TERNA ENERGY

Industrial Commercial Technical Societe Anonyme

85 Mesogeion Ave., 115 26 Athens, Greece

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

GENERAL COMMERCIAL REGISTER (GEMI) No. 000312701000

ANNUAL FINANCIAL REPORT

for the year

1 January to 31 December 2021

According to article 4 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 4, par. 2, Law 3556/2007)

The following representatives:

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

WE HEREBY DECLARE AND CERTIFY

To the best of our knowledge that:

i) The hereby annual separate and consolidated financial statements of the Company TERNA ENERGY S.A. of the annual period from January 1st 2021 to December 31st 2021, that has been prepared according to the applicable accounting standards, reflect truly and fairly assets and liabilities, equity, and the financial results of the Company as well as the companies that has been included in the consolidation in aggregate, and

ii) The attached BoD Report provides a true and fair view of the Company's evolution, performance and position, as well as of the companies included in the consolidation in aggregate. A description of the main risks and uncertainties to which they are exposed is also encompassed in the Report.

Athens, 14/04/2022

The Certifiers

Chairman of the BoD	Chief Executive Officer	Member of the BoD
George Peristeris	Emmanouil Maragoudakis	George Spirou

II. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF "TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL AND TECHNICAL COMPANY" ON CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2021

Dear Shareholders,
In compliance with provisions of Law 4548/2018 as well as Law 3556/2007 Article 4 par. 2(c), 6,7 & 8 and the decisions issued by the Hellenic Capital Market Commission under No. 8/754/14.4.2016 Article 2 and the Company's Articles of Association, we are hereby submitting the annual management report of the Board of Directors for the financial year from 01/01/2021 to 31/12/2021.
The present report discloses financial and non-financial reporting for FY 2021 of TERNA ENERGY Group, as well as the most significant events occurred (before and after the financial statements reporting date). It also describes the key risks and uncertainties which the Group might face in 2022 and presents significant transactions between the Company and its related parties.

A. Financial Developments and Performance of FY 2021

Following the initial shock of the pandemic and the emergency measures taken by the authorities, the Greek economy is recovering dynamically after the lifting of restrictions and the resumption of economic activity, a trend that is also being aided by fiscal and monetary policy measures. In 2021 the economic climate index increased to 105.4 points and essentially returned to 2019 levels.

The data announced by ELSTAT (Greece's Statistical Service) on the course of economic activity in the fourth quarter of 2021 form an especially strong basis for what it will follow in the next year, 2022. In particular, the high GDP growth rate in the last quarter of the year (7.7% on an annual basis), combined with the downward revision for the previous two quarters, led to a strong growth estimate for the year 2022, at the order of 1.6 %.

For the entire year of 2021, the growth rate settled at 8.3% and as a result the real GDP is approaching now pre-pandemic levels. However, this momentum - which would support estimates for economic growth of about 5% in year 2022 - is expected to calm down to some extent following the impact of Russia's invasion to Ukraine.

An important component in the continuation of the domestic economy's growth trend in 2022, is expected to come from the contribution of EU's Recovery and Resilience Facility. It is estimated that in the coming years (and up until 2026), this facility will contribute over € 30.0 billion in total, through grants and loans on favorable terms, thus shoring up the Greek banks as well as the Greek economy and its competitiveness in general, given that the largest percentage of funds is expected to be absorbed in the areas of green investments, digital transition and social cohesion.

On 19/01/2022 the Greek government proceeded with the first bond issuance of that particular year. With the issuance of the 10-year bond, Greek authorities raised € 3.0 billion with a coupon rate of 1.75% and a yield of 1.836%, while the issue coverage was more than 5 times. On 14/01/2022, international credit rating agency Fitch kept the country's rating unchanged at "BB" upgrading the outlook to positive.

Recent geopolitical developments in the region of Ukraine are expected to prolong inflationary pressures through a stronger and longer rise in energy and raw material prices, while in combination with any further disruptions in the supply chain are expected to lead to a tightening of the monetary policy that will in turn affect consumption, investment, credit expansion and the wider economic activity.

The main factors of uncertainty regarding the course of domestic economic activity in 2022 can be summarized as follows:

Firstly, relates to the impact of rising energy prices on production costs, profitability and investment planning.
Secondly, there is the effect of inflation pressures coming from energy and grain prices, in combination with the energy dependence of Greece, and their relation to the real disposable income and the purchasing power of Greek households.
Thirdly, the impact on the receipts of Greek tourism, due to, on the one hand, the cessation of tourist flows from the countries involved in the above war conflicts and, on the other hand, the aggravation of the disposable income in many countries which the incoming tourists originate from, mainly European ones.
Fourthly, the impact of geopolitical developments on foreign direct investment, as increased uncertainty adversely affects the country's risk especially in the case of Greece whose credit rating has not yet reached the level of investment grade.
Fifthly, the further expansion and potential extent of fiscal flexibility that will be allowed at European level and the degree of utilization of the EU resources by the Greek government.

Furthermore, it is worth mentioning that the Harmonized Index of Consumer Prices (HICP) increased in February 2022 by 6.3%, compared to the same month of 2021, with most of the increase coming from the energy products. In addition, almost 40% of Greece's natural gas imports in 2020 originated from Russia. Therefore, the energy dependence of the country, in terms of covering the required quantity through imports remained quite high. The latter condition makes the impact of the war conflicts in the region of Ukraine an important factor of uncertainty when it comes to estimating the future trajectory of the Greek economy, as the higher energy prices are expected to affect both domestic companies, via the increased production costs leading to lower profits, and households, through the reduction of disposable income and consumer spending. The presentation by the European Union of a plan aiming at the gradual decoupling of European countries from Russian fossil fuels (REPowerEU), which includes the adoption of additional support measures to tackle to impact from rising energy costs, will be an important factor in mitigating these negative developments.

Despite the prevailing uncertainty due to the above factors, the outlook of the Greek economy remains positive in the medium term, as conditions needed for a change in the pattern of economic growth are already in place, and this is expected to come to a greater extent from investment spending. The increase in investments, in the next period, will be determined by the course of the credit rating of Greek economy's debt towards the investment grade, by the inflow of resources from EU's Recovery and Resilience Facility, as well as by the implementation of structural reforms that create a friendly business environment.

As early as 2021, investments in Greece increased significantly, by 19.6%, while they had the second largest contribution to GDP's expansion (2.3 percentage points), next to private consumption (which achieved 5.5 percentage points). The good performance of exports of services and especially of tourist receipts, in 2021, resulted into the positive contribution of net exports to GDP growth of 0.9 percentage points. Finally, public consumption increased by 3.7% in 2021, compared to 2020, contributing by 0.8 percentage points to GDP growth. In contrast, inventories (including any statistical adjustments) decreased significantly in year 2021, thus deducting 1.1 percentage points from GDP growth.

The effects of recent sanctions on Russia's economy and the changing global economic landscape.

The current geopolitical turmoil is expected to drastically change the dynamics of world trade, as the new conditions will have major effects not only on the Russian economy, but also on the rest of the world. Initially, the sanctions imposed on Russia are expected to lead to a recession in its economy.

At the same time, the strong supply disruption, primarily in the energy sector but also in basic agricultural products (wheat, fertilizers, etc.) is expected to lead to lower rates of economic growth in large economies, compared to what it was initially estimated, due to strong inflationary pressures.

TERNA ENERGY Group strongly committed to its development strategy and the realization of its vision, constantly improves and modernizes the structures and operating systems, selects with special care the executives personnel that is needed from the market, trains its staff in modern digital systems and in the obligation to comply with the provisions of the corporate governance system, the other provisions of the Internal Regulations, as well as the rules imposed by the competent bodies of the State for the relations of companies with their members of the Board. Also, reacting quickly and sensitively for the health and safety of its human resources, it took all the necessary measures, set up a special committee to deal with the coronavirus and ensured that ALL employees take full care of the current situation in terms of the COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is immediately informed of any critical factors of its spread and guides the necessary actions to be taken by the Management and each employee throughout the Group in order to minimize the risks of the phenomenon and the impact on the course of the company.

This policy and the nature of the activities of the Group, have protected the Group from the related risks and have allowed the Management to continue its development course, not directly affected by the spread of the virus. Keeping personnel on standby and limiting their communication with a few external partners, combined with the lack of contact with large groups of customers / consumers provide the Group with the opportunity to focus on its goals and not be directly and greatly influenced by evolution of the pandemic phenomenon. For these reasons, TERNA ENERGY Group continues to invest in the generation of energy through Renewable Sources (RES), fully focused on achieving its goal of exceeding 3,000 MW 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.

(Amounts in thousands of Euros unless mentioned otherwise)

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 31/12/2021, 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 2,049 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.

Particularly:

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

	TOTAL	**GREECE**	**POLAND**	**BULGARIA**
WIND PARKS	**866.4**	734.4	102	30
HYDROELECTRIC	**17.8**	17.8	-	-
PHOTOVOLTAIC	**8.5**	8.5	-	-
BIOMASS	**2.6**	2.6	-	-
TOTAL	**895.3**	**763.3**	**102**	**30**

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 S.A.”, 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.

In 2021 the consolidated sales of the Group from continuing operations reach the amount of € 405,4 million compared to € 248,7 mill. in 2020, increase of 63,0%. In the turnover increase mainly contributed the revenues from electricity trading in Greece and the Balkans, as well as the sales of generated electricity. Operating earnings before interest, taxes, depreciation, and amortization (EBITDA) from the Group's continuing operations amounted to € 161,8 million compared to € 130,3 million in the previous year, increased by 24,2%, mainly due to the commissioning of new wind farms in Greece Profit before taxes from continuing operations amounted to € 98,4 million, increased by 37,8% compared to € 71,4 million in 2020. Net operating profit from continuing operations attributed to the shareholders of the parent company amounted to € 71,8 million, increased by 34,0% compared to the previous year (2020: € 53,6 million). The Increase in net operating profit from continuing operations attributed the shareholders of the parent company by € 18,2 million is mainly due to the commissioning of new RES projects. Net profit from continuing operations excluding results from financial instruments valued at fair value and income from insurance claims amounted to € 73,4 million, increased by 35,8% compared to the previous year. Finally, earnings before interest, taxes, financial, investment results and depreciation (EBITDA) from continuing operations excluding income from insurance claims amounted to € 161,4 million, increased by 25,0% compared to the previous year.

Losses from discontinued operations for the year 2021 amounted to € 94,04 million and relate to the results of discontinued operations from the privatization of three (3) Wind farms in Texas, USA, as a result of the impact of the extreme weather conditions they took place in the region, in February 2021 (7.1 of the Financial Statements). It is noted that for the corresponding comparative period the result from discontinued operations amounted to earnings of € (18.25) million and included the results of three (3) Wind farms in Texas, USA, as well as the results of Mountain Air (Wind Farm in Idaho, USA, which was sold on 15/07/2020).

The total losses (from continuing and discontinued operations) amounted to € (21.12) million from profits of € 73.43 million in the corresponding period last year. For the year 2021 the total losses allocated to the Shareholders of the Parent Company amounted to € (22.03) million, while the earnings allocated to the Non-Controlled Interests amounted to € 1.08 million.

Regarding the results from continuing operations of the individual sectors:

- The **energy sector** realized sales of € 224,4 million, increase of 15,7% compared to 2020, while operating profitability (EBITDA) amounted to € 161,9 million, increased by 25,0% compared to the corresponding period of the year 2020. The increase was mainly due to the commissioning of new Wind Farms in Greece.
- The **electricity trading sector generated revenues of** € 132,3 million, increased by 268,1% compared to the year 2020. The operating losses (EBITDA) of the sector amounted to € (0,2) million, compared to operating profits of € 0,8 million in the previous year 2020.
- The **turnover of the construction activity** of TERNA ENERGY amounted to € 124,0 million increased by 364,9% compared to the year 2020 mainly due to the construction activity for the development of new wind farms as well as the construction of waste management units in the Region of Peloponnese. Part of the total turnover, an amount of 27,69 million is related with customers outside the Group. The operating earnings before depreciation (EBITDA) of the construction sector amounted to € 9,5 million compared € (0,8) million of losses in 2020. In particular, the outstanding balance of construction works (backlog) amounted to € 84,0 million in the end of year 2021 εκ part of which amounted to € 80,1 million is related with concession projects.
- Finally, revenues from the **concessions sector** amounted to € 21,0 million compared to € 13,3 million in 2020 increased by 57,8% mainly due to the higher revenues of e-ticket management companies but also due to an improvement in the financial performance of the production of waste management plant of Epirus. Operating earnings (EBITDA) amounted to € 2,7 million, compared to € 0,9 million in the year 2020.

The Group's financial position remains satisfactory, as cash and cash equivalents amounted to € 397,4 million, while loan liabilities amounted to € 983,5 million. On 31/12/2021 , the net debt position (bank liabilities less cash and cash equivalents less restricted deposits) amounted to € 528,0 million compared with € 613,0 million

of the previous year. It is noted that the Group's cash and cash equivalents include amounts of € 3,0 million, to be returned, that are related with grants due to cancellation of construction or expiry of the deadlines for decisions regarding certain Wind Farms. The aforementioned amounts will be returned as soon as the relevant procedures of the competent departments of the Ministry of Development have been completed and as soon as they have been excluded from the total restricted cash for the above calculation.
On 31/12/2021, TERNA ENERGY Group investments amounted to € 217,4 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 in the year 2021

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

On 19/01/2021, the Company announced that it expands its activities in the field of floating photovoltaic (FPV) parks. 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 farms 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 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 companies in the field of energy: HERON, the first private company of the GEK TERNA Group that invested in the production and supply of thermal electricity in Greece, and TERNA ENERGY, one of the largest investors and producers in the field of Renewable Energy Sources (RES) in Greece and at the same time one of the largest Greek RES Groups internationally. Through this partnership, the energy from existing and future photovoltaic and wind farms in Greece, will be committed to the customers of HERON who will participate in the plan.

- **"Integrated Waste Management of the Region of Peloponnese" Initiation of the Construction Phase of PPP Project**

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 many 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 Activities**

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 7.1 of the 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 7.1 of the 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 $ 179.4 million and is distributed as follows: Fluvanna 1 $32.7 million, Fluvanna 2 / Gopher Creek $ 69.6 million and Bearkat $ 77.1

million. 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.
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 7.1 of the 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. As a consequence of all the above, and as a result of the continuous consultations and discussions with all the involved parties which 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, a 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 Farms" or "Disposal Group of Assets". On July 23, 2021, TERNA ENERGY Group, through its above subsidiaries, exercised the put option that had been acquired through the above Put & Call Option Agreement, as it is analytically presented in Note 7.1.4. As a result of this exercise, the Contract for the Sale and Purchase of Class B Interests of the three (3) wind parks called as "Disposal Group of Assets" was signed on September 30, 2021. With the signing of this contract, the process of transferring the aforementioned interests (company shares) to CIP was completed.

The de-consolidation of these subsidiaries ("Disposal Team") on 30/06/2021 led to the recognition of total accounting loss in a burden of the consolidated semi-annual financial results of € 94,04 million ($ 108,50 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 had 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 the first half 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 farms 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 projects in the Greek seas.

OCEAN WINDS has a wide portfolio of fixed and floating offshore wind farms 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 more than 1.5 GW with a consistent development roadmap rolled out throughout the current decade.

George Peristeris, Chairman of TERNA ENERGY, said: *"TERNA ENERGY, in our long commitment to provide clean and renewable energy in Greece, has identified that the next step towards sustainability is the development of offshore wind farms. 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 farms 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 the Voting Rights of the Major Shareholder**

Following the changes in the voting rights of the Company's shareholder, Mr. Georgios Peristeris, starting from 19/03/2021 and ending on 21/04/2021, the percentage of shares and an equal number of voting rights Mr. Peristeris holds amounted, as of 31/12/2021, to 10.491% (31/12/2020: 19.540%). Furthermore, on 21/4/2021 there was a change (increase) in the voting rights of the shareholder ATALE ENTERPRISES LIMITED, as they settled at 6%. Furthermore, the Company, on 9/7/2021, announced according to the article 21 of Law 3556/2007 in combination with the article 11 of HCNC decision 1/434/3.7.2007, that the Chairman and Executive Member of the Board of Directors of the Company (Obliged Person under Regulation (EU) 596/2014) Mr. George Peristeris, on 9/7/2021 sold 656,858 common registered shares with a total value of € 8,539,154.

- **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).
In the occasion of the contract's signing, Mr. Manolis Maragoudakis, CEO of TERNA ENERGY, said: *"It is with great pleasure that today we signed 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 Estabilishment**

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.

TERNA ENERGY detailed proposal includes:
- The installation of a system to produce 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.).

(Amounts in thousands of Euros unless mentioned otherwise)

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:	**8,063bn €**
Project's duration:	2022 - 2029 (phases R&D, FID and EET)
Hydrogen production:	**250,000 tons/year***
Hydrogen for other uses:	**58,000 up to 71.000 tons/year**
CO2 Saving:	**11.5 million tons/year**
Job creation:	**18,000 direct job positions and 29.500 indirect**

* Renewable hydrogen will be supplied almost entirely into the pipelines

- **ATHEX ESG Index**

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.

- **Strategic cooperation of TITAN Group - TERNA ENERGY Group for investments in waste management**

On September 23, 2021, the Company announced that the consortium of TITAN Group and TERNA ENERGY Group was participating in the tenders for PPPs concerning Waste Management Units (WMUs) in Attica and Central Macedonia, Greece. Specifically, on September 22, letters of interest were submitted in the first phase of the tenders for the WMUs of the Central Park of the Circular Economy of Attica, the Park of the Circular Economy of Piraeus Regional Unit and the Western Sector of the Region of Central Macedonia.

- **TERNA ENERGY - HERON: They are the first ones to offer the long-term Power Purchase Agreements (PPAs) in the Greek market**

On 12/10/2021, TERNA ENERGY Group in collaboration with HERON, innovated by offering the first long-term Power Purchase Agreements (PPAs) in the Greek market.

The two companies offer direct access to green energy to the final consumers, providing the first MWh in the market through "private" PPAs, thus paving the way for cheap electricity that will become available to both the industry and large commercial enterprises.

In this context, the first four (4) contracts were signed with well-known industrial and commercial consumers, with the corresponding distribution of the RES energy quantities starting from October 1st, 2022. At the same time, negotiations were underway for the conclusion of similar contracts with other important corporate groups.

The offered PPAs are addressed to large commercial and industrial consumers and fulfil their needs for energy supply cost savings and further achievement of Sustainable Development targets. They are fully in line with the objectives calling for increasing the competitiveness of Greek companies, for further penetration of RES in the energy mix of the country and for the stronger development of RES projects through bilateral commercial contracts with final consumers.

PPAs are another product, after the pioneering and innovative EN.A program, emerging from the strategic cooperation of two leading companies in the field of energy. The wide portfolio of the under development projects of TERNA ENERGY, in combination with the successful activation and the growing market share of HERON in the supply of end consumers, provide the possibility of a new scheme thus allowing the Group to acquire a leading position in the market of "green PPAs".

- **New wind farms with a total capacity of 90 MW for development in Poland**

On 18/11/2021, TERNA ENERENERGY Group further strengthened its presence in the Renewable Energy Sources market of Poland, by promoting for development purposes four (4) new projects with a total capacity of 90 MW through the newly established company Eolos Development S.p.z.o.o.. These are wind farms that are in the initial stage of licensing and which TERNA ENERGY will promote, develop, build and operate, in the framework of its strategy for continuous expansion of its business activity in the field of clean energy production.
In Poland, TERNA ENERGY already operates eight (8) wind farms with a total installed capacity of 102 MW, which means that with the addition of the four (4) new projects with total capacity of 90 MW, the Group will almost double the installed capacity within the country in the following years.

- **Decisions of the Extraordinary General Meeting of 14/12/2021**

On 14/12/2021, the Extraordinary General Meeting of Shareholders of TERNA ENERGY SA convened, attended by 236 Shareholders bearing 89,826,217 shares and voting rights, i.e. 77.53% of the Company's Share Capital, whereas the following decisions were approved:
The Meeting approved unanimously, with 89,826,217 votes in favor (100% of those present), the distribution of earnings and reserves of the Company, based on article 48 of Law 4172/2013, of the financial years up to 31/12/2020, in accordance with the article 162, par. 3 of Law 4548/2018, for a total amount of Euro 19,695,365.30, i.e. for an amount of Euro 0.17 per share.
The Meeting approved unanimously the amendment of article 9, par. 3 of the Company's Articles of Association, with 89,826,217 votes in favor (100% of those present) providing for the reduction of the term of the Board of Directors from five (5) to four (4) years.

- **Program of Granting Company's shares to the Executive Members of the Board of Directors**

The Extraordinary General Meeting of 16.12.2020 of TERNA ENERGIAKI SA approved the distribution of up to two million five hundred thousand (2,500,000) new shares that will be issued with capitalization of share premium reserves to the Executive Members of the Board of Directors for their contribution in the achievement of financial objectives and the implementation of new projects as well that will increase of the Company's profitability within the three years 01.01.2021- 31.12.2023. The Board of Directors was authorized to further determine the beneficiaries, the manner of exercising the right and the terms of the program, as well as to regulate all relevant procedural issues for the implementation of the decision.
The Board of Directors in the meeting of 19.03.2021, implementing the decision of the Extraordinary General Meeting of Shareholders, accepted the proposal of the Nominations and Remuneration Committee (hereinafter "N&R C") regarding the Review of the Remuneration Policy, the Revision of the Program Implementation Period (extension of the Program by one year, until 31.12.2024 - the extension of the duration of the program, in conjunction with its inclusion in the Remuneration Policy were approved by the Ordinary General Meeting of Shareholders of the Company on 23.06.2021), the conditions of implementation of the Program, as well as the Criteria - Objectives of the Program (concerning the fulfillment of performance conditions that are not related to the market – for example project construction objectives, EBITDA, etc.), as well as the granting of shares by Criterion - Objective. At the same meeting, the Board of Directors reserved the right to decide further on the criteria for the selection of beneficiaries, the distribution of shares to beneficiaries and the criteria for securing per beneficiary in a new meeting after a new relevant proposal of the "N&R C"

- **Distribution of earnings and reserves of the Company**

Following the announced according to article 4.1.3.4 of the Regulation of the Athens Stock Exchange, Greece, that with the approval of the Extraordinary General Meeting of the Company of December 14, 2021, TERNA ENERGY SA distributed earnings and reserves of the Company, based on the article 48 of Law 4172/2013 up until 31/12/2020, in accordance with the article 162, par. 3 of Law 4548/2018, for a total amount of Euro 19,695,365.30, i.e. for an amount of Euro 0.17 per share. The above amount will be increased by the dividend corresponding to 221,500 treasury shares held by the Company. Therefore, the Company's shareholders will receive a total amount of 0.170325641 Euros per share, i.e. a total net amount of 0.161809359 Euros per share.

Γ. Events after the end of FY 2021

From 01/01/2022 and until the preparation date of the present report, the following important events occurred:

Amendment of the PPP Contract for the Integrated Waste Management of Peloponnese Region

On 31/01/2022, the amendment of the Public-Private Partnership (PPP) Contract for the Integrated Waste Management of Peloponnese Region was signed, between the Peloponnese Region and Environmental Peloponnese, a member company of TERNA ENERGY Group, with which the modern, responsible and fully integrated waste management will become a reality in the Peloponnese Region.

The signing of the amended Contractual Agreement facilitates the Transitional Management period in the units of the project that have already been completed (Transitional Management Unit in Paleochouni, County of Arcadia and Transhipment Station in Nea Kios, County of Argolida), providing modern waste management services with the environmental protection as core priority and ensuring that public health requirements are met, offering at the same time multiple benefits to local communities which function as vital parts of the circular economy.

The above development marks the beginning of the end regarding the various environmental issues plaguing the Peloponnese Region for over 30 years, covering not only the current EU directives but also prospective ones, as the implementation of the project achieves high environmental benefits through the largest Integrated Waste Management PPP scheme currently under development in Greece.

When the project is fully operational, landfill will be prevented and at least 65% of biodegradable materials will be utilized, 50,000 tons of liquid waste will be diverted from landfills, and green energy will be generated to serve the needs of 6,000 households, while avoiding release of 24,000 tons of carbon dioxide into the atmosphere.

The Transitional Waste Management in the Peloponnese Region started on 14/02/2022

A new era for waste management in the Peloponnese Region, Greece, started on 14/02/2022 following the commencement of the Transitional Waste Management of the new modernized Transitional Management Unit in Paleochouni, Arcadia, which will serve Arcadia, Corinth and Argolida.

The transitional management will last up to 14 months and after the start of the integrated management, it will be the most modern waste management unit in the country and one of the most modern ones in Europe. Among the multiple advantages of the new unit is the fact that the Landfill (XYTY) is located close to the unit, which allows to minimize the transport requirements of waste and residuals.

Δ. Prospectives

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

During the year 2022, 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 farms, in terrestrial photovoltaic, but also in floating photovoltaic parks and floating offshore wind farms, 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 farms: 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 ".
Considering the above, the prospects of the TERNA ENERGY Group for the year 2022 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 both the outbreak of Covid-19 pandemic. Section E (vi) makes a special, brief reference to the potential, relevant risks.

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 both the outbreak of Covid-19 pandemic as well as the most recent events of war conflicts in the wider region of Ukraine. 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 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 DEDDIE) and foreign Public Sector, while the same is the case regarding the main part of the construction segment receivables.
Given the nature of its operations, the Group 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 equivalent and other receivables is low, since the parties to transaction are banks of high-quality capital structure, the State or the entities of the broader Public Sector or strong business groups.

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

ii. Foreign exchange risk

Apart from Greece, the Group operates in Eastern Europe and, therefore, it may be exposed to foreign exchange risk, potentially arising from the exchange rate of Euro against other currencies. This type of risk may arise only from trade transactions in foreign currency, from financial investments in foreign currency, as well as from net investments in foreign entities. To limit this risk, the Group uses the cash surpluses generated in local currency. During the operational phase, all related costs and revenues are made in local currency, thus excluding any possibility of generating currency exchange differences.

(Amounts in thousands of Euros unless mentioned otherwise)

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, 35.2% of the Group's long-term borrowing refers to fixed interest rate loans, 30.2% refers to floating-rate loans that have been hedged through derivatives with which future fixed rate payments are exchanged against floating rate collections, while 34.6% 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.

Sensitivity analysis of interest rate risk

The table, presented below, records sensitivity of earnings for the year versus the Group's short-term borrowing and deposits, at a change in the variable part of the interest rate of +20% - 20% (2020: +/- 20% just as well). Changes in interest rate are estimated to fluctuate on a reasonable basis in relation to the recent market conditions and till currently, they have been stable compared to the previous year.

	2021		2020	
Amounts in thousand €	**20%**	**(20)%**	**20%**	**(20)%**
Results for the year after tax – Group	(421)	421	(171)	171
Results for the year after tax – Company	(130)	130	(64)	64

The Group is not exposed to other interest rate risks.

iv. Market risk analysis

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

v. Liquidity risk analysis

The Group's liquidity is considered satisfactory, as apart from the effective cash and cash equivalents, currently operating wind farms generate satisfactory cash flows on an on-going basis. In the year 2021 net cash flows from continuing operating activities amounted to € 149 million versus € 104 million 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 daily. The liquidity needs are monitored at different time zones, on a daily and weekly basis, as well as based on a moving 30-day period. The liquidity needs for the next 6 months, and the next year are defined monthly.

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

vi. Other risks and uncertainties

The Group remains exposed to short-term fluctuations of wind and hydrologic data, a fact, which does not affect the long-term efficiency of its projects, as prior to the implementation of the investments extensive studies take place with regards to the long-term behavior of such factors.
The construction sector of TERNA ENERGY is subject to significant fluctuations, both with regards to turnover and with regards to the profitability of each construction project, because the construction activity, particularly of specialized companies such as TERNA ENERGY, entails increased volatility that is mainly related to the ongoing renewal of the backlog of construction agreements towards third parties, which are mainly Public entities.

(a) Special 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 good progress of the vaccination program as well as the gradual easing of strict containment measures during 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.

Group Organizational Planning

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 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 above mentioned actions are presented below:

• Creation of a safe working environment for all employees along with the adoption of distance work policies wherever and whenever this is deemed feasible and necessary. The Group has taken a number of precautionary measures, including a large-scale teleworking plan (covering, over this period, more than 50% of the personnel). In addition, the Group provided communication channels for health advice and psychological support for all employees.
• Establishment of a special committee for the treatment of coronavirus and ensuring that ALL employees of the Group have the absolute protection and care against COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is also being immediately informed of any critical factors of its spread and guides the necessary actions to be taken by the Management and each employee throughout the Group in order to minimize the risks of the phenomenon and their impact on the course of the company. At the same time, the Committee has entered into an agreement with a special diagnostic center for the proper and timely examination of all its human resources with the aim of protecting them until the end of the pandemic and bringing social life back to normalcy. Finally, it has safeguarded the workplaces for those employees who continue to work in their offices by implementing the most stringent measures decided by the competent scientific committee of the Greek State.
• Security and utilization of the most modern information technology to limit movement and travel to a minimum, the implementation of teleconferencing (video calls), as well as modern, flexible ways of working depending on the individual or special needs of groups of employees.
• Establishment and adoption of extremely strict operating rules at all points of presence and operation of the Group in Greece and abroad, in order to constantly confirm the highest possible level of health safety for all.

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 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.

Although estimates regarding the impact of the pandemic on the global and Greek economy vary, 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 the maintenance of the smooth operation both in the Greek territory and in the other countries where the Group operates, applying procedures of continuous identification and evaluation of all risks that may arise in the near future. In direct, continuous and systematic cooperation with the Risk Managers and the executives of the Group, the Management plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible. The organizational efficiency of the Group and the continuous efforts of the Management to use its managers by project and specific issue depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group whenever it appears. Due to this fundamental principle is the immediate response of Management and the above mechanism for dealing with the epidemic crisis with prudence, balance 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 note to the war conflict in the region of Ukraine

Terna Energy Group closely monitors the geopolitical developments in Ukraine which in any case do not have a direct impact on its size and financial performance. However, from these events, risks have already appeared, and new ones are expected to emerge. These may include fluctuations in expected state revenues in the tourism sector, inflation pressures on energy and grain prices and uncertainty in the development of foreign direct investment, with all the above being factors that may affect fiscal flexibility and the wider macroeconomic climate and thus have inevitable repercussions on the operations of the Group.

(c) Wind and hydrological data fluctuations

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

Regarding the unprecedented and extreme weather conditions in the State of Texas, USA in February 2021 and their effects on the Group's business activities, a relevant analysis is presented in Note 7.1 of the Financial Statements of the parent company, for the annual period ended 31/12/2021.

ΣΤ. Alternative Performance Measurement Indicators (“APMI”)

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

The Group utilizes Alternative Performance Measurement Indicators ("APMI") in its financial, operational and strategic planning decisions, as well as in evaluating and publishing its performance. These APMI serves to better understanding the Group's financial and operating results as well as its financial position when describing the Company's performance, the following indicators are used:

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

EBIT (Earnings before Interest & Taxes): It is a ratio by which the Company's Management assesses its operating performance. It is defined as: Turnover, - Cost of sales, - Administrative & distribution expenses, - Research & development expenses, +/- Other Income / (Expenses) and other Gains / (Losses) 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 37.

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

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

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

"Loan Liabilities to Total Capital in Use" is an indicator, 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, securities similar to financial liabilities (Note 28) in the accompanying Financial Statements), the repayment of which follows the payment of the debt arising from the respective wind farms and is conducted only at the degree where the returns required from their operations, lease liabilities, grants are reduced by the amount of cash available that is not subject to any restriction or commitment, beyond the commitments associated with the borrowing.

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

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidation eliminations**	**Consolidated total**
31st December 2021							
Revenue							
Sales of products and services	27.694	224.428	132.317	4.321	16.647	–	**405.407**
Intersegment revenue	96.345	–	–	–	–	(96.345)	–
Total revenue from continuing operations	**124.039**	**224.428**	**132.317**	**4.321**	**16.647**	**(96.345)**	**405.407**
Cost of sales	(113.606)	(87.623)	(129.828)	(3.810)	(14.682)	86.119	**(263.430)**
Gross profit from continuing operations	**10.433**	**136.805**	**2.489**	**511**	**1.965**	**(10.226)**	**141.977**
Administrative and distribution expenses	(805)	(22.277)	(621)	(511)	(641)	8	(24.847)
Research and development expenses	(306)	(4.967)	–	–	–	–	(5.273)
Other income/(expenses) and other gain/(losses)-EBIT determinants	41	9.115	(2.070)	50	1.183	1	8.320
Operating results (EBIT) from continuing operations	**9.363**	**118.676**	**(202)**	**50**	**2.507**	**(10.217)**	**120.177**
Depreciation	(109)	(48.563)	(37)	(144)	(14)	1.883	**(46.984)**
Grants' amortisation	–	5.374	–	–	–	–	**5.374**
EBITDA from continuing operations	**9.472**	**161.865**	**(165)**	**194**	**2.521**	**(12.100)**	**161.787**
Long-term loans	126	805.739	–	50.992	15.287	–	**872.144**
Short-term loans	–	40.425	–	–	–	–	**40.425**
Long-term liabilities carried forward	180	66.946	–	310	3.530	–	**70.966**
Cash and cash equivalents	(50.860)	(312.169)	(21.406)	(2.567)	(10.407)	–	**(397.409)**
Grants to be rebated	–	3.024	–	–	–		**3.024**
Restricted cash	–	(59.401)	(77)	(1.316)	(399)	–	**(61.193)**
Net debt/(surplus)	**(50.554)**	**544.564**	**(21.483)**	**47.419**	**8.011**		**527.957**

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidatio n**	**Consolidated total**
31st December 2020 *							
Revenue							
Sales of products and services	5.460	193.993	35.949	4.320	8.969	–	**248.691**
Intersegment revenue	21.223	–	–	–	–	(21.223)	**–**
Total revenue from continuing operations	**26.683**	**193.993**	**35.949**	**4.320**	**8.969**	**(21.223)**	248.691
Cost of sales	(27.075)	(80.241)	(35.445)	(3.561)	(8.163)	22.774	**(131.711)**
Gross profit from continuing operations	**(392)**	**113.752**	**504**	**759**	**806**	**1.551**	116.980
Administrative and distribution expenses	(637)	(21.163)	(366)	(241)	(536)	–	**(22.943)**
Research and development expenses	(128)	(2.716)	–	(56)	–	–	**(2.900)**
Other income/(expenses) and other gain/(losses)-EBIT determinants	380	1.407	686	26	(2)	(1)	**2.496**
Operating results (EBIT) from continuing operations	**(777)**	**91.280**	**824**	**488**	**268**	**1.550**	93.633
Depreciation	(47)	(43.605)	(16)	(105)	(8)	1.738	**(42.043)**
Grants' amortisation	–	5.381	–	–	–	–	**5.381**
EBITDA from continuing operations	**(730)**	**129.504**	**840**	**593**	**276**	**(188)**	130.295
Long-term loans	–	814.658	–	27.262	15.312	–	**857.232**
Short-term loans	–	27.451	36	–	–	–	**27.487**
Long-term liabilities carried forward	–	66.027	–	490	2.847	–	**69.364**
Cash and cash equivalents	–	(263.429)	(2.288)	(16.434)	(8.756)	–	**(290.907)**
Grants to be rebated	–	3.024	–	–	–	–	**3.024**
Restricted cash	–	(52.573)	(673)	–	–	–	**(53.246)**
Net debt/(surplus)	**–**	**595.158**	**(2.925)**	**11.318**	**9.403**	**–**	**612.954**

** Amounts adjusted to include only continuing operations. The results of discontinued operations are disclosed separately and analyzed in a special note (see Note 7.1), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*
In addition, the comparative figures for the year 2020 have been revised by the impact in the changes of the accounting policy of IAS 19 (see Note 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidation eliminations**	**Consolidated total**
31st December 2021							
Revenue from continuing operations	124.039	224.427	132.317	4.321	16.647	(96.345)	**405.406**
Cost of sales from continuing operations	(113.606)	(87.623)	(129.828)	(3.810)	(14.682)	86.119	**(263.430)**
Gross profit from continuing operations	**10.433**	**136.804**	**2.489**	**511**	**1.965**	**(10.226)**	**141.976**
Gross profit margin from continuing operations	**8,41%**	**60,96%**	**1,88%**	**11,83%**	**11,80%**	**10,61%**	**35,02%**

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidation eliminations**	**Consolidated total**
31st December 2020 *							
Revenue from continuing operations	26.683	193.993	35.949	4.320	8.969	(21.223)	**248.691**
Cost of sales from continuing operations	(27.075)	(80.241)	(35.445)	(3.561)	(8.163)	22.774	**(131.711)**
Gross profit from continuing operations	**(392)**	**113.752**	**504**	**759**	**806**	**1.551**	**116.980**
Gross profit margin from continuing operations	**(1,47)%**	**58,64%**	**1,40%**	**17,57%**	**8,99%**	**(7,31)%**	**47,04%**

** Amounts adjusted to include only continuing operations. The results of discontinued operations are disclosed separately and analyzed in a special note (see Note 7.1), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*
In addition, the comparative figures for the year 2020 have been revised by the impact in the changes of the accounting policy of IAS 19 (see Note 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

The ratio “Loan Liabilities to Total Capital Employed” at the end of 2021 and 2020 is as follows:

Amounts in thousand €	**31/12/2021**	**31/12/2020 ***
Short-term loans	40.425	27.487
Long-term loans	872.144	857.232
Long-term liabilities carried forward	70.966	69.364
Loan liabilities	**983.535**	**954.083**
Total equity	431.643	496.094
Loan liabilities	983.535	954.083
Equity interests having a substance of financial liability	–	281.263
Lease liabilities (Long & Short-term portion)	19.852	11.782
Grants	76.736	82.140
Subtotal	**1.511.766**	**1.825.362**
Less:		
Cash and cash equivalents	397.409	290.907
Restricted cash related with loans (Note 21)	61.192	53.246
Grants to be rebated (Note 27)	(3.024)	(3.024)
Subtotal	**455.577**	**341.129**
Total employed capital	**1.056.189**	**1.484.233**
Loan Liabilities / Total employed capital	**93%**	**64%**

** The comparative figures for the year 2020 have been revised by the impact in the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

Z. Annual Non-Financial Statement 2021

1 Introduction

This non-financial statement covers the fiscal year ended on the 31st of December 2021. The statement has been prepared in accordance with the provisions of the Law 4403/2016 and the EU Taxonomy Regulation 2020/852 and includes information on TERNA ENERGY Group’s performance with respect to the following areas:

- Anti-corruption
- Supply chain
- Respect for human rights
- Social and labor issues
- Environmental issues
- Taxonomy report

The statement presents information on the main risks related to the Group's activities, the due diligence policies as well as other relevant policies applied. In addition, for a better understanding of the Group's performance, the qualitative and quantitative results of these policies are presented, and relevant financial and non-financial performance indicators are listed. For the statement’s preparation, the GRI Standards as well as the Athens Stock Exchange ESG Reporting Guide (ATHEX ESG Reporting Guide 2022) were taken into consideration.

