAS S.A.	Subsidiary	13,100	-	387	-
AIOLIKI EASTERN GREECE SA	Subsidiary	14,149	-	1,375	-
AIOLIKI PASTRA ATTIKIS S.A.	Subsidiary	5,079	4,070	5,165	70
ENERGIKI PELOPONNISOU S.A.	Subsidiary	16,380	-	547	-
TERNA ENERGIKI AI GIORGIS S.A.	Subsidiary	2,458	-	888	-
TERNA AIOLOKI AMARYNTHOU S.A.	Subsidiary	1,279	-	159	-
PERIVALLONTIKI PELOPONNISOU S.A.	Subsidiary	22,743	18,730	4,043	35
AEIFORIKI EPIRUS MAEES	Subsidiary	9,099	37	1,773	28
TETRA DOOEL SKOPJE	Subsidiary	272	1,965	1,821	3,514
TERNA ENERGY TRADING D.O.O	Subsidiary	813	419	1,469	1,139
		<b>118,821</b>	<b>234,196</b>	<b>30,372</b>	<b>8,548</b>

**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 01/01/2021-30/06/2021 and 01/01/2020-30/06/2020 are presented below as follows:

	Group		Company	
	01/01 -	01/01 -	01/01 -	01/01 -
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Fees of Board of Directors	1,190	849	1,080	700
Remuneration granted to executives who are executive members of the Board of Directors	549	497	359	321
	<b>1,739</b>	<b>1,346</b>	<b>1,439</b>	<b>1,021</b>

**25. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE**

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

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

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

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

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

The Group's and the Company financial assets and financial liabilities measured at fair value as at 30/06/2021 and 31/12/2020, classified in the aforementioned levels of hierarchy, are as follows:

**30 June 2021**

<b>Financial Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other short-term investments	4,297	–	–	4,297
Investments in equity instruments	–	–	2,528	2,528
Receivables from derivatives	–	36	–	36
<b>Total</b>	<b>4,297</b>	<b>36</b>	<b>2,528</b>	<b>6,861</b>
<b>Financial Liabilities</b>				
Liabilities from derivatives	–	5,376	566	5,942
Contingent consideration due to acquisition of assets	–	–	10,606	10,606
<b>Total</b>	<b>–</b>	<b>5,376</b>	<b>11,172</b>	<b>16,548</b>
<b>Net Fair Value</b>	<b>4,297</b>	<b>(5,340)</b>	<b>(8,644)</b>	<b>(9,687)</b>

**31 December 2020**

<b>Financial Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Other short-term investments	2,212	–	–	2,212
Investments in equity instruments	–	–	2,753	2,753
Receivables from derivatives	–	–	14,544	14,544
<b>Total</b>	<b>2,212</b>	<b>–</b>	<b>17,297</b>	<b>19,509</b>
<b>Financial Liabilities</b>				
Liabilities from derivatives	–	8,392	4,255	12,647
Contingent consideration due to acquisition of assets	–	–	10,290	10,290
<b>Total</b>	<b>–</b>	<b>8,392</b>	<b>14,545</b>	<b>22,937</b>
<b>Net Fair Value</b>	<b>2,212</b>	<b>(8,392)</b>	<b>2,752</b>	<b>(3,428)</b>

There were no changes in valuation technique 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 the six-month period 01/01/2021 - 30/06 2021 and FY 2020.

The level 2 derivative financial instruments relate to forward rate swap contracts, while those of level 3 relate to a fixed for floating swap contract of the HERON EN.A plan and the possible consideration from the acquisition of assets (see Note 19). 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 plan, their fair value is determined 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 19), was determined based on the probability - weighted payout approach, as at the acquisition date. The fair value of the consideration was determined at € 11,590 k and was measured at its present value, i.e. at an amount of € 10,290 k, using an appropriate discount rate of 6.14%. The fair value of the liability for contingent consideration is measured at every reporting date and until the date of its final measurement and payment, i.e. until 31/12/2022.