2 Terna Energy Group

TERNA ENERGY S.A. Group is one of the largest Greek vertically integrated Groups in the field of Renewable Energy Sources (RES), with activity in development, construction, financing and operation of RES projects, as well as in electricity trading and waste management. In addition, the Group is active in the field of design, installation, operation support, maintenance, and technical management of the Single Fare Collection System (electronic ticket). The shares of TERNA ENERGY S.A. are listed on the Athens Stock Exchange (FTSE / Athex Large Cap).

TERNA ENERGY Group is active in a wide range of RES technologies such as the construction and operation of wind parks, hydroelectric projects, pumped storage projects, hybrid stations and photovoltaics, as well as in PPP waste management projects, the production of biofuels, soil conditioners and other products. In 2021, including electricity trading, the Group was active in the following countries: Greece, the United States of America, Bulgaria, North Macedonia, Poland, Serbia, Albania.

By the end of 2021, the Group had operating installed capacity of 895.26 MW in Greece and abroad and in particular: 763.26 MW in Greece, 102 MW in Poland and 30 MW in Bulgaria. The installed capacity of wind farms in the United States of America is not calculated in the 2021 reporting year, due to the Group's disinvestment from its participation in the three (3) Wind Parks in Texas Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I – of total capacity 510 MW (see in detail Note 7.1 Financial Statements).

Moreover, the Group has under construction or ready-to-build RES installations with a total capacity of 388.2 MW in Greece.

Business activity planning

The Group's business activity is characterized by a sound economic structure, strong specialization and expertise, full adoption of quality assurance procedures and an in-depth knowledge of the international institutional, economic, and business environment.

For each project carried out, the Group follows a vertically integrated and effective way of planning, development, and management, as reflected through the following steps:

Before the implementation of a project

- Strategic analysis for selecting location/market/country for the implementation of each project.
- Evaluating the project’s power factor.
- Licensing process, public consultation and coordination with local authorities and competent bodies for project realization.
- Determining and agreeing on land use.
- Ensuring connectivity with the power grid and the available capacity.

Project development and licensing

- Project planning: scheduling work and budgeting.
- Granting licenses for the commencement of operations and ensuring environmental and regulatory compliance.
- Choosing the most innovative energy production technologies.
- Establishing responsible relationships and contracts with suppliers and Operating and Maintenance (O&M) and Design- Supply- Construction (EPC) companies.

Project financing

- Preparation and drafting of economic and financial analysis and related reports.
- Optimization of capital structure and adequacy.
- Development of relations with capital providers (international capital markets and financial institutions).
- Planning and negotiation of financing agreements.

Project construction

- Before the project’s construction.
    - Project Technical Sustainability Studies.
    - Mapping and preparation of sites for the project’s installation.
- During the project’s construction.
    - Implementation of infrastructure projects.
    - Mechanical and electrical installations.
    - Implementation of technical work.
    - Development of evacuation infrastructure.
- Supply and installation of production equipment.
- Monitoring environmental management parameters, including biodiversity and occupational health and safety management.

Project operation and management

- Stakeholder accountability and disclosure of financial information.
- Management of licenses and regulatory documents.
- Management and monitoring of project operation.
- Application of preventive and corrective maintenance.
- Development of plans for continuous improvement and management of spare parts.
- Monitoring environmental management parameters, including biodiversity and occupational health and safety management.

2.1 Sustainable Development Policy

Metric ATHEX C-G4: Sustainability policy

TERNA ENERGY Group supports dialogue with its stakeholders, as well as the identification and regular assessment of its most material economic, social, and environmental impacts of its activity.

In 2021, the Group adopted a sustainable development policy aimed at enhancing the positive and reducing the negative impacts, through a series of best practices, sustainable initiatives, and reliable partnerships, aiming at the continuous improvement and development for the benefit of its shareholders, investors, workers, but also the wider society.

As part of the Group’s Sustainable Development Policy, corporate responsibility is in line with ESG (Environmental-Social-Governance) topics/criteria and applies to four (4) activity pillars:

1. Environmental protection.
2. Promotion of Human Value.
3. Strengthening our Social Footprint.
4. Shaping a Responsible Market.

Regarding the ESG topics related to the above activity pillars, the Group sets sustainability goals, which are evaluated annually in terms of their performance and reviewed when necessary. To achieve these goals, the Group develops management systems, policies, procedures, and performance indicators as well as implements appropriate action plans / programs that contribute to the increase of positive impacts or the reduction of negative ones.

Based on transparency and regular stakeholder engagement, the Group's performance results on ESG topics are published in the annual Sustainable Development Report and this Statement.

2.2 Governance

Metric ATHEX C-G2: Sustainability oversight

Corporate Governance is the set of established rules and business practices that the Group implements to ensure its business continuity and thereby its ability to create value for its Shareholders and other stakeholders. Responsible corporate governance promoted throughout the company is reflected in the Corporate Governance Code established by the Management.

The Board of Directors (BoD) is the Group’s top management body. Its members are elected by the General Assembly of Shareholders and its mission is to set up the company’s guidelines, shape its business strategy, facilitate effective management, and ensure proper implementation of the corporate values and philosophy, while it also decides on all corporate affairs, except for those that fall under the competence of the General Assembly.

The BoD’s target is to protect and promote Shareholders’ long-term interests, with terms and methods that establish the company’s credibility in the financial-business community and the wider social environment while ensuring respect from and towards any stakeholder. For the performance of its duties and the establishment of a responsible business model, the BoD is supported by individual Committees which have an advisory role with significant weight in the decision-making process:

- Audit Committee
- Nominations Committee
- Remuneration Committee
- Strategic Planning Committee
- Investment Committee
- ESG Committee

For the smoother and more efficient operation of the Group, an Executive Committee has been established, which consists of six (6) executive members. The Executive Committee is responsible for the implementation of the strategic planning, which is determined by the Board of Directors. Moreover, the Executive Committee is responsible for the implementation of the decisions of the Board of Directors and the execution of the acts, required for the management and operation of the Group.

In 2021, with the establishment of the ESG Committee, the Board aimed at better supervision of sustainable development issues and the holding of relevant discussions during the meetings of the members of the Committee. The committee meetings are carried out at least 4 times per year and puts under discussion the Group's objectives on ESG issues. The ESG Committee was set up by the Board to monitor the Group’s performance and suggest improvements on environment, society and corporate governance. The work of the

Committee includes, inter alia, monitoring the integration of non-financial indicators in the business strategy and decision-making, in order for the Group to remain resilient and ready to manage changes in the environment in which it operates.

The ESG Committee consists of (4) members.

- Marina Sarkisian – Ochanesoglou, Chairman of The Committee, Independent Non-Executive Member of the BoD,
- Sofia Kounenaki – Efraimoglou, Member, Independent non-Executive Member of the BoD,
- Tatiana Karapanagioti, Member, Independent non-Executive Member of the BoD and
- George Agrafiotis, Member, Deputy Managing Director

Personal data protection policy

Metric ATHEX: C-G6 Data security policy

Information and personal data management is of particular importance for ensuring regulatory compliance, as underlined in the Code of Conduct and the business ethics that characterize all the activities, functions and collaborations we form. In this context, the Group implements a of personal data protection policy.

For ensuring a level of security that is proportionate to the criticality and confidentiality of the data and information sharing, an Information Security Management System Manager has been appointed, who cooperates with the Group’s Chief Information Security Officer (CISO). Moreover, an Information Security Management System, has been developed and implemented, which is certified according to ISO/IEC 27001. Through the implementation of the Information Security Management System, the Group aims to:

- the protection of the guarded file, the computing resources and the information transmitted to the Group's services from any threat, internal or external, intentional, or accidental.
- the systematic valuation and evaluation of risks related to the safeguarding of information, aiming at their proper and timely management.
- data archiving, avoiding viruses and external intrusions, controlling access to systems, recording all security incidents, and managing unexpected developments.
- Regular briefing and training seminars of the Management and the staff on information security issues.
- Full commitment of the Group's Management to the faithful implementation and continuous improvement of the DSS, which complies with the requirements of the ISO 27001 standard.

The protection of personal data of individuals who interact with the company in any way is of paramount importance. For business purposes, we process personal data relating to persons for whom identification data is obtained (such as, for example, the company’s employees, customers, suppliers, shareholders, and investors), in accordance with the European legislation on the General Data Protection Regulation (GDPR 2016/679) and Law 4624/2019.

The Group complies with the above European and national legal framework and has appointed a Data Protection Officer (DPO) who reports to the Board of Directors. Appropriate organizational and technical measures are taken to protect the personal data processed by the Group and those who process the information on its behalf are also bound accordingly. These measures include policies and procedures on the rights of data subjects and on the management of incidents of breach.

Data Protection Principles

The processing of personal data of the Group must be carried out in accordance with the principles of personal data protection, as defined in Article 5 of the GDPR and which are the following:

- Personal data must be processed lawfully, fairly, and transparently.
- Personal data may only be collected for specific, clear, and lawful purposes.
- Personal data must be adequate, relevant, and limited to what is necessary for processing.
- Personal data must be accurate and up-to-date, and efforts must be made to delete or correct it without delay.
- Personal data must be kept in such a way that the data subject can only be identified if it is necessary for processing.
- Personal data must be processed in a secure manner
- The controller must be able to demonstrate compliance with the other principles of GDPR (Accountability Principle).

3. Anti-Corruption

3.1 Major risks and risk management

TERNA ENERY identifies, the occurrence of incidents of corruption, bribery, and extortion as a risk in the performance of its business and operational activities and functions. Potential occurrence of such incidents may have negative impacts for the Group, both at a financial level (e.g., fines), at an operational level (e.g., interruption of business) as well as at the level of weakening its reputation and disrupting its relationship with the various stakeholder groups.

The fight against corruption is highly important, not only for dealing with potential negative impacts for the Group, but also for the society, the economy and the environment. In this context, the Group acknowledges that tackling corruption is preventing human rights abuses, potentially harmful environmental activities, and even ineffective investments. For this reason, the Group has established and implements an Anti-Corruption and Anti-Bribery Management System, based on the requirements of the ISO 37001 standard, which is certified by an accredited Certification Body.

Code of Conduct and Ethics

Metric ATHEX A-G2: Business ethics violations

Metric ATHEX C-G5: Business ethics policy

The Code of Conduct incorporates the basic principles of ethics on which the corporate culture of TERNA ENERGY Group is based. The Code reflects and strengthens these fundamental principles and creates an agreed upon and transparent framework of operation and behaviors, involving all employees, customers, partners, subcontractors, suppliers, and the local community. It describes issues related to ensuring the health and safety of both the Group's employees and associates, the human rights at the workplace and labor relations and practices, the avoidance of conflicts of interest, ensuring the protection of personal data and information security, the healthy competition, the prevention of bribery practices, the fight against corruption, bribery and money laundering, and the protection of the environment.

Its content is not exhaustive but includes the minimum requirements that must be applied, and which are supplemented by policies, procedures, and other internal documents, which are equally binding for all, while complying with the general principles set by international regulations and contracts, as well as the international standards. To ensure their implementation, the Group, among other things, undergoes periodic audits for which it has received the corresponding certifications. The valid certificates of TERNA ENERGY Group for the year 2021 were the following:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 50001:2018 Energy Management System
- ISO 27001:2013 Information Security Management System
- ISO 37001:2016 Anti-Bribery Management System
- ISO 19600:2014 Compliance Management System (Implementation Certificate)
- ELOT 1439:2013 Organization friendly to people with disabilities

The implementation of the Code ensures:

- Transparency in relations and activities.
- Meeting the expectations of the stakeholders who benefit from its projects and services.
- Creating a safe, fair and equitable workplace.
- Building relationships of mutual trust and respect with suppliers and partners.
- Respect for the environment and the principles of Sustainability.
- Protection of its material and intellectual assets.
- Compliance of TERNA ENERGY and its subsidiaries with the legal framework in the countries they operate.
- Adoption of practices and behaviors in accordance with voluntary commitments.
- Prohibition of the use of corporate funds for political support (e.g., contributions to lobbying actions, political campaigns).

Regulatory Compliance, Corruption and Bribery Control Policy

Regulatory compliance and control of corruption and bribery are key principles of the Group's voluntary commitments and responsible governance. The objectives of the Group for the efficient and effective management of these issues are reflected in the Policy of Regulatory Compliance, and Control of Corruption and Bribery as follows:

1. Strict compliance with all requirements arising from the regulatory framework of the Group, as defined by the Management System. The regulatory framework includes, but is not limited to:
    - laws and regulations
    - licenses, certificates, and other forms of authorizations
    - orders, rules, and instructions issued by public bodies and regulatory authorities
    - industry requirements and mandatory standards
    - court decisions and corresponding case law
    - organizational requirements arising from the Group's management systems including policies, procedures, work instructions
    - obligations arising from contractual agreements with third parties such as customers, suppliers, partners.

2. Strict observance of the legal framework that governs the issues of corruption and bribery in the activities of the Group.
3. Strict adherence to the legal framework governing the issues of money laundering and terrorist financing.
4. Employee awareness in matters of regulatory compliance, corruption, and bribery but also of the Code of Ethics and Conduct, to create a strong culture of compliance within the Group and compliance with the policies, procedures of the Management System.
5. Identification and management of regulatory compliance and corruption-bribery risks. This includes identifying and assessing the risks associated with the regulatory corruption and bribery framework to take appropriate measures to reduce them.
6. Communication of compliance obligations, including risks, management procedures, non-compliances as well as improvement actions and the results of controls / inspections to all parties involved.
7. Creation of the appropriate control mechanism and prevention measures to detect and prevent issues such as bribery, corruption, money laundering and bribery financing, conflict of interest, general regulatory compliance issues. Prevention mechanisms and measures include the following:
    - Clear definition of the principles that govern the Group for these issues through the Code of Ethics and Conduct and the applicable Policies.
    - Clear definition of responsibilities through the Internal Rules of Operation.
    - Different levels of approval clearly defined in the Internal Rules of Operation and in the decisions of the Board of Directors.
    - Application of the four-eye principle and double signatures in the Group's procedures.
    - Continuous training and awareness of staff.
    - Due diligence actions in the selection of partners, suppliers, staff, customers.
    - Scheduled and extraordinary audits by the Internal Audit Unit.
    - Scheduled and extraordinary internal inspections by the Head of Regulatory Compliance.

To achieve the above objectives, the Group is committed to the following:

1. Continuous training and staff awareness.
2. Reporting and Managing Complaints.
3. Independence of the Regulatory Officer.
4. Implementation of procedures for managing conflicts of interest.
5. Continuous improvement of Management System efficiency.
6. Operation of a Mechanism for the evaluation of cases of nonperformance of obligations.
7. Drafting and implementation of Policies specializing in regulatory compliance, corruption and bribery issues, such as unhealthy competition policy, travel and accommodation policy, gift policy, sponsorship and donation policy.

3.2 Results of the above policies and non-financial performance indicators

Since 2019, TERNA ENERGY Group has been certified according to the ISO 37001 standard for the fight against corruption, which covers all its activities and will be valid until July 2022, when the re-certification audit will take place.

GRI 205-3: Confirmed incidents of corruption and actions taken

During 2021, there was no confirmed case of corruption, either through complaints or through audits carried out by the Group in the context of preventing and combating any incidents of corruption. Under the Code of Conduct and Ethics, all employees can report any corruption incident to the email compliance@terna-energy.com. In addition, corruption cases can reported to the Group's grievance and complaint mechanism which is available at the following link: https://www.terna-energy.com/epikinonia/.

GRI 419-1: Non-compliance with laws and regulations in the social and economic area

During the year 2021, no fines and / or non-monetary sanctions for non-compliance with laws and / or regulations in the social and economic sector were inflicted to the Group.

4 Supply chain

4.1 Major risks and risk management

The Group's business activities across its supply chain, are carried out provided that the potential environmental, social, and economic impacts have been evaluated for the maximization of positive impacts. To address the new challenges related to supply chain issues, the Group incorporates new criteria into the supply chain's management processes, such as the new terms of cooperation with suppliers and the preference given to domestic suppliers.

The Group recognizes the risk of violation incidents of international standards and/or legislation related to the practices of its suppliers as well as the possibility that they themselves will not adopt common policies and values with the Group. Moreover, risks in the supply chain may arise from the non-support of local and domestic suppliers, as this may lead to a reduction in their purchasing power and the broader economic development and prosperity of the areas of activity.

4.2 Due diligence and other policies

TERNA ENERGY Group's suppliers develop activities in the fields of wind energy technology, the construction of wind turbines as well as the production of equipment. The Group's suppliers are active in Greece, Europe, and the USA.

In the Group, priority is given to partnerships creation and materials supply from local suppliers, where possible, to both optimize the operational and economic performance of its projects and strengthen local communities. Every year, it intensifies its efforts to further strengthen partnerships with local suppliers, create relationships of trust, stimulate local economies and upgrade social footprint.

Terms of cooperation with suppliers

Metric ATHEX C-S8: Supplier assessment

Responsible supply chain management is one of the Group's major efforts to long-term value creation through its business operations but also through forming responsible business relations with its suppliers and partners. The Group recognizes that the responsible supply chain management presupposes responsible collaborations with mutual contribution and open dialogue among all stakeholders. In this regard, the Group communicates the minimum requirements for cooperation and ensures that its suppliers comply with environmental and social criteria, such as their certification to international standards, e.g. ISO 14001 and ISO 50001, to implement policies and procedures for the protection of the environment and society as a whole, to have materials and equipment that, in addition to their suitability, usability and the least possible risk to the user and the environment, are environmentally friendly and belong to a high energy class with low energy consumption. Necessary requirements for cooperation with any supplier are the full compliance with the regulatory framework relating to Occupational Health and Safety as well as compliance with the Group's Code of Conduct.

Contracts include conditions for the mandatory compliance with the legislation concerning the environment and occupational health and safety, as well as references to the Code of Conduct and the Group's Personal Data Protection Policy, with which all suppliers and subcontractors must comply. In addition, partners are required to comply with the policies, procedures, standards, and management systems followed by the Group. The above actions are necessary prerequisites for the proper and safe operation of the supply chain and the safe execution of all tasks.

4.3 Results of the above policies and non-financial performance indicators

For 2021, the 76.56% of the Group's main suppliers/subcontractors is certified according to EN ISO 14001.

5. Human rights

5.1 Major risks and risk management

Respect for Human Rights is a prerequisite for paving the way to sustainable development, not only for TERNA ENERGY Group, but also for the communities where it operates.

The Group identifies the risk of human rights violations both within its supply chain and its own boundaries, such as discrimination at the workplace, privacy violations of employees and forced or child labor. The potential violation of human rights may have negative impacts to the Group itself, such as the imposition of fines or penalties, as well as on its employees and reputation and / or trust of its stakeholders.

Implementing the human rights principles, the Group contributes more widely to the reinforcement of the rule of law and to the improvement of legal systems, which form the basis for the conclusion of all business contracts. In this regard, risks posed by non-compliance with the applicable human rights framework are minimized, such as a potential crisis in social solidarity and prosperity.

5.2 Due Diligence and other policies

Metric ATHEX C-S6: Human Rights Policy

Human Rights Policy

In 2021, the Group adopted a Human Rights Policy. The purpose of the policy, is to express commitment to respect internationally recognized human rights and acknowledge responsibility to identify, assess and manage potential human rights impacts to stakeholders, across value chain and operations.

The Policy takes into consideration the following:

- United Nations Universal Declaration of Human Rights/The International Bill of Human Rights
- United Nations International Covenant on Civil and Political Rights
- United Nations International Covenant on Social, Economic and Cultural Rights
- United Nations Guiding Principles on Business and Human Rights
- United Nations Global Compact Principles
- ILO Declaration on Fundamental Principles and Rights at Work
- United Nations Resolution 46/7 on Human Rights and the Environment

- Voluntary Principles on Security and Human Rights
- The Business and Human Rights Resource Centre Benchmark for Renewable Energy & Human Rights

The Policy covers all the Group's countries of operation, and identifies human rights per stakeholder group categories, across the value chain, as described below:

1. Human rights relevant to **employees, other workers, subcontractors,** and **suppliers:**
    - The right to just and favorable conditions of work.
    - The right of everyone to the enjoyment of the highest attainable standard of physical and mental health.
    - The right to be free from discrimination.
    - The right to freedom of association.
    - The right to be free from slavery, servitude, and forced or compulsory labor.
    - The rights of the child.
2. Human rights relevant to **clients** and **end users.**
    - The right to privacy.
    - The avoidance of bribery and corruption.
3. Human rights relevant to the **local communities** in which TERNA ENERGY operates.
    - The right to a safe, clean, healthy, and sustainable environment.
    - respect of the rights of local communities.

The responsibility for the preparation, annual review and monitoring of the Human Rights Policy belongs to the Quality, Health-Safety and Environment (QHSE) department of TERNA ENERGY which reports directly to the CEO. The QHSE department cooperates with the Human Resources Department and the Legal Department to collect the data required for monitoring. The Human Rights Policy is approved by the CEO of TERNA ENERGY.

5.3 Results of the above policies and non-financial performance indicators

In the year 2021, there was no incident of human rights violations in TERNA ENERGY Group. Under the Code of Ethics and Conduct, all employees may report any incident of human rights violations in the email compliance@terna-energy.com. In addition, based on the Human Rights Policy, incidents of human rights violations may be submitted to the Group's whistleblowing mechanism which is available at the following link: https://www.terna-energy.com/epikinonia/

6 Social and Labor Issues

6.1 Major risks and risk management

The Group's employees constitute the cornerstone of its growth and business continuity. To this end, the Group manages potential risks and makes the most of existing opportunities in an ever-changing social and work environment. The Group identifies the risks associated with the possibility of not providing equal opportunities, fair wages and appropriate occupational health and safety conditions.

Furthermore, the Group seeks to minimize the likelihood of occupational accidents, by conducting special Occupational Risk Assessment studies, which identify potential health and safety risks for each working position. Potential occurrence of a work accident, in addition to the effects on humans, which are the most important, may cause negative impacts both on an operational level (e.g., work stoppage) and financial (e.g., imposition of fines, compensation and other penalties).

In addition, recognizing the potential social and environmental risks posed to local communities amid its ongoing activities in these areas, the Group conducts, before the commencement of its operations, impact studies to assess the potential environmental and social impacts (e.g., residents' health and safety impacts, impacts on the quality of life) of its planned activities.

TERNA ENERGY Group contributes to tackling the potential economic and social impacts associated with reducing employment in the country (e.g., unemployment), by increasing the number of job offerings. Furthermore, the Group recognizes the negative indirect economic impacts it may cause. For instance, to address the potential risks associated with reducing the purchasing power of its employees - e.g., non-contribution to the stimulation of the local economy, reduction of the contribution to the GDP -, the Group ensures the provision of compensation and benefits that exceed the limits provided by law.

6.2 Due Diligence and other policies

Through the adoption of responsible policies aimed at creating shared value for all its stakeholders, the Group stands shoulder to shoulder with the local communities where it operates through its business activity as well as through continuous consultation and efforts to identify and address the real needs of the people.

The Group actively participates, supports, and regards, as a highest priority, the investment in its people, providing the necessary resources for the promotion of the continuous improvement of the working environment.

The Group for the management of social and labor issues:

- Increases its socio-economic footprint.
- Provides equal opportunities, payroll, and benefits.
- Provides equal opportunities for training and education.
- Implements the health and safety policy.

Responsible social relations and local communities' support

The type and distribution of the Group's activities in the RES and waste management sectors, renders the creation of responsible social relationships with local communities and the constant effort to maximize the activities' positive social impact of vital importance for securing the Group's social license to operate and its path to Sustainable Development. Strengthening the relationships with local communities is achieved through a multi-dimensional strategy that aims to create positive impacts in the areas where the Group operates. As part of its strategy, the Group creates new jobs, supports its local suppliers and bodies, provides offsets, and takes care of its projects' socio-economic footprint.

Responsible relationships with local communities are achieved through engagement processes and collaborative efforts, with the aim of building relationships of trust with stakeholders. The Group's goal is to create long-term value through responsible business conduct.

6.2.1 Equal opportunities, rewards, and benefits

Equal treatment at the workplace, elimination of all forms of discrimination, racial, religious, gender, social, cultural, political, sexual preference or other, and the provision of equal opportunities for professional development based on merit criteria are fundamental principles on which the Group's action is built upon to ensure the respect of its employees' rights.

All actions related to employees, such as promotions, redundancies, remuneration or internal transfers to other departments, are exclusively based on merit criteria related to the performance, ability, effectiveness, and qualifications of each employee. Transparency and impartiality are essential factors that contribute to the successful implementation of the business strategy to attract young people and retain existing talents.

The Remuneration Committee is responsible for the Compensation Policy of the BoD, the committees' members, the General Managers or any alternate thereof, as well as the senior management of the Group, as provided for in article 110 paragraph 1 of Law 4548/2018. Within this framework, the Group operates with transparency and meritocracy regarding the allocation of fees and benefits, by applying objective criteria and evaluation indicators depending on the importance of the position, the duties and responsibilities of each position, the educational background, experience, skills, ability to achieve goals and level of performance and efficiency of senior management.

TERNA ENERGY Group, having examined the cost of living in the countries where it operates, offers higher compensation than the minimum set by the respective legal framework. In addition, the Group offers additional benefits, such as corporate vehicle, laptop, corporate mobile connection, etc., depending on the needs and requirements of the job position.

The remuneration of employees is based on position, grade, also considering market trends. Wages and benefits are given per position and role, leave no room for discrimination or privileged treatment regarding pay or benefits or other employee characteristics.

6.2.2 Employee training

The Group recognizes the importance that human capital has in its ability to create value through its activities and for this reason it consciously invests in the continuous education and training of its employees.

The Group systematically invests in training that aims, not only to enhance employee performance and upgrade their technical capabilities, but also to improve their ability to respond to emergencies. The Group focuses on the conduct of specialized education and training programs which are related to the subject of each position, the strategic planning, and the needs of its human resources.

The educational needs of the employees are determined on an annual basis, selecting the appropriate bodies and trainers, and specialized training programs are designed. In addition, on an annual basis and on a case-by-case basis, internal trainings are carried out by supervisors and specialized colleagues regarding issues of health and safety, environment and application of the Code of Ethics and Conduct. Regardless of the subject matter, the trainings are in accordance with the needs of the projects undertaken by the Group and focus on the roles and duties of the employees.

6.2.3 Health and safety

The Group's strategy includes the non-negotiable principle of ensuring occupational health and safety. This principle is a prerequisite for any business activity and equally applies to all employees, subcontractors, and network of partners.

The Group complies with the provisions of applicable national, European, and international law and through a strict Health and Safety Management System, which adheres to and continuously improves, aims for the early detection and minimization of risks related to all its activities. The health and safety policy applies to the entire Group and all those who, indirectly or directly, are related to its business operations.

Strengthening the Group's health and safety policy and ensuring zero accidents is a function of goals related to:

• the implementation of an internationally certified Health and Safety Management System,

• the formation of a corporate culture governed by the principles of Health and Safety,

• the full compliance with legal and other national, European, and international requirements, directives and provisions relating to Health and Safety,

• the implementation, monitoring, evaluation and improvement of Health and Safety activities,

• the identification of occupational risks and development of a comprehensive prevention methodology,

• the prevention of injuries, diseases and adverse health and safety incidents,

• the preparation and implementation of emergency management plans,

• the conduct of measurements of harmful factors in the working environment (noise, particulate matter, etc.),

• providing proper, adequate health and safety information and training to all employees, suppliers, partners and visitors,

• the compliance and unwavering adherence to H&A procedures by all stakeholders,

• the immediate investigation of any accident / incident, the factors' assessment and taking precautionary measures

• the integration of technologies, good practices and operating procedures that guarantee safety conditions for employees, subcontractors and third parties.

The Group's commitment to Health and Safety is demonstrated by the implementation of the certified Health and Safety Management System, in accordance with the requirements of the international standard ISO 45001:2018 concerning all the Group's activities.

6.3 Results of the above policies and non-financial performance indicators

During the year 2021, the Group's social contribution through sponsorships, donations and infrastructure projects amounted to 1.85 million euros.

Also, during the year 2021, for all its construction projects, the Group conducted the relevant environmental impact studies, continued to monitor the environmental footprint, and conducted consultations and public awareness programs, wherever this was required during the implementation of the projects.

GRI 406-1: Incidents of discrimination and corrective actions taken

During the year 2021, there were no reported cases of human rights abuses and / or violations, discrimination due to race, religion, gender, age, disability, nationality, political beliefs, etc., including incidents of harassment, in any of its activities. Under the Code of Ethics and Conduct, all employees can report any incident of discrimination in the email compliance@terna-energy.com.

Metric ATHEX SS-E7: Backlog cancellations

During the year 2021, there were no backlog cancellations or delays of work related to impacts on society or the environment within the TERNA ENERGY Group.

GRI 2-7: Employees

GRI 2-7: Employees[2]		2021					2020				
		Female	Male	Other[1]	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
TOTAL GROUP	Number of permanent employees	100	280	0	0	380	74	266	0	0	340
	Number of temporary employees	0	8	0	0	8	1	7	0	0	8
	Number of non-guaranteed hours employees	40	0	0	0	40	0	0	0	0	0
	Number of full-time employees	96	288	0	0	384	66	263	0	0	329
	Number of part-time employees	4	0	0	0	4	7	10	0	0	17
	Number of freelancers	21	109	0	0	130	20	91	0	0	111
	Total number of employees (incl. freelancers)	121	397	0	0	518	93	364	0	0	457
	Total number of employees (excl. freelancers)	100	288	0	0	388	75	273	0	0	348
GREECE	Number of permanent employees	87	251	0	0	338	63	239	0	0	302
	Number of temporary employees	0	8	0	0	8	0	2	0	0	2
	Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0
	Number of full-time employees	87	259	0	0	346	58	233	0	0	291
	Number of part-time employees	0	0	0	0	0	5	8	0	0	13
	Number of freelancers	21	109	0	0	130	20	91	0	0	111
	Total number of employees (incl. freelancers)	108	368	0	0	476	83	332	0	0	415
	Total number of employees (excl. freelancers)	87	259	0	0	346	63	241	0	0	304
USA											
	Number of permanent employees	5	16	0	0	21	5	16	0	0	21
	Number of temporary employees	0	0	0	0	0	0	2	0	0	2

	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**3**	**16**	**0**	**0**	**19**	**3**	**16**	**0**	**0**	**19**
	Number of part-time employees	**2**	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**2**
	Number of employees (Total)	**5**	**16**	**0**	**0**	**21**	**5**	**16**	**0**	**0**	**21**
BULGARIA	**Number of permanent employees**	**2**	**4**	**0**	**0**	**6**	**2**	**6**	**0**	**0**	**8**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**2**	**4**	**0**	**0**	**6**	**2**	**6**	**0**	**0**	**8**
	Number of part-time employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of employees (Total)	**2**	**4**	**0**	**0**	**6**	**2**	**6**	**0**	**0**	**8**
NORTH MACEDONIA	**Number of permanent employees**	**1**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**1**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**1**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**1**
	Number of part-time employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of employees (Total)	**1**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**1**
POLAND	**Number of permanent employees**	**2**	**3**	**0**	**0**	**5**	**2**	**2**	**0**	**0**	**4**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**3**
	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**2**	**3**	**0**	**0**	**5**	**2**	**5**	**0**	**0**	**7**
	Number of part-time employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of employees (Total)	**2**	**3**	**0**	**0**	**5**	**2**	**5**	**0**	**0**	**7**
SERBI A	**Number of permanent employees**	**1**	**2**	**0**	**0**	**3**	**0**	**2**	**0**	**0**	**2**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**

	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**0**	**2**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**2**
	Number of part-time employees	**1**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**1**
	Number of employees (Total)	**1**	**2**	**0**	**0**	**3**	**1**	**2**	**0**	**0**	**3**
ALBANIA	**Number of permanent employees**	**1**	**1**	**0**	**0**	**2**	**1**	**1**	**0**	**0**	**2**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**0**	**1**	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**1**
	Number of part-time employees	**1**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**1**
	Number of employees (Total)	**1**	**1**	**0**	**0**	**2**	**1**	**1**	**0**	**0**	**2**
CYPRUS	**Number of permanent employees**	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**
	Number of temporary employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of non-guaranteed hours employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of full-time employees	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**
	Number of part-time employees	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Number of employees (Total)	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**

[1]Gender as specified by the employees themselves.

[2] The total number of employees has been calculated by using the headcount methodology

GRI 2-8: Workers who are not employees

GRI 2-8: Workers who are not employees	2021[1]
Workers who are not employees and whose work is controlled by the organization	
TOTAL	**195**

[1]Includes all trainees, agency workers and subcontractors. The number of subcontractors has been calculated as the average number of subcontractors who worked at TERNA ENERGY's facilities in 2021 (Greece, Poland, Bulgaria, USA).

Metric ATHEX C-S2: Female employees

ATHEX C-S2: Female employees	2021
Percentage of female employees	23%

Metric ATHEX C-S3: Female employees in management positions

ATHEX C-S3: Female employees in management positions	2021
Percentage of female employees at the top 10% of employees by total compensation	16%

GRI 2-30: Collective bargaining agreements

Metric ATHEX C-S7: Collective bargaining agreements

GRI 2-30: Collective bargaining agreements	2021	2020
Percentage of the total number of employees covered by collective bargaining agreements		
%	89%	88%

GRI 403-8: Workers covered by an occupational health and safety management system

GRI 403-8: Workers covered by an occupational health and safety management system	2021
Employees and workers who are not employees but whose work and/or workplace is controlled by the organization[1]	
Total number	**583**
Number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by a H&S management system	
Number	**583**
Percentage	**100%**
Number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by a H&S management system that has been internally audited	
Number	**583**
Percentage	**100%**
Number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by a H&S management system that has been audited or certified by an external party[2]	
Number	**485**
Percentage	**83.19%**

[1]Workers who are not employees but whose work and/or workplace is controlled by the organization, include all trainees, agency workers as well as subcontractors. The number of subcontractors has been calculated as the average number of subcontractors who worked at TERNA ENERGY's facilities in 2021 (Greece, Poland, Bulgaria, USA).

[2]The Group's facilities abroad are not certified according to ISO 45001. The total number of employees and workers who are not employees includes all those in Greece.

GRI 403-9 Work-related injuries

GRI 403-10 Work-related ill health

SASB IF-EU-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)

GRI 403-9: Work-related injuries	2021
Employees	
Number of hours worked	**704,934**
Number of fatalities as a result of work-related injury	**0**
Rate of fatalities as a result of work-related injury	**0.00**
Number of high-consequence work-related injuries (excluding fatalities)	**0**
Rate of high-consequence work-related injuries (excluding fatalities)	**0.00**
Number of recordable work-related injury[2]	**1**
Rate of recordable work-related injuries (IR) [3]	**0.28**
The main types and number of work-related injuries:	**-**
Light injury during the use of lifting equipment	**1**
All workers who are not employees but whose work and/or workplace is controlled by the organization	
Number of hours worked	**122,080**
Number of fatalities as a result of work-related injury	**0**
Rate of fatalities as a result of work-related injury	**0.00**
Number of high-consequence work-related injuries (excluding fatalities)	**0**
Rate of high-consequence work-related injuries (excluding fatalities)	**0.00**
Number of recordable work-related injury[2]	**0**
Rate of recordable work-related injuries (IR) [3]	**0.00**

The main types and number of work-related injuries	**N/A**

In the table:

- The indicators presented, are rounded.
- There were no deaths injuries (high consequence) or work-related ill health.
- Indicators are calculated at a rate of 200,000 ([total number of recordable work-related injuries or number of working days lost due to work-related accidents /
- total number of working hours of all employees per year] x 200,000). The rate of 200,000 indicates the number of hours worked by 100 full-time employees in a
- year.
- Occupational hazards that may result in injuries have been identified and recorded by the safety technician in collaboration with the operation and project
- managers of each facility, through the occupational risk assessment process. The Safety Technician, in case of any injury, makes recommendations for the proper

monitoring of safety rules and instructions to show due care.