### Valuations at fair value through Level 3

The movement of financial instruments classified in Level 3 of the Group for the six-month period ended 30/06/2021 and for the year 2020 is presented as follows:

	30/06/2021			31/12/2020		
	Investments in equity interests	Derivatives	Contingent consideration from acquisition of assets	Investments in equity interests	Derivatives	Contingent consideration from acquisition of assets
<b>Opening balance</b>	<b>2,753</b>	<b>10,289</b>	<b>(10,290)</b>	<b>2,418</b>	<b>5,666</b>	<b>-</b>
- Purchase / addition	281	(566)	-	774	-	(10,290)
- Capital return	(249)	-	-	-	-	-
- Impairment	(257)	-	-	(439)	-	-
- Financial cost	-	-	(316)	-	-	-
- Impact from valuation	-	-	-	-	5,481	-
- Results of the period from discontinued operations (see Note 6.4, 6.5)	-	(47,500)	-	-	-	-
- Reductions from loss of control of subsidiaries (see Note 6.4)	-	37,554	-	-	-	-
- Foreign exchange differences	-	(343)	-	-	(858)	-
<b>Closing balance</b>	<b>2,528</b>	<b>(566)</b>	<b>(10,606)</b>	<b>2,753</b>	<b>10,289</b>	<b>(10,290)</b>

For the analysis of derivatives, see Note 16 for details. Level 3 assets relate to investments in non-publicly traded companies with a holding interest of less than 20%. With regard to the contingent consideration see Note 19.

The carrying amounts of the following financial assets and liabilities approximate their fair value due to their short-term nature:

- Trade and other receivables
- Cash available
- Suppliers and other liabilities

## **26. EFFECTIVE LIENS**

In order to cover financing needs regarding new projects, the Company and the Group issue notional collateral on its current assets as well as liens (usually in the form of mortgages) on its non-current assets as guarantees to the creditors. Additional information regarding such collaterals is presented in Notes 8 and 15.

## **27. CONTINGENT ASSETS AND LIABILITIES**

### **27.1 Non audited Tax Years**

The Group's tax liabilities are not final as there are non-inspected tax years, which are analyzed in Notes 4 and 23 to the accompanying Financial Statements of the semi-annual period ended on 30/06/2021. 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 k (31/12/2020: € 560 k). 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.

Pursuant to relevant tax provisions: a) paragraph 1 of article 84 of law 2238/1994 (non-inspected income tax cases), b) paragraph 1 of article 57 of law 2859/2000 (non-inspected VAT tax cases) and c) paragraph 5 of article 9 of Law 2523/1997 (imposition of penalties for income tax cases), the right of the State to levy tax for the fiscal years up to 2014 has expired on 31 / 12/2020, without prejudice to special or exceptional provisions that may provide for a longer limitation period and subject to the provided conditions.

In addition, in the absence of an existing Stamp Duty Code, the relevant State claim for stamp duty is subject to twenty-year limitation under Article 249 of the Civil Code for cases generated until FY 2013. From 1 / 1.2014 and after the entry into force of Law 4174/2013, the limitation period for the imposition of stamp duty is limited to 5 years, since the procedures for its imposition and collection are now in line with the provisions of the Tax Procedures Code.

In addition, on February 10, 2021, the company received a mandate for a partial tax audit for the years 2015 and 2016. This audit has commenced and the Management estimates that the audit is not expected to have a significant impact on the financial results of the Company and the Group.

### **Tax Compliance Reports**

For the years 2011 to 2019, the Group companies operating in Greece and meeting the relevant eligible criteria for the tax audit by the Certified Public Auditors received a Tax Compliance Report in accordance with paragraph 5 of article 82 of Law 2238/1994 and article 65A par. 1 Law 4174/2013, without substantial differences arising. It is to be noted that according to the circular POL. 1006/2016, the companies that have been subject to the aforementioned special tax audit are not exempted from statutory tax audit by the competent tax authorities. Further, according to the relevant legislation, for the fiscal years 2016 onwards, the audit and the issuance of the Tax Compliance Report are optional.