- Work related near-misses are not included.
- Workers who are not employees but whose work and/or workplace is controlled by the organization, include all trainees, agency workers as well as subcontractors. The number of subcontractors has been calculated as the average number of subcontractors who worked at TERNA ENERGY's facilities in 2021 (Greece, Poland, Bulgaria, USA).

[2]Refer to minor injuries.

[3]Accident frequency rate based on terminology of the Athens Stock Exchange Reporting Guide 2022.

Metric ATHEX SS-S6: Health and safety performance

ATHEX SS-S6 Health and safety performance	**2021**
Employees	
Number of work days lost due to work-related accidents	**3**
Accident severity rate	**0.85**
Workers who are not employees but whose work and/or workplace is controlled by the organization[1]	
Number of work days lost due to work-related accidents	**0**
Accident severity rate	**0.00**

[1]The number of subcontractors has been calculated as the average number of subcontractors who worked at TERNA ENERGY's facilities in 2021 (Greece, Poland, Bulgaria, USA).

GRI 401-1: New employees hires and employee turnover

Metric C-S4: Employee training

GRI 401-1: New employee hires and employee turnover		2021									2020								
		<30 years old			30-50 years old			>50 years old			<30 years old			30-50 years old			>50 years old		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Greece	Number of new employee hires	20	7	27	49	17	66	10	3	13	21	2	23	36	9	45	6	1	7
	Rate of new employee hires	49%	47%	48%	19%	22%	19%	15%	20%	16%	75%	25%	64%	19%	19%	19%	23%	13%	21%
	Number of voluntary employee exits	6	1	7	24	3	27	1	0	1	4	1	5	8	2	10	0	2	2
	Employee voluntary turnover rate	15%	7%	13%	9%	4%	8%	2%	0%	1%	14%	13%	14%	4%	4%	4%	0%	25%	6%
	Number of forced employee exits	4	1	5	9	3	12	1	0	1	14	1	15	0	45	45	9	0	9
	Employee involuntary turnover rate	10%	7%	9%	3%	4%	4%	2%	0%	1%	50%	13%	42%	0%	96%	19%	35%	0%	26%
	Total number of turnover	10	2	12	33	6	39	2	0	2	18	2	20	8	47	55	9	2	11
	Total employee turnover rate	24%	13%	21%	13%	8%	12%	3%	0%	2%	64%	25%	55%	4%	100%	23%	35%	25%	32%
United States of America	Number of new employee hires	0	0	0	0	0	0	0	0	0	1	0	1	5	2	7	1	0	1
	Rate of new employee hires	0	0	0	0	0	0	0	0	0	100%	0%	100%	38%	67%	44%	50%	0%	25%

	Number of voluntary employee exits	**0**	**0**	**0**	**2**	**0**	**2**	**1**	**0**	**1**	**0**	**1**	**1**	**1**	**1**	**2**	**0**	**0**	**0**
	Employee voluntary turnover rate	**0**	**0**	**0**	**17%**	**0%**	**13%**	**33%**	**0%**	**20%**	**0%**	**0%**	**100%**	**8%**	**33%**	**13%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**1**	**0**	**1**	**1**	**0**	**1**	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0**	**0**	**0**	**8%**	**0%**	**7%**	**33%**	**0%**	**20%**	**0%**	**0%**	**0%**	**8%**	**0%**	**6%**	**0%**	**0%**	**0%**
	Total number of turnover	**0**	**0**	**0**	**3**	**0**	**3**	**2**	**0**	**2**	**0**	**1**	**1**	**2**	**1**	**3**	**0**	**0**	**0**
	Total employee turnover rate	**0%**	**0%**	**0%**	**0.25%**	**0%**	**0.20%**	**67%**	**0%**	**40%**	**0%**	**0%**	**100%**	**15%**	**33%**	**19%**	**0%**	**0%**	**0%**
	Number of new employee hires	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**0**
	Rate of new employee hires	**0%**	**0%**	**0%**	**17%**	**0%**	**13%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**20%**	**0%**	**14%**	**0%**	**0%**	**0%**
	Number of voluntary employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Poland	**Employee voluntary turnover rate**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

	Total number of turnover	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total employee turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Albania	**Number of new employee hires**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Rate of new employee hires	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of voluntary employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee voluntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Total number of turnover	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total employee turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Cyprus	**Number of new employee hires**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Rate of new employee hires	**0%**	**0%**	**0%**	**0%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of voluntary employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

	Employee voluntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Total number of turnover	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total employee turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Serbia	**Number of new employee hires**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Rate of new employee hires	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of voluntary employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee voluntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Total number of turnover	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

	Total employee turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
North Macedonia	**Number of new employee hires**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Rate of new employee hires	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of voluntary employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee voluntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Number of forced employee exits	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Employee involuntary turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
	Total number of turnover	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total employee turnover rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

Metric ATHEX C-S4: Turnover rates

ATHEX C-S4: Turnover rates	2021			2020		
	Male	Female	Total	Male	Female	Total
Ratio of voluntary employee turnover	8.5%	3.3%	7.3%	5%	9%	6%
Ratio of involuntary employee turnover	4.5%	3.3%	4.2%	9%	62%	21%

GRI 404-1: Average hours of training per year per employee

Metric ATHEX C-S5: Employee training

GRI 404-1 Average hours of training per year per employee	2021				2020			
Gender	Male	Female	Other*	Not Disclosed	Male	Female	Other*	Not Disclosed
By employee level								
Employees in the top 10% of employees by total compensation	3.8	3.0	0	0	9.0	10.6	0	0
Employees in the bottom 90% of employees by total compensation	7.6	7.0	0	0	2.1	0.4	0	0
TOTAL	7.2	6.7	0	0	2.3	1.7	0	0
Gender	Male	Female	Other*	Not Disclosed	Male	Female	Other*	Not Disclosed
By function								
Administrative staff	19.1	13.8	0	0	2.7	2.6	0	0
Technicians	3.7	1.1	0	0	3.5	0.0	0	0
Rest of workers	6.7	0.1	0	0	1.0	3.2	0	0
TOTAL	7.2	6.7	0	0	2.3	1.7	0	0

*Gender as specified by the employees themselves

7 Environmental Management

7.1 Major risks and risk management

Metric ATHEX A-E2: Climate change risks and opportunities

TERNA ENERGY Group systematically identifies and prioritizes environmental risks associated with its companies' activities and which may cause adverse effects both for the stakeholders (e.g., local communities) and in the natural environment (e.g., impacts in land, water, air and ecosystems).

As part of its environmental management, the Group prioritizes the protection of biodiversity, as it is essential for the survival of plants and animal species' genetic diversity and natural ecosystems. Potential impacts in the case of neglecting the protection of biodiversity could be water and air pollution, threats to avifauna and to their habitats, threats to human health and food security. Through the protection of livestock, the Group contributes to the strengthening of local incomes (e.g., protection of crops for local producers) and consequently to the avoidance of bankruptcy risk.

The Group also recognizes that the effects of climate change, such as the gradual increase in global average temperature and the increase in the frequency of emergencies and severe weather events, are a challenge for the global business community, presenting both opportunities and risks in the design and implementation of its business model. Moreover, the Group being a pioneer in Greece in identifying that the shift to Clean Energy and the reduction of greenhouse gas emissions should be priority for tackling the effects of climate change, integrates climate risks and opportunities in the formulation of the Group's business strategy as a prerequisite for its Sustainable Development and its ability to continue to create value.

7.2 Due Diligence and other polices

Environmental Management

Environmental protection is an integral part of the Group's strategy and becomes visible through its policies and its strategic, and business decisions and actions. As a result of the high priority given by the Group to environmental issues, the Environmental Manager reports directly to the CEO. The Group acts purposefully and takes measures to reduce its negative environmental footprint through responsible energy management, proper use of natural resources (e.g., water, energy, materials) and protecting and conserving biodiversity.

In particular, the Group's environmental strategy includes:

- the implementation of the Environmental Management System,
- the implementation of the Eco-Management and Audit Scheme System (EMAS),
- the mitigation of the climate change impacts,
- the protection and conservation of biodiversity,
- the responsible management of solid and liquid waste,
- the responsible water management.

The Group also has a Management Systems Policy, which is committed to reducing the impact of its operations on the environment and reducing its energy consumption and greenhouse gas emissions in its buildings and facilities, aiming to sustainable development. The policy provides:

- compliance with the applicable legal and other environmental and ecosystem protection requirements,
- avoidance of environmental pollution,
- saving of natural resources through the reuse and recycling of materials,

- responsible use of energy andsearch and elimination of any energy waste activity.

Environmental Compliance

By implementing a comprehensive Environmental Management System, TERNA ENERGY Group identifies the environmental impacts of its activities and is therefore able to take the necessary measures in a timely manner, to reduce its environmental footprint and continuously improve its environmental performance.

To ensure environmental compliance both in terms of activities and in terms of operations of the Group, internal and external environmental audits are carried out both on an annual basis and at regular intervals, to assess the degree of compliance with the legislation, protocols and work practices, the requirements of the International Standards, as well as their degree of implementation. Internal environmental audits are carried out by the QHSE Department while all the activities and facilities of the Group in Greece are certified according to ISO 14001:2015 "Environmental Management System".

Tackling climate change

As underlined in the environmental statement, TERNA ENERGY Group is committed to reducing energy consumption and greenhouse gas emissions in its buildings and facilities. At the same time, its activities in the field of energy production from RES, but also waste management, are contributing to tackling climate change.

TERNA ENERGY Group is one of the leading producers of Renewable Energy Sources (RES) in Greece. Climate change mitigation is at the core of the Group's business and is fully integrated into its decision-making mechanisms and management. Having the full support of the Board of Directors, TERNA ENERGY Group actively participates in the mitigation of Climate Change in the following ways:

1. The decarbonization in terms of indirect energy emissions of greenhouse gases (Scope 2). More specifically, it is committed to use 100% green electricity from 2021 onwards, in all facilities in Greece.
2. Expansion and intensification of the assessment of risks and opportunities related to climate change, which is already taking place under the Group's Environmental Management System and is aligned with the TCFD recommendations.
3. Contribution to the global decarbonization target, increasing the installed capacity of our energy production from RES to 3GW by the end of 2025. We will continue and increase the production of energy from RES, which in 2020 resulted in the prevention of the release of 3 million tons of Greenhouse Gases.
4. The acceleration of investment plans in the field of energy storage, to decisively contribute to the maximization of the penetration of RES and to the achievement of the Greek national goals regarding energy and climate.

The production of energy from RES contributes to the reduction of CO_2 emissions into the atmosphere, the reduction of the greenhouse effect and consequently the mitigation of the relevant effects. RES, as inexhaustible sources of energy, which are becoming increasingly competitive in the market and more urgent for the protection of the planet, also contribute to minimizing the dependence on fossil fuels, such as oil and gas. It is worth emphasizing that TERNA ENERGY has long been one of the largest investors in the Greek RES market and, simultaneously, one of the largest Greek RES Groups internationally. In this context, through the RES projects that the Group owns and operates, it has met its objectives and has attained economic growth at a group level, while at country and national economy level, it has contributed to a significant reduction of greenhouse gas emissions, to the saving of domestic conventional energy sources while it has also met significant energy needs of citizens.

Protection and conservation of biodiversity

In the context of responsible impacts management on biodiversity that may arise from the activities of the Group, methods and technologies are adopted to protect the natural ecosystems and the biological wealth of its activity areas.

To this end, the Group applies the following:

1. Investigation on the areas that the projects are located and the required infrastructure as to whether they are included in areas or regions that are governed by specific regulatory restrictions based on established land uses, the existence of Natura 2000 sites, as well as other protected areas.
2. Preparation of Environmental Impact Studies (EIA) and other specific studies in accordance with the provisions arising from the applicable international (where required) and national legal framework.
3. Implementation of a certified Environmental Management System (EMS) and training. More specifically, the environmental management system, certified in accordance with the requirements of the international standard ISO 14001, has been developed and communicated to all stakeholders involved in the supply chain (employees, partners, suppliers), while at the same time trainings are conducted for the Group's employees.
4. Installation of avifauna protection systems in wind farms, as provided by the decision approving environmental terms.

By 2021, protection systems for avifauna had been installed in the following wind farms:

- CRETE
  W/F PERDIKOKORFI: 4 machines
- EVROS
  W/F MYRTOYLA: 19 machines
  W/F DERVENI: 8 machines
  W/F XIROVOUNI: 3 machines
  W/F XYLOS: 2 machines
  W/F DIDYMOS LOFOS: 3 machines

Moreover, the study regarding the wind farms in the under-construction project of Karystia is in progress, as well as the study regarding the protection of the wildlife in the under-construction project of waste management in the Peloponnese Region (MEA Skala Laconia).

Responsible waste management

Responsible waste management applies to the activities of TERNA ENERGY Group and its suppliers and partners, both in Greece and abroad. An irresponsible management of waste may cause negative impacts both for the local communities (e.g., contamination of the local environment and deterioration of the residents’ quality of life) and country (degradation of the natural environment and intensification of the solid and liquid waste management problem), as well as at its operations (e.g., imposition of sanctions and work stoppage due to the uncontrolled production and/or waste disposal method). To avoid these impacts, the Group is constantly looking to mitigate the outputs and waste generated by its operations, selecting the best available waste management and disposal practices, working with certified bodies, and strictly implementing the certified Environmental Management System.

7.3 Results of the above policies and non-financial performance indicators

To ensure environmental compliance, during 2021, more than 40 internal and external audits were carried out in all the Group's facilities. In April 2021, Group Certification was completed by the Certification Body for ISO 14001 Standard, which resulted in the issuance of compliance certificates for all TERNA ENERGY Group subsidiaries.

It is worth noting that in 2021, the Group proceeded with the installation and implementation of an Eco-Management and Audit Scheme System in accordance with the EMAS 1221/2009 Regulation (as amended by 1505/2017).

During the internal, as well as the external audits, the elements that need improvement are identified and evaluated and preventive and corrective actions are proposed.

SASB IF-EU-000.D: Total electricity generated

The Group, as one of the largest Greek producers of energy from RES, produced in 2021 2.275.657 MWh of clean energy, thus averting the emission of 1.350.589 tCO_2 eq in the atmosphere.

GRI 304-2 Significant impacts of activities, products, and services on biodiversity

During the year 2021, there were no incidents or complaints from regulatory bodies, environmental inspectors, NGOs or the local community, regarding the violation of environmental conditions related to the protection of biodiversity in the context of the activities of the TERNA ENERGY Group.

GRI 307-1 Non-compliance with environmental laws and regulations

During the year 2021, no fines or other sanctions were imposed on TERNA ENERGY Group in relation to the violation of the environmental legislation and the relevant regulations.

(Amounts in thousands of Euros unless mentioned otherwise)

GRI 302-1: Energy consumption within the Organization

Metric ATHEX C-E3: Energy consumption and production

ATHEX C-E3 Energy consumption and production GRI 302-1: Energy consumption within the organization	2021	2020
Fuel consumption within the organization from non-renewable sources (in MJ)	5,001,034	4,328,280
Electricity consumption (in MJ)	23,881,968	19,355,184
Total energy consumption inside the Group (in MJ)	98,067,421	86,314,507
Total energy consumption inside the Group (in MWh)	27,241	23,976
Percentage of electricity consumed (in MWh)	24%	22%
Percentage of energy consumed from renewable sources (in MWh)	92%	78%

The energy consumptions refer to the operating facilities controlled by the Group, in Greece, Bulgaria, Poland and America as well as to the office facilities in Serbia, Albania, Northern Macedonia.

(Amounts in thousands of Euros unless mentioned otherwise)

GRI 305-1: Direct (Scope 1) GHG emissions

Metric ATHEX C-E1: Scope 1 emissions

GRI 305-2: Energy indirect (Scope 2) GHG emissions

Metric ATHEX C-E2: Scope 2 emissions

SASB IF-EU-120a.1: Air pollutant emissions

Metric ATHEX C-E1 Scope 1 emissions GRI 305-1: Direct (Scope 1) GHG emissions	2021	2020
Total gross direct (Scope 1) GHG emissions (in CO_2e)	333	292
Biogenic CO_2 emissions (in CO_2e)	4.318	3.747
Metric ATHEX C-E2 Scope 2 emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions	**2021**	**2020**
Location-based emissions (in tCO_2e)	3.923	3.180
Market-based emissions (in tCO_2e)	459	3.180
Which gases have been included in the calculation of indirect emissions (e.g. CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all)?	ALL	ALL
SASB (IF-WM-120a.1): Air pollutant emissions	**2021**	**2020**
Emissions of NO_x (The scope of NOx includes NO and NO2, but excludes N2O) (in t)	3,45	N/A
Emissions of SO_x (The scope of SOx includes SO2 and SO3) (in t)	N/A	N/A
Emissions of non-methane volatile organic compounds (VOCs) (in t)	N/A	N/A
Emissions of hazardous air pollutants (HAPs) (in t)	N/A	N/A

The greenhouse gas emissions included in the table above refer to the activities controlled by the Group. The methodology followed for the quantification and compilation of greenhouse gas emissions was based on the standards ISO 14064-1:2018 and the Greenhouse Gas Protocol. The methodology for the calculation of the energy consumptions and Greenhouse Gas emissions has been revised and improved by defining the operational boundaries according to GHG Protocol Accounting and Reporting Standard and the approved guidelines e.g. "Waste Sector Protocol". TERNA ENERGY does not hold the operational control of Epirus Waste Management Unit, consequently the energy consumption and Greenhouse Gas emissions data from this facility are not included.

(Amounts in thousands of Euros unless mentioned otherwise)

GRI 306-3: Waste generated

GRI 306-4: Waste diverted from disposal

GRI 306-5: Waste directed to disposal

GRI 306-3 Waste generated	Unit	2021			2020		
Hazardous Waste		**Waste generated**	**Waste diverted from disposal**	**Waste directed to disposal**	**Waste generated**	**Waste diverted from disposal**	**Waste directed to disposal**
Contaminated packaging	**t**	7.053	7.053	0	11.106	11.106	0
Contaminated absorbents	**t**	25.280	25.280	0	15.694	15.694	0
Lubricants	**t**	20.855	20.855	0	21.619	21.619	0
Batteries	**t**	0.569	0.569	0	0.911	0.911	0
Oil filters	**t**	10.897	10.897	0	5.333	5.333	0
Discarded organic chemical gases in pressure containers	**t**	0.232	0.232	0	0	0	0
Oil waste	**t**	0.191	0.191	0	0	0	0
Antifreeze fluids	**t**	3.560	3.560	0	0	0	0
Oily water from oil/water separators	**t**	59.000	59.000	0	0	0	0
Fluoroscent light tubes	**t**	0.200	0.200	0	0	0	0
Waste adhesives and sealants	**t**	0	**0**	0	0.245	0.245	0
E-waste	**t**	0	0	0	0.094	0.094	0

(Amounts in thousands of Euros unless mentioned otherwise)

Laboratory waste	**t**	0	0	0	0.040	0.040	0
Total	**t**	**127.84**	**127.84**	**0**	**55.04**	**55.04**	**0**
Contextual information necessary to understand the data and how the data has been compiled.		The above data for 2021 include: -Facilities in operation in countries: Greece, USA, Bulgaria and Poland (Epirus Waste Management Facility in Ioannina, Greece waste management data is not included, as the relevant waste data are reported by Epirus Prefecture). -Office facilities in countries: Serbia, Albania, North Macedonia -The data for 2020 include: Facilities in operation in countries: Greece, USA, Bulgaria and Poland -The increase in the amount of hazardous waste in 2021 is mainly due to the management of 59 t of oily water. In addition, there are newly operated wind farms in 2021 in Evia.					
Non-hazardous Waste		**Waste generated**	**Waste diverted from disposal**	**Waste directed to disposal**	**Waste generated**	**Waste diverted from disposal**	**Waste directed to disposal**
Municipal Waste	**t**	13,51 13.51	0,00	13,51	12.01	0	12.01
Recyclables	**t**	26.87	26.87	0	19.03	19.03	0
Total	**t**	**40.38**	**26.87**	**13.51**	**31.04**	**19.03**	**12.01**
Contextual information necessary to understand the data and how the data has been compiled.		The above data for 2021 include: -Facilities in operation in countries: Greece, USA, Bulgaria and Poland (Epirus Waste Management Facility in Ioannina, Greece waste management data is not included, as the relevant waste data are reported by Epirus Prefecture). -Office facilities in countries: Serbia, Albania, North Macedonia. The data for 2020 include: -Facilities in operation in countries: Greece, USA, Bulgaria and Poland. -In addition, there are newly operated wind farms in 2021 in Evia.					
GRI 306-4:	**Unit**	**2021**			**2020**		

(Amounts in thousands of Euros unless mentioned otherwise)

Waste diverted from disposal by recovery operation							
Hazardous Waste		**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
Preparation for reuse	**t**	0	0	0	0	0	0
Recycling	**t**	0	127.84	127.84	0	55.04	55.04
Total	**t**	**0**	**127.84**	**127.84**	**0**	**55.04**	**55.04**
Non-hazardous Waste		**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
Preparation for reuse	**t**	0	0	0	0	0	0
Recycling	**t**	0	26.87	26.87	0	19.03	19.03
Total	**t**	**0**	**26.87**	**26.87**	**0**	**19.03**	**19.03**

GRI 306-5 Waste directed to disposal	Unit	2021			2020		
Hazardous Waste		**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
Incineration (with energy recovery)	**t**	0	0	0	0	0	0
Incineration (without energy recovery)	**t**	0	0	0	0	0	0
Landfilling	**t**	0	0	0	0	0	0
Total	**t**	**0**	**0**	**0**	**0**	**0**	**0**
Non-hazardous Waste		**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
Incineration (with energy recovery)	**t**	0	0	0	0	0	0
Incineration (without energy recovery)	**t**	0	0	0	0	0	0
Landfilling	**t**	0	13.51	13.51	0	12.01	12.01
Total	**t**	0	**13.51**	**13.51**	0	**12.01**	**12.01**

ATHEX A-E3 Waste management

ATHEX A-E3 Waste management		2021	2020
Percentage of waste by type of treatment			
Total amount of waste generated	**t**	168	86
Recycling	**%**	92%	86%
Preparation for reuse	**%**	0%	0%
Landfilling	**%**	8%	14%
Incineration (with energy recovery)	**%**	0%	0%
Incineration (without energy recovery)	**%**	0%	0%

(Amounts in thousands of Euros unless mentioned otherwise)

GRI 303-3: Water withdrawal

GRI 303-4: Water discharge

GRI 303-5: Water consumption

SASB IF-EU-140a.1: Water management

GRI 303-3 Water withdrawal					
	Unit	2021		2020	
Water source					
		All areas	Areas with Water Stress	All areas	Areas with Water Stress
Surface water					
Freshwater	ML	4,700,300	4,700,300	2,844,000	2,844,000
Other water (>1,000mg/lt total dissolved solids)	ML	0	0	0	0
Groundwater					
Freshwater	ML	0	0	0	0
Other water (>1,000mg/lt total dissolved solids)	ML	0	0	0	0
Seawater					
Freshwater	ML	0	0	0	0
Other water (>1,000mg/lt total dissolved solids)	ML	1.24	1.24	0	0
Produced water					
Freshwater	ML	0	0	0	0
Other water (>1,000mg/lt total dissolved solids)	ML	0	0	0	0
Third-party water					
Freshwater	ML	1.33	1.04	0.20	0.20

(Amounts in thousands of Euros unless mentioned otherwise)

Other water (>1,000mg/lt total dissolved solids)	**ML**	0	0	0	0
Surface water	**ML**	0	0	0	0
Groundwater	**ML**	0	0	0	0
Seawater	**ML**	0	0	0	0
Produced water	**ML**	0	0	0	0
Total					
Freshwater	**ML**	**4,700,301.33**	**4,700,301.04**	**2,844,000.20**	**2,844,000.20**
Other water (>1,000mg/lt total dissolved solids)	**ML**	**1.24**	**1.24**	**0**	**0**

GRI 303-4: Water discharge					
		Water source			
		All areas	**Areas with Water Stress**	**All areas**	**Areas with Water Stress**
Surface water					
Freshwater	**ML**	4,700,300	4,700,300	2,844,000	2,844,000
Other water (>1,000mg/lt total dissolved solids)	**ML**	0	0	0	0
Groundwater					
Freshwater	**ML**	0	0	0	0
Other water (>1,000mg/lt total dissolved solids)	**ML**	0	0	0	0
Seawater					
Freshwater	**ML**	0	0	0	0
Other water (>1,000mg/lt total dissolved solids)	**ML**	0.87	0.87	0	0
Third-party water					
Freshwater	**ML**	0	0	0	0
Other water (>1,000mg/lt total dissolved solids) Total third-party water sent for use to other organizations	**ML**	0	0	0	0
Total					

Freshwater	**ML**	**4,700,300**	**4,700,300**	**2,844,000**	**2,844,000**
Other water (>1,000mg/lt total dissolved solids)	**ML**	**0.87**	**0.87**	**0**	**0**

Total water withdrawal[1]					
		All areas	**Areas with Water Stress**	**All areas**	**Areas with Water Stress**
a) Total water withdrawal	**ML**	4,700,302.57	4,700,302.28	2,844,000.20	2,844,000.20
b) Total freshwater withdrawal	**ML**	4,700,301.33	4,700,301.04	2,844,000.20	2,844,000.20
c) Total other water withdrawal (>1,000 mg/lt total dissolved solids)	**ML**	1.24	1.24	0	0
Total water discharge					
a) Total water discharge	**ML**	4,700,300.87	4,700,300.87	2,844,000	2,844,000
b) Total freshwater discharge	**ML**	4,700,300	4,700,300	2,844,000	2,844,000
c) Total other water discharge (>1,000 mg/lt total dissolved solids)	**ML**	0,87 0.87	0,87 0.87	0	0
Total water consumption					
a) Total water consumption	**ML**	1.70	1.42	0,20	0,20
b) Change in water storage	**ML**	0	0	0	0

[1]Data included from all facilities in operation that the Group controls in Greece, Bulgaria, Poland, USA as well as from offices in Serbia, Northern Macedonia and Albania.

The following data has been calculated:

- River water for the operation of hydroelectric stations (water withdrawn in the case is equal to water discharged)
- Seawater used for the desalination in Agios Georgios Island
- Water from the local networks, water transferred to the facilities with vehicles and bottled water
- Water stress areas have been identified through the WWF Water Risk Filter (Low risk are considered only the facilities in Bulgaria, half of Poland facilities and 2/3 of USA facilities)

Metric ATHEX SS-E6: Backlog cancellations

During 2021, there were no backlog cancellations related to their impacts on society or the environment. In 2021, there was a delay in the construction works of the substation "Evaggelismos", in the project Construction of 17 Wind Farmsin the Municipality of Karystos, Evia Prefecture/Regional Unit of Evia. With the no. 251/2021 decision of the Athens Administrative Court of Appeal, the validity of no. 218859 / 01.04.2021 building permit was postponed -permit of the Department of Issuance of Spatial & Urban Permits, Licensing Directorate, General Directorate of Strategic Investments, General Secretariat of Private Investments and Public Private Partnerships (PPPs) of the Ministry of Development and Private Investments- for the construction of a substation 33/150 KV at the location "Evangelismos" of the Municipal Unit of Kafirea of the Municipality of Karystos. The no. 251/2021 decision was revoked with the nos. 307 and 308/2021 decisions of the same Court that were published on 31 August 2021 and ever since the work have been continued normally.

7.4 Taxonomy Regulation

Taxonomy Regulation 2020/852/EU

The EU Taxonomy Regulation ("the Regulation") is one of the tools established under the European Green Deal, which sets the goal of the European Union's climate neutrality by 2050. The Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable, for the purposes of establishing the degree to which an investment is environmentally sustainable. The Regulation creates a common language that investors can use when investing in projects and economic activities that have significant positive impact on climate and the environment.

For an economic activity to qualify as environmentally sustainable, it should:

- contribute substantially to at least one of the following six environmental objectives:
    1. *Climate change mitigation*
    2. *Climate change adaptation*
    3. *The sustainable use and protection of water and marine resources*
    4. *The transition to a circular economy*
    5. *Pollution prevention and control*
    6. *The protection and restoration of biodiversity and ecosystems*
- not significantly harm (Do No Significant Harm - DNSH) any of the other five environmental objectives,
- respect minimum safeguards, as set in the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights
- comply with the technical screening criteria established by the European Commission.

Compliance with the Regulation 2020/852/EU – Methodology and accounting policy

Article 8(1) of Regulation 2020/852/EU provides that companies required to publish non-financial information (in accordance with Directive 2013/34/EU) should disclose additional information on how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable, as defined by the Regulation.

Notably, under Delegated Regulation (EU) 2021/2178 (Article 10, paragraph 2) on disclosures to be made in the year 2022, relating to the financial year 2021 (without the obligation to provide comparative information for 2020), there is an obligation for non-financial undertakings to disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities:

- Turnover ("**Turnover**"),
- Capital expenditure ("**CapEx**"), and
- Operating expenditure ("**OpEx**"'),

In their total turnover, capital, and operating expenditure.

For disclosures to be made in year 2023 referring to 2022 financial year, the obligations will be extended, as the companies will have to disclose - among other things - whether their eligible economic activities are aligned with the technical criteria of the Regulation.

Accounting policy for the determination of Key Performance Indicators (KPIs)

Turnover

The proportion of turnover referred to in point (a) of Article 8(2) of Regulation (EU) 2020/852 shall be calculated as the proportion of the net turnover derived from products or services, including intangibles, linked to Taxonomy-eligible economic activities (numerator), divided by the net turnover (denominator) as defined in point (5) of Article 2 of Directive 2013/34/EU. Turnover shall cover revenues recognized in accordance with International Accounting Standard (IAS) 1(82)(a), as approved by Commission Regulation (EC) No 1126/20081.

Turnover does not include any intragroup transactions.

Capital expenditure (CAPEX)

The proportion of capital expenditure referred to in point (b) of Article 8(2) of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator as defined in points 1.1.2.1 and 1.1.2.2 of Annex I of the Delegated Regulation (EU) 2021/2178.

Denominator

The denominator cover additions to tangible and intangible assets during the financial year considered before depreciation and amortization and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator also covers additions to tangible and intangible assets arising from business combinations.
Leases that do not lead to the recognition of a right of use over the asset are not counted as capital expenditures.

Numerator The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

a. relating to assets or processes that are associated with Taxonomy-eligible economic activities.
b. part of a plan to expand Taxonomy-eligible economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (‘CapEx plan’) under the conditions specified in the second subparagraph of the point 1.1.2.2

Operating expenditure (OPEX)

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator as specified in points 1.1.3.1 and 1.1.3.2 of Annex I of the Delegated Regulation (EU) 2021/2178.

Denominator

The denominator covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Numerator

The numerator equals to the part of the operating expenditure included in the denominator that is any of the following:

(Amounts in thousands of Euros unless mentioned otherwise)

a. related to assets or processes associated with Taxonomy-eligible economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development.
b. part of the CapExplan to expand Taxonomy-eligible economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of the point 1.1.3.2 of Annex I of the Delegated Regulation (EU) 2021/2178.

Eligible economic activities

The TERNA ENERGY Taxonomy eligible economic activities for the financial year 2021 include:

A. "4.1 Production of electricity using solar photovoltaic technology"
B. "4.3 Production of electricity from wind energy"
C. "4.5 Production of electricity from hydroelectric power"
D. "4.8 Production of electricity from bioenergy"

	KPI	KPI	KPI
Economic activity	% Turnover	% Capital Expenditure	% Operating Expenditure
Eligible economic activities	**54.94%**	**95.67%**	**13.86%**
4.1 Electricity generation using solar photovoltaic technology	0.81%	1.14%	0.94%
4.3 Electricity generation from wind power	52.38%	92.68%	11.79%
4.5 Electricity generation from hydropower	1.35%	0.12%	0.83%
4.8 Electricity generation from bioenergy	0.40%	0.00%	0.30%
Non-eligible economic activities	**45.06%**	**4.33%**	**86.14%**
TOTAL	**100%**	**100%**	**100%**

H. Transactions with related parties

The Company's transactions with related parties pursuant to the provisions of IAS 24 have been conducted under normal market conditions. In the year 2021 the amounts of sales and purchases as well as balances of the Company's and Group's assets and liabilities as of 31/12/2021 arising from transactions with related parties are presented in Note 40 of the financial statements.

Transactions with members of the BoD

The total amounts paid to the members of the Board of the Group accounted for 2.330.921 Euros (for the Parent Company: 1.826.100 Euros), 1.228.047 Euros (for the Parent Company: 1.080.000 Euros) related with Board

(Amounts in thousands of Euros unless mentioned otherwise)

Rewards, while amount of 1.102.874 Euros (for the Parent Company: 746.100 Euros) are related with remuneration for professional services.

Θ. Share Capital Structure, Treasury Shares, and other information

Share Capital Structure

The share capital of the Company amounts to Thirty Four Million Seven Hundred Five Six Thousand Five Thousand Five Hundred Twenty Seven Euros (€ 34,756,527.00) and is divided into one hundred and fifteen million eight hundred fifty five thousand and ninety (ninety) units (115.855). with a face value of thirty cents (€ 0.30) each.

The Company's shares are listed and traded in the "Main Market" category of the Athens Stock Exchange.

From each share derive all the rights and obligations defined by the Law and the Articles of Association of the Company.

Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is performed as stipulated by the Law and there are no restrictions on their transfer from its Articles of Association.

Significant direct participations according to the provisions of Law 3556/2007

The Shareholders who as at 31/12/2021 held a percentage greater than 5%, based on the total number of shares issued, are listed in the following table:

Shareholder Name	Shares	Percentage	
GEK TERNA SA	43.211.556	37,298%	directly
GEORGE PERISTERIS	12.154.747	10,491%	directly
ATALE ENTERPRISES LIMITED	7.479.911	6,456%	directly

Treasury Shares

The Company during the period 01/01/2021 – 31/12/2021 purchased own shares with a nominal value of 66.450,00 and a market value of 2.708.709,98 Euros. On 31/12/2021 the Company owned 221.500 Treasury Shares. These shares represented a percentage 0,19% of the paid-up share capital of the Company

Facilities and Branches

In the context of its business activity, the Company creates Branches, Construction sites and other similar facilities. In the year 2021 136 facilities.

Athens, 14/04/2022
On behalf of the Board of Directors,

Georgios Peristeris
Chairman of the Board of Directors

(Amounts in thousands of Euros unless mentioned otherwise)

III. CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement has been prepared in application of the provisions of articles 152 and 153 of Law 4548/2018, as a special section of the Management Report of the Board of Directors, providing the following information:

1. Governance documents

1.1 Corporate Governance Code

The Company applies in all its activities and operations all the established rules and procedures by the legislative, supervisory, and other competent authorities without exceptions. In addition, it has adopted internal rules and business practices, which contribute to the observance of the principles of transparency, professional ethics and sound management of all resources of the Company at every level of management for the benefit of its shareholders and all related parties.

The Company has adopted the Greek Corporate Governance Code ("GCGC" or "EKED") of the Hellenic Corporate Governance Council, as revised in 2021 and placed in force, with the discrepancies listed in a table below explaining the reasons for non-compliance. EKED is located at the following e-mail address https://www.esed.org.gr/web/guest/code-listed . With the implementation of EKED and the individual thematic regulations, Management ensures the efficient management and utilization of the company's resources and promotes corporate responsibility as a core value of the Group's growth path.

Deviations from EKED and explanation of the reasons for non-compliance

Section	Text EKED	Explanation	Details-Comments
2.2.15.	The company ensures that the diversity criteria apply beyond the members of the Board of Directors and senior and / or senior executives with specific gender representation goals, as well as timelines for achieving them.	The selection of senior and / or senior executives is related to the specific requirements and qualifications that are necessary for each job, depending on the field of activity and the response to the respective demand of executives in the market. The Company always hires the most suitable person considering the need for balanced representation by gender given the offer to executives.	22% women in the whole Group. 45.45% of female employees to 10% of the highest paid employees.
2.4.7	The Chairman of the Board of Directors may be a member of the Remuneration Committee, but he may not chair it if he is not independent. In case the Chairman of the Board of Directors is a member of the Remuneration Committee, he cannot participate in the determination of his remuneration. The member of the committee to be appointed as its Chairman must have served in committee as a member for at least one year, unless the committee has not established or operating in the previous year	The Independent and Non-Executive Members are in their majority new Members, who were elected by the Ordinary General Assembly of 23/6/2021. The Chairman of the Remuneration Committee fully meets the required conditions for the position.	