For the fiscal year 2020, for the Group companies operating in Greece and have been subject to the optional tax audit of the Certified Public Accountants, this special audit for obtaining the Tax Compliance Report is in progress and is expected to be completed after the publication of the accompanying Interim Condensed Financial Statements. The Tax Compliance Report will be received upon its final submission by the Certified Auditors to the tax authorities. At the completion of these tax audits, the Management does not expect any significant tax liabilities to arise beyond those that have been recognized in the financial statements of the Group and the Company.

It should be noted that according to POL. 1192/2017, the right of the State to charge tax until the fiscal year 2014 has been limited unless the special provisions of 10 years, 15 years and 20 years of limitation apply.

### **27.2 Commitments from construction contracts**

The outstanding balance of the projects from construction contracts of the Group settles on 30/06/2021 at the amount of € 104.9 million (31/12/2020: € 107.8 million) which includes the outstanding balance (backlog) from concession contracts of € 100.4 million (31/12/2020: € 105.1 million).

### **27.3 Litigations**

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

In this context, the Group recognized as at 30/06/2021 provisions of € 335 k (31/12/2020: €335 k). The Management, as well as legal consultants, consider that outstanding cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company, or the results of their operation apart from the provision already made for litigations.

In particular:

### **Contingent Liabilities**

**TERNA ENERGY S.A.**

- Legal action was taken against Terna Energy S.A. by the residents of the Municipality of Sitia, Lassithi, Crete regarding a total amount of € 2.523 k. for tort law property and moral damage due to the Company's acquisition of a license for a locally established Wind Park electricity production. According to the Company's legal consultants, the lawsuit will not be settled successfully for the claimant. The lawsuit was to be heard on 15/10/2015, when it was postponed at the request of the plaintiffs for 07/12/2017. However, on 15/11/2017 the plaintiffs disclosed a similar lawsuit for the same requested amount, resigning from the previous lawsuit. The new lawsuit was heard on 7-3-2019. Regarding this hearing, Num. 1589/2020 decision was issued, dismissing the lawsuit. The opponents have not filed an appeal and the Management and the Company's legal consultants assume that they will not do so.
- Legal action was taken against Terna Energy S.A., of Terna S.A., and the joint venture under the title Euro Ionia Joint Venture by the Company FERROVIAL AGROMAN S.A.. The claim totals € 1.241 k as compensation for moral damage. The main lawsuit and the Notice of Trial - Appeal - Compulsory Intervention in line with the By-Lawsuit was set to be heard for 22/09/2016, but was postponed for 13-12-2018, when it was discussed. Regarding this hearing, Num. 1997/2020 decision was issued, rejecting the the Notice of Trial - Appeal that had been brought against "TERNA ENERGY S.A."

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

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

In particular, on 01/07/2019 the opponent filed a lawsuit to the Athens Single Member Court of First Instance against TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", demanding the return of the island of Agios Georgis, Attica. The lawsuit was heard on September 6, 2019. Regarding the aforementioned lawsuit, No. 619/2020 decision of the above court was issued, which accepted the lawsuit, and stated that TERNA ENERGY S.A. should return the island of Agios Georgios to the plaintiff or whoever draws rights from it, including "TERNA ENERGY AI GIORGIS SA." (it is understood that TERNA ENERGY S.A. has transferred the Lease to this company, or has subleased a lease to it) and declared the decision temporarily 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, as well as an appeal against no. 619/2020 of decision, scheduled to be discussed on March 2, 2021, which, however, following a preference request of the other party, was heard on 13/10/2020. Regarding this hearing, no. 548/2021 decision of the Athens Court of Appeals was issued, accepting the appeal of the Group companies, annulling no. 619/2020 decision, re-hearing the lawsuit and rejecting it in its entirety. On 01/03/2021, the other party filed the Appeal under prot.number 1293/132/2021, which has not yet been served or determined. According to the Group's legal consultants, it is estimated that the appeal will not succeed.