1.2 Internal Regulation of Operations

The Company has an Internal Regulation of Operation ("IRO"), which was approved and became valid by the decision of the Board of Directors of 16/07/2021. The Internal Regulation of Operation is in accordance with the current legislation on corporate governance and specifically with Law 4706/2020, as well as the relevant guidelines and decisions of the Hellenic Capital Market Commission. The Internal Regulation of Operation of the Company have the minimum content provided in article 14 of Law 4706/2020.

Every new relevant provision, term, rule, etc. is incorporated in the IRO and the other regulations to maintain the required completeness and to adapt immediately to the changing conditions of the economic, social, and business environment of the Company.

2. Board of Directors

The Board of Directors of the Company creates the vision of the Group, draws up its development strategy and ensures its effective implementation, with the aim to preserve and promote the long-term interests of its Shareholders.

In order to ensure the transparency and the effective management of business risks, the Board of Directors, through the Committees it has established, facilitates its communication with the Company's executives on a daily basis in order to gain an immediate perception of these risks and to proceed in a timely and dynamic manner with the necessary decisions and corrective measures.

The operation of the Board of Directors is governed by the Rules of Procedure.

The Board of Directors, as a collective body, manages the Company and also handles its affairs by taking the necessary decisions on all matters falling within its competence under the Company's Articles of Association, the decisions of the General Meeting of Shareholders and the relevant legislation. The Board of Directors is responsible to the General Meeting of Shareholders for safeguarding their interests and for the overall effectiveness and operation of the Company. It decides on all corporate matters, except those for which, based on the legal framework and the Articles of Association of the Company, are governed and approved by the General Meeting of Shareholders.

In particular, the responsibilities of the Board of Directors include the following:

Convening General Meetings of Shareholders

• Carries out all the actions for the legal convening of the General Meetings of Shareholders (ordinary or extraordinary) and determines the issues of their agenda. It reports to the shareholders of the Company and submits proposals for increase or decrease of the share capital, for transformation of the Company, as well as for its potential termination before the expiration of the Company's duration provided in the articles of association.

Corporate governance

• Defines and supervises the implementation of the corporate governance system according to the provisions 1 to 24 of Law 4706/2020.

• Monitors and evaluates every three (3) financial years the implementation and effectiveness of the corporate governance system and takes appropriate action to address deficiencies.

• Takes the necessary measures to ensure compliance with the conditions of independence for the independent non-executive members of the Board.

Strategic planning

• Defines the values and strategic orientation of the Company, as well as the continuous monitoring of their observance.

• Ensures that the values and strategic orientation of the Company are in line with the corporate culture, given that the values and objective of the Company influence the practices, policies and behaviors within the Company at all levels.

• Approves the Company’s entrance in other areas of activity through the acquisition or establishment of companies.

Financial statements

• Approves the annual financial statements and annual reports as well as the interim semi-annual financial statements in accordance with the current provisions of Law 4548/2018 and Law 3556/2007, and submits the annual financial statements to the Ordinary General Meeting of Shareholders for approval. At the same time it may proceed with proposals such as the ones concerning the depreciation to be recorded in the installation costs and the necessary amounts to be withheld from the statutory reserve. The Board of Directors also ensures that the annual financial statements, the annual management report and the corporate governance statement, the consolidated financial statements, the consolidated management report and the consolidated corporate governance statement, as well as the remuneration report of article 112 of Law 4548/2018 are prepared and published in accordance with the provisions of the legislation, proposes the dividends to be distributed, and oversees among others the publicity requirements provided by articles 12 and 13 of Law. 4548/201 8 as in force.

Internal Control System

• Ensures the adequate and efficient operation of the Company's Internal Control System including the risk management system and the regulatory compliance.

• Ensures that the functions that make up the Internal Control System are independent of the business sectors which these functions control and that they can have in place the appropriate financial and human resources, as well as the power to operate them effectively, as required by their role. The reporting lines and the allocation of responsibilities are clear and properly documented.

Risk management

• Determines the nature and extent of exposure to the risks that the Company intends to undertake in the context of its long-term strategic objectives.

• Ensures the existence of policies for the identification, prevention and effective handling of conflicts of interest between its Members or between its Members and / or persons to whom the Board has delegated its powers, and the interests of the Company. The policy is based on clear procedures which in turn define the manner of timely and complete notification to the Board of any existing interests in transactions between related parties or any other potential conflict of interest with the Company or its subsidiaries. Measures and procedures are constantly evaluated and updated to ensure their effectiveness.

(Amounts in thousands of Euros unless mentioned otherwise)

Regulatory compliance

• Ensures the existence of regulatory compliance policy.

• Ensures the compliance of the Company with the current institutional and supervisory framework, as well as the internal regulations governing the operation of the Company.

Internal control

• Ensures the efficient organization and operation of the Internal Control Unit.

• Appoints the head of the Internal Control Unit upon the proposal of the Audit Committee.

• Approves the operating regulations of the Internal Control Unit.

The current Board of Directors of the Company, which was elected at the General Meeting of Shareholders on 23/06/2021, with a five-year term, consists of 11 members, of which 4 executive, 7 non-executive and 5 of them independent non-executive, within the meaning of article 9 of Law 4706/2020. Subsequently, as a consequence of the amendment of article 9 of the Company's Articles of Association, which was decided by the Extraordinary General Meeting of Shareholders on 14/12/2021, the term of the members of the Board of Directors was set at four years.

Following the above, the Board of Directors of the Company in its meeting of 24/06/2021 was formed into body as follows:

2.1 Board of Directors' Composition

FULL NAME	CAPACITY	START OF TERM	END OF TERM	AGE	GENDER	YEARS OF TERM
PERISTERIS GEORGIOS	Chairman – Executive Member	24/06/2021	23/06/2026	65	A	12 YEARS
MERGOS GEORGIOS	Vice Chairman - Independent & Non-Executive Member	24/06/2021	23/06/2026	73	A	4 YEARS & 9 MONTHS
MARAGKOUDAKIS EMMANUEL	Chief Executive Officer	24/06/2021	23/06/2026	70	A	24 YEARS & 5 MONTHS
SPYROU GEORGIOS	Executive Director	24/06/2021	23/06/2026	75	A	15 YEARS & 8 MONTHS
SPILIOTIS ARISTOTELIS	Executive member	24/06/2021	23/06/2026	49	A	8 MONTHS

(Amounts in thousands of Euros unless mentioned otherwise)

GOURZIS MICHAEL	Non-Executive Member	24/06/2021	23/06/2026	82	A	18 YEARS & 5 MONTHS
VOUTICHTIS NIKOLAOS	Non-Executive Member	24/06/2021	23/06/2026	51	A	8 MONTHS
SARKISIAN MARINA	Independent Non-Executive Member	24/06/2021	23/06/2026	51	Θ	8 MONTHS
TAPRANTZIS ANDREAS	Independent Non-Executive Member	24/06/2021	23/06/2026	55	A	8 MONTHS
KOUNENAKI-EFRAIMOGLOU SOFIA	Independent Non-Executive Member	24/06/2021	23/06/2026	54	Θ	8 MONTHS
KARAPANAGIOTI TATIANA	Independent Non-Executive Member	24/06/2021	23/06/2026	50	Θ	8 MONTHS

During the exercise of their duties and the BoD meetings held in 2021, the members of the Board of Directors demonstrated “diligence of a prudent businessman”, dedicated the entire time required for the efficient management of the Company, acted with integrity, accountability and proper judgment, avoiding actions that could endanger the Company’s competitiveness or create cases and incidents of conflict of interests. Also, they safeguarded the confidentiality of information to which they had privileged access, and they ensured the prompt and simultaneous provision of information to all shareholders and to the investor community on issues that could affect their investment decisions and their transactions on the Company’s shares.

	QUALIFICATIONS OF BOARD MEMBERS								
FULL NAME	**CAPITAL MARKETS**	**FINANCIAL SECTOR**	**REGULATORY FRAMEWORK**	**ESG ACTIVITIES AND ACTIONS**	**ELECTRICITY PRODUCTION FROM RES**	**RISK MANAGEMENT**	**STRATEGIC PLANNING**	**MANAGEMENT OF LISTED COMPANY**	**CORPORATE GOVERNANCE**
PERISTERIS GEORGIOS	√	√	√	√	√	√	√	√	√
MERGOS GEORGIOS	√	√	√	√	√	√	√	√	√
MARAGKOUDAKIS EMMANUEL	√	√	√	√	√	√	√	√	√
SPYROU GEORGIOS	√	√	√	√	√	√	√		√
SPILIOTIS ARISTOTELIS	√	√	√	√		√	√		√
GOURZIS MICHAEL			√		√	√	√	√	√
VOUTICHTIS NIKOLAOS	√	√	√			√	√		√
SARKISIAN MARINA			√	√		√	√		√
TAPRANTZIS ANDREAS	√	√	√	√		√	√	√	√
KOUNENAKI-EFRAIMOGLOU SOFIA	√	√	√	√				√	√
KARAPANAGIOTI TATIANA			√	√					√

(Amounts in thousands of Euros unless mentioned otherwise)

The Board of Directors held eighteen (18) meetings during the year 2021.

The dates of the meetings were pre - scheduled in order to ensure the maximum possible quorum.

FULL NAME	NUMBER MEETINGS THAT OCCURRED DURING THE MEMBER'S TERM	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED VIA RERPRESENTATIVE	PERCENTAGE OF PARTICIPATION IN THE MEETINGS
PERISTERIS GEORGIOS	**18**	**18**	**-**	**100%**
MERGOS GEORGIOS	**18**	**18**	**-**	**100%**
MARAGKOUDAKIS EMMANUEL	**18**	**17**	**1**	**100%**
SPYROU GEORGIOS	**18**	**18**	**-**	**100%**
SPILIOTIS ARISTOTELIS	**9**	**9**	**-**	**100%**
GOURZIS MICHAEL	**18**	**17**	**1**	**100%**
VOUTICHTIS NIKOLAOS	**9**	**9**	**-**	**100%**
SARKISIAN MARINA	**9**	**9**	**-**	**100%**
TAPRANTZIS ANDREAS	**9**	**9**	**-**	**100%**
KOUNENAKI-EFRAIMOGLOU SOFIA	**9**	**9**	**-**	**100%**
KARAPANAGIOTI TATIANA	**9**	**9**	**-**	**100%**
MOUSTAKAS EMMANUEL (up to 23-6-2021)	**9**	**8**	**1**	**100%**
KOUVARIS GEORGIOS (up to 23-6-2021)	**9**	**9**	**-**	**100%**
APKARIAN GAGIK (up to 23-6-2021)	**9**	**9**	**-**	**100%**
PERDIKARIS GEORGIOS (up to 23-6-2021)	**9**	**9**	**-**	**100%**

During the meetings and the works carried out by the Board of Directors, its members were supported by the Secretary Mrs. Dimitra Hatziarseniou.

Chairman of the Board of Directors

The Chairman is the key person behind applying Corporate Governance Principles in the Company, with responsibility, among others, for efficient operation of the Board of Directors and active participation of all its members in making and reviewing implementation, as well as for sound communication between the Company and its shareholders.

The Chairman's responsibilities include convening and guiding the BoD activities in respect of the issues of the daily agenda prepared by the Chairman according to the Company's needs and the relevant requests of other BoD members. Furthermore, the Chairman oversees efficient coordination and sound communication among all the BoD members, as well as between the Company and its shareholders – investors.

Lastly, it is the duty of the Chairman to provide timely, clear, and reliable information to the members of the Board of Directors on all activities and operations of the company, to ensure smooth integration and cooperation among them, as well as to encourage them to actively participate in corporate affairs and in making business decisions.

The Chairman of the Board of Directors of the Company is Mr. George Peristeris.

Chief Executive Officer

The Chief Executive Officer monitors and controls the implementation of the Company's strategic goals and the management of the Company's daily affairs and draws up the Company's guidelines. It supervises and ensures the Company's smooth, orderly and efficient operation, in accordance with the strategic objectives, business plans and the respective action plan, as defined by decisions of the Board of Directors and the General Meeting of Shareholders. The CEO participates and reports to the Board of Directors of the Company and implements the strategic choices as well as important decisions of the Company.

The Chief Executive Officer is Mr. Emmanuel Maragkoudakis.

Vice Chairman of the Board (Lead Independent Director)

The non-executive Vice-Chairman of the Board of Directors replaces the Chairman when the latter is absent or unable for any reason to exercise his/her duties. The executive vice-presidents of the Board of Directors may have and exercise administrative duties, as these are being assigned by the Board of Directors.

The Independent Vice-Chairman of the Board of Directors replaces the Chairman of the Board of Directors in all his responsibilities when he is absent or disabled. It also chairs the meetings of the non-executive members of the Board of Directors and monitors and ensures the smooth and effective communication between the Committees of the Board of Directors and the Board of Directors. Coordinates the non-executive members of the Board of Directors, including the independent members, in the fulfillment of their obligations. He is available and attends the General Meetings of the Company's Shareholders to discuss corporate governance issues with them if they arise.

Vice-Chairman of the Board of Directors and Head of the Independent and Non-Executive Members is Mr. Georgios Mergos.

(Amounts in thousands of Euros unless mentioned otherwise)

Independent non-executive members of the Board of Directors

The independent non-executive Members of the Board are the non-executive members of the Board of the Company that during their appointment or election and throughout their term of office meet the criteria of independence provided in article 9 of Law 4706/2020, as applicable.

The following members of the Board of Directors are independent non-executive:

<table>
<tr><th>Full Name</th><th>Reasons for independence</th></tr>
<tr><td>GEORGIOS MERGOS</td><td rowspan="5">a) they do not hold shares in excess of 0.5% of the share capital of the Company and (b) they do not have any affiliation with the Company or with persons affiliated with the Company, as such conditions of independence are described in particular on the one hand in Article 4, paragraph 1 of Law 3016/2002 (Government Gazette AD 110/17.05.2002), which is still valid until 17.07.2021, and on the other hand in article 9, paragraph 1 and 2 of Law 4706/2020 (Government Gazette A΄ 136/17.07.2020). The Members also meet, in addition to the criteria of Suitability Policy, the criteria of independence of paragraph 1 and 2 of article 9 of L.4706 / 2020.</td></tr>
<tr><td>SARKISIAN MARINA</td></tr>
<tr><td>TAPRANTZIS ANDREAS</td></tr>
<tr><td>KOUNENAKI-EFRAIMOGLOU SOFIA</td></tr>
<tr><td>KARAPANAGIOTI TATIANA</td></tr>
</table>

2.2 Number of shares held by the members of the Board of Directors and the Executives of the Company

As at 31.12.2021 the shares of the Company held by the Members of the Board of Directors as well as its Senior Executives, are shown in the table below.

FULL NAME	SHARES OF TERNA ENERGY	PERCENTAGE
PERISTERIS GEORGIOS	**12.154.747**	**10,491%**
MERGOS GEORGIOS	**1.965**	**0,002%**
MARAGKOUDAKIS EMMANUEL	**1.431.652**	**1,236%**
SPYROU GEORGIOS	**-**	**-**
SPILIOTIS ARISTOTELIS	**-**	**-**
GOURZIS MICHAEL	**2.993.648**	**2,584%**
VOUTICHTIS NIKOLAOS	**-**	**-**
SARKISIAN MARINA	**-**	**-**
TAPRANTZIS ANDREAS	**1.000**	**0,001%**

KOUNENAKI-EFRAIMOGLOU SOFIA	**-**	**-**
KARAPANAGIOTI TATIANA	**-**	**-**
FAFALIOS EMMANUEL	**-**	**-**
AGRAFIOTIS GEORGIOS	**20.300**	**0,018%**
DIMITRIOU LOUKAS	**-**	**-**
VERROIOPOULOS MICHALIS	**-**	**-**
PAIZANIS ILIAS	**710**	**0,001%**

2.3 BoD Evaluation - Findings and Corrective actions

The Board regularly evaluates its effectiveness, the fulfilment of its tasks, as well as the performance of its committees.

The Board of Directors collectively, as well as the Chairman and the members of the Board individually, are evaluated annually as far as the effective performance of their duties is concerned. The evaluation process is headed by the Vice Chairman in collaboration with the Nominations and Remuneration Committee and its results are discussed by the Board. Following the evaluation process, the Board of Directors takes measures to address identified weaknesses. This evaluation may be facilitated by an external consultant at least every three years. The evaluation of the performance of its chairman is also headed by the Nomination Committee.

During the period 21/12/2021 until 3/1/2002, a questionnaire was distributed regarding the evaluation of the members of the Board of Directors of the Company. The questionnaire was compiled, distributed, and processed on a specialized digital platform, in collaboration with the consulting company Mazars for the support of the implementation of the process, and in order to compile the Evaluation Results Report of the Board of Directors of TERNA ENERGY. The questionnaire was divided into seven main evaluation modules which included: i) Evaluation (as a Body) of the Board of Directors, ii) Evaluation of the Boards of Directors, iii) Evaluation of the Chairman, Vice-Chairman, CEO, Corporate Secretary, and iv) Evaluation of the BoD Members. In the case of the individual evaluation of the members, the answer "I do not know" was added to deal objectively with the possibility of a non-applicable question that may have been the case for the new members of the Board of Directors, as many of its members had an active role for less than six months. The general conclusion from the evaluation was that the members have knowledge and are consistently informed about the developments in the industry as well as in the regulatory environment. Each member is fully aware of the responsibilities assigned to him/her. Areas for improvement were identified as follows:

- The organizational effort and initiatives regarding the planning and development of the Company.

- The earlier delivery of the accompanying material before each BoD meeting, than the time currently provided in the Internal Rules of Procedure, so that members of the Board of Directors have more time to review the relevant material and get well prepared for the meeting.

- Cooperation between the members.

- Business risk management and the establishment of appropriate policies.

- Development of communication skills.

2.4 Executive committee

The Articles of Association of the Company provide for the possibility of establishing an Executive Committee to assist the Board of Directors and the Management in the mission of the proper and responsible management and operation of the Company, to meet the needs of the business sectors in which it operates.

The Board of Directors of the Company in its meeting on 24.06.2021 formed the Executive Committee with the following members:

1. Emmanuel Maragoudakis
2. Georgios Agrafiotis
3. Michael Verriopoulos
4. Emmanuel Fafalios
5. Loukas Dimitriou
6. Elias Paizanis

Operating terms

The Executive Committee meets regularly on a weekly basis as well as extraordinarily whenever necessary, with or without an agenda.

Any member of the Committee may request in writing a meeting of this committee in order to discuss specific issues.

The Chairman may convene the Executive Committee on an ad hoc basis or change the date or frequency of the meetings.

The Executive Committee regularly meets every working Tuesday of the month at 10:00 a.m.

Meetings are held either in person or remotely through any technology that enables discussion or exchange of information in writing.

The Executive Committee meets validly if at least five of its six members are present or represented, while its decisions are always taken unanimously. In case no unanimity is reached, the matter is referred to the Board of Directors for a decision.

The Executive Committee elects a secretary who keeps the minutes of the meetings or is being assisted by the Corporate Secretary or another lawyer of the Company.

The minutes of the meetings of the Executive Committee are signed by all members present at the meeting. Copies and extracts of minutes are signed by the person authorized by the Executive Committee by a special decision.

Responsibilities

- Management of the daily operations of the Company.

- Judicial and out-of-court representation of the Company, with the possibility of further authorizing third parties, in general or for specific acts.

- Acquisition, establishment, or transfer of tangible rights in movable (excluding securities) or of liability rights in movable and immovable property, in exchange for up to the amount of Twenty Million Euros (€ 20,000,000).

- Approval of the acquisition, establishment, or transfer tangible rights in movable (excluding securities), from or towards the subsidiaries or liability rights to movable and immovable property of subsidiaries.

- Provision of credits, guarantees or financial support to companies that are being consolidated with TERNA ENERGY SA up to the amount of Twenty Million Euros (€ 20,000,000).

- Undertaking or awarding service contracts in exchange for up to two million euros (€ 2,000,000) on one-off or on an annual basis.

- Participation in public or other tenders as well as in public or private bidding or auctioning.

The Executive Committee submits reports to the Board of Directors on a quarterly basis.

Tasks Performed

The issues discussed at the meetings of the Executive Committee during the year 2021 are summarized as follows:

1. Granted approval to start construction sites.

2. Decided on the lease and purchase of land for the establishment of new projects.

3. Provided a guarantee in favor of subsidiaries.

4. Granted approval to cover Bond Loans issued by its subsidiaries.

5. Granted authorizations to non-members of the Board of Directors to carry out specific operations.

6. Decided to issue an order toward the banks for the issuance of letters of guarantee in favor of Joint Ventures, in which the Company participates.

7. Decided to transform a general partnership type company into a societe anonyme company.

8. Granted approval regarding the participation of the Company in the following tenders:

a) As a provider of experience in a tender conducted by "Hellenic Electricity Distribution Network Operator SA (HEDNO SA)", for the appointment of contractors in 37 contractual projects relating to the construction and maintenance of Electricity Distribution networks in all the administrative areas of HEDNO

b) "URBAN SOLID WASTE AND PRE-SELECTED ORGANIC WASTE TREATMENT UNIT IN OEDA NORTHEAST ATTICA"

c) “Design, Civil Engineering Works, Supply, Transportation, Installation and Commissioning of a Photovoltaic Station with a nominal power of 64,983 MW at the location of Agios Christoforos 1 in the municipality of Eordea in Prefecture of Kozani and its connection to the existing terrestrial substation of 150kV "Agios Christoforos" through a new M/S 33kv/150kv" (as a Third Economic Operator).

d) "CONSTRUCTION OF MECHANICAL SOLUTION AND COMPOSTING UNIT OF ORGANIC FRACTION - UNIT OPERATION" PHASE B' - STAGE 2.

9. Appointed attorneys to appear in court.

10. Decided to revoke RAE Producer Certificates.

3. BoD Committees

The Board of Directors is supported by Committees, which have an advisory role, but a special weight on its decision-making. These Committees are the following:

3.1 Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in carrying out its oversight functions in relation to (i) the Financial Reporting process, (ii) the internal control system, (iii) internal control (iv), the external audit process, (v) the procedures of TERNA ENERGY Group for the monitoring of the compliance with the laws, the regulations and the Code of Ethics and also in relation to (vi) the Corporate Governance System. The Committee has been set up and operates in accordance with all applicable laws and regulations.

The Rules of Procedure of the Audit Committee, approved by the Board of Directors of the Company, are posted at the following link:

TENERGY_Audit_Committee_Charter_July_2021_GR.pdf (terna-energy.com)

The General Meeting of Shareholders on 23.06.2021 elected a new Audit Committee with a two-year term, which was formed into a body as follows:

1. George Mergos, Independent & Non-Executive Member of the Board, who was appointed Chairman of the Committee,

2. Andreas Taprantzis, Independent & Non-Executive member of the Board and

3. Nikolaos Kalamaras, who is not a member of the Board and meets the criteria of independence provided in Article 9 of Law 4706/2020.

The above composition of the Audit Committee is in accordance with the provisions of article 44 of Law 4449/2017, i.e. all members of the Audit Committee have sufficient knowledge in the field in which the Company operates.

In addition, Mr. Nikolaos Kalamaras has sufficient knowledge in the field of auditing and accounting.

Operating terms

The Audit Committee meets on average 10 times a year in accordance with its action plan to carry out the tasks and responsibilities assigned to it.

The Chairman of the Audit Committee, after contacting the other members of the Committee, the Head of the Internal Control Unit and other executives or third parties if necessary, shares (either directly or via another authorized executive) with the members of the Committee, the items on the agenda and an e-mail invitation to those expected to attend or shares an electronic invitation via a video conferencing platform if the meeting is to be held via teleconference.

All members of the Audit Committee are expected to attend the meetings, either in person or by teleconference or video conference.

Decisions are taken by a majority of the members present.

The Committee may invite members of the Company's Management, executives of the Company or its subsidiaries, or another person (employee, associate, etc.) to participate in meetings and provide relevant information, where necessary.

It also organizes meetings with the external auditors (see below) and meetings with the Executive Directors.

If required, joint meetings may be held with the Audit Committee of GEK TERNA, as well as with the Audit Committees of the Group's subsidiaries.

The agendas are prepared and provided in advance to the members, along with the appropriate information materials.

Minutes are being kept with a complete record of decisions and actions on the topics of discussion.

Every six (6) months, or more regularly, if necessary, the Committee prepares and submits to the Board of Directors reports about its activities on important issues and once a year, a report of activities (including the evaluation of its work and the description of the Sustainable Development Policy implemented by the Company) which is addressed to the annual General Meeting of shareholders.

The Audit Committee will be evaluated periodically every 3 years.

Duties & Responsibilities

The Audit Committee (AC) has the following basic responsibilities, classified per subject:

- It oversees the preparation of the Company’s financial statements and other financial reports and examines their reliability. It ensures sound implementation of internal audit procedures by providing support to the Internal Audit Division and periodically assesses adequacy and reliability of the methods and procedures it applies in order uses to carry out its work. The key objective is early diagnosis and analysis of business risks, so that the Board of Directors should quickly react and address them.
- Moreover, the AC analytically examines potential transactions of the Company with any related party and submits relevant reports to the Board of Directors to assess the possibility of conflicts of interest with full transparency and prevent potential damage or loss to the Company.
- The AC receives the reports of the Internal Audit Division, assesses their contents, and proposes the nomination of the Head of the Division to the Board of Directors, assessing his/her effectiveness and efficiency and - based on the above - proposes continuity or termination of his/her term of office.

(Amounts in thousands of Euros unless mentioned otherwise)

— The AC monitors the statutory auditor's conduct of activities and assesses whether they are in accordance with the relevant legal – regulatory framework, international standards and best practices. The Committee also examines and assesses adequacy of knowledge, professional consistency, independence and effectiveness of the statutory auditor, and - based on the above - proposes continuity or termination of the aforementioned relationships to the Board of Directors.

Method of evaluation

The evaluation for the selection of the candidate members is carried out by the Board of Directors, following a proposal made by the Nomination Committee of the Company.

Tasks Performed

The Audit Committee met ten (10) times in 2021

FULL NAME	NUMBER MEETINGS THAT OCCURRED DURING THE MEMBER'S TERM	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED VIA RERPRESENTATIVE	PERCENTAGE OF PARTICIPATION IN THE MEETINGS
Georgios Mergos	**10**	**10**		**100%**
Andreas Taprantzis (since 23-6-2021)	**6**	**6**		**100%**
Nikolaos Kalamaras	**10**	**10**		**100%**
Michael Gourzis (since 23-6-2021)	**4**	**4**		**100%**

The topics of the meetings also included meetings with the Internal Control Unit, the Heads of the Financial and Administrative Services Division and the Certified Auditors of the company, namely Grant Thornton.

specifically, the activity of the Audit Committee can be summarized as follows:

Financial information

The Committee examined and confirmed the validity of the process of preparation of separate and consolidated financial statements (interim and annual) following the regular briefing that was provided from the Heads of the Financial and Administrative Services Division.

The Committee was also informed by the Certified Auditors about the planning of the audit for the year 2021 and, at a later stage, of the Key Audit Matters and the Audit Report that arose upon the completion of the audit.

The Committee evaluated the content of the Supplementary Audit Report submitted by the Certified Auditors in accordance with Article 11 of Regulation 537/2014 of the European Union and Law 4449/2017 (article 31, par. 1a).

It also became aware of the purpose and approved the non-audit work assigned to the Certified Auditors, taking into account the maximum remuneration (CAP) under Regulation (EU) 537/2014.

The Committee made a proposal to the Board of Directors, i.e. a proposal which in turn would be made to the General Meeting of Shareholders, with regard to the approval of the financial statements and the election of Certified Auditors for the audit of the year 2022.

Internal Control Unit

The Committee was constantly being informed and also cooperated with the Internal Control Unit, which was present informatively in all meetings of the Committee.

It approved and monitored the implementation of the Annual Audit Plan 2021, which included two (2) important consulting projects and specifically the digital transformation of TERNA ENERGY Group and the transition to SAP S / 4HANA operating environment as well as the alignment of the Company with Law 4706/20120 on Corporate Governance of Societes Anonyms.

It evaluated the findings that emerged from the implementation of the audit works and was informed about the implementation of the corrective actions agreed between the Internal Control Unit and the heads of the audited units.

The Committee became aware of the expenditure budget for the year 2022 regarding the operation of the Internal Control Unit and proposed the approval of the above budget to the Chief Executive Officer.

It was informed about each educational activity of the executives of the Internal Control Unit and evaluated the purpose and results of each educational plan.

Risk management

The Committee monitored the work of the Risk Manager and assessed the impact of risks on the planning and operation of the Group companies (parent company and subsidiaries). In particular, it assessed the effects caused by the extreme and severe weather events that took place in the state of Texas, USA.

It was informed about any new risks that were included in the Risk Register during the year 2021.

The Committee evaluated the work of the Risk Management function, taking into account the requirements of L. 4706 / 2020. It also suggested the further staffing that should occur for the execution of the responsibilities of the Risk Manager.

Regulatory Compliance

The Committee monitored the implementation of the action plan of the Head of Regulatory Compliance for the year 2021 and evaluated the course of harmonization of the Company with the current legislation. Particularly, it dealt with issues related to Law 4706/2020 on corporate governance of societe anonyme companies.

The Committee was informed about the action plan of the Regulatory Compliance Unit regarding the fiscal year 2022 as according to the no. 2/917/17.06.2021 decision of the Hellenic Capital Market Commission such action plan does not require its approval by the Committee.

Internal Control System

The Committee examined and evaluated the efficiency and effectiveness of the procedures of the Internal Control System applied by the Group in the context of its forthcoming evaluation up until 31.03.2023.

It informed the Board of Directors about issues of information systems security as well as about the change that has been decided by the Company's Management, to be carried out in the management of the related infrastructure.

3.2 Remuneration Committee

The main purpose of the Remuneration Committee is to formulate a proposal for the elaboration and periodic revision of the Remuneration Policy, to examine the information of the Company's Remuneration Report, to provide a relevant opinion and to formulate proposals regarding the remuneration range of persons covered by the Remuneration Policy. The above proposals / opinions of the Committee are submitted to the Board of Directors, which decides on these issues or makes relevant proposals to the General Meeting of shareholders, where required.

The Committee is established following a decision of the Board of Directors.

The operation of the Remuneration Committee is governed by articles 10 and 11 of Law 4706/2020 as well as the Corporate Governance Code adopted by the Company, as applicable.

The Rules of Procedure of the Remuneration Committee, approved by the Board of Directors of the Company, are posted at the following link:

TENERGY_Regulation_of_Remuneration_Committee_July_2021_GR.pdf (terna-energy.com)

Composition of the Committee

The Board of Directors of the Company in its meeting on 24.06.2021 recommended the Remuneration Committee which was formed into a body as follows:

Andreas Taprantzis, Chairman

George Mergos, Member

Michael Gourzis, Member

Operating terms

The Committee meets at least four (4) times a year and whenever the circumstances require.

The Chairman of the Committee is responsible for convening the committee and is responsible for scheduling and conducting the meetings. However, each member of the Committee shall have the right to ask the Chairman to convene such a meeting.

Meetings are held either in person or remotely, through any technology that enables discussion or exchange of information in writing.

To make a decision, all members of the Committee are required to be present or represented, in person, either at the meeting place or elsewhere with the use of technology. Decisions of the Committee shall be taken by a majority of at least 75% of the members of the Committee. In case one member of the Committee is absent without justification and without being represented by another member according to the above, in two (2) meetings within the same year, this member is considered as resigned.

Each member is notified of the place, time and date of each meeting by invitation which will be sent at least two (2) working days before the meeting and in case of a meeting held outside the Company's domicile, at least five (5) working days before the meeting. The relevant invitation will contain the items on the agenda of each meeting, while any accompanying material will be attached, otherwise decision-making is allowed only if no member of the Committee objects to the decision-making. The invitation and related documents can also be circulated via e-mail.

In any case, the Committee may meet at any time, even without an invitation being shared, provided that all its members are present and that no one objected to the meeting taking place and the relevant decisions being taken.

The minutes of the meetings shall be kept by a person appointed by the Chairman of the Committee as Secretary / Technical Adviser, who, in addition to keeping the minutes of the meetings, assumes the role of technical support and coordination of the Committee's work, performed either internally or outsourced to external advisors.

The Committee may receive scientific or technical support from executives of the Company or the Group, either by selecting and appointing them as Technical Advisers of the Committee or by invitation for the performance of a specific project. The Secretary / Technical Adviser of the Committee, the Technical or Scientific Adviser and the Legal Adviser are appointed by a Decision of the Committee recorded in the Minutes of the relevant meeting.

External experts or special advisers or senior management may be invited to the meetings of the Committee.

The Chairman of the Committee informs the Board of Directors about the work of the Committee, reports important findings and submits proposals to the Board.

Responsibilities

- The Committee makes proposals to the Board of Directors regarding the Remuneration Policy or its revision.
- Ensures that the Company has a clear, objective, well-documented and transparent Remuneration Policy in accordance with current legislation and is consistent with the business strategy, market conditions, profile and risk-taking of the Company and does not encourage excessive short-term risks.

- Formulates proposals to the Board of Directors regarding the range of remuneration of persons falling within the scope of the remuneration policy, in accordance with article 110 of Law 4548/2018, and regarding the remuneration of the Company's executives, and in particular the head of the internal control unit and makes a relevant proposals to the Board of Directors, which decides accordingly or proposes to the General Meeting of Shareholders, wherever required.
- Monitors the implementation of the Remuneration Policy.
- Examines the information included in the final draft of the annual remuneration report, providing an opinion to the Board of Directors, before submitting the report to the General Meeting.
- Examines and submits proposals to the Board of Directors regarding the stock option plans, distribution of bonus shares, programs of additional pension benefits and any other long-term compensation plan.
- It may invite executives and members of the Board of Directors to its meetings, in order to ensure the receipt of comprehensive information for the proper fulfilment of its duties.

Method of evaluation

The Committee conducts an annual review of its work, and submits a summary report to the Board of Directors. This includes proposals to the Board to improve its operation and efficiency.

Tasks Performed

In accordance with the Decision of the Extraordinary General Meeting (EGM) of Shareholders on 16 December 2020 and the Decision of the Board of Directors of 23 December 2020 on the implementation of the plan concerning the "Distribution of bonus shares of the Company to senior executives and executive members of the Board in accordance with the provisions of article 114 of Law 4548/20", the Committee within 2021 proceeded to the revision of the Remuneration Policy, approved by the Company's General Meeting of Shareholders on 23/6/2021, to the revision of the plan's implementation period, to the acceptance of the proposed implementation conditions of the plan, to the acceptance of the proposed targets-criteria- of the plan and the proposed allocation of the number of shares per target-criterion.

It also examined the Remuneration Report of the members of the Board of Directors for the year 2020, in accordance with the current legislation and the EU Directive on Shareholders' Rights, which was incorporated into Greek legislation via Law 4548/2018.

As part of the project of compliance with the new legislation, Law 4706/20 on corporate governance, the Committee approved its Rules of Procedure and its Operating Chart.

During 2021 the Committee met five (5) times.

(Amounts in thousands of Euros unless mentioned otherwise)

FULL NAME	NUMBER MEETINGS THAT OCCURRED DURING THE MEMBER'S TERM	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED VIA RERPRESENTATIVE	PERCENTAGE OF PARTICIPATION IN THE MEETINGS
Andreas Taprantzis *(from 23-6-2021 in the separate Remuneration Committee)*	**2**	**2**	**-**	**100%**
Georgios Mergos	**5**	**5**	**-**	**100%**
Michael Gourzis	**5**	**5**	**-**	**100%**
Georgios Kouvaris *Until 23/6/2021 (Former jointed Nominations and Remuneration Committee)*	**3**	**3**	**-**	**100%**

3.3 Nomination Committee

The main purpose of the Nomination Committee is to assist the Board of Directors by proposing persons suitable for the acquisition of the status of a member of the Board of Directors, based on the principles and criteria, provided in the Suitability Policy.

Composition

The Board of Directors of the Company in its meeting on 24.06.2021 recommended the Nomination Committee which was formed into a body as follows:

Sofia Kounenaki-Efraimoglou, Chairman

Marina Sarkisian - Ohanesoglou, Member

Nikolaos Voutichtis, Member

Operating terms

The tenure of the members of the Nomination Committee coincides with the term of office of the Board of Directors, with a possibility of renewal. In any case, the tenure of the members in the Committee will not exceed nine (9) years in total.

The Committee meets at least four (4) times a year and whenever the circumstances require.

The Chairman of the Committee is responsible for convening the committee and is also responsible for scheduling and conducting the meetings. However, each member of this committee shall have the right to ask the Chairman to convene such a meeting.

Meetings are held either in person or remotely, through any technology that enables discussion or exchange of information in writing. A member of the Committee may authorize another member in writing to represent him/her at a specific meeting and to vote on his/her behalf with regard to the items of the agenda. No member may represent more than one other member of the Committee.

The Committee meets at least once a year to review the self-evaluation of the members of the Board of Directors and the nomination of new candidate members if required. At least every three years, the evaluation of the Board of Directors, as well as the Chairman, the Chief Executive Officer and the other members of the Board of Directors is facilitated by an external director. It also meets when it is decided to evaluate the members of the Board of Directors in terms of the effective fulfilment of their duties. In the latter case, the evaluation process is chaired by the Chairman of the Board in cooperation with the Nomination Committee. Regarding the evaluation of the performance of the Chairman of the Board of Directors, the evaluation process is headed by the Nomination Committee.

To make a decision, all members of the Committee are required to be present or represented, in person, either at the meeting place or elsewhere with the use of technology. Decisions of the Committee shall be taken by a majority of at least 75% of the members of the Committee. In case one member of the Committee is absent without justification and without being represented by another member during the above, in two (2) meetings within the same year, since the meetings were convened on time, this member is considered as resigned.

Each member is notified of the place, time and date of each meeting by invitation which will be sent at least two (2) working days before the meeting. The relevant invitation will include the items on the agenda of each meeting, while any accompanying material will be attached, otherwise decisions can only be taken if no member of the Committee has an objection. The invitation and related documents can also be circulated via e-mail. In any case, the Committee may meet at any time, even without an invitation being shared, provided that all its members are present and that no one objects to the meeting and decision-making.

The Rules of Procedure of the Nomination Committee, approved by the Board of Directors of the Company, are posted at the following link:

TENERGY_Regulation_of_Nominations_Committee_July_2021_GR.pdf (terna-energy.com)

Responsibilities

- The main role of the Nomination Committee is to investigate and highlight the appropriate candidacies for their election to the company's Board of Directors.

- Determines the Eligibility criteria of the Board members, in order to ensure individual and collective suitability.

- Prepares and updates the Suitability Policy, which it then submits for approval to the Board of Directors, and which is then approved by the General Shareholders Meeting when required.

- Surveys, highlights and proposes suitable candidates for the election of the Board of Directors in accordance with the criteria set by the Company in the Suitability Policy that has been adopted, following the recruitment / selection process of senior executives and the process of appointing senior executives and granting authorizations.

- Conducts periodic re-evaluation of the size and composition of the Board of Directors in accordance with the Company's Suitability Policy to identify any gaps regarding the suitability of the Board members individually and collectively and submits proposals for improvements, when necessary.

Method of evaluation

The Committee conducts an annual review of its work, and submits a summary report to the Board. This includes proposals to the Board to improve its operation and efficiency.

Tasks Performed

The Nomination Committee proposed to the Board of Directors of the Company the Suitability Policy that aims to ensure the quality staffing and efficient operation of the Board. He then suggested the election of new Members for the Board of Directors, with the aim of complying with Law 4706/20. The above were approved by the Ordinary General Meeting of Shareholders of 23/6/2021.

The Nomination Committee examined a fairly large number of candidate members. The criteria followed by the Nomination Committee for the selection and nomination of candidate members are criteria in accordance with the guidelines governing the Suitability Policy.

The following are considered for all members of the Board of Directors:

1. Individual suitability with reference to the adequacy of knowledge, the guarantees of morality and reputation, the conflict of interests, the independence of judgment, the allocation of sufficient time.

2. Collective suitability with reference to collective know-how and diversity.

With the new proposed members, the criterion of diversity and the criterion of total know-how required by law and best corporate governance practices are fully met. For the Independent Non-Executive Members, the fulfilment of all criteria provided by the law concerning the guarantee of independence is additionally examined.

The Nomination Committee proposed to the Board of Directors the three-member Audit Committee and then proposed its election by the General Meeting of Shareholders with a two-year term and the following composition.

1. George Mergos. He was nominated as Chairman of the Committee.

2. Andreas Taprantzis. Nominated as a Member.

3. Nikolaos Kalamaras. He was nominated as an Expert in Accounting and Auditing.

The members of the Committee are entirely independent.

The Nomination Committee also proposed the staffing of the other Committees of the Board of Directors during its formation into a body as well as the election by the Board of Directors of one of the Independent Members as a Non-Executive Vice President or as Head of the Independent Non-Executive Members, according to the provisions of Law 4706/2020.

After the election of a new Board of Directors of the Company by the General Meeting of Shareholders on 23/6/2021 and the formation of the Board of Directors on 24/6/2021, it was then decided the Establishment of the Nomination Committee which was formed into a body on 12/7/2021 with a new composition as follows:

1. Sofia Kounenaki-Efraimoglou, Independent Non-Executive Member, **Chairman**

(Amounts in thousands of Euros unless mentioned otherwise)

2. Marina Sarkisian - Ohanesoglou, Independent Non-Executive Member, **Member**

3. Nikolaos Voutichtis, Non-Executive Member, **Member**

In the framework of the project of compliance with the new legislation, Law 4706/20, on corporate governance, the Committee approved its Rules of Procedure and its Operating Chart as well as the following Policies and Procedures that concern the responsibilities of the Committee itself.

1. The Suitability Policy (approved by the General Meeting of Shareholders of 23.06.2021)
2. The Training Policy of Board Members and Executives
3. The Recruitment / Selection Process for Senior Managers (IAS 24)
4. The Procedure for ensuring the independence of the Board Members and re-evaluating the conditions of independence
5. The Performance Evaluation Process of Senior Management (IAS 24)

According to the Greek Corporate Governance Code adopted by the Company, the Board of Directors must annually evaluate its own effectiveness, as well as its Committees and the Chairman. In this context, at the end of December 2021, the Committee proceeded to the evaluation of the Board of Directors as a Body, of the Chairman, the Chief Executive Officer and the Corporate Secretary, of the Committees as well as performed the individual evaluations of the members of the Board of Directors. The evaluation was based on questionnaires drawn up on the basis of the parameters set by the Nomination Committee, in collaboration with the consulting company Mazars in order to further support the implementation of the process. The results of the evaluation were announced and discussed with the Board of Directors at its meeting on 23 February 2022 with the aim of substantially improving its effectiveness.

The Nomination Committee developed a Training Plan for Board Members and Senior Executives in collaboration with the consulting company KPMG and the Human Resources Department of the Company. In this context, trainings were organized on issues of duties of the Board of Directors, both by external training providers and with the development of training material by the corporate governance team of the Group for the training of Board members on the new institutional framework of Corporate Governance of Law 4706/2020 which was placed in effect and on the adoption by the Company of the Greek Corporate Governance Code.

During the year 2021 the Nomination Committee met seven (7) times.

FULL NAME	NUMBER MEETINGS THAT OCCURRED DURING THE MEMBER'S TERM	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED VIA RERPRESENTATIVE	PERCENTAGE OF PARTICIPATION IN THE MEETINGS
Sofia Kounenaki - Efraimoglou	**7**	**7**	**-**	**100%**
Marina Sarkisian – Ohanesoglou	**7**	**7**	**-**	**100%**
Nikolaos Voutichtis	**7**	**7**	**-**	**100%**

(Amounts in thousands of Euros unless mentioned otherwise)

Georgios Kouvaris *Until 23/6/2021 (Former jointed Nominations and Remuneration Committee)*	**3**	**3**	**-**	**100%**
Georgios Mergos *Until 23/6/2021 (Former jointed Nominations and Remuneration Committee)*	**3**	**3**	**-**	**100%**
Michael Gourzis *Until 23/6/2021 (Former jointed Nominations and Remuneration Committee)*	**3**	**3**	**-**	**100%**

3.4 Investment Committee

The Investment Committee is established by the Board of Directors. Its main role is to assist in ensuring that new investments are in line with the Company's objectives and generate benefits for the Company as a whole.

Composition

The Board of Directors of the Company in its meeting of 24.06.2021 recommended the Investment Committee which was formed as follows:

Emmanouel Maragoudakis, Chairman

Nikolaos Voutichtis Member

Aristotelis Spiliotis, Member

Operating terms

The Committee meets at the invitation of its Chairman, to review investment or de-investment proposals and to prepare a relevant proposal to the Board of Directors.

The invitation shall specify the agenda, place and time of the meeting.

Meetings are held either in person or remotely through any technological means that enables discussion or exchange of information in writing.

A quorum of 80% of the members of the Committee, with attendance in person, is required in order to take a decision, either at the meeting place or at another place using conference technologies.

A member of the Committee may authorize another member in writing to represent him/her at a specific meeting and to vote on his/her behalf with regard to the items of the agenda. No member may represent more than one other member of the Committee.

Decisions of the Committee shall be taken unanimously by the members present or represented.

The Committee appoints a Secretary, who keeps the minutes of the meetings or is assisted by the Corporate Secretary or another lawyer of the Company.

The minutes of the meetings of the Committee shall be signed by all members who are present at the meeting.

Responsibilities

- Ensuring that new investments are in line with the approved strategy of the Company or that new investments are essentially new decisions approved by the Board of Directors. Specifically, in the BoD all Committee's decisions for investments over € 10 million are submitted for approval, as well as investment decisions of strategic importance which are not included in the approved strategy of the Company, regardless of the amount. For investments approved by the Committee up to the amount of € 10 million and not of strategic importance, the Committee recommends their approval to the Chief Executive Officer, who makes the final decision.

- Evaluation of the return on realized investments.

- Monitoring the performance of the Company per business activity in terms of achieving goals.
- Review of potential new investments and submission of a relevant proposal to the competent bodies of the Company / to the Board of Directors of the Company regarding:
  - the capital adequacy of the Company for the implementation of the investment,
  - the assessment of the business risks associated with the implementation of each investment proposal,
  - the documentation of its ultimate objective and confirmation that the implementation is part of the approved strategy of the Company or leads to the development of new market segments.
- Examines the potential partnerships of subsidiary companies aimed at establishing new companies or strategic joint ventures with third parties, as well as the cases of mergers and acquisitions.

Tasks Performed

During the year 2021, the Investment Committee met once (1) in full quorum, during which it was formed into a Body and approved its Rules of Procedure

3.5 ESG Committee

The Company's ESG Committee was established by the Board of Directors on 24.06.2021 to monitor the company's performance and to suggest to the Board improvements in matters of environment, society and governance (ESG). The objective of the above is to generate value for the Company which is regularly assessed, based on its performance in these matters. The work of the Committee includes, inter alia, monitoring the integration of non-financial factors related to ESG issues, the business strategy and decision-making, with the aim of the Company gaining added value and being ready to adapt to changes in the environment where it activates.

The ESG Committee consists of up to 3 non-executive members of the Board, of which at least 1 is an independent non-executive member and up to 2 are executive members or Senior Executives, appointed by the Board of Directors.

The Chairman of the Committee is elected by the members of the Committee or by the Board of Directors. The Chairman of the Committee is an independent non-executive member of the Board. The term of office of the members of the Committee is equal to the term of office of the Board of Directors.

The members of the Committee have the required knowledge and experience regarding the activity of the Company and in particular regarding issues of sustainable development, environment, society and governance in order to adequately perform the role of the Committee.

The Committee appoints a secretary, who keeps the minutes of the meetings or is assisted by the Corporate Secretary of the Company or another lawyer of the Company. The Secretary of the Committee is responsible for the general support of its operation and supervises the presentation of the Committee's proposals to the Board of Directors and monitors the implementation of the relevant decisions approved by the Board, with regard to the involved units of the Company and / or the Group. Legal support in the work of the Committee can be provided either by the Corporate Secretary, who in that case should be a lawyer in accordance with the Internal Rules of Operation of the Company, or by another lawyer of the Group.

The ESG Committee meets whenever required but at least 4 times a year to carry out its tasks effectively.

The Company's executives may participate in the meeting of the Committee, if, depending on the field of their duties, their participation is deemed necessary for the effective operation and implementation of the tasks of the Committee. The role of these persons is to prepare studies, and also suggest or provide clarifications on the issues discussed in the Committee.

The Committee has, inter alia, the following responsibilities:

1. Promotes and monitors the integration of ESG criteria into the business strategy and decision making.

2. Examines the Sustainable Development Policy and other policies related to issues within its competence, as well as their revisions, and proposes such to the Board of Directors for approval.

3. Monitors the implementation of the Sustainable Development Policy and other ESG policies.

4. Monitors the process of materiality analysis.

5. Examines the content of the Company's annual report on ESG matters contained in the respective annual reports and CSR reports and makes proposals to the Board of Directors for approval.

6. Approves the strategic goals of the company for issues of carbon dioxide (CO_2) emissions, water management, and other ESG issues and makes relevant proposals to the Board for approval. At the same time, the Committee is informed about the implementation plan for the achievement of these objectives and informs the Board of Directors accordingly.

7. The Committee is informed about the company's participation in ESG issue management plans e.g. TCFD, SBTi, CBT.

8. Informs the Board of Directors about issues within the competence of the Committee and proposes measures for improvement if required.

9. Monitors the new developments for ESG issues in Greece and internationally and promotes their integration into the Company's policies.

10. It collects information, examines and on a case by case express an opinion or approves relevant issues that are promoted by the Company’s management.

11. Carries out an annual review of its work with any proposals for improving its operation and efficiency, submitting to the Board of Directors a relevant summary report.

(Amounts in thousands of Euros unless mentioned otherwise)

Composition

The Board of Directors of the Company in its meeting of 24.06.2021 established the ESG Committee, the composition of which was subsequently expanded by its decision on 16.07.2021. The Committee was constituted as follows:

Marina Sarkisian - Ohanesoglou, Chairman

Sofia Kounenaki - Efraimoglou, member

Tatiana Karapanagioti, member

George Agrafiotis, member

Tasks Performed

Below are details regarding the meetings and activities of the committee during the year 2021.

FULL NAME	NUMBER MEETINGS THAT OCCURRED DURING THE MEMBER'S TERM	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED	NUMBER OF MEETINGS IN WHICH THE MEMBER PARTICIPATED VIA RERPRESENTATIVE	PERCENTAGE OF PARTICIPATION IN THE MEETINGS
Marina Sarkisian – Ohanesoglou	**4**	**4**	**-**	**100%**
Sofia Kounenaki - Efraimoglou	**4**	**4**	**-**	**100%**
Tatiana Karapanagioti	**4**	**4**	**-**	**100%**
Georgios Agrafiotis	**4**	**3**	**-**	**75%**

Secretary of the ESG Committee is Danae Kalantidi, Executive Officer of the Communications Directorate, Head of Corporate Social Responsibility and ESG Affairs, while legal support for the work of the Committee was provided by Antonia - Myrsini Koliadi, Executive Officer of the Legal Service.

The main topics of the meetings in 2021 were the following:

29/07/21:

1. Election of the Chairman and formation of the newly elected ESG Committee into a body

2. Approval of the Rules of Procedure of the Committee

3. Information of the Committee on the ESG issues of the Company as well as placement of priorities of the Committee until 31/12/21

12/10/21

1. Information on the Sustainable Development Report of the Company for the year 2020

2. Clarifications on the Responsibilities of the Committee in relation to the BoD

26/10/21

Finalization of the actions to support the Company's Strategy in order to address the effects of climate change with a relevant proposal toward the Board of Directors.

01/12/21

Information on the Company's performance in ESG matters compared to other Greek and multinational companies

Finalization of an action plan for further improvement of the Company's environmental indicators through its participation in the CDP climate change and water in 2022.

4. Detailed CVs of the members of the Board of Directors, members of the BoD committees, Secretary of the Board of Directors and senior executives

Georgios Peristeris of Theodoros

In 1980 he received a degree in Civil Engineering from the NTUA. His activity with TERNA SA started in 1981. From 1982-1984 he was the Director of Construction of important Hydraulic and Railway projects.

Since 1984 he has assumed the duties of President and CEO of TERNA SA.

Since 1997 he has been developing intense business activity in the field of Renewable Energy Sources (RES). In fact, in the same year he founded TERNA ENERGY SA where he was President and from 2000 until today he is President of the Hellenic Association of Electricity Producers from RES (ESIAPE). The Association is a founding member and is represented on the Board of Directors of the respective European Renewable Energies Federation – EREF.

Emmanuel Maragkoudakis of Vassilios

He holds a degree in Mechanical Engineering from the University of Newcastle, England and a Master's degree in Production and Construction Technology from the University of Strathclyde, Scotland. He started his professional career as a factory manager at VIDOMET SA, where he worked from 1980 to 1988. From 1988 to 1989 he was a factory manager at Sabo S.A., specializing in the manufacture and installation of mechanical equipment. From 1988 to 2013 he was the Managing Director of VIOMEK SA. In 1997 he started his cooperation with the Group and today he holds the position of CEO of the Company and the General Manager of the Environment and Renewable Energy Sector.

Georgios Mergos of Ioannis

He is an Emeritus Professor of Economics at the National and Kapodistrian University of Athens, where he has been teaching since 1986. He studied Economics at the University of Athens, holds an MSc from the University of Oxford and a PhD from Stanford University in the USA. Prior to the University of Athens, he worked at the World Bank. He has served as General Secretary of the Ministry of Finance, Governor of IKA and General Secretary of the Ministry of National Economy. He has collaborated in research with IOBE (Foundation for Economic & Industrial Research), in consultation with International Organizations and as an Expert with the European Commission (DG External Relations), in matters of developmental cooperation in many countries (China, India, Egypt, other countries of South Asia, all the countries of the former Eastern Europe and some countries of the former Soviet Union). He has been, among others, a member of the Board. of GEK TERNA, PPC, National Bank, Alpha Bank and member of the Board of Directors of Black Sea Trade and Development Bank.

Aristotelis Spiliotis

He studied Business Administration and Management at the Athens University of Economics and Business (formerly ASOEE). He completed postgraduate studies in Finance and Investment at Brunel University, London. From 1993 to 2000 he worked in various positions in the financial sector (Portfolio Investments, Venture Capital) as an Investment Analyst. From 2000 to 2003 he worked as Investor Relations Manager at INTRALOT, while in the same year he was hired by the GEK TERNA Group, where he assumed the same duties. Since 2009 he has been working for the company, under the responsibility of the Deputy Chief Financial Officer and later until recently Chief Financial Officer in the field of Finance. Today he is an Investor Relations Advisor and monitors the financing of the Company's investments for the information of the Board of Directors.

Georgios Spyrou

He graduated from the National Technical University of Athens in 1969 with a degree in Electrical-Mechanical Engineering and from 1970, attended the postgraduate department of the Athens University of Economics and Business. He was a founding member and partner of the company CH. ROKAS SA, where he worked from 1972 until 2004 in the fields of Study, Planning and Construction of Industrial and Energy Projects, as well as in its Administration function. He was the General Manager, President and CEO of various Subsidiaries of the Company and for 20 years Vice President of the Board of Directors of this Group. From 1994 to 2004, he was the main person responsible for the design, development and implementation of the Group's Energy plan. In 2004, after the sale of the ROKAS Group, he started collaborating with GEK-TERNA Group, as a consultant for energy projects. Today he is a member of the Board of Directors of TERNA ENERGY SA and holds the position of Executive Director and Development Manager of the electricity generation sector outside Greece. He is a member of the Technical Chamber of Greece. He was a member of the Board of the Hellenic Association of Electricity Producers, in which he was elected for a decade as Chairman or Vice-Chairman of the Board of Directors.

Sarkisian Ohanesoglou Marina

Ms. Sarkisian Ohanesoglou holds a degree in Civil Engineering from the Imperial College of Science, Technology and Medicine in London and a Master of Science (MSc) in Environmental Engineering from the same university. He has been a Member of the Board of Directors of Cenergy Holdings since May 2020. She has more than twenty years of experience in environmental management and climate change. He worked for 15 years in the Environmental Service of Athens International Airport SA in positions of responsibility in areas such as Climate Change, Air Quality and Aviation Noise. She previously collaborated as an independent environmental consultant (1994-1997) with the companies Ecos Meletitiki and Panagopoulos & Associates, participating in a wide range of Environmental Impact Assessment Studies for infrastructure projects and other studies.

Nikolaos Voutichtis

Mr. Voutichtis holds an undergraduate degree (BSc, Hons) in Business Administration from the University of Bradford (UK) and a postgraduate degree (MSc) in International Banking and Finance from the University of Reading (UK). He is also a Certified Public Accountant (Fellow Chartered and Certified Accountant). He has extensive financial experience having worked as a Senior Financial Services Officer at PricewaterhouseCoopers, as Head of Group Accounting Policy at Eurobank / EFG Group and as Chief Financial Officer (CFO) at National Bank of Greece and abroad, initially as Head of the Bank (Deputy Country manager) in Egypt, while in 2014 he took over the position of Deputy Group Chief Financial Officer (Deputy Group CFO). Since the beginning of 2016, he holds the position of Chief Investment Officer of the Latsco Family Office in Greece. At the same time, he is a Non-Executive Member of the Board of Directors of the Viva Wallet Group, including Viva Bank, as well as a member of the Board of Directors of Vouliagmeni Thermal Baths SA and EKALI SA. Finally, he participates in the Advisory Committee of EOS Capital partners.

Michael Gourzis of Alexandros

In 1964 he graduated from the Athens School of Engineering. He worked as a freelancer - Contractor of Public Works from 1969 to 1976. He holds a degree MEK D’ class and since 1977 he has been managing projects of TERNA SA.

Tatiana Karapanagioti

Ms. Karapanagioti is the founder and CEO of FULLVIEW, a strategic communication company with a clientele from the banking, industrial and wider business environment. She is also currently the President of the Civil Non-Profit Company, Initiative for Journalism, Member of the Advisory Committee of ELIAMEP, Member of the Advisory Committee of DESMOU, member of the Board of Directors of the Association of Friends of Music and member of the Board of Directors of insidestory.gr. She received the Gold Medal of Honor from the Republic of Austria in 2018. He has served as Minister of Culture and Tourism in the Government of Pikrammenos, May - June 2012, as well as Member of Parliament, February - April 2012. She has extensive experience as Communication Consultant, 09/2011 - 12/2017. As the founder and CEO of FULLVIEW she possesses deep knowledge and long experience in the fields of communication, relations with the media as well as perception of the operation of the State and of other market entities. Previously, as Executive Producer of LYNX PRODUCTIONS, 09/2005 - 08/2011 she was involved in the production of journalistic and news programs in collaboration with private and public television channels. Also, she was Founder and CEO of URGH PRODUCTIONS, 09/2005 - 09/2015 with presence in the production of educational and cultural documentaries in collaborations with private and public television channels, with OMMA (Athens Concert Hall), Labrakis Foundation, etc. She was publisher at THEATIS MAGAZINE, 2005-2006, a publisher at SALVO PUBLICATIONS, ROYAL COLLEGE OF ART, London, 2001-2003, and she participated in solo and group photography exhibitions, Athens & London, 2000-2010.

Sofia Kounenaki-Efraimoglou

Ms. Efraimoglou is the Executive Vice President of the Board of Directors of the Foundation of the Hellenic World and Head of the Cultural Center "Hellenic World". She is also an Independent Non-Executive Member of the Board of Directors of Lavipharm Group SA. She is Elected President of the National Chamber Network of Greek Women Entrepreneurs (EEDEGE), as well as Vice President of the Board of Directors of the Commercial and Industrial Chamber of Athens (EVEA). She has played an active role in the management of companies in the fields of Communication, Commerce, Industry and Portfolio Management as President and CEO of companies, including the telecommunications company Vivodi Telecom and the brokerage firm Fortius Finance SA, which she founded. She has taught at the Departments of Accounting, Business Administration and Informatics of the University of West Attica (then TEI of Piraeus). She is a member of the Hellenic Federation of Enterprises (SEV). In 2008, as a member of the Board of Directors of SEV, she led towards the creation of the Greek Code of

Corporate Governance and its promotion in companies as well as the subsequent establishment of the Hellenic Corporate Governance Council, where she is currently member of the 15-member Council. She has served for eleven consecutive years, Member of the Board of Directors of Hellenic Exchanges SA. She holds a bachelor's degree and a master's degree in Philosophy, Business Administration and Computer Programming and speaks English, French and Italian. She has been awarded by EVEA and the Attica Region for successful entrepreneurship. She is married to Dimitris L. Efraimoglou with three children.

Andreas Taprantzis

He is the CEO of Avis, since 11/2014. He planned and completed the radical reorganization of the Company in order to facilitate its sale by Piraeus Bank. The transaction took place in 2017 at € 325 million (EV) and was one of the largest in the country. He continued holding the same position with the new shareholders. Today, Avis is the largest car rental company in Greece, with 500 employees, a wide network of stations, a fleet of 40,000 vehicles, with assets over € 500 million, revenues over € 180 million and an EBITDA of € 100 million. Prior to his current position, he was an Authorized Consultant of the Hellenic Republic Asset Development Fund (HRADF), from its inception in August 2011 until November 2014. He was responsible for the development of Greek State's privately owned property assets, which included airports, ports, marinas, hotels and large scale land areas. During his tenure, the HRADH implemented contractual agreements worth € 12.5 billion, such as the contract for Elliniko, Asteras Vouliagmenis and the Regional Airports, attracting multiple secondary investments.

In 2009, he became COO and Managing Director of Retail Banking at the Postal Savings Bank (TT). In December 2010, he took over the position of Deputy CEO of T Bank (a subsidiary of TT). From 2005 to 2009, he was the Managing Director of Hellenic Post (ELTA), while at the same time he was a member of the Board of Directors of the Postal Savings Bank and Chairman of the Audit Committee. During his tenure, ELTA was profitable with a turnover of over € 600 million and profits of € 50 million per year, as a result of radical reorganization and the investments made in new technologies. His work at ELTA has been recognized internationally. In August 2008, he was elected President of the Postal Operations Council (POC) of the Universal Postal Union (UPU), a UN organization based in Bern, from 192 of the world's postal companies, holding this position from 2008 to 2012. Since July 2019, he has been member of the Board of Directors of Attica Bank, as well as Chairman of the Risk Management Committee. Dr. Taprantzis holds a degree in Chemical Engineering (MSc) and a PhD from the National Technical University of Athens, in the field of automatic system regulation with artificial intelligence (AI) models. He has an MBA and an AMP certificate from INSEAD.

Nikolaos Kalamaras

He is a graduate of the Athens University of Economics and Business (former ASOEE). He has been working as an Accountant and Business Consultant since 1977. He is the Managing Director and Shareholder by 100% of the company under the name "Taxation SA Accounting Tax Technical Audit Company". He is also a member of the Hellenic and American Institute of Internal Auditors (AM 1374) - (ID 1521425). Since 1998 he has been a speaker in Tax related Seminars and author of Accounting books. He participated as an independent, non-executive member of the Board of Directors of TERNA ENERGY SA from 2007 to 2018. He is a member of the Audit Committee of the same company and Chairman of the Audit Committee of its subsidiary, TERNA ENERGY FINANCE. Since 2001 he has been an internal auditor in listed companies such as "Hermes Real Estate Companies SA", "KEKROPS Tourist Real Estate Management SA" and "General Construction Company SA", while he has also been an internal auditor in "TERNA Societe Anonyme Tourist, Technical and Shipping Company", with a dependent employment relationship from 2002 up to the year 2009.

Dimitra Chatziarseniou

Dimitra Hatziarseniou is a lawyer and member of the Athens Bar Association, since 1998. She holds the position of Head of the Legal Department of TERNA ENERGY SA and has been appointed Corporate Secretary of GEK TERNA SA and TERNA ENERGY SA. She joined the broader GEK TERNA Group in 2000. During her career she has organized the legal department of the Group and today leads a team of three selected lawyers. He has successfully handled large real estate transactions, mergers and acquisitions, IPOs, PPP projects and EPC contracts and has gained extensive experience in project development and financing of RES projects in Greece, Southeast Europe and the USA. He is a graduate of the Law School of Athens and holds a postgraduate degree in Commercial Law from the same school. She is fluent in Greek, English and French.

5. External professional commitments of the Board members

FULL NAME	**EXTERNAL PROFESSIONAL COMMITMENTS**
PERISTERIS GEORGIOS	Chairman and Chief Executive Officer of GEK TERNA S.A.
MERGOS GEORGIOS	• Member of BoD of Piraeus REAL ESTATE SA • Member of BoD of Foundation for Economic &Industrial Research • Member of BoD PICAR AE • Member of BoD Minoan Group Plc
MARAGKOUDAKIS EMMANUEL	-
SPYROU GEORGIOS	-
SPILIOTIS ARISTOTELIS	-
GOURZIS MICHAEL	• Vice-Chairman of GEK TERNA SA • Chairman of TERNA SA
VOUTICHTIS NIKOLAOS	Chief Investment Officer Latsco Family Office Greece
SARKISIAN MARINA	Independent Non-Executive Board Member of Cenergy Holdings
TAPRANTZIS ANDREAS	CEO OLYMPIC ETE SA
KOUNENAKI-EFRAIMOGLOU SOFIA	• Vice Chairman of the Board of the Foundation of the Hellenic World • Chairman of the Board & Managing Director of the company Ardittos Holdings of Utilization Technologies SA and of the Institute of Immigrant Education and Integration, companies of the Foundation of the Hellenic World • Vice President of the Athens Chamber of Commerce & Industry • President of the National Chamber Network of Women Entrepreneurs • Non-executive Board Member Lavipharm SA • Treasurer of the Board ALBA

	• Member of the Advisory Committee of the Hellenic Corporate Governance Council • Member of the General Council of the Association of Businesses and Industries • Member of the Advisory Council of the MBA International Program of the Athens University of Economics and Business and the diANEOsis Organization • Vice President of the Board of the B.E.P.E. Technopolis - Acropolis SA
KARAPANAGIOTI TATIANA	CEO FULLVIEW SA

6. Internal Control and Risk Management

Internal Control System is defined as the set of rules and procedures applied by the Company with the aim of preventive and repressive control of operations and procedures at all levels of its hierarchy and organizational structure, to ensure the legality and security of management and transactions, the accuracy and reliability of the published financial statements and any other financial information and announcement, as well as the efficiency of the operating systems and operations of the Company.

The Board utilizes the internal control system to protect the assets of the Company, to assess the emerging risks of all its operations and to provide accurate and complete information to the shareholders about the real situation and prospects of the Company, as well as the ways addressing the identified risks.

For the implementation of the above, the BoD determines the operating framework of the internal audit, approves the procedures for conducting and evaluating its results and decides on its staffing, observing the requirements of the current legal and institutional framework as well as the Greek Code of Corporate Governance. Establishes a special service unit of internal control, which is independent, does not belong hierarchically to any other organizational unit and is supervised by the Audit Committee of the Company.

With the contribution of the Audit Committee, it evaluates the adequacy and efficiency of the internal control unit and the degree of utilization of its reports by the Board. for the continuous improvement of the Company's operation at all levels and the effective management of business risks. The Audit Committee also maintains direct and regular contact with the external auditors, in order to be systematically informed about the adequacy and reliability of the operation of the internal control and risk management systems, as well as about the correctness and reliability of the financial information.

The assessment and management of risks in the preparation of the Financial Statements for the Year 2021 is described in the relevant chapter of the Annual Financial Report of the Company.

6.1 Risk Assessment Report - Consequences of any findings - Management response

The Company is guided by the continuous sustainable development and the continuous expansion of its portfolio both in RES and in new areas of activity. Values, culture, entrepreneurship, integrity, personal involvement, and informed decision-making are the basic principles of the group and govern its business. In this context, the Company for dealing with risk factors from both the national and the international business environment has adopted procedures that regularly identify, evaluate, and control the risks that arise.

Risk Management Policy

The Company has a system of internal control, quality assurance and risk management. The Company has also established a separate Risk Management Policy, which is posted on its official website, at https://www.terna-energy.com/enimerosi-ependyton/ir-etairiki-diakyvernisi/diacheirisi-kindynon/#row-zen, which is also applied during the preparation of the Financial Statements of the Company and the Group. Furthermore, the implementation manual of the Internal Operating Regulation describes the risk management policy and procedures.

The Risk Manager proposes to the Board of Directors the Risk Management Strategy, the Approval of Risk Management Policies and Procedures, the Approval of the Annual Plan of Activities of the Independent Risk Management Unit.

The Directorates-General prepare and submit to the Risk Manager the studies that record the most important risks, considering the following levels of examination:

- Identification, analysis, evaluation, and management of risks in the development, construction, and operation of projects
- Portfolio management in terms of operating and general administrative expenses,
- Portfolio management in the areas of activity of the company
- Corporate risk management through processes at Group level.

Actions to strengthen the Risk Management System of the company during the period 2021

During the period 2021, significant changes were made to the company's Risk Management System.

- The position of Head of Risk Management and the operation of Risk Management with responsibilities and responsibilities both at Group level and at company level were introduced in the Organization Chart of the Group.
- Studies were prepared for individual Risk Management policies & practices which will be implemented within the various Management Systems (eg Quality Management, Safety and Health, Information Security, etc.) for risk assessment. Inevitably the introduction of these policies and practices is done with varying degrees of maturity and focus in each direction and in a specific area and subject matter.
- An effort is made so that the overall picture of Risk Management as required, is integrated and to assist the Group and the corporate strategy, but also the functions as an integrated approach to the daily operation of the Group.
- The Director of Ms. E. Perrakis was appointed, as Head of Risk Management as head of a small Risk Management Unit
- Two members of the Board of Directors were appointed to monitor and inform the Board on IT and Information Security issues, namely Mr. Andreas Taprantzis and Ms. Sofia Kounenaki-Efraimoglou who have knowledge of IT and Information Security

IT and Information Security

Information security is a priority for the company. Administratively, the monitoring of the actions for the strengthening of the information security system (IT and Information Security) of the company has been assigned to the Deputy Managing Director, Mr. G. Agrafiotis. A comprehensive information security program has already been launched under the direct supervision of Mr. Taprantzis and Ms. Kounenaki-Efraimoglou.

Risk Management in the preparation of the Financial Statements

The risk management during the preparation of the individual Financial Statements of the company as well as the consolidated Financial Statements is implemented in three levels of control and risk management until their preparation by the Controller. The financial statements are then forwarded to the Director of Financial and Administrative Services for review and approval.

Then, the Certified Auditors receive the data of the Financial Statements and proceed to their review.

It should be noted that with the recent commissioning of the entire SAP S / 4HANA Group, a series of audits are automatically implemented, and a wide range of risks are ensured in the preparation of the financial statements.

The Audit Committee oversees the process of preparing the financial statements and other reports of the Company's financial information and examines their reliability. If it examines and confirms the correctness of the drafting process

6.2 Annual review of corporate strategy, key business risks and internal control systems

The annual review of the corporate strategy is done with reference to the updating of business risks and the review of internal control systems.

In the period 2021, the Audit Committee: (a) Monitored the functions of Internal Audit, Risk Management and Regulatory Compliance to ensure the correctness of their operation and their independence. (b) Monitored the adequacy and effectiveness of the Internal Audit System and considering the content of the audit reports of the Internal Audit Unit, submitted relevant recommendations to the Board of Directors for its further improvement and strengthening. (c) Followed the Risk Management process and, considering the Risk Management reports, submitted recommendations to the Board of Directors regarding the identification, assessment and management of the risks. (d) Follow the process of reassessing the Group's risks due to the effects of the Covid-19 pandemic and, taking into account the reports of the Risk Management Unit regarding the operation and strategy of the Group and the Internal Audit Unit regarding the control mechanisms and the System Internal Audit, submitted relevant recommendations to the Management and the Board of Directors. (e) Followed the compliance procedures of the Company and the Group with the laws and regulations governing its organization, operation and activities and, taking into account the reports of the Regulatory Compliance Unit, submitted recommendations to the Board of Directors regarding its revision. internal regulatory framework of the Company.

In addition, it has been decided and the implementation of the Evaluation (by an external consultant) of the Internal Audit System, as well as of the Internal Audit Unit has already started. The company has already assigned after a competitive process to an external consultant the examination of the degree of readiness (readiness assessment & gap analysis) and the subsequent evaluation of the Internal Control System in accordance with the provisions of Law 4706/20 and the Circulars of the Hellenic Capital Market Commission. The company also assigned, after a competitive procedure, to an external consultant the evaluation of the Internal Audit Unit based on its Operating Regulations approved by the Board.

The Internal Audit Unit submitted to the Audit Committee, and through it to the Board of Directors, the Annual Audit Plan 2022, which was prepared taking into account key corporate risks and the Risk Register, compiled based on §5, article 15 of L.4706 / 2020 and which is reviewed every year.

7. REMUNERATION REPORT OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY "TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY" FOR THE YEAR 1.1.2021 – 31.12.2021

INTRODUCTION

This Remuneration Report has been prepared by the Remuneration Committee of the Company "TERNA ENERGY SOCIETE ANONYME INDUSTRIAL COMMERCIAL TECHNICAL COMPANY" (hereinafter: the Company), in accordance with the provisions of Article 112 of the Law 4548/2018 and provides shareholders with an overview of the fees of the members of the Board of Directors of the Company for the year 1.1.2021 - 31.12.2021. The remuneration of the members of the Board of Directors complies with the approved Remuneration Policy and the legislation.

The Remuneration Committee consists of three (3) non-executive members of the Board, with most of them being independent, and of the Chairman of the Committee who is an independent, non-executive member. The Committee's tasks include:

Submits proposals to the Board of Directors regarding the Remuneration Policy or its revision, so that it can be then submitted to the General Meeting of Shareholders for approval.

Ensures that the Company has a clear, objective, well-documented and transparent Remuneration Policy in accordance with current legislation and is consistent with the Company's business strategy, market conditions, overall profile and risk-taking policy. At the same time the Policy does not encourage excessive and short-term risks.

Submits proposals to the Board of Directors regarding the level of remuneration of persons falling within the scope of the Remuneration Policy, in accordance with article 110 of Law 4548/2018, and regarding the remuneration of the Company's executives, and in particular the head of the internal control unit, and makes a relevant proposal to the Board of Directors, which decides accordingly or proposes to the General Meeting, wherever required.