On 30/06/2020 the opponent filed a lawsuit EAK 5258/2020 to the Athens Single Member Court of First Instance against "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", disclosed on 20/07/2020, under which, on one hand, it waives the lawsuit as of 13/01/2020 against the same parties and on the other hand, demands compensation of € 235.2 k due to tort, according to article 914 of the Civil Code, reporting the occupation of the island of Agios Giorgis and interruption of payment of rentals to the plaintiff. The lawsuit is being heard under the new Code of Civil Procedure and, therefore, the date of hearing has not been defined yet. According to the estimates of the Company's legal consultants, it is probable that this lawsuit will be rejected.

On 10/07/2020 the other party filed a lawsuit against "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS S.A.", requesting the Application for Precautionary Measures, which was also heard on July 28, 2020, with a request for the termination of the Provisional Order as of 19/06/2020 of the Chairman of the Court of First Instance, Maria Skarpou, 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 Ms. Mantzourani in the Deposits and Loans Fund, amounting to € 6 k. Following the issuance of the above Decision 548/2021 of the Athens Court of Appeals, the Company will request the return of the given guarantee.

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, Mr. Evangelos Stergiopoulos, 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. Moreover, the Company has filed an Interruption Lawsuit against the Payment Order (GAK 108204/2019 and EAK 5972/2019) as above under no. 10898/2019. 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, therefore, we will request in court the return of the above letter of guarantee. May 16, 2023 has been set for trial.

#### **AEIFORIKI EPIRUS MAEES**

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

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

The parties have already appointed each of their arbitrators and, in the absence of arbitrators' agreement, the company has lodged an application for arbitrator designation with the Athens Court of First Instance, on which the Region has intervened in the main proceedings seeking its dismissal. The application and the main clause were discussed on 10.01.2020 and the court issued the decision no. 502/2021, appointing an arbitrator. The Arbitration Court was constituted in a body on 19/04/2020 and the parties submitted their Proposals and their supporting documents before the Arbitration Court on 30/06/2021. The process is ongoing.

#### **AIOLIKI MARMARIOU EVIAS S.A.**

- i. On 06/11/2020, individuals filed before the Magistrate Court of Karystos, prot.number 17/2020, a Lawsuit against the Company with a request to recognize unlawful actions in the specific areas within the installation polygon of "Karabila" Wind Park, requesting that these areas should be returned and the contractions on them – removed. The lawsuit is to be heard under the new KPold procedure and, therefore, no hearing date has been determined yet. According to the assessment of the company's lawyers, it is probable that this lawsuit will be rejected.
- ii. 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 Park,

requesting compensation for non-pecuniary damage at an amount of € 120,000. The lawsuit is to be heard under the new KPold procedure and, therefore, no hearing date has been determined yet. According to the assessment of the company's lawyers, it is probable that this lawsuit will be rejected.

**ENERGIKI STYRON EVIAS S.A.**

On 09/06/2020, individuals filed before the Magistrate Court of Karystos, prot.number 2/11-6-2020, a Lawsuit against the Company with the main request for their recognition as nominees and holders by a percentage  $\frac{3}{4}$  the former and  $\frac{1}{4}$  the latter of a real estate area 193.48 sq.m. in the position DERBA EMPOUTE and WXISTIS of the real estate area DE Styron, Municipality of Karystos. Since this is an occupied forest area, managed by the competent Forest Office as public, the company, which has been legally established in the disputed area by the Karystos Forest Office, has appealed to the Greek State to support it in this lawsuit, which, as we estimate, is not going to succeed. The Greek State intervened in the lawsuit in support of the company. They issued the no. 11/2021 preliminary ruling, which undertook the issuance of a final decision and ordered the conduct of an expert opinion on specific matters.

**ENERGIKI DISTYON EVIAS S.A.**

1. Individual has filed before the Magistrate Court of Taminea the lawsuit from 15/04/2021 and with filing number 3/2021, which is directed against the Company and individual with a request to recognize its ownership of the Company's property and to expel the Company from the specific property. The lawsuit is going to be discussed in the New Ordinary Procedure and for this reason it has not yet been appointed in terms of specific trial date. It is likely that this litigation case will not succeed.
2. Individuals have filed before the Magistrate Court of Tamynenon with the filing number 9/2021 an Application for Precautionary Measures of Disturbance of the above against the Company, which is discussed on September 28, 2021. Rejection of the application is probable.