Monitors the implementation of the Remuneration Policy

Supervises the observance of the relevant decisions regarding the remuneration of the persons that fall within the scope of the Remuneration Policy, at least as defined by the current legislation.

Examines and submits proposals of general directions as well as the appropriate policies and practices that concern the formation of the framework of the fees of the employees, of the members of the Board of Directors and of the Company's executives.

Examines the information contained in the final draft of the annual remuneration report, providing an opinion to the Board of Directors, before submitting the report to the General Meeting of shareholders.

Examines and submits proposals to the Board of Directors regarding the stock option plans, bonus share plans, additional pension benefit plan and any other long-term reward program.

Examines and acts as an advisor to the Board of Directors, regarding the policies and systems for determining the annual fixed and variable remuneration and benefits at all levels of the Company.

Monitors the effectiveness of the Company's Remuneration Policy in relation to attracting and retaining members of the Board of Directors of recognized prestige and experience and competent management.

It can utilize various services of external consultants in cases it deems necessary for the performance of studies or projects related to its responsibilities.

Ensures that the approach adopted by each non-listed subsidiary of the Group in relation to the remuneration complies with the principles of the Company's Remuneration Policy.

Examines and submits proposals to the Board of Directors, regarding the total level of the annual variable remuneration.

Submits proposals to the Board of Directors for business strategies as part of their relation to remuneration.

It may invite executives and members of the Board of Directors to its meetings, in order to ensure the receipt of comprehensive information for the proper fulfilment of its duties.

The Remuneration Policy of the Company, as revised by the decision of the Ordinary General Meeting of Shareholders on June 23rd, 2021, is posted on the Company's website.

Annual Report on Remuneration of Members of the Board of Directors

According to article 112 of Law 4548/2018, the BoD of the Company is obliged to prepare a clear and comprehensible remuneration report, which contains a fully integrated overview of all remuneration and fees governed by the Remuneration Policy for the last financial year and the data required at least by the above mentioned article 112 of Law 4548/2018, each time in effect.

The report will also include all types of allowances granted or due to persons whose remunerations have been included in the Remuneration Policy during the last financial year, regardless of whether they are newly elected or former members of the Board of Directors.

The remuneration report is submitted for discussion at the regular general meeting of shareholders, as an item on the agenda. The shareholders' vote on the remuneration report is of advisory nature.

The remuneration report concerns, on the one hand (i) the existing rights of the Board members and the respective General Managers and the obligations of the Company to the above persons, and on the other hand (ii) the conditions, based on which remuneration will be provided to existing members of the Board, taking into account the salary and working conditions of the employees.

The purpose of this Remuneration Report is to review compliance with the approved Remuneration Policy, the legal framework and to enhance transparency regarding the payment of all types of remuneration in a comprehensible and clear manner. In particular, this Remuneration Report:

- Presents in a transparent manner the structure of all types of remuneration governed by the Remuneration Policy.
- Contributes to the diffusion and establishment of the principles of transparency, meritocracy, justice, proportionality in the implementation of the remuneration framework from the top to the bottom of the organization, taking into account the type and level of remuneration with the importance and weight of responsibilities of each position and the performance of each executive.

- Demonstrates the ability of the Company to formulate and implement competitive remuneration packages, which are harmonized with market practices and at the same time are able to attract or retain competent and valuable executives within the corporate structures.
- Recognizes the reasonable and fair level of remuneration that should be aimed at creating goodwill both in the long run and through the achievement of shorter-term goals aimed at preventing decision-making with excessive business risk and on the other hand maintaining viability and profitability.
- Provides information on the total remuneration granted or paid, by analysis in individual components, the separate reporting of fixed and variable remuneration, including the audit of any remuneration according to paragraph 2 of article 109 of Law 4548/18 and including the manner by which the total remuneration complies with the approved Remuneration Policy.
- Exercises control on the general application of the basic guidelines for the management and payment of fees to the members of the Board of Directors, the Chief Executive Officer and the General Managers in accordance with the Organizational Chart of the Company and the approved Remuneration Policy.
- Monitors cases of conflict of interest.

This Remuneration Report refers to the Board Members and to the General Manager according to the provisions of article 112 of Law 4548/2018.

The fees reported include both the fixed and any variable part of the respective remuneration. They reflect the fees of any kind from any company belonging to the group, as defined in article 32 of Law 4308/2014. Finally, the existence or use of any possibility of recovery of variable remuneration was not observed or reported. Pursuant to article 112 par. 2 (g) of Law 4548 / 18, no deviations from the approved Remuneration Policy under article 110 par. 7 were found. Therefore, no explanations are required for circumstances of exceptional nature, where there might have been deviations from the Remuneration Policy.

Approved Fees Based on Remuneration Policy

The fixed fees in accordance with the provisions of article 109, par. 1 of Law 4548/18 on remuneration to members of the Board of Directors and the Remuneration Policy, as approved by the General Meeting of Shareholders on 23/6/2021, are as follows:

The Executive Chairman and the Chief Executive Officer, as members of the Board of Directors, may receive a fixed annual remuneration of the A + scale defined below, having considered the payments under article 5.1 (b.1) of the Remuneration Policy. The upper limit of total fixed fees for the Executive Chairman is set at € 1,000,000. The remuneration may come entirely from the remuneration of the Board of Directors or from the sum of (a) the fixed remuneration of scale A + as defined in the Remuneration Policy and up to the amount determined by a relevant decision of the Board of Directors and (b) the remuneration of a Board member.

The executive members of the Board who receive remuneration with regard to other roles within the Company, as members of the Board of Directors and as members of the BoD committees receive a fixed fee per year, which is included in the total annual sum of their fixed remuneration.

In case the Company wishes to proceed with the preparation of a service contract or any other special relationship pursuant to the article 109, par. 3 of Law 4548/2018, where fees will be paid to a person governed by the Remuneration Policy, then provisions of the articles 99-101 of Law 4548/2018 will apply.

(Amounts in thousands of Euros unless mentioned otherwise)

In addition, the executive members of the Board of Directors who hold roles and managerial positions either in the Company or in companies within the Group and are paid either as employees through relevant contracts that they have signed with these legal entities, or as self-employed persons through service or project contracts on a fixed basis, have in any case the same rights and obligations in fixed remuneration, in compensation and retirement clauses, in variable remuneration and benefits, always in full compliance both in terms of social security, tax and labor legislation, and also in terms of corporate governance legislation.

The Executive Members of the Board of Directors can be remunerated in total for their services rendered to the companies of the Group, with annual fixed fees that fall in the range from B (from € 40,000 to € 100,000), A (from € 60,000 to € 160,000) up to A + (over € 120,000).

The list of the Members of the Board of Directors elected by the Ordinary General Meeting on 23/6/2021 as well as the respective remunerations according to the Remuneration Policy of the Company is presented in the table below.

FULL NAME	CAPACITY	SCALE OF FIXED GROSS REMUNERATION OF THE BOD MEMBERS	COMMITTEES	VARIABLE REMUNERATION
Peristeris Georgios	Chairman	A+	-	Do not exceed 100% of fixed
Maragkoudakis Emmanuel	Chief Executive Officer	A	-	Do not exceed 100% of fixed
Spyrou Georgios	Executive Director	A	-	Do not exceed 100% of fixed
Gourzis Michael	Non-Executive Member, Member of Audit Committee	Up to 40,000 €	Up to 10,000 € per committee	-
Mergos Georgios	Independent Non-Executive Member, Chairman of Audit Committee, Member of Remuneration & Nomination Committee	Up to 40,000 €	Up to 10,000 € per committee and up to 30,000 € as Chairman of the Audit Committee	-
Kalamaras Nikolaos	Member of Audit Committee, Expert in Audit Accounting	-	Up to 30,000 €	-
Aristotelis Spiliotis	Executive Member			
Nikolaos Voutihtis	Non-Executive Member, Member of Audit Committee	Up to 40,000 €	Up to 10,000 € per committee	-
Tatiana Karapanagioti	Independent Non-Executive Member, Member of ESG Committee	Up to 40,000 €	Up to 10,000 € per committee	-

(Amounts in thousands of Euros unless mentioned otherwise)

Andreas Taprantzis	Independent Non-Executive Member, Chairman of Remuneration & Nomination Committee & Member of Audit Committee	Up to 40,000 €	Up to 10,000 € per committee	-
Marina Sarkisian Ohasenoglou	Independent Non-Executive Member, Chairman of ESG Committee, Member of Remuneration Committee	Up to 40,000 €	Up to 10,000 € per committee	-
Sofia Kounenaki Efraimoglou	Independent Non-Executive Member, Chairman of Remuneration & Nomination Committee & Member of ESG Committee	Up to 40,000 €	Up to 10,000 € per committee	-

In addition to the above, to all Members of the Board, additional benefits are provided that include liability insurance, participation in the Group Health Insurance of the Company, coverage of corporate expenses, coverage of travel expenses and overnight stays for Independent Non-Executive Members of the Board, residing outside Athens. No corporate car is provided to the Board members, except for the CEO of the Company. Furthermore, to some members of the Board, as well as to the General Manager the Company also provides a credit card with the sole purpose of repaying expenses incurred on behalf of the Company according to the table below.

Full Name	Bank Institutions	Credit Limit
Gerogios Peristeris	ALPHA BANK	15.000,00
Emmanuel Maragoudakis	ALPHA BANK	15.000,00
Emmanuel Moustakas	ALPHA BANK	15.000,00
Georgios Agrafiotis	ALPHA BANK	15.000,00

Remuneration of the Board of Directors and Committees of the Company and companies of the Group:

For the Executive, Non-Executive, and Independent Non-Executive Members of the Board, Fixed Annual Fees are provided for their participation in the Board, and their participation in the Committees of the Board of Directors, which can be granted once a year from the taxed profits of the Company, as was performed during the financial year 2020.

The General Meeting of 23/6/2021 approved with a majority of 95.47% of those present the payment of salaries, pursuant to article 109 of law 4548/2018, to the members of the Board of Directors and the members of the Committees of the Company for the year 2021 total amount € 1,080,000 from the taxed until the year 2020 profits of the Company. The following Table presents fees and benefits granted by the Company to the members of the Board of Directors during the year 2021:

(Amounts in thousands of Euros unless mentioned otherwise)

A/A	Full Name	POSITION ON THE BOARD OF DIRECTORS	PARTICIPATION IN COMMITTEES OF THE BOARD	FIXED FEES FROM TERNA ENERGY					VARIABLE REMUNERATION FROM TERNA ENERGY	FIXED REMUNERATION FROM SUBSIDIARIES		VARIABLE REMUNERATION FROM SUBSIDIARIES	TOTAL VARIABLE REMUNERATION	TOTAL FIXED REMUNERATION	TOTAL REMUNERATION	PERCENTAGE OF VARIABLE REMUNERATIONS TO FIXED	COMMENTS
				FIXED FEES	COMPENSATIONS OF BOARD OF DIRECTORS & COMMITTES OF THE COMPANY	BENEFITS: COMPANY CAR	BENEFITS: GROUP LIFE - HEALTH / LIABILITY INSURANCE	BENEFITS: TRAVEL EXPENSES	SHORT-TERM VARIABLE REMUNERATION (BONUS)	FIXED REMUNERATION	COMPENSATIONS OF BOARD OF DIRECTORS	SHORT-TERM VARIABLE REMUNERATION (BONUS))					
1	Peristeris Georgios	Chairman		0	500.000	ΝΑΙ *	€ 1.083,09*	ΌΧΙ	0	0	0	0	0	500.000	500.000	0,00%	
2	Maragkoudakis Emmanuel	Chief Executive Officer	Investments Committee	18.310	100.000	ΝΑΙ	€ 1.043,73	ΌΧΙ	0	30.000	0	0	0	148.310	148.310	0,00%	
3	Spyrou Georgios	Executive Director		40.000	70.000	ΌΧΙ	€ 186,95	ΌΧΙ	0	63.000	82.047	0	0	255.047	255.047	0,00%	
4	Gourzis Michael	Non-Executive Member, Member of Audit Committee	Remunerations Committee	0	60.000	ΝΑΙ *	€ 230,57 *	ΌΧΙ	0	0	0	0	0	60.000	60.000	0,00%	
5	Mergos Georgios	Independent Non-Executive Member, Chairman of Audit Committee, Member of Remuneration & Nomination Committee	Audit Committee, Remuneration Committee	0	90.000	ΌΧΙ	€ 230,57	ΌΧΙ	0	0	0	0	0	90.000	90.000	0,00%	
6	Kalamaras Nikolaos	Member of Audit Committee, Expert in Audit Accounting	Audit Committee	0	20.000	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	20.000	20.000	0,00%	
7	Georgios Agrafiotis	Director	ESG	83.533	0	ΌΧΙ	€ 502,21	ΌΧΙ	0	54.000	0	0	0	137.533	137.533	0,00%	
8	Aristotelis Spiliotis	Executive Member	Investments Committee	0	0	ΌΧΙ	€ 1.083,09	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021
9	Nikolaos Voutihtis	Non-Executive Member, Member of Audit Committee	Investments Committee, Nomination Committee	0	0	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021
10	Tatiana Karapanagioti	Independent Non-Executive Member, Member of ESG Committee	ESG	0	0	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021
11	Andreas Taprantzis	Independent Non-Executive Member, Chairman of Remuneration & Nomination Committee & Member of Audit Committee	Audit Committee, Investments Committee	0	0	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021

(Amounts in thousands of Euros unless mentioned otherwise)

A/A	Full Name	POSITION ON THE BOARD OF DIRECTORS	PARTICIPATION IN COMMITTEES OF THE BOARD	FIXED FEES FROM TERNA ENERGY					VARIABLE REMUNERATION FROM TERNA ENERGY	FIXED REMUNERATION FROM SUBSIDIARIES		VARIABLE REMUNERATION FROM SUBSIDIARIES	TOTAL VARIABLE REMUNERATION	TOTAL FIXED REMUNERATION	TOTAL REMUNERATION	PERCENTAGE OF VARIABLE REMUNERATIONS TO FIXED	COMMENTS
				FIXED FEES	COMPENSATIONS OF BOARD OF DIRECTORS & COMMITTEES OF THE COMPANY	BENEFITS			SHORT-TERM VARIABLE REMUNERATION (BONUS)	FIXED REMUNERATION	COMPENSATIONS OF BOARD OF DIRECTORS OF SUBSIDIARIES	SHORT-TERM VARIABLE REMUNERATION (BONUS))					
						COMPANY CAR	GROUP LIFE - HEALTH / LIABILITY INSURANCE	TRAVEL EXPENSES									
12	Marina Sarkisian Ohasenoglou	Independent Non-Executive Member, Chairman of ESG Committee, Member of Remuneration & Nomination Committee	ESG, Nomination Committee	0	0	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021
13	Sofia Kounenaki Efraimoglou	Independent Non-Executive Member, Chairman of Remuneration & Nomination Committee & Member of ESG Committee	ESG, Nomination Committee	0	0	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	0	0	0,00%	Board Member from 23/6/2021
14	Georgios Perdikaris	Vice President		22.000	60.000	ΝΑΙ *	€ 1.083,09*	ΌΧΙ	0	0	0	0	0	82.000	82.000	0,00%	His term ended on 23/6/2021
15	Emmanuel Moustakas	Executive Member		60.000	45.000	ΝΑΙ *	€ 1.083,09*	ΌΧΙ	0	0	0	0	0	105.000	105.000	0,00%	His term ended on 23/6/2021
16	Apkarian Gagik	Independent Non-Executive Member		0	60.000	ΌΧΙ	No Insurance granted	ΌΧΙ	0	0	0	0	0	60.000	60.000	0,00%	His term ended on 23/6/2021
17	Georgios Kouvaris	Independent Non-Executive Member	Nomination Committee & Remunerations	0	60.000	ΌΧΙ	€ 380,76*	ΌΧΙ	0	0	0	0	0	60.000	60.000	0,00%	His term ended on 23/6/2021
18	Vasileios Delikaterinis	Executive Member		83.900	15.000	ΌΧΙ	€ 380,76*	ΌΧΙ	0	0	0	0	0	98.900	98.900	0,00%	His term ended on 02/04/2020
	Σύνολο			307.743	1.080.000				0	147.000	82.047	0	0	1.616.790	1.616.790	0,00%	

* Granted by the company GEK TERNA SA or by another company of the GEK TERNA Group

(Amounts in thousands of Euros unless mentioned otherwise)

Variable Remuneration and Benefits:

No variable remuneration has been granted to the Executive Members of the Board of Directors for the financial year 2020 (such as Bonus, stock option plans under article 113 of Law 4548/2018).

Comparative Table of Total Annual Remuneration of Members of the Board of Directors

Below is the Comparative Table of Total Annual Remuneration of Members of the Board of Directors of the Company, Fixed and Variable, as well as the Average Annual Gross Remuneration of Employees for the years 2017 - 2021 (article 112 par. 2 b of Law 4548/2018). The Table presents the total remuneration of the members of the Board of Directors, the EBIDTA of the Group, the taxed profits of the Group after minority interests, the Group staff, the gross remuneration and the average annual remuneration of the employees.

YEAR	TOTAL ANNUAL REMU NERATION OF BOD MEMBERS €	EBIDTA OF GROUP* Million €	NET PROFIT OF THE GROUP* Million €	GROUP PERSONNEL	GROSS REMUNERATION OF PERSONNEL €	AVERAGE ANNUAL REMUNERATION OF EMPLOYEES €
2021	1.616.790	161,8	71,8	355	8.903.988	25.082
2020	1.056.984	194,7	71,8	334	8.666.236	25.947
2019	1.092.889	182,0	51,6	311	7.515.027	24.164
2018	726.466	167,9	44,9	257	6.240.633	24.283
2017	321.384	147,5	37,1	249	5.048.475	20.275

** The amounts are related with the results from continuing operations.*

Approval and Publication of the Remuneration Report

According to article 112, par. 3 of Law 4548/18, the remuneration report is submitted for discussion at the ordinary general meeting of shareholders, as one of the subjects of the agenda. The shareholders' vote on the remuneration report is of advisory nature. The Board of Directors must explain in the next Remuneration Report, the way the above result of the vote was considered at the ordinary general meeting.

According to article 112, par. 4 of L.4548/18, this Remuneration Report together with the date and the results of the advisory vote of the General Meeting of Shareholders is subject to publication formalities and remains available on the Company's website for at least the period provided by the above provision. The Remuneration Report does not include specific categories of personal data within the meaning of Article 9 (1) of Regulation (EU) 2016/679 of the European Parliament and of the Council (L 119/1) or personal data relating to the marital status of members of the Board of Directors of the Company. The Company processes personal data of the members of the Board of Directors (BoD) included in the Remuneration Report based on the article 112 to increase the corporate transparency regarding the remuneration of the members of the Board of Directors, and also in order to strengthen the accountability of the BoD members and the supervision of shareholders on these remunerations. Without prejudice to any longer period provided by a special provision, the Company does not disclose personal data included in the Remuneration Report, after ten (10) years from the publication of this Remuneration Report. According to article 112, par. 6 of the law, the Members of the Board of Directors ensured that the Remuneration Report was prepared and is expected to be published, in accordance with the requirements of the provisions of article 112, par. 6 of Law 4548/2018.

8. Suitability Policy

The Company has a Suitability Policy of the Members of the Board of Directors, prepared by its Nomination Committee in accordance with the provisions of article 3 of Law 4706/2020 and the guidelines of Circular no. 60 of the Hellenic Capital Market Commission.

The Policy was approved by the General Meeting of the Company's Shareholders on 23.06.2021 following the approval by the Board of Directors on 02.06.2021 and entered into force on the date of its approval by the General Shareholders' Meeting. Individual amendments require re-approval by the Board of Directors, while the Policy's Revision requires among other conditions a Decision of the General Meeting.

A revision is characterized by the adoption of substantial amendments that introduce significant derogations or also significantly alter the content of the policy, as regards the principles and criteria applied, or the full rewriting of the Policy.

In addition, the increased needs of monitoring the framework of Corporate Governance, Risk Management, Regulatory Compliance, as well as the operation of Company Divisions such as Human Resources, IT and Technology, Information Security Management, Health, Safety and Environment were considered. The above was performed by assigning administrative or supervisory responsibilities to executive members of the Board. At the same time, the possibility of contributing to the areas of responsibilities and / or technical support of the Committees of the Board was considered.

The Suitability Policy aims to ensure quality staffing, efficient operation, and fulfilment of the role of the Board based on the general strategy and the medium-term business aspirations of the Company, with the aim of promoting the corporate interest.

The aim of this policy is to have a **highly efficient Board of Directors**. Such is considered a Board of Directors with an established team, which cooperates with a common commitment to protect and enhance the share value, instead of a formal gathering of executives who manage corporate affairs without the ability to cooperate constructively and with a growth perspective.

The Policy takes into account best practices and is harmonized with the corporate culture and also with what is provided in the Articles of Association, the Internal Rules of Procedure and the Greek Code of Corporate Governance to which the Company belongs. The Policy is also clear and sufficiently documented and governed by the principles of transparency and proportionality while at the same time promoting diversity, meritocracy, and efficiency during the selection and during the term of office of the members of the Board.

Furthermore, during the preparation of the Policy, the size, the internal organization, the risk-taking attitude, the nature, the scale, and the complexity of the Company's business activities were considered, including indicatively and not restrictively the sectors of constructions, concessions, energy, real estate management and development, mining, waste management, service provision, PPP projects, as well as operation of major infrastructure projects.

The guiding principles governing this policy are:

- Compliance
- Transparency
- Proportionality
- Diversity
- Meritocracy
- Efficiency
- Experience and historicity

9. Diversity policy

The Company has and implements a diversity policy to promote an appropriate level of differentiation in the Board and a diverse group of members. The Policy is drafted with the belief that a Board of Directors that has a wide range of perspectives and diversity is in a more advantageous position than other Boards with limited scope, as the existence of diversity allows the Company to take advantage of market opportunities but also effectively manage the respective risks.

The Board can be highly efficient if it consists of a wide range of members with diverse but complementary groups of skills or knowledge. Its culture is positively shaped by the different approaches and views and will be quite representative of the values of the Group itself. In this way, the Board of Directors finally forms a progressive and thoughtful perception of its affairs, while at the same time promoting prudent risk-taking.

Through the accumulation of a wide range of qualifications and skills in the selection of the members of the Board, the variety of views and experiences is ensured, to make the right decisions.

In this context, the adequate representation by gender is provided, at least as stipulated by the respective legislation as a percentage of the total number of the members of the Board. At the same time, all necessary measures shall be taken to ensure that there is no absolute exclusion on grounds of discrimination in terms of sex, age, race, colour, ethnicity or social origin, religion or belief, birth, disability, age or sexual orientation, property and by this way only the individual eligibility criteria specified in this Policy are the ones that should be selected.

The achievement of substantial and not only formal diversity within the Boards of Directors is an important guarantee for the overall effectiveness of the Board of Directors.

10. Transactions with related parties and relevant information rendered to the Board

The Company has developed a process for the recognition of related party transactions and compliance with applicable law. The procedure was prepared in the context of transparency and supervision of the Company's transactions with related parties. The purpose of the procedure is to record the actions performed in order to identify the Company's transactions, in which natural or legal persons participate, which fall within the meaning of the related parties, and for the Company to comply with the applicable legislation. The procedure provides for the reporting and maintenance of a register of related parties and the recognition of transactions of related parties through the corresponding audit of the counterparty in accordance with articles 99-101 of Law 4548/2018.

11. Sustainable development policy

Sustainable Development for TERNA ENERGY Group is not only a practice of alignment with international good practices but a holistic strategic approach based on the regular evaluation of the most important social, economic, and environmental impacts and the modification or reorganization of the Group's business activities if it is deemed necessary, through a process of dialogue and consultation with all stakeholders.

In addition, TERNA ENERGY Group operates under the auspices of the United Nations (UN) Global Sustainable Development Goals (SDGs) and is an ally in the fight for social equality, prosperity and the development of a sustainable natural environment, given that it has recognized that the seventeen (17) global goals are inextricably linked to the principles of Corporate Governance and Corporate Social Responsibility / Sustainable Development to which the Group itself is committed.

The responsible business model of operation of the Group is reflected in the practices and procedures that have been developed within the Group, aiming at the integration of the principles of Sustainable Development into its daily operation. At the same time, it is based on the strategic corporate values that have been established by the Management, i.e. respect for people and the natural environment, value creation for employees, customers, and shareholders, honesty, reliability and targeted social contribution.

The Group's policy for Sustainable Development is inextricably linked to the essential issues that are regularly recognized through the materiality analysis process for the Group to constantly listen to the needs of stakeholders (internal and external) but also to take into account the existing social economic trends in relation to its effects (positive or negative).

In this context, the corporate responsibility of the Group is in line with the ESG (Environmental-Social-Governance) criteria / principles, refers to four (4) axes of activity and is developed in eight (8) strategic directions / sub-areas which incorporate the specific approach-policy of the Group regarding the recognized essential issues

Axis 1: Environmental Protection

Strategic Direction / Area of Activity: Environmental protection and climate change

Achieving sustainable development through the continuous reduction of the environmental footprint of the Group's activities in Greece and abroad, the continuous adaptation to the conditions for Climate Change and the application of the principles of the Circular Economy in combination with the investment in innovative services and technologies and the strong adherence to the existing environmental management system.

Environmental protection is an integral part of the Group's strategy and becomes visible through its political, strategic and business decisions and actions. The Group acts in a targeted manner and takes measures that lead to the reduction of the environmental and energy footprint through the responsible management of the energy and natural resources it utilizes (e.g. water, energy, materials, the response to Climate Change and the protection and preservation of biodiversity). It also focuses on the transition to an economy that is less dependent on fossil fuels and will ensure sustainable cities and societies for all its stakeholders and participants.

Axis 2: Promotion of Human Value

Strategic Direction / Area of Activity: Health & safety at work

Recognizing the value of human health and life and ensuring a work environment free of accident risks.
The preservation of Health and Safety is a priority for the Group which is constantly improving the strategic framework in which the management of issues related to the protection of Health and Safety of all its stakeholders.

Strategic Direction / Area of Activity: Staff development and human rights advocacy

The recognition that surplus value is created by human capital. The goal of developing a balanced and secure work environment of meritocracy, transparency, equal opportunities-benefits, which enhances diversity, guarantees human-labor rights and at the same time invests in the continuous improvement of employees' skills, the development and retention of talents but and strengthening youth entrepreneurship.

The Group implements and respects the international principles and standards of Human Rights and has developed the framework of its principles and values based on the fundamental Human Rights. Respecting all its employees and associates, it takes care to prevent the occurrence of violations of their rights, through the adoption of policies, actions and control mechanisms, which apply and apply to all its activities, to all its subsidiaries and to all the projects it undertakes. The Group actively participates, supports and considers as its highest priority the investment in its people, providing the necessary resources to promote the continuous improvement of the working environment.

Axis 3: Strengthening the Social Footprint

Strategic Direction / Area of Activity: Concern for local communities

Continuous consultation with the social partners and the elaboration of social impact studies with the ultimate goal of maximizing the direct and indirect social benefits, supporting solidarity actions such as donations and sponsorships and the stable cooperation with local suppliers towards building relations of trust.

Through the adoption of responsible policies that aim to create shared value for all its stakeholders, the Group stands to help the development of local communities in which it operates and with which it interacts, through continuous consultation and efforts to recognize and respond to real needs but also through the business activity it carries out.

Strategic Direction / Area of Activity: Dealing with Emergencies

The commitment to take measures and actions to deal with emergencies through the development of risk management plans, the implementation of preparedness exercises and the conduct of periodic internal and external inspections.

Axis 4: Responsible Market

Strategic Direction / Area of Activity: Creation and distribution of economic value

Creating economic value - the main goal of the Group is to generate and distribute income to stakeholders through the payment of salaries to employees, payments to suppliers and partners, direct and indirect taxes in the countries of activation, the distribution of dividends to shareholders and investments in local communities, while avoiding financial and non-financial uncertainties and risks, with the aim of preserving economic activity, sustainable development and improving living standards.

Strategic Direction / Area of Activity: Business Ethics and Regulatory Compliance

The Group ensures the business ethics and the regulatory compliance of all its functions and activities with the priority of identifying and combating potential corruption, faithfully implementing the procedures and policies that have been integrated into the corporate operation (Code of Ethics, Anti-Corruption Management System ISO 37001) and regular training of human resources.

The fight against corruption is a critical pillar of the Group's operation, which is committed to demonstrating zero tolerance for such incidents, by promoting transparency, ensuring business ethics and regulatory compliance, which are diffused throughout the range of its business activities and also affect the professional behaviour of its people. To this end, the Group acts through the establishment of policies and procedures, but also through the creation of control mechanisms and compliance with these policies.

Strategic Direction / Area of Activity: Responsible Supply Chain Management

Responsible management of the supply chain presupposes responsible collaborations. It is therefore mandatory for all suppliers and partners to fully comply with the Regulatory Framework of Principles and Values of the Group, both in matters of corruption and respect for human rights and in matters of Environmental Management and Social Corporate Policy.

First, the proper management of the supply chain starts from the responsible attitude of the Group, towards all its interested parties. The Group's business activities throughout its supply chain are carried out as soon as the potential environmental, social, and economic impacts have been assessed to maximize the positive impact. To address the new challenges posed by supply chain issues, the Group seeks to incorporate new criteria into the supply chain management processes, such as the new terms of cooperation with suppliers and the preference it shows to domestic suppliers.

For the above issues, the Group sets sub-objectives of Sustainable Development, which it evaluates on an annual basis in terms of the course of their achievement and reviews them appropriately when necessary.

To achieve the objectives, the Group develops individual management systems, policies, procedures, measurement indicators and implements appropriate action plans / programs that contribute to the further enhancement of the positive effects or the reduction of negative ones.

The authorized corporate responsibility team is responsible for the effective management of Sustainable Development and corporate responsibility issues. The team consists of specialized executives from all the key divisions of the Group. The Directorate of Strategic Communication, Press Office, CSR and Sustainable Development has taken on the task of coordination.

The Chairman and CEO through the direct reporting line of the Strategic Communication Department, Press Office, CSR and Sustainable Development has undertaken the overall management / supervision of Sustainable Development issues sealing the commitment of the Group's senior management to a sustainable development operation.

Based on the transparency and the regular information of the interested parties, the results of the Group's performance in matters of Sustainable Development are published and shared with the general public through the annual Sustainable Development Report

IV. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the company "TERNA ENERGY S.A."

Report on Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of "TERNA ENERGY S.A." ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2021, separate and consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company "TERNA ENERGY S.A." and its subsidiary (the Group) as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company within the entire course of our appointment, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the audited period. These matters, as well as the related risk of significant misstatements, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Recoverability of non-current assets	
As at 31 December 2021, the Group recognized Goodwill of Euros 4 million, Intangible Assets of Euros 50.9 million (Company: Euros 2.9 million) and Property, Plant and Equipment (PPE) of Euros 983.4 million (Company: Euros 73.6 million) mainly related to "Electricity and RES" segment. Also, as at 31 December 2021, the Company holds Investments in Subsidiaries of Euros 416.9 million. According to IAS 36 Intangible Assets with definite useful life, Property plant & Equipment and Investments in Subsidiaries are tested for impairment whenever Management assesses that there are indications of impairment. This assessment requires a significant degree of judgment. Non-depreciated intangible assets are tested for impairment at least on an annual basis. An impairment test involves the determination of the recoverable amounts of each Cash Generation Unit (CGU) using appropriate methodologies based on discounted cash flows. No impairment losses were recognized within the current year in the consolidated and separate financial statements. Given the significance of the aforementioned items and the high degree of objectivity regarding the assumptions used for impairment analysis as well as the use of the Management's estimates, we consider that assessment of impairment of those non-current assets is one of the key audit matters. The Group's and the Company's disclosures regarding the accounting policy and assumptions and estimates used under assessing impairment of these non-current assets are included in Notes 3.1(ii), 3.2(vii), 4.1(α), 4.4, 4.5, 4.7, 8, 10 and 11 of the financial statements.	The key audit procedures we carried out included, among others: – Evaluation of Management's estimates made in order to identify the existence of any indication of impairment in non-current assets. – Regarding CGUs, in respect of which indications of impairment existed, we assessed: (i) appropriateness of the methods used to determine the recoverable amount; and (ii) the reasonableness of the underlying assumptions and estimates of future cash flows. – Evaluation of the procedures used by the Management in order to prepare reliable business plans. Among other issues, we compared and analyzed previously made estimates/projections with the actual return on CGUs. – For the aforementioned procedures, where this was deemed appropriate, we used Grant Thornton's specialist. – We assessed the adequacy of related disclosures in the accompanying financial statements according to IFRS requirements, in relation to this matter.
Revenue recognition	
The Group's revenue arises from various operating segments ("Constructions", "Electricity and Renewables Energy Sector ("RES")", "Trade in Electric Energy" and "Concessions"). In particular, the Group's revenue arising from: (i) RES produced electricity and trade in electric energy is recognized within the period when the respective services are rendered, (ii) construction contracts is defined by IFRS 15 applying the input method of measuring the progress based on inflows, as arising from the balance between the incurred cost and the total estimated cost until the completion of the project, (iii) concession contracts is recognized in accordance with the provisions of IFRIC 12 "Service Concession Arrangements" and the management's estimates at construction and operations stages.	The key audit procedures we carried out included, among others: – Understanding the internal controls designed by the Management and related to revenue recognition procedures per operating segment. – We performed, among others, the following substantive procedures in respect of every operating segment: (i) examining, on a sample basis, the correctness of revenue recognition in accordance with the provisions of IFRS and related supporting documents, (ii) regarding revenue from for construction contracts, reviewing, on a sample basis, realized construction costs recognized in the current year in line with the corresponding supporting documents, as well as a recalculating the amount of revenue from construction contracts recognized based

Each operating segment includes various sources of revenue, whose recognition involves a different extent of complexity, judgments and estimates of the Management. Considering the above, in line with the significance of revenue item to the financial statements, we have identified revenue recognition as one of the key audit matters.

The Group's and the Company's disclosures regarding revenue recognition accounting policy, judgments and estimates used in respect of revenue recognition are included in Notes 3.2(i), 4.11, 4.16, 6 and 35 of the financial statements.

on completion percentage as at December 31, 2021. (iii) regarding revenue form concession agreements, understanding and analyzing the terms of concession agreements and verifying correct accounting treatment of revenue recognized under the provisions of IFRIC 12.

– We assessed the adequacy of related disclosures in the accompanying financial statements according to IFRS requirements, in relation to this matter.

Group's divestment from the three (3) Wind Farms in Texas, USA

As at 30.06.2021 and as a result of the detailed information presented in Note 7.1 of the financial statements, the Management of the Group, in accordance with the requirements of IFRS 10 "Consolidated Financial Statements", assessed that it lost control over its subsidiaries Sponsor Bearkat I Holdco LLC, Fluvanna Investments 2 LLC and Fluvanna 1 Investor Inc [hereinafter "the three (3) Wind Farms", in Texas, USA]. On 30.09.2021 the process of transferring the ownership securities (Class B Interests) of the above subsidiaries to the lending bank was completed.

The total loss for the three (3) Wind Parks, as a result of the Management's decision for divestment, determined at € 94.04 million and presented as Discontinued Operations in the consolidated financial statements, in accordance with the requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Due to the complexity and the significance of the effect of the above on Group's financial figures, we have identified the above transaction as a Key Audit Matter.

The Group's disclosures regarding accounting policy, judgments and estimates used in respect of the abovementioned transactions are included in Notes 4.1 and 7.1 of the financial statements.

The key audit procedures, performed by the component auditor and also reviewed by us, included, among others:

– We participated in discussions with Management in order to understand the details of the transactions.
– We obtained and reviewed the agreements related to the sale in order to assess the accounting treatment of the transactions on Group's financial figures.
– We assessed the appropriateness of accounting of the transactions under IFRSs requirements.
– We examined the computation of the total loss of € 94.04 million from the deconsolidation of the three (3) Wind Parks.
– We assessed the adequacy of related disclosures in the accompanying financial statements according to IFRS requirements, in relation to this matter.

Other Information

Management is responsible for the other information. The other information included in the Annual Financial Report includes the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report and Statements of the Members of the Board of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance. No such issue has arisen.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to proceed with liquidating the Company and the Group or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

The Company's Audit Committee (Article 44, Law 4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding financial reporting of entities or business operations within the Group for the purpose of expressing an opinion on the separate and consociated financial statements. Our

responsibility is to design, supervise and perform the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

a. The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152, Law 4548/2018.
b. In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150-151 and 153-154 and Paragraph 1 (cases c' and d') of 152, Law 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2021.
c. Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the company "TERNA ENERGY SOCIETE ANONYME COMMERCIAL TECHNICAL COMPANY" and its environment.

2. Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with the additional report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014.

Authorized non-audit services provided by us to the Company and its subsidiaries during the year ended as of December 31, 2021 are disclosed in Note 36 to the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We were first appointed the Company's Chartered Accountants following as of 30/06/2007 Decision of the Annual Regular General Meeting of the Shareholders. Our appointment has been renewed by the decision of the annual general meeting of shareholders for a total uninterrupted period of 15 years.

5. Internal Regulation Code

The Company has in effect Internal Regulation Code in conformance with the provisions of article 14 of Law 4706/2020 .

6. Assurance Report on European Single Electronic Format

We examined the digital files of the Company, prepared in accordance with the European Single Electronic Format (ESEF) as defined by the European Commission Delegated Regulation 2019/815, amended by the Regulation (EU) 2020/1989 (ESEF Regulation), which comprise the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in XHTML format "5493006164JBW2E60O73-2021-12-31-en.xhtml", as well as the provided XBRL file "5493006164JBW2E60O73-2021-12-31-en.zip" with the appropriate mark-up, on the aforementioned consolidated financial statements.

Regulatory Framework

The digital files of the ESEF are prepared in accordance with the ESEF Regulation and the Commission Interpretative Communication 2020/C379/01 of November 10, 2020, in conformance with Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (ESEF Regulatory Framework). In summary, this framework includes, inter alia, the following requirements:

- All annual financial reports shall be prepared in XHTML format.
- For the consolidated financial statements in accordance with IFRS, financial information included in the statements of comprehensive income, financial position, changes in equity and cash flows shall be marked-up with XBRL tags, in accordance with the effective ESEF Taxonomy. ESEF technical specifications, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework constitute the appropriate criteria for expressing a conclusion of reasonable assurance.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in accordance with the requirements of ESEF Regulatory Framework, and for such internal controls as management determines necessary to enable the preparation of digital file that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to design and conduct this assurance engagement in accordance with No. 214/4/11-02-2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines on the auditors' engagement and reasonable assurance report on European Single Electronic Format (ESEF) for issuers whose securities are admitted to trading on a regulated market in Greece" as issued by the Institute of Certified Public Accountants of Greece on 14/02/2022 (hereinafter "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and the consolidated financial statements of the Company, prepared by the management in accordance with ESEF are in compliance, in all material respects, with the effective ESEF Regulatory Framework.

We conducted our work in accordance with the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants, as incorporated in Greek legislation and we have complied with the ethical requirements of independence, in accordance with Law 4449/2017 and EU Regulation 537/2014.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and our procedures are limited to the requirements of ESEF Guidelines. Reasonable assurance is a high level of assurance, but is not a guarantee that this work will always detect a material misstatement of non-compliance with the requirements of ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, the separate and consolidated financial statements of the Company for the year ended December 31, 2021, in XHTML format "5493006164JBW2E60O73-2021-12-31-en.xhtml", as well as the provided XBRL file "5493006164JBW2E60O73-2021-12-31-en.zip" with the appropriate tagging on the above consolidated financial statements, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, April 14, 2022

The Certified Auditor Accountant

Dimitra Pagoni

SOEL Reg. No 30821

Grant Thornton

Chartered Accountants Management Consultants
58, Katehaki Av., 115 25 Athens, Greece
Registry Number SOEL 127

ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR FY ENDED AS AT DECEMBER 31st, 2021 (1 January 2021-31 December 2021)

According to the International Financial Reporting Standards (IFRS) as adopted by the European Union

The attached annual separate and consolidated financial statements were approved by the Board of Directors of TERNA ENERGY S.A. as of 14/04/2022 and have been published on the Company's website www.terna-energy.com, as well as on the Athens Stock Exchange's website.
The annual financial statements of consolidated subsidiaries in compliance with the Decision of the Board of Directors of Hellenic Capital Market Commission Num. 8/754/14.4.2016, as amended on 23/9/2020, are posted atwww.terna-energy.com.

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31st, 2021

		GROUP		COMPANY	
	Note	31/12/2021	31/12/2020 *	31/12/2021	31/12/2020 *
ASSETS					
Non-current assets					
Goodwill	7	3.994	–	–	–
Intangible assets	8	50.909	50.301	2.857	2.283
Tangible assets	10	983.391	1.346.966	73.645	75.586
Right-of-use assets	9	19.535	11.677	12.158	4.114
Investement in subsidiaries	11	–	–	416.851	435.525
Investment in joint ventures	13	4.259	4.567	4.706	4.689
Investment in associates	12	59	62	–	–
Other long-term receivables	15	4.963	4.611	124.380	110.950
Receivables from derivatives	24	1.409	14.544	–	–
Financial Assets – Concessions	16	61.353	46.952	–	–
Investments in equity interests	14	2.583	2.753	2.583	2.753
Deferred tax assets	34	8.041	9.973	2.000	1.508
Total non-current assets		**1.140.496**	**1.492.406**	**639.180**	**637.408**
Current assets					
Inventories	17	10.889	5.845	8.690	3.557
Trade receivables	18	76.208	84.929	135.249	39.469
Receivables from contracts with customers	20	2.795	19.352	9.251	5.187
Prepayments and other receivables	19	135.531	75.779	55.417	24.078
Income tax receivables		4.691	3.064	3.265	1.311
Other short-term investments		1.762	2.212	–	–
Receivables from derivatives	24	137	–	–	–
Cash and cash equivalents	21	397.409	290.907	100.536	59.825
Total current assets		**629.422**	**482.088**	**312.408**	**133.427**
TOTAL ASSETS		**1.769.918**	**1.974.494**	**951.588**	**770.835**
EQUITY AND LIABILITIES					
Share capital	31	34.757	34.757	34.757	34.757
Share premium	31	209.870	209.870	209.870	209.870
Reserves	32	63.071	58.378	17.469	21.418
Retained earnings		113.191	181.812	50.385	58.518
Total equity attributable to the shareholders of the parent		**420.889**	**484.817**	**312.481**	**324.563**
Non-controlling interest		10.754	11.277	–	–
Total equity		**431.643**	**496.094**	**312.481**	**324.563**

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31st, 2021

		GROUP		ENTITY	
	Note	**31/12/2021**	**31/12/2020 ***	**31/12/2021**	**31/12/2020 ***
Long-term liabilities					
Long-term loans	22	872.144	857.232	389.790	343.792
Lease liabilities	23	18.701	11.064	11.783	4.114
Equity instruments having a substance of financial liability	28	–	236.184	–	–
Liabilities from derivatives	24	2.162	7.873	158	958
Provision for staff indemnities	25	204	146	179	128
Other provisions	26	18.071	21.346	4.954	4.309
Grants	27	76.736	82.140	16.398	17.657
Liabilities from contracts with customers	20	703	–	703	–
Deferred tax liabilities	34	37.137	32.474	–	4
Other long-term liabilities	30	10.549	10.290	10.549	10.290
Total long-term liabilities		**1.036.407**	**1.258.749**	**434.514**	**381.252**
Short-term liabilities					
Suppliers	29	138.326	42.247	77.007	15.124
Short-term loans	22	40.425	27.487	40.425	10.013
Long-term liabilities carried forward	22	70.966	69.364	14.318	31.467
Lease liabilities	23	1.151	718	694	302
Equity instruments having a substance of financial liability	28	–	45.079	–	–
Liabilities from derivatives	24	6.659	4.774	5.726	419
Liabilities from contracts with customers	20	3.371	3.246	54.554	2.006
Accrued and other short-term liabilities	30	31.119	18.831	11.551	5.675
Income tax payable		9.851	7.905	318	14
Total short-term liabilities		**301.868**	**219.651**	**204.593**	**65.020**
Total liabilities		**1.338.275**	**1.478.400**	**639.107**	**446.272**
TOTAL LIABILITIES AND EQUITY		**1.769.918**	**1.974.494**	**951.588**	**770.835**

Note:
** The comparative figures of the Group's Statement of Financial Position for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

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

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME OF FY 2021

		GROUP		COMPANY	
	Note	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Continuing operations					
Revenue	35	405.406	248.691	239.709	72.636
Cost of sales	36	(263.430)	(131.710)	(212.002)	(61.796)
Gross profit		**141.976**	**116.981**	**27.707**	**10.840**
Administrative and distribution expenses	36	(24.847)	(22.943)	(10.884)	(14.731)
Research and development expenses	36	(5.273)	(2.900)	(5.262)	(2.718)
Other income/(expenses)	37	9.041	(2.691)	3.193	887
Operating results		**120.897**	**88.447**	**14.754**	**(5.722)**
Financial income	38	5.872	5.909	5.400	3.882
Financial expenses	38	(32.538)	(23.125)	(16.993)	(13.080)
Losses from financial instruments measured at fair value	24	(873)	–	(873)	–
Revenue from participating interest and other investments	11	735	13	32.329	41.882
Gains/(losses) from disposals and valuation of participations and other investments	7	3.994	(1)	557	(464)
Share of results of assosiates and joint ventures	12, 13.1	350	166	–	–
profit before tax from continuing operations		**98.437**	**71.409**	**35.174**	**26.498**
Income tax expense	34	(25.519)	(16.228)	(2.045)	2.448
Net profit for the year from continuing operations		**72.918**	**55.181**	**33.129**	**28.946**
Discontinued operations					
Net (losses)/profit for the year from discontinued operations	7.1	**(94.035)**	**18.253**	**–**	**–**
Net (losses)/profit for the year from continuing and discontinuing operations		**(21.117)**	**73.434**	**33.129**	**28.946**
Other comprehensive income					
Items subsequently reclassified in the Income Statement					
Foreign exchange translation differences from incorporation of foreign operations					
-Gains/(losses) of the current year		247	(11.274)	–	–
-Reclassification to Income Statement	7.2, 7.1.4	706	(65)	–	–
Cast flows hedges	24				
-(Losses)/gains of the current year		(39.175)	3.735	(3.634)	(23)
-Reclassification to Income Statement	7.2, 7.1.4	39.219	6.511	–	–
Corresponding income tax		(581)	322	772	5
Total		**416**	**(771)**	**(2.862)**	**(18)**
Items not subsequently reclassified in the Income Statement					
Losses from valuation of participating interest at fair value		(295)	(439)	(295)	(439)
Actuarial (losses)/gains from defined benefit plans		(11)	14	(10)	11
Corresponding income tax		56	111	56	103
Total		**(250)**	**(314)**	**(249)**	**(325)**
Other comprehensive (loss)/income for the year (after tax)		**166**	**(1.085)**	**(3.111)**	**(343)**
Total comprehensive (loss)/income for the year		**(20.951)**	**72.349**	**30.018**	**28.603**

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR FY 2021

		GROUP	
	Note	01/01 - 31/12/2021	01/01 - 31/12/2020 *
Net (losses)/profit for the year attributed to:			
Shareholders of the parent from:			
- continuing operations		71.834	53.588
- discontinued operations		(94.035)	18.253
Total		**(22.201)**	**71.841**
Non-controlling interests from:			
- continuing operations		1.084	1.593
Total		**1.084**	**1.593**
Net Earnings/(losses) after taxes from continuing and discontinued operations		**(21.117)**	**73.434**
Total comprehensive (loss)/income for the year attributed to:			
Shareholders of the parent from:			
- continuing operations		72.001	52.500
- discontinued operations		(94.035)	18.253
Total		**(22.034)**	**70.753**
Non-controlling interests from:			
- continuing operations		1.083	1.596
Total		**1.083**	**1.596**
Total comprehensive income		**(20.951)**	**72.349**
Basic Earnings per share (in Euro) attributed to shareholders of the parent			
- from continuing operations	33	0.62096	0.47684
- from discontinued operations	33	-0.81288	0.16242
- from continuing and discontinued operations	33	**-0.19191**	**0.63926**
Weighted average number of shares			
Basic	33	115.681.726	112.381.580

Σημείωση:

** The items of the consolidated Statement of Comprehensive Income of the comparative period ended on 31/12/2020 have been adjusted to include only continuing operations. The results of discontinued operations are disclosed separately and analyzed in a special note (see Note 7.1 of the Annual Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

Moreover, the comparative figures of the Group's and Company's Statement of Comprehensive Income for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).

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

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS OF FY 2021

		GROUP		COMPANY	
	Note	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Cash flows from operating activities					
Profit before tax from continuing operations		98.437	71.409	35.174	26.498
Adjustments for reconciliation of net flows from operating activities					
Amortisation/depreciation of intangible, tangible and right-of-use assets	8, 9, 10	46.983	42.042	7.203	6.563
Grants' amortisation	27	(5.374)	(5.381)	(1.259)	(1.259)
Impairment	37	2.791	10	(565)	397
Liabilities write-off		–	(2)	–	–
Provisions	26.27	3.513	103	3.507	95
Interest and related income	38	(5.872)	(5.909)	(5.400)	(3.882)
Interest and other financial expenses	38	32.538	23.125	16.993	13.080
Results from intangible and tangible assets, investment property and right-of-use assets		(713)	(226)	(538)	(211)
Revenue from participating interest and other investments	11	(4.729)	(13)	(32.329)	(41.812)
Unrealised results from derivatives		–	(75)	–	–
Results from derivatives	24	873	75	873	–
Proportion in profit after income tax on associates and joint ventures	12, 13.1	(350)	(166)	–	–
Foreign currency exchange differences	37	(627)	5.108	–	–
Operating (loss)/profit before changes in working		**167.470**	**130.100**	**23.659**	**(531)**
(Increase)/Decrease in:					
Inventories		(5.599)	1.774	(5.133)	(314)
Trade receivables and receivables from contracts with customers		26.114	(13.804)	(100.051)	6.329
Prepayments and other short term receivables		(40.293)	(10.002)	(19.892)	(1.491)
Increase/(Decrease)\ in:					
Suppliers and liabilities from contracts with customers		68.040	4.488	112.983	(479)
Accrued and other short term liabilities		(39.335)	(2.533)	3.029	(2.347)
Other long term receivables and liabilities		(9.476)	2.478	282	(43)
Income tax paid		(18.203)	(8.610)	(3.363)	(8)
Net cash inflows from operating activities-continuing operations		**148.718**	**103.891**	**11.514**	**1.116**
Cash flows from operating activities - discontinued		(28.234)	76.157	–	–
Net cash inflows from operating activities		**120.484**	**180.048**	**11.514**	**1.116**

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS OF FY 2021

		GROUP		ENTITY	
	Note	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Cash flows from investing activities					
Acquisition of tangible and intangible fixed assets	8, 10	(181.628)	(104.552)	(4.126)	(1.662)
Disposal of tangible and intangible fixed assets	8, 10	3.688	874	1.416	–
Disposal of investment property		–	653	–	653
Interest and related income collected		758	415	2.353	3.710
Payments for acquisition of companies less subsidiaries' cash and cash equivalents		–	(25.040)	–	(25.828)
Cash and cash equivalent of acquaried companies of the companies whose consolidation was discontinued	7.1, 7.2	14.619	–	–	–
Payments for acquisition or increase in participating interest in associates and joint ventures		(140)	–	(17)	–
Payments for acquisition of shares, bonds and other securities		(374)	(3.151)	(374)	(773)
Disposal of shares, bonds and other securities		858	–	249	–
Dividends received		735	13	29.615	40.894
Issued loans		–	–	(43.431)	(50.945)
Proceeds from issued loans		500	–	16.885	30.279
Net cash (outflows)/inflows from investing activities-continuing operations		**(160.984)**	**(130.788)**	**2.570**	**(3.672)**
Cash flows from investing activities - discontinued		–	43.608	–	–
Net cash (outflows)/inflows from investing activities		**(160.984)**	**(87.180)**	**2.570**	**(3.672)**
Cash flows from financing activities					
Proceeds from share capital increases	31	39	67.096	–	67.096
Share capital return	31	–	(19.341)	–	(19.341)
Acquisition of treasury shares	32	(2.709)	(21.239)	(2.709)	(21.239)
(Payments)/proceeds from changes in participating interest		–	20	26.823	(6.969)
Proceeds from long term loans	22	253.392	137.224	41.070	65.400
Payments for long term loans	22	(88.363)	(70.198)	(13.135)	(28.286)
Lease liability payments	23	(2.046)	(1.549)	(1.244)	(635)
Proceeds from short term loans	22	30.000	150.403	30.000	67.000
Payments of short term loans	22	(31)	(164.798)	–	(62.000)
Dividends paid	31	(41.521)	(41.549)	(39.375)	(38.867)
Interest paid		(29.871)	(29.880)	(14.803)	(18.402)
Net cash inflows from financing activities-continuing operations		**118.890**	**6.189**	**26.627**	**3.757**
Cash flows from financting activities - discontinued		26.313	(61.519)	–	–
Net cash (outflows)/inflows from financing activities		**145.203**	**(55.330)**	**26.627**	**3.757**
Net (decrease)/increase in cash and cash equivalents from continuing operations		**106.624**	**(20.708)**	**40.711**	**1.201**
Net (decrease)/increase in cash and cash equivalents from discontinued operations		**(1.921)**	**58.246**	**–**	**–**
Net increase in cash and cash equivalents		**104.703**	**37.538**	**40.711**	**1.201**
Effect of exchange rate changes on cash & cash equivalents		1.799	(4.095)	–	–
Opening cash and cash equivalents	21	**290.907**	**257.464**	**59.825**	**58.624**
Closing cash and cash equivalents	21	**397.409**	**290.907**	**100.536**	**59.825**

Note:

** The items of the consolidated Statement of Cash Flows of the comparative period ended on 31/12/2020 have been adjusted to include only continuing operations. The net cash flows from operating, investing and financing activities of discontinued operations are disclosed separately and analyzed in a special note (see Note 7.1 of the Annual Financial Statements), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*

Moreover, the comparative figures of the Group's and Company's Statement of Cash Flows for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).

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

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FY 2020

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal	Non-controlling	Total
1 January 2020		**34.176**	**191.793**	**44.138**	**156.439**	**426.546**	**11.916**	**438.462**
Adjustments due to retrospective application of change in IAS 19 accounting		–	–	(46)	443	**397**	–	**397**
1 January 2020, Adjusted balance		**34.176**	**191.793**	**44.092**	**156.882**	**426.943**	**11.916**	**438.859**
Net profit for the year from continuing operations		–	–	–	71.841	**71.841**	1.593	**73.434**
Other comprehensive income								**–**
Foreign exchange translation differences from incorporation of foreign		–	–	(11.339)	–	**(11.339)**	–	**(11.339)**
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		–	–	(334)	–	**(334)**	–	**(334)**
Cast flows hedges	24	–	–	10.565	–	**10.565**	3	**10.568**
Actuarial gains from defined benefit plans	25	–	–	20	–	**20**	–	**20**
Other comprehensive losses for the year (after tax)		**–**	**–**	**(1.088)**	**–**	**(1.088)**	**3**	**(1.085)**
Total comprehensive income for the year		**–**	**–**	**(1.088)**	**71.841**	**70.753**	**1.596**	**72.349**
Capitalization of reserves & retained earnings	31	19.366	(19.366)	–	–	**–**	–	**–**
Share capital return	31	(19.366)	–	–	–	**(19.366)**	–	**(19.366)**
Issue of share capital	31	1.869	66.655	–	(1.427)	**67.097**	–	**67.097**
Share capital increase of subsidiary		–	–	–	–	**–**	20	**20**
Formation of reserves	32	–	–	6.113	(6.113)	**–**	–	**–**
Distribution of dividends	31	–	–	–	(38.894)	**(38.894)**	(2.682)	**(41.576)**
Treasury shares	32	(1.288)	(29.212)	9.261	–	**(21.239)**	–	**(21.239)**
Change in the percentage of a consolidated subsidiary	5	–	–	–	(477)	**(477)**	477	**–**
Discontinuing subsidiary's consolidation	5	–	–	–	–	**–**	(50)	**(50)**
Transactions with shareholders		**581**	**18.077**	**15.374**	**(46.911)**	**(12.879)**	**(2.235)**	**(15.114)**
Total equity 31st December 2020 *		**34.757**	**209.870**	**58.378**	**181.812**	**484.817**	**11.277**	**496.094**

Note:

** The comparative figures of the Group's and Company's Statement of Changes in Equity for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

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

(Amounts in thousands of Euros unless mentioned otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FY 2021

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal	Non-controlling	Total
1 January 2021 *		**34.757**	**209.870**	**58.378**	**181.812**	**484.817**	**11.277**	**496.094**
Net losses for the year from continuing operations		–	–	–	(22.201)	**(22.201)**	1.084	(21.117)
Other comprehensive income								–
Foreign exchange translation differences from incorporation of foreign		–	–	953	–	**953**	–	953
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		–	–	(239)	–	**(239)**	–	(239)
Cast flows hedges	24	–	–	(536)	–	**(536)**	(1)	(537)
Actuarial losses from defined benefit plans	25	–	–	(11)	–	**(11)**	–	(11)
Other comprehensive income for the year (after tax)		**–**	**–**	**167**	**–**	**167**	**(1)**	**166**
Total comprehensive losses for the year		**–**	**–**	**167**	**(22.201)**	**(22.034)**	**1.083**	**(20.951)**
Share capital increase of subsidiary		–	–	–	–	**–**	39	39
Formation of reserves	32	–	–	7.242	(7.242)	**–**	–	–
Distribution of dividends	31	–	–	–	(39.391)	**(39.391)**	(2.146)	(41.537)
Treasury shares	32	–	–	(2.709)	–	**(2.709)**	–	(2.709)
Change in the percentage of a consolidated subsidiary	5	–	–	–	208	**208**	(273)	(65)
Discontinuing subsidiary's consolidation	5	–	–	–	(6)	**(6)**	6	–
Acquision of subsidiaries (Note 7)	7.2	–	–	–	–	**–**	768	768
Transfers-Other movements		–	–	(7)	11	**4**	–	4
Transactions with shareholders		**–**	**–**	**4.526**	**(46.420)**	**(41.894)**	**(1.606)**	**(43.500)**
Total equity 31st December 2021		**34.757**	**209.870**	**63.071**	**113.191**	**420.889**	**10.754**	**431.643**

Note:

** The comparative figures of the Group's and Company's Statement of Changes in Equity for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

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

(Amounts in thousands of Euros unless mentioned otherwise)

SEPARATE STATEMENT OF CHANGES IN EQUITY OF FY 2020

	Note	Share capital	Share premium	Reserves	Retained Earnings	Subtotal
1 January 2020		**34.176**	**191.793**	**11.033**	**71.025**	**308.027**
Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*		–	–	(54)	390	**336**
1 January 2020, Adjusted balance		**34.176**	**191.793**	**10.979**	**71.415**	**308.363**
Net profit for the year		–	–	–	28.946	**28.946**
Other comprehensive income						
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		–	–	(334)	–	**(334)**
Cast flows hedges	24	–	–	(18)	–	**(18)**
Actuarial gains from defined benefit plans	25	–	–	8	–	**8**
Other comprehensive income for the year (after tax)		**–**	**–**	**(344)**	**–**	**(344)**
Total comprehensive income for the year		**–**	**–**	**(344)**	**28.946**	**28.602**
Capitalization of reserves & retained earnings	31	19.366	(19.366)	–	–	**–**
Share capital return	31	(19.366)	–	–	–	**(19.366)**
Issue of share capital	31	1.869	66.655	–	(1.427)	**67.097**
Formation of reserves	32	–	–	1.522	(1.522)	**–**
Distribution of dividends	31	–	–	–	(38.894)	**(38.894)**
Treasury shares	32	(1.288)	(29.212)	9.261	–	**(21.239)**
Transactions with shareholders		**581**	**18.077**	**10.783**	**(41.843)**	**(12.402)**
31st December 2020 *		**34.757**	**209.870**	**21.418**	**58.518**	**324.563**

Note:

** The comparative figures of the Group's and Company's Statement of Changes in Equity for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

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

(Amounts in thousands of Euros unless mentioned otherwise)

SEPARATE STATEMENT OF CHANGES IN EQUITY OF FY 2021

	Note	Share capital	Share	Reserves	Retained	Total
1 January 2021 *		**34.757**	**209.870**	**21.418**	**58.518**	**324.563**
Net profit for the year		–	–	–	33.129	**33.129**
Other comprehensive income						
Gains/(losses) from valuation of participating interest at fair value (not reclassified in the Statement of Comprehensive Income)		–	–	(239)	–	**(239)**
Cast flows hedges	24	–	–	(2.862)	–	**(2.862)**
Actuarial gains from defined benefit plans	25	–	–	(10)	–	**(10)**
Other comprehensive income for the year (after tax)		**–**	**–**	**(3.111)**	**–**	**(3.111)**
Total comprehensive income for the year		**–**	**–**	**(3.111)**	**33.129**	**30.018**
Formation of reserves	32	–	–	1.871	(1.871)	**–**
Distribution of dividends	31	–	–	–	(39.391)	**(39.391)**
Treasury shares	32	–	–	(2.709)	–	**(2.709)**
Transactions with shareholders		**–**	**–**	**(838)**	**(41.262)**	**(42.100)**
31st December 2021		**34.757**	**209.870**	**17.469**	**50.385**	**312.481**

Note:

** The comparative figures of the Group's and Company's Statement of Changes in Equity for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

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

NOTE AND DISCLOSURES OF FINANCIAL STATEMENTS

1. GROUP GENERAL INFORMATION

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

TERNA ENERGY has succeeded the Technical Constructions Company (ETKA 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 farms, solar and hydroelectric energy and biomass.
- **Trade:** trade in electric energy.
- **Concessions:** construction and operation of public sector works (Unified Automatic Collection System and municipal waste treatment facility) in exchange for their long-term exploitation rendering services to the public.

The companies of TERNA ENERGY Group included in the consolidated Financial Statements and their tax non-inspected FYs are analytically recorded in Note 5 of the Financial Statements.

The parent company of TERNA ENERGY is GEK TERNA S.A., which is also listed on the Athens Stock Exchange, Greece. On 31/12/2021 GEK TERNA SA held 37,298% (31/12/2020: 37,298%) of TERNA ENERGY's issued share capital and voting rights. The financial statements of TERNA ENERGY Group are consolidated in the financial statements of GEK TERNA S.A. under the full consolidation method, given the fact that they comply with the provisions of IFRS 10 assessing that GEK TERNA S.A. exercises control over TERNA ENERGY S.A.

The accompanying separate and consolidated Financial Statements as of 31st December 2021 were approved by the Board of Directors on 14/04/2022 and are subject to the final approval of the General Meeting of Shareholders. The Financial Statements in question are available to the investing public at the Company's premises (Greece, Athens, 85 Mesogeion Ave.), the Company's website on the Internet as well as ATHEX website.

2. FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Disclosure Framework of Financial Statements

The Company's separate and consolidated financial statements as of December 31st, 2021 cover the financial year starting on January 1st until December 31st, 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 December 31st, 2021.
The Group applies all the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and their Interpretations that apply to its operations. The relevant accounting policies, a synopsis of which is presented in the Note 2.6, have been consistently applied in all the presented periods.

Συνέχιση δραστηριότητας

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 short-term 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. The Management has estimated that there is no essential uncertainty regarding the continuation of the activity of the Group and the Company.
These factors have been considered by the Management for the preparation of the financial statements for the year ended on 31/12/2021.

2.2 Measurement basis

The accompanying Consolidated and Separate Financial Statements as of December 31st, 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 to present the necessary adjustments to reflect only the continuing operations of the Group (see note 7.1.5). In addition, the comparative items of the consolidated and separate Financial Statements have been restated to reflect the retrospective adjustment due to a change in IAS 19 accounting policy (see Note 2.6.3).

2.5 Use of estimations

The preparation of the Financial Statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Judgments, assumptions and estimates of the Management affect the amount of valuation of several asset and liability items, the amount recognized during the year regarding specific income and expenses as well as the presented estimates of contingent liabilities.
Assumptions and estimates are assessed on an on-going basis according to historic experience and other factors, including expectations of future event outcomes, considered reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may differ from the accounting calculations.
The areas requiring the highest degree of judgment as well as the factors mostly affecting the consolidated Financial Statements are presented in Note 3 of the Financial Statements.

2.6 New Standards, Interpretations and Amendments of Standards

The accounting principles applied for the preparation of the financial statements are the same as those followed in the preparation of the financial statements of the Group and the Company for the year ended 31st of December 2020, except for the adoption of the amendments of certain standards, the application of which became mandatory in the European Union for fiscal years beginning on 1 January 2021 (see Note 2.6.1, 2.6.2 and 2.6.3).

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.

Decision of IFRS Interpretations Committee, on the "Allocation of service benefits (IAS 19)":
The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods service on a specific plan of defined benefits proportional 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"). The above decision differs from the way by which the basic principles of IAS 19 have been applied in Greece in the past in this regard, and consequently, the entities that prepare their financial statements in accordance with IFRS are required to proceed with amendments depending on their accounting policy. The impact of the change is presented in detail in Note 2.6.3.

2.6.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union until 31/12/2021

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**.** 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. 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. 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. 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 of 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. The above have not been adopted by the European Union.

(Amounts in thousands of Euros unless mentioned otherwise)

2.6.3 Change in accounting policy regarding the distribution of defined employee benefits over periods of service, in accordance with IAS 19 "Employee Benefits"

The IASB issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods service on a specific plan of defined benefits proportional 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").

The above decision differs from the way by which the basic principles of IAS 19 have been applied in Greece in the past in this regard, and consequently, the entities that prepare their financial statements in accordance with IFRS are required to proceed with amendments depending on their accounting policy.
Until the issuance of the daily agenda's decision, the Group applied IAS 19 distributing the benefits defined by article 8 of L.3198/1955, L.2112/1920 and its amendment by L.4093/2012 in the period from the recruitment until the date of retirement of the employees.
The application of this final decision in the attached consolidated and separate financial statements, has resulted in the distribution of benefits over the last 16 years until the date of retirement of employees in accordance with the respective scale of Law 4093/2012.
Based on the above, the implementation of the above final decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

The following tables depict the impact from the implementation of the final decision for each specific item of the financial statements being affected.

GROUP

Abstract of Consolidated Statement of Financial Position	Balance 01/01/2020	IAS 19 adjustment	Adjusted balance 01/01/2020
Provision for staff indemnities	657	(532)	125
Actuarial gains/(losses) from defined benefit plan reserves	71	(71)	–
Deffered income tax on actuarial gains/(losses) from defined benefit plan reserves	(25)	25	–
Deferred tax assets	6.124	(126)	5.998
Retained earnings	156.439	443	156.882

Abstract of Consolidated Statement of Financial Position	Balance 31/12/2020	IAS 19 adjustment	Adjusted balance 31/12/2020
Provision for staff indemnities	174	(28)	146

(Amounts in thousands of Euros unless mentioned otherwise)

Abstract of Consolidated Statement of Comprehensive Income	Balance 31/12/2020	IAS 19 adjustment	Adjusted balance 31/12/2020
Cost of sales	131.745	(35)	131.710
Administrative and distribution expenses	22.966	(23)	22.943
Financial expenses	23.130	(5)	23.125
Deffered income tax on the aforementioned expense	1.104	15	1.119
Actuarial gains/(losses) from defined benefit plans	(38)	24	(14)
Deffered income tax on actuarial gains/(losses) from defined benefit plan reserves	–	(6)	(6)

COMPANY

Abstract of Standalone Statement of Financial Position	Balance 01/01/2020	IAS 19 adjustment	Adjusted balance 01/01/2020
Provision for staff indemnities	550	(441)	109
Actuarial gains/(losses) from defined benefit plan reserves	71	(71)	–
Deffered income tax on actuarial gains/(losses) from defined benefit plan reserves	(17)	17	–
Deferred tax assets	27	(106)	(79)
Retained earnings	71.025	390	71.415

Abstract of Standalone Statement of Financial Position	Balance 31/12/2020	IAS 19 adjustment	Adjusted balance 31/12/2020
Provision for staff indemnities	157	(29)	128

Abstract of Standalone Statement of Comprehensive Income	Balance 31/12/2020	IAS 19 adjustment	Adjusted balance 31/12/2020
Cost of sales	61.814	(18)	61.796
Administrative and distribution expenses	14.762	(31)	14.731
Financial expenses	13.085	(5)	13.080
Deffered income tax on the aforementioned expense	(3.059)	13	(3.046)
Actuarial gains/(losses) from defined benefit plans	(35)	24	(11)
Deffered income tax on actuarial gains/(losses) from defined benefit plan reserves	8	(6)	3

3. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

The preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgments, estimates and assumptions which affect assets and liabilities, contingent receivables, and liabilities disclosures as well as revenue and expenses during the presented periods.

Particularly, amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that cannot be known with certainty at the time of preparation of the financial statements and therefore actual results may differ from what has been estimated. An accounting estimate is considered significant when it is material to the financial position and income statement of the Group and requires the most difficult, subjective, or complex judgments of the Management. Estimates and judgments of the Management are based on experience and other factors, including expectations for future events that judged to be reasonable in the circumstances. Estimates and judgments are continually reassessed based on all the available data and information.

Key estimates and evaluations referring to data whose development could affect the financial statements items in the upcoming 12 months are the following:

3.1 Differed tax recognition

Key judgments of the Management, applied while implementing the Group and the Company accounting policies, which have the most significant impact on the financial statements (apart from those analyzed in Note 3.2), are analyzed as follows.

i) Recognition of deferred tax assets

The extent, to which deferred tax assets are recognized for unused tax losses, is based on the judgment regarding the extent, to which it is probable that sufficient taxable profits will be offset with these tax losses. To determine the amount of a deferred tax asset that can be recognized, significant judgments and estimates of the Group's Management are required, based on future taxable profits, combined with future tax strategies to be pursued, as well as the uncertainties dominating in various tax frameworks, within which the Group operates (for further information please refer to Note 34).

ii) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in the effective conditions indicate that their book value may not be recoverable in accordance with the accounting policy described in Note 4.7 (for further information please refer to Notes 8 and 11).

iii) Acquisition of "business" according to the definition provided in IFRS 3 or acquisition of assets

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

In the event the acquired assets do not constitute a business, then the Group manages the transaction or other event as an acquisition of an asset. According to IFRS 3, the term "business" is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants. The accounting treatment of a business combination is carried out in accordance with the accounting policy described in Note 4.20, while the accounting treatment of acquisition of an asset (or group of assets) which do not constitute a "business" is carried out in accordance with the accounting policy described in Note 4.21.

3.2 Uncertainty of estimates and assumptions

Specific amounts that are either included or affect the Financial Statements and the related disclosures are estimated, necessitating to make assumptions about values or conditions that cannot be known with certainty during the period of the Financial Statements preparation. An accounting estimate is considered significant when it is material to the financial position and the income statement of the Group and requires most difficult, subjective, or complex judgments of the Management. The Group assesses such estimates on an ongoing basis, based on historical results and experience, while meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as making projections regarding potential changes in the future.

i) Recognition of revenue from construction contracts

Managing revenue and expenses from a construction contract, depends on whether the result of the contract implementation can be reliably estimated (and is expected to bring profit to the constructor or the result of the implementation are expected to be loss-bearing). When the outcome of a construction contract can be reliably estimated, then revenue and expense of the contract are recognized over the term of the contract, respectively, as revenue and expense.

The Group uses the completion stage to determine the appropriate amount of revenue and expense which it will recognize in a specific period. Based on the input method under IFRS 15, the construction cost at every reporting date is compared to the total budgeted cost to determine the percentage of completion. The completion stage is measured based on the contractual costs incurred until the reporting date in relation to the total estimated cost of every construction project. The Group, therefore, makes significant estimates regarding the gross result with which every construction contract will be implemented (total budgeted cost of the construction contract implementation).

ii) Business combinations

Under the initial recognition, assets and liabilities of the acquiree are included in the consolidated financial statements at their fair values. When measuring fair values, the Management uses estimates of future cash flows, but actual results may differ. Any change in measurement after the initial recognition will affect the measurement of goodwill (further information is provided in Note 7.2).

iii) iii) Provision for income tax

Provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities and includes the current income tax for every financial year and a provision for additional taxes that might arise during tax inspections.

The Group's companies are subject to various income taxation legislations. Significant estimates are required to determine the total provision for income tax, as presented in the Statement of Financial Position. The final tax determination is uncertain in respect of specific transactions and calculations. The Group recognizes liabilities for the projected tax issues based on the calculations as to the extent to which additional taxation will arise. In cases where the final tax result differs from the initially recognized amount, the differences affect the provisions for income tax and deferred tax for the period when it had been determined (for further information please refer to Note 34).

iv) iv) Provision for personnel compensation

Based on IAS 19, the Group, makes estimates of the assumptions underlying the actuarial valuation of provision for personnel compensation. The provision amount for personnel compensation is based on an actuarial study. The actuarial study includes specific assumptions on discount rate, employees' remuneration increase rate, consumer price index increases and the expected remaining working life. The assumptions used are imbedded with significant uncertainty and the Group's Management continuously reassesses these assumptions (for further information please refer to Note 25).

v) Fair value measurement

The Management uses valuation techniques to determine the fair value of financial instruments (when no active market prices are available) and non-financial assets. This procedure involves making estimates and assumptions about the consideration that market participants would pay to acquire these financial instruments. The Management bases its assumptions on observable data, but it is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience, also taking into account the available information. Estimated fair values may differ from the actual values that would be made in the context of an ordinary transaction at the reporting date of the financial statements (further information is provided in Note 44).

The Group uses derivative financial instruments to manage a range of risks including interest rate and commodity prices risks. For the purpose of determining an effective hedging rate, the Group requires both - to declare its hedging strategy and to estimate that the hedge will be effective throughout the term of the hedging instrument (derivative). Further information regarding the use of derivatives is provided in Note 24.

Also, any contingent consideration, provided by the Group during an acquisition, is measured at its initial recognition, as well as at every reporting date of the financial statements, at its fair value. Contingent consideration is measured in accordance with the accounting policy described in Note 4.20 20 (for cases where the acquisition is a business combination) and under IFRS 3, or in accordance with the accounting policy described in Note 4.21 (in the case when acquisitions meet the effective prerequisites to be characterized as assets) (more information is presented in Note 30).

vi) Inventory

To facilitate valuation of inventories, the Group estimates, based on statistical valuation reports and market conditions, the expected selling prices and the costs of processing and disposing the items per inventory category.

vii) Estimates in calculation of the value in use of non-current assets

In accordance with the applied accounting policies and the requirements of IAS 36, the Group conducts a related impairment test on the assets at the end of each annual reporting period. The relevant audit, in accordance with the requirements of IAS 36, may be carried out earlier, when there are indications of contingent impairment loss. If it is established that there are reasons for impairment, it is necessary to calculate value in use and fair value less costs to sell regarding every CGU. Recoverable amounts of CGUs are determined for impairment tests purposes, based on the value in use calculation, which requires making estimates. For the calculating of calculating value in use, estimated cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money as well as the risks associated with particular CGU. Estimate of future operating results is based on wind farm efficiency estimates based on wind data and historical data of comparable units. The key assumptions used to determine the recoverable number of various CGUs are recorded in Note 11 of the Financial Statements.

viii) Useful lives of depreciated asset

For the calculating of depreciations, the Group examines the useful life and residual value of tangible and intangible assets in every reporting period in the light of technological, institutional, and economic developments as well as the experience of their exploitation. As at 31/12/2021, the Management estimates that useful lives represent the expected usefulness of assets.

ix) Provisions for rehabilitation of environment

The Group makes provision for its related obligations to dismantle the technical equipment of wind farms and other productive facilities and restoration of the environment resulting from the applicable environmental legislation or from binding practices of the Group. Provision for rehabilitation of environment reflects the present value, as at the reporting date (based on the appropriate discount rate) of the rehabilitation obligation less the estimated recoverable amount of the materials, estimated to be disposed of and sold (further information is provided in Notes 4.15 and 26).

x) Contingent liabilities and receivables

The existence of contingent liabilities and receivables requires the management to make assumptions and judgments on on-going basis about the probability that future events will occur or not occur as well as the possible consequences that these events may have on the Company's and the Group's operations. Determining contingencies and requirements is a complex process that includes judgments regarding future events, laws, regulations, etc. Changes in crises or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. When additional information becomes available, the Group's Management reviews the facts, based on which it may also have to review its estimates (see Note 47).

xi) Provisions for expected credit losses from receivables from clients

The Group and the Company apply the simplified approach under the provisions of IFRS 9 for calculation of expected credit losses. Under the approach, provision for impairment is measured at an amount equal to the expected lifetime loss for the receivables from customers and the contractual assets. The Group and the Company have made provisions for bad debts to adequately cover the loss that can be reliably estimated and arises from these receivables. In respect of the year ended as at 31/12/2021, the Management also considered the potential effects of COVID-19 regarding collecting the Group's revenue. It is noted that the Group did not identify significant discrepancies regarding the course of receipts in each key operating segment, to the extent that it is an indication of significant delays in the receipts of each operating segment. In every reporting period, the provision that has been made is adjusted and the changes are recognized in the income statement (further information is presented in Notes 15, 18, 19 and 20).

4. KEY ACCOUNTING POLICIES

The key accounting policies adopted under the preparation of the accompanying consolidated and separate financial statements are as follows:

4.1 Basis for consolidation

The accompanying consolidated financial statements include the financial statements of TERNA ENERGY and its subsidiaries as at 31/12/2021. The date of preparation of the financial statements of the subsidiaries coincides with that of the parent.

Intra-group transactions and balances have been eliminated in the accompanying consolidated financial statements. Where required, the accounting policies of subsidiaries have been amended to ensure consistency with the accounting policies adopted by the Group. Note 5 provides a complete list of consolidated subsidiaries in line with the participating interest, held by the Group.

Subsidiaries are consolidated from the date the Group acquires control over them and they cease to be consolidated at the date of termination of this control.

Non-controlling interests constitute the component of equity of a subsidiary not directly or indirectly attributable to the parent.

Losses relating to non-controlling interests (minority interests) of a subsidiary may exceed the rights of non-controlling interests in the subsidiary's equity. Gains or losses and each component of other comprehensive income are accounted for both by the owners of the parent and the non-controlling interests, even if, as a result, such non-controlling interests present deficit.

(a) Subsidiaries

Subsidiaries are all the companies, which the Parent has the power to control directly or indirectly through other subsidiaries and they are fully consolidated (full consolidation). The Company has and exercises control through its ownership of most the subsidiaries' voting rights. To define the control, the following conditions are examined, as recorded in IFRS 10:

1. The parent company has authority over the investee since it can direct the related (operational and financial) activities. This is achieved through appointing most of the members of the Board of Directors and the directors of the subsidiary by the Management of the parent.

2. The parent company holds rights with variable returns from its investment in the subsidiary. Other non-controlled investments are greatly dispersed and, therefore, cannot materially influence decision-making.
3. The parent company may exercise its authority over the subsidiary to influence the amount of its returns. This is the result of decision-making on subsidiary's related matters through controlling the decision-making bodies (Board of Directors and Directors).

Changes in ownership interest in a subsidiary

- In case of changes in a parent's ownership interest in a subsidiary, it is examined whether the changes result in a loss of control or not.
- Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances, the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity.
- In case the parents' ownership interest changes in such a way that there is loss of control, then the parent shall record the necessary accounting entries and recognize the result from the sale (derecognition of the assets, goodwill, and liabilities of the subsidiary as of the date of loss of control, derecognition of the book value of non-controlling interests, determination of the result from the sale).
- When determining the sale result, any amount previously recognized in other comprehensive income in respect of that company is accounted for using the same method as would be applied by the Group in the event of direct sale of its assets or liabilities. That is to say, the amounts previously recognized in other comprehensive income are reclassified to the income statement. Following loss of control of a subsidiary, any investment in the former subsidiary is recognized according to the provisions of IFRS 9.

Investments in subsidiaries in the separate financial statements

Investments of the parent in its consolidated subsidiaries are measured at acquisition cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

(b) Joint arrangements

The Group applies IFRS 11 to all its joint arrangements. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Jointly controlled entities are consolidated using the proportionate consolidation method (if it is a joint operation) or the equity method (if it is a joint venture).

Joint operations: Joint operations are accounted for using the proportional consolidation method. In particular, the Group recognizes in the consolidated financial statements: (i) its assets (including its share in any of its assets it holds jointly), (ii) its liabilities (including its share of any jointly held liabilities), (iii) it shares in the proceeds of the sale from disposal of joint venture, and (iv) its expenses (including its share in any jointly incurred expenses). Essentially, these are tax joint operations, which do not constitute a separate entity within the framework of the IFRS. Their assets and liabilities are incorporated according to the effective proportions in the financial statements of the Company or its subsidiaries.

Joint ventures: Joint ventures are accounted for using the equity method, under which participating interests in joint ventures are initially recognized at cost and subsequently readjusted in compliance with the Group's share of the profits (or losses) and other comprehensive income of the joint ventures. Under the joint venture model, joint venture schemes are the ones in which members have rights over the net assets of the investments and are liable up to the extent of their contribution to the capital of the company. If the Group's participating interest in joint venture losses exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has undertaken liabilities or has made payments on behalf of the joint venture. Allocation of operating results and other comprehensive results is proportional to the participating interest.
Unrealized gains on transactions between the Group and joint ventures are eliminated according to the Group's participating interest in joint ventures. Unrealized losses are also eliminated unless there is evidence of the transaction for impairment of the transferred asset.
Consolidation considers the percentage held by the Group, effective as at consolidation date. The structure of the business scheme is the key and determining factor in defining accounting treatment. The accounting policies of jointly controlled entities are consistent with those adopted and applied by the Group. The date of preparation of the financial statements of jointly controlled entities coincides with that of the parent Company.

Investments in jointly controlled operations in the separate financial statements
Investments of the parent in joint operations are included in the separate financial statements in proportion. Assets and liabilities are proportionally incorporated in the Company's financial statements.

Investments in joint ventures in the separate financial statements
Investments of the parent in joint ventures are measured at acquisition cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

(c) Associates
Associates are entities over which the Group exercises significant influence but does not exercise control. The Group's investments in associates are accounted for using the equity method. The assumptions used by the Group suggest that holding participating interest of between 20% and 50% of a company's voting rights implies a significant influence over the investee unless it can be clearly demonstrated that this is not the case. Investments in associates are initially recognized at acquisition cost and then consolidated using the equity method.
According to this method, investments in associates are recognized at acquisition cost less any changes in the Group's participating interest in Equity after the initial acquisition date, less any provisions for impairment of those participating interests’ value.
Consolidated statement of comprehensive income includes the proportion of the Group in the total income of associates. If the Group's participating interest in an Associate's loss exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has settled liabilities or made payments on the part of the affiliate and, in general, settled the payments arising from the shareholding. If the associate subsequently produces profits, the investor starts once again recognizing its share of profits only if its share of profits equals the share of losses it had not recognized.

Unrealized gains on transactions between the Group and associates are eliminated according to the Group's participating interest in associates. Unrealized losses are eliminated unless the transaction provides evidence of impairment of the transferred asset.
Accounting policies followed by associates do not differ from those used by the Group and the date of preparation of the financial statements of associates is the same as that of the parent.

Investments in associates in the separate financial statements
Investments of the parent in consolidated associates are measured at acquisition cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

4.2 Foreign currency conversion

Νόμισμα λειτουργίας και παρουσίασης
Functional and reporting currency
The consolidated financial statements are presented in Euro, which is the functional currency of the Group's as well as the Parent Company's reporting currency.

Transactions and balances in Foreign Currency
Foreign currency transactions are converted into the functional currency by using the exchange rates applicable on the date when the said transactions were performed. The monetary assets and liabilities which are denominated in foreign currency are converted into the Group's functional currency on the Statement of Financial Position reporting date using the prevailing exchange rate on that day. Any gains or losses due to translation differences that result from the settlement of such transactions during the period, as well as from the conversion of monetary assets denominated in foreign currency based on the prevailing exchange rates on the Statement of Financial Position reporting date, are recognized in the Income Statement.
Non-monetary assets which are denominated in foreign currency, and which are measured at fair value are converted into the Group's functional currency using the prevailing exchange rate on the date of their fair value measurement. The FX translation differences from non-monetary items measured at fair value are considered as part of the fair value and thus are recorded in the same account as the fair value differences.
Gains or losses arising from transactions in foreign currency as well as from the end of period valuation of monetary assets, denominated in foreign currency, which meet the criteria for cash flow hedges are recognized in other comprehensive income and cumulatively in equity.

Foreign operations
The functional currency of the Group's foreign subsidiaries is the official currency of the country in which every subsidiary operates. For the preparation of consolidated financial statements, assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments due to business combinations, are translated into Euro at the exchange rates effective at the Statement of Financial Position reporting sate. Revenue and expenses are translated into the presentation currency of the Group based on the average exchange rates for the reported period. Any differences arising from this procedure are charged/(credited) to the balance sheet of foreign currency subsidiaries' transition balance sheet reserves, equity, and recognized in other comprehensive income in the Statement of Comprehensive Income. Upon the disposal, write off or derecognition of a foreign subsidiary, the above reserves are transferred to profit or loss for the period.

4.3 Operating segments

The Company's BoD is the main corporate body responsible for business decision-making. The BoD reviews all the internal financial reports in order to assess the Company's and Group's performance and resolve upon the allocation of resources. The Management has set the operating segments based on the said internal reports. The BoD uses different criteria in order to assess the Group's operations, which vary according to the nature of every segment, taking into consideration the risks involved and their cash requirements.
TERNA ENERGY's operating segments are defined as the segments in which the Group operates and on which the Group's management information systems are based (please refer to Note 6).

4.4 Intangible assets

The Group's intangible assets pertain to forestry use licenses where wind farms have been located, acquired licenses for Wind Farms operations, rights to invoice the other services arising PPPs concession contacts (see Note 4.11) and acquired software.

Upon initial recognition, the intangible assets acquired separately are recorded at acquisition cost. Intangible assets acquired as part of business combinations are recognized at fair value on the acquisition date.

Following initial recognition, the intangible assets are measured at cost less accumulated amortization and any impairment loss. Amortization is recorded based on the straight-line method during the useful life of the said assets. All the Group's intangible assets have a definite useful life.

The period and method of amortization are reviewed at least at the end of every annual reporting period. Changes in the expected useful life of each intangible asset are accounted for as a change in accounting estimates.

Methods of amortization and useful lives of the Group's intangible assets can be summarized as follows:

Category	Methods of amortization	Useful life in years
Software	Fixed	3
Generation and energy units installation and operation licenses	Fixed	25
Forestry plots use rights	Fixed	25-27
Intangible assets recognized due to Concession arrangements (Note 4.11)	Fixed	25

Gains or losses arising from the write-off due to disposal of an intangible asset are calculated as the difference between the net revenue from the disposal and the current value of the asset and are recognized in the profit or loss of the period.

a) Software

Maintenance of software programs is recognized as an expense when the expense is realized. On the contrary, the costs incurred for improving or prolonging the return of software programs beyond their initial technical specifications, or respectively the costs incurred for the modification of the software, are incorporated in the acquisition cost of the intangible asset, only if requirements of IAS 38 "Intangible assets" apply.

(b) Forestry plots use rights

The value of the land use rights of the forestry land where the Wind Farms are installed includes the acquisition cost of these items less the amount of accumulated amortization and any impairment of their value.

(c) Generation and energy units installation and operation licenses

Various types of licenses held by the Group enable it to construct energy units or generate the right to produce and sell energy. Effective market conditions provide the required indications regarding the recoverable amount of these licenses.

Upon acquisition, the Group recognizes these licenses as intangible assets at fair value and then measures them applying the cost model, according to which the asset is measured at cost (which is the acquisition fair value) less accumulated amortization and any accumulated provisions for impairment. Amortization is carried out on a straight-line basis over the useful life of those assets, which is 25 years for electricity generation from renewable energy sources. The amortization of the acquired licenses starts on the date of completion of the construction of each park and the date of electrification of the wind parks. Regarding the impairment tests, please refer to Note 4.7.

4.5 Property, plant, and equipment

Tangible fixed assets are recognized in the financial statements at acquisition values, less accumulated depreciation and any potential impairment losses. The acquisition cost includes all directly reimbursable costs incurred for the acquisition of these assets.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the extent that the said expenses increase the future economic benefits, expected to arise from the use of the fixed asset and that their cost can be measured reliably.

Repair and maintenance cost is recognized in the Income Statement when incurred.

Tangible assets are written off when they are sold or withdrawn or when no further economic benefits are expected from their ongoing use. Gains and losses, arising from the write-off of tangible fixed assets, are included in the income statement for the year in which the asset is written off.

Assets under construction include fixed assets under construction and are carried at cost. Assets under construction are not depreciated until the fixed asset is settled and put into operation.

Depreciation of tangible fixed assets (excluding land, which is not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Property, plant and equipment	Useful life (in years)
Building and technical works	8 – 30
Machinery and technical installations	3 – 25
Vehicles	5 – 12

Furniture and fixtures	3 – 12

Useful life of tangible fixed assets is reviewed at least at the end of every FY.

When the book values of the tangible fixed assets are higher than their recoverable value, then the difference (impairment) is recognized directly as an expense in the Income Statement. Upon sale of tangible assets, the differences between the received consideration and their book value are recognized as profits or losses in the Income Statement.

Interest accrued on loans specifically or generally issued in order to finance the construction of tangible fixed assets is capitalized in the year when incurred, during the tangible asset's construction period, provided that the recognition criteria are met (please refer to Note 10).

4.6 Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production of qualifying assets, which will require considerable time until the assets are ready for the proposed use or disposal, are added to the acquisition cost of those assets until the assets are ready for the proposed use or disposal. In other cases, the borrowing costs burden gains or losses of the period when incurred.

4.7 Impairment of non-current assets (intangible and tangible assets/investments in consolidated companies)

In respect of tangible and intangible fixed assets subject to amortization/depreciation, an impairment test is performed when events or changes in circumstances indicate that their carrying amount may no longer be recoverable. When the net book value of tangible and intangible fixed assets exceeds their recoverable amount, then the excess amount relates to an impairment loss and is recognized directly as an expense in the income statement. Respectively, financial assets that are subject to impairment testing (if the relative indications are effective) are the assets measured at acquisition cost or under equity method (investments in subsidiaries and associates). The recoverable amount of investments in subsidiaries and associates is determined in the same way as that in respect of non-financial assets.

For the purpose of impairment test, assets are grouped at the lowest level for which cash flows can be separately identified. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and value in use. For the purpose of calculating value in use, Management estimates the future cash flows from the asset or cash-generating unit and selects the appropriate discount rate in order to calculate the present value of future cash flows.

Impairment loss is recognized for the amount, by which the book value of an asset or a Cash Generating Unit exceeds their recoverable amount, which is the highest between fair value less sale costs and value in use.

In order to define value in use, the Management defines the estimated cash flows for every Cash Generating Unit, defining a suitable discount rate in order to calculate the current value of these cash flows. Discount factors are determined individually for every Cash Generating Unit and reflect the corresponding risk data, determined by the Management for every one of them.

Further assumptions are made that prevail in the energy market. The period, reviewed by the management exceeds five years - the period that is encouraged by IAS 36, since especially as for renewable energy units, even a longer period will be judged to be quite satisfactory.

Impairment losses of Cash Generating units first reduce the book value of goodwill allocated to them. Residual impairment losses are charged pro rata to the other assets of the particular Cash Generating Unit. With the exception of goodwill, all assets are subsequently reviewed for indications that their previously recognized impairment loss is no longer effective.

An impairment loss is reversed if the recoverable amount of a Cash Generating unit exceeds its book value.

In such a case, the increased book value of the asset will not exceed the book value that would have been determined (net depreciation), if no impairment loss had been recognized, for the asset in the previous years.

4.8 Inventory

Inventory includes spare parts and raw and auxiliary materials of Wind Farms. Inventory items are measured at the lower of cost and net realizable value. The cost of raw material, semi-finished and finished products is determined using the weighted average cost method.

Appropriate provisions are made for obsolete inventory, if deemed necessary. Impairment of inventory at net realizable value and other losses from inventory are recognized in the income statement for the period when incurred.

4.9 Cash and cash quivalent

Cash and cash equivalents include cash in hand, sight deposits, term deposits, bank overdrafts and other highly liquid investments that are directly convertible into particular amounts of cash equivalents which are not subject to significant risk of change in value.
The Group regards term deposits and other highly liquid investments of less than three months maturity as cash available, as well as term deposits over three months maturity for which it has the right to early liquidation without loss of capital.
For the purposes of preparing the Statements of Cash Flows, cash and cash equivalents consist of cash in hand, bank deposits as well as cash equivalents as defined above.
The Group's restricted deposits, irrespective of the nature of the restrictions, are not included in cash and cash equivalents but are classified in the item "Prepayments and other receivables" (please refer to Note 19).

4.10 Financial instruments

4.10.1 Recognition and derecognition

Financial assets and financial liabilities are recognized in the Statement of Financial Position when and only when the Group becomes a party to the financial instrument.

The Group ceases to recognize a financial asset when and only when the contractual rights to the cash flows of the financial asset expire or when the financial asset is transferred and all the risks and benefits, associated with the particular financial asset, are substantially transferred. A financial liability is derecognized from the Statement of Financial Position when, and only when, it is repaid - that is, when the commitment set out in the contract is fulfilled, canceled or expires.

4.10.2 Classification and initial recognition of financial assets

Except for trade receivables that do not include a significant finance item and are measured at the transaction price in accordance with IFRS 15, other financial assets are initially measured at fair value by adding the relevant transaction cost except in the case of financial assets measured at fair value through profit or loss.
Financial assets, except those defined as effective hedging instruments, are classified into the following categories:

- Financial assets at amortized cost,
- Financial assets at fair value through profit & loss, and
- Financial assets at fair value through other comprehensive income without recycling cumulative profit and losses on derecognition (equity instruments)

Classification of every asset is defined according to:

- the Group's business model regarding management of financial assets, and
- the characteristics of their conventional cash flows.

All income and expenses related to financial assets recognized in the Statement of Comprehensive Income are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables included in operating results.

4.10.3 Subsequent measurement of financial assets

Financial assets at amortized cost

A financial asset is measured at amortized cost when the following conditions are met:

I. financial asset management business model includes holding the asset for the purposes of collecting contractual cash flows,
II. contractual cash flows of the financial asset consist exclusively of repayment of capital and interest on the outstanding balance (“SPPI” criterion).

Following the initial recognition, these financial assets are measured at amortized cost using the effective interest method. In cases where the discount effect is not significant, the discount is omitted.

The amortized cost measured category includes non-derivative financial assets such as loans and receivables with fixed or pre-determined payments that are not traded on an active market, as well as cash and cash equivalents, trade and other receivables.

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for sale, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value.

Financial assets are classified as held for sale if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for sale, unless defined as effective hedging instruments.

Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets classified at fair value through total income (equity interests)
In accordance with the relevant provisions of IFRS 9, at initial recognition, the Group may irrevocably choose to present in other results directly in equity the subsequent changes in the fair value of an equity investment that is not held for sale.

Gains or losses from these financial assets are never recycled to the income statement. Dividends are recognized as other income in the income statement when the payment entitlement has been proved, unless the Group benefits from such income as a recovery of part of the cost of the financial asset - then such profit is recognized in the statement of comprehensive income. Equity interests designated at fair value through total income are not subject to an impairment test. This option is effective for every equity interest separately.
The Group has chosen to classify investments in this category (please refer to Note14).

4.10.4 Impairment of financial assets

Adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment effective under IAS 39 for recognition of realized losses with recognition of expected credit losses. Impairment is defined in IFRS 9 as an Expected Credit Loss (ECL), which is the difference between the contractual cash flows attributable to the holder of a particular financial asset and the cash flows expected to be recovered, i.e. cash deficit arising from default events, discounted approximately at the initial effective interest rate of the asset.

The Group and the Company recognize provisions for impairment for expected credit losses for all financial assets except those measured at fair value through profit or loss. The objective of provisions for impairment under IFRS 9 is to recognize the expected credit losses over the life of a financial instrument whose credit risk has increased since initial recognition, regardless of whether the assessment is made at a collective or individual level, using all the information that can be collected on the basis of both historical and present data, as well as data relating to reasonable future estimates of the financial position of customers and the economic environment.

To facilitate implementation of this approach, a distinction is made among:

- financial assets whose credit risk has not deteriorated significantly since initial recognition or which have a low credit risk at the reporting date (Stage 1) and for which the expected credit loss is recognized for the following 12 months,
- financial assets whose credit risk has deteriorated significantly since initial recognition, and which have no low credit risk (Stage 2). For these financial assets, the expected credit loss is recognized up to their maturity.

- financial assets for which there is objective evidence of impairment at the reporting date (Stage 3) and for which the expected credit loss is recognized up to maturity.

Trade receivables, other receivables, and receivables from contracts with customers
The Group and the Company apply the simplified approach, stated in IFRS 9 to trade and other receivables as well as to receivables from on construction contracts and receivables from leases, calculating the expected credit losses over the life of the above items. In this case, the expected credit losses represent the expected shortfalls in the contractual cash flows, considering the possibility of default at any point during the life of the financial instrument. While calculating the expected credit losses, the Group uses a provisioning matrix, grouping the above financial instruments based on the nature and maturity of the balances and taking into account available historical data in relation to the debtors, adjusted for future factors in relation to the debtors and the economic environment. Further analysis is presented in Notes 18, 19 and 20.

4.10.5 Classification and measurement of financial liabilities
As the accounting requirements for financial liabilities remained broadly similar to those set in IAS 39, the Group's accounting policies regarding financial liabilities were not affected by the adoption of IFRS 9.

The Group's financial liabilities include mainly borrowings, suppliers and other liabilities, as well as derivative financial instruments. Financial liabilities are initially recognized at cost, which is the fair value of the consideration received apart from borrowing costs. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method, with the exception of derivatives that are subsequently measured at fair value with changes recognized in the income statement (except derivatives that operate as hedging instruments, see Note 4.10.6).

In particular:

(i) Loan liabilities
The Group's loan liabilities are initially recognized at cost, which reflects the fair value of the amounts receivable less the relative costs directly attributable to them, where they are significant. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account issuing expenses and the difference between the initial amount and the maturity amount. Gains and losses are recognized in the income statement when the liabilities are derecognized or impaired through the amortization procedures.

(ii) Trade and other liabilities
Balances of suppliers and other liabilities are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest method.
Trade and other short-term liabilities are not interest-bearing accounts and are usually settled on the basis of the agreed credits.

(iii) Equity instruments having a substance of financial liabilities

The Group had entered during the previous years into agreements with "Tax Equity Investors" investors in the USA. According to these agreements, cash flows and tax benefits generated by wind farms are contractually distributed amongst investors (Tax Equity Investors, hereinafter "TEI") and the Group. Tax benefits include Production Tax Credits (PTCs) and accelerated depreciation. In fact, based on these figures, TEIs acquire a form of participation in the scheme by paying cash and agreeing on the expected return (estimated internal degree of return) that they will achieve during the period in which wind farms produce these tax benefits. Expected return is calculated based on the total expected benefit that Tax Equity Investors will receive and includes the value of PTCs of distributed taxable income or loss and cash proceeds.

Control and management of these wind farms according to the provisions of IFRS 10 falls within the responsibility of the Group and until 30/06/2021 they were fully consolidated in its financial statements using the full consolidation method (see Note 7.1). The initial investment of TEIs is initially recognized at fair value in the account “Equity instruments having a substance of financial liabilities” and then measured at amortized cost. This financial liability is reduced by the value of tax benefits and cash distributions to Tax Equity Investors, as these distributions are contractually defined during the period in which the TEI is to achieve its expected return. The value of accelerated depreciation is recognized as "Amortization of tax benefits" on a pro-rata basis according to the estimated period of the investor's stay in the investment scheme. The value of the "PTCs" transferred to the investor is recognized when they are generated by the project, in return for turnover. The financial liability is increased by a financial expense determined by the balance of liabilities and the effective interest rate resulting from the discounted total cash inflows (TEI initial investment) and expected outflows (distribution of cash flows and tax benefits to the TEI) over the contract duration, as calculated on the date of payment of the initial investment by TEI.
There are no contractual obligations of TERNA ENERGY Group and its subsidiaries to provide any form of financial assistance in case of financial difficulty or any form of failure to fulfill the obligations of TERNA ENERGY USA Holding Corporation, including contractual obligations to the TEI. The main features of these transactions are as follows:

- Irrespective of the shareholding held by the counterparties, the Group maintains control over the wind farms, according to the provisions of IFRS 10, which are, therefore, fully consolidated in the Group's financial statements under full consolidated method.
- Counterparties receive a significant component of tax losses and PTCs generated by wind farms, as well as a component of cash flows, until they achieve a predetermined (at the start of investment) rate of a non-guarantee return.
- Counterparties remain investors in wind farms until they have achieved a predetermined return on their investment.
- When the return on the investment of the counterparties reaches the predetermined level, the Group has the option to redeem the counterparty's rights to the return on the investment.
- The return on the investment of the counterparties depends solely on the performance of wind farms. Although the Group undertakes the obligation to operate these wind farms in the best possible way and to take all the appropriate measures for their sound operation, it is not obliged to pay cash to the counterparties in excess of what is required in order to achieve the predetermined non-guarantee return on their investment.

After the date when TEI has achieved its contractually agreed performance and if the Group decides not to acquire the rights of TEI, TEI still maintains an insignificant percentage of the wind farm's return for the remaining contractual maturity.

The Group, based on the substance of these transactions and according to IFRS 10 and IAS 32, had classified the initial investment of the counterparty as a "financial liability" in the consolidated statement of financial position. The financial liability is measured at net book value using the effective interest method. This liability is reduced through the cash distribution received by TEI and depending on the terms of the contract and the value of the tax benefits.

As at 31/12/2021, there are no Equity instruments having a substance of financial liabilities assimilated to financial liabilities for the Group, as on 30/06/2021, the Group lost control and de-privatized the subsidiaries of the TERNA DEN LLC Sub-Group, which also own operate the three (3) Wind Farms in Texas USA (see Note 7.1 and 28).

4.10.6 Derivative financial instruments and hedge accounting

The Group's risk management policies are in line with the provisions of the standard IFRS 9 and hedge accounting is being applied.

The Group's risk management policies are in line with the provisions of the new standard and hedge accounting continues to apply.
In the context of risk management, the Group uses:

- derivative financial instruments for the exchange of interest rates to hedge the risks associated with the future fluctuation of variable loan interest rates,
- derivative financial instruments to hedge the risk of change in electricity prices (options, forward contracts for the sale of electricity)
- derivative financial instruments to hedge the risks associated with the future fluctuation of variable income.

These derivative financial instruments are initially recognized at their fair value at the date of the contract and are subsequently measured at their fair value. Changes in the fair value of financial derivative instruments are recognized at every reporting date either in the income statement or in other comprehensive income, depending on the extent, to which the derivative financial instrument meets the requirements of hedge accounting and, if so, according to the nature of the hedging object.
On the transaction date, the Group records the relationship between the hedging instrument and the hedging item, as well as the risk management objective and risk hedging transaction strategy. The Group also records both - when creating the hedging transaction and afterwards – the extent to which the instruments used in these changes are effective in offsetting fluctuations in the cash flows of hedging items.
Derivative financial products are measured at fair value at the reporting date and the changes are recognized in the income statement. The fair value of these derivatives is determined primarily on a market value and is confirmed by the counterparty credit institutions. Exceptions are made regarding the derivatives that act as hedging instruments in cash flow hedges, for which special accounting is required. A hedging relationship is appropriate for hedge accounting when all the following criteria are met:

- the hedging relationship includes only eligible hedging instruments and eligible hedged items.
- at the inception of the hedging relationship there is a formal determination and documentation of the hedging relationship and the entity's risk management objective and its hedging strategy. The documentation includes determination of the hedging instrument, the hedged item, the nature of the hedged risk, and the manner in which the entity will assess whether the hedging relationship meets the effectiveness requirements (including an analysis of the sources of inefficiency of the hedge and how determination of the hedging factor).
- The hedging relationship covers all the following efficiency requirements: (a) there is an financial relationship between the hedged item and the hedging instrument, (b) the effect of the credit risk does not override the changes in value arising from this financial relationship, and (c) the hedging rate of the hedging relationship is the same resulting from the amount of hedged item actually hedged by the entity and the amount of the hedging instrument the entity actually uses to offset this amount of hedging item.

Future cash flows hedging
The component of changes in fair value that is attributable to effective risk hedging is recognized in equity. Any gain or loss arising from changes in fair value attributable to non-effective risk hedging is recognized directly in the statement of comprehensive income in the item "Earnings from financial instruments measured at fair value". Cumulative amounts in equity are recycled through the Statement of Comprehensive Income to the income statement (from other comprehensive income to the income statement) in the periods in which the hedged item affects the income statement (when the projected hedged transaction is taking place).

Hedge accountancy is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer meets the hedge accountancy criteria. The cumulative amount of gains or losses recognized directly in equity until that date remains in the reserves until the hedged item affects the Statement of Comprehensive Income. In the event that a hedged transaction is no longer expected to be realized, the net accumulated gains or losses recorded in the reserves are directly transferred to the Statement of Comprehensive Income.

4.10.7 Offsetting financial assets and financial liabilities
Financial assets and financial liabilities are offset and the net amount is recorded the Statement of Financial Position only if there is the present legal right to offset the recognized amounts and the entity intends to settle them on a net basis or to require the asset and settle the liability simultaneously.

4.11 Service concession agreements
Under the terms of the contracts, the operator acts as a service provider. The operator constructs or upgrades an infrastructure (manufacturing or upgrading services) used to provide a utility service and deals with the operation and maintenance of that infrastructure (operation services) for a specified period of time.
According to IFRS, such infrastructure is recognized as a financial asset or as an intangible asset, depending on the contractually agreed terms. The Group companies recognize both - an intangible asset from the concession and a financial asset (bifurcated model) - or recognize a financial asset only.

Intangible Assets

The Group companies operating as concessionaires recognize an intangible asset and an income to the extent that they acquire the right to charge the users of utilities.

Revenue recognition is based on the completion rate method. Furthermore, the intangible asset is amortized on the basis of the time of the concession and an impairment test, while the revenues from the infrastructure users are recognized on the accrual basis.

For more information on the concession of right, see Note 8.

Financial asset (Financial contribution of the State)
The Group companies that act as concessionaires recognize a financial asset as they have an unconditional contractual right to receive cash or other financial asset from the grantor for the construction services.

In the case of concessions, the concessionaire has an unconditional right to receive cash if the concessioner contractually guarantees to pay to the concessionaire:

(i) specific or fixed amounts, or
(ii) the deficit which may arise between the amounts received by the users of the public service and the specific or fixed amount provided for in the Concession Agreement.

The Group recognizes the Financial Contribution of the State as a financial asset under the provisions of IFRIC 12 "Service Concession Arrangements". In particular, the Group recognizes a financial asset receivable and income based on the rate of completion method and the asset is measured at amortized cost less any impairment losses. More information is provided in Note 16.

4.12 Employee benefits

Short-term benefits: Short-term employee benefits (except for termination of employment benefits) in cash and in kind are recognized as an expense when deemed accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Group's liabilities for retirement benefits cover both defined contribution plans and defined benefit plans. The defined contribution plan's accrued cost is recognized as an expense in the period to which it relates. Pension plans adopted by the Group are partly financed through payments to insurance companies or state social security funds.

a) Defined Contribution Plan
Defined contribution plans pertain to contribution payment to Social Security Organizations and therefore, the Group does not have any legal obligation in case the Fund is incapable of paying a pension to the insured person.

The employer's obligation is limited to paying the employer's contributions to the Funds. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as expenses in the income statement.

(b) Defined Benefit Plan (non-funded)

Under Laws 2112/20 and 4093/2012, the Company must pay compensation to its employees upon their dismissal or retirement. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The establishment of the right to participate in these plans is carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale provided by Law 4093/2012.

The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserves from payments to an insurance company), the changes deriving from any actuarial profit or loss and the previous service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method.

Regarding FY 2021, the selected interest rate follows the tendency of European Bonds of 10year maturity as at December 31, 2021, which is regarded as consistent with the provisions of IAS 19, i.e. is based on bonds corresponding to the currency and the estimated term relative to employee benefits as well as appropriate for long-term provisions.

A defined benefit plan establishes, based on various parameters, such as age, years of service and salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise the current and past service cost, the relative financial cost, the actuarial gains or losses and potentially arising additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting treatment of defined benefit plans, including ad follows:

i) recognition of actuarial gains / losses in other comprehensive income and their permanent exclusion from the Income Statement,
ii) non-recognition of the expected returns on the plan investment in the Income Statement but recognition of the relative interest on net liability / (asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
iii) recognition of past service cost in the Income Statement at the earliest between the plan modification date or when the relative restructuring or terminal provision are recognized,

other changes including new disclosures, such as quantitative sensitivity analysis.

4.13 Leases

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

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

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

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

4.13.2 Initial measurement of the lease liability

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

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

i. fixed payments less any lease incentives receivable,
ii. any variable lease payments that depend on the future change in index or a rate, initially measured using the index or rate as at the lease period commencement date
iii. amounts expected to be payable by the Group under residual value guarantees,
iv. the exercise price of a purchase option if the Group is reasonably certain to exercise that option and

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

4.13.3 Subsequent measurement

Subsequent measurement of the right-of-use asset

After the lease period commencement date, the Group measures the right-of-use asset applying a cost model.

The Group measures the right-of-use asset at cost:

- less any accumulated depreciation and any accumulated impairment losses, and
- adjusted for any subsequent measurement of the lease liability.

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

Subsequent measurement of the lease liability

After the lease period commencement date, the Group measures the lease liability by:

i. increasing the carrying amount to reflect financial cost on the lease liability,
ii. reducing the carrying amount to reflect the lease payments made, and
iii. remeasuring the carrying amount to reflect any lease reassessment or modification.

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

After the lease period commencement date, the Group recognizes in profit or loss, (unless the costs are included in the carrying amount of another asset applying other applicable Standards), both:

i. financial cost of the lease liability, and
i) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

4.14 Government grants

Government grants are recognized at fair value when there is reasonable assurance that the grant will be collected, and the Group will comply with all relevant conditions.

Government grants related to the grants for tangible fixed assets are recognized when there is reasonable assurance that the grant will be collected, and all relevant conditions will be met. These grants are recognized as deferred income and are transferred to the income statement during the period based on the expected useful life of the asset, for which the grant was received.

Government grants, relating to expenses, are recorded in transit accounts and recognized in the income statement over the period necessary to balance the expenses they are intended to compensate.

4.15 Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has present legal or imputed liabilities as a result of past events; their settlement is possible through resources' outflow and the exact liability amount can be reliably estimated. The provisions are reviewed on the reporting date of the Financial Statements and are reviewed and adjusted accordingly on evert financial statements reporting date to reflect the present value of the expense expected for the settlement of the liability. When the effect of the time value of money is significant, the provision is calculated as the present value of the expenses expected to be incurred in order to settle this liability.

If it is no longer probable that an outflow will be required in order to settle a liability for which a provision has been made, then it is reversed.

In cases where the outflow of economic resources due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognized in the financial statements. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources incorporating financial benefits is minimal