**Contingent Assets****TERNA ENERGY AI-GIORGIS S.A.**

Lawsuit was filed against Panama domiciled company SILVER SUN SHIPPING S.A., which also operates office premises in Greece, regarding tort law payment of € 18.514 k in compensation of loss and adverse effect of profits suffered by the Company due to damage. On 13/3/2018, decision No. 1291/2018 was issued justifying a part of the lawsuit, and the TERNA ENERGY AIGIORGIS S.A. is to receive an amount of € 12.034 from the beginning of 2017. Since the aforementioned decision established that the Company was co-responsible for damage at a percentage of 35%, the Company has appealed to the Three-Member Court of Appeal of Piraeus against the decision No. 1291/2018, settled for hearing on 15/11/2018. On the same date, the appeal, made by the opponent against the decision No. 1291/2018 was also to be heard. On these, no. 563/2019 non-final decision of the court of appeal of Piraeus was issued, ordering the conduct of an expert examination, which is already under process. In the course of the case development, the experts submitted a request for a six-month extension for the completion of their expertise. The application was heard on 24/09/2020 and a decision is expected. The expert opinion hearing process is over. According to the assessment of the Company's lawyers, the appeal filed by our Company will succeed.

**27.4 Guarantees**

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

The types and amounts (in thousand Euro) of the letters of guarantee issued by the Group to its counterparties as at 30/06/2021 are analyzed in the following table:

Type of Letter of Guarantee	Amount of guarantee granted 30/06/2021	Amount of guarantee granted 31/12/2020
Contract execution guarantees for construction	35,840	30,193
Guarantees of payment	2,886	3,396
Tender guarantees	5,218	4,295
Guarantees of warranty execution for Agreements of Private and Public Sector	21,767	25,967
Guarantees of warranty execution for Grants	28,580	28,580
Guarantees of warranty execution for Other Agreements	11,970	12,085
<b>Total</b>	<b>106,261</b>	<b>104,516</b>

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

From 01/07/2021 until the date of approval of the attached Financial Statements, the following significant events took place:

- On 20/07/2021, the Athens Stock Exchange announced the establishment of the new index (ATHEX ESG Index) which will monitor the stock market performance of listed ATHEX companies adopting and promoting their practices on the environment, society, and corporate governance (ESG). The design aspires to support the efforts of companies and consequently the Greek Stock Market to signal the efforts of continuous improvement of ESG initiatives as the regulatory environment of non-financial information will evolve.

The new index called "ATHEX ESG Index (ATHEX ESG Index)" was designed to involve a maximum of 60 companies of the ATHEX Organized Market. Its calculation began on Monday, August 2 with a starting price of 1,000 units. The first composition of the index - apart from the other criteria - was determined based on the ESG score obtained from the published data of 2019. In the initial composition of the index participate 35 companies, including the TERNA ENERGY Group. The composition of the index will be reviewed every year and the first revision will take place in November 2021 (simultaneously with the revisions of the other indices calculated by the Athens Stock Exchange) based on the data to be published by the listed companies in the context of non-financial information for fiscal year 2020.

- On September 23, 2021, the Company announced that the joint venture of TITAN and TERNA ENERGY Groups is participating in the tenders for PPPs for Waste Treatment Units (MEA) in Attica and Central Macedonia. Specifically, on September 22, letters of interest were submitted in the first phase of the tenders for the MEA of the Central Park of the Circular Economy of Attica, the Park of the Circular Economy of the Regional Unit of Piraeus and the Western Sector of the Region of Central Macedonia.

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

## 29. APPROVAL OF FINANCIAL STATEMENTS

The condensed interim separate and consolidated Financial Statements for the six-month period ended 30/06/2021 were approved by the Board of Directors of TERNA ENERGY S.A. on 30/09/2021.

Chairman of the Board of Directors	Chief Executive Officer	The Executive Member of the Board of Directors	Chief Financial Officer	Chief Accountant
George Peristeris	Emmanouil Maragoudakis	Aristotelis Spiliotis	Emmanouil Fafalios	Artan Tzanari
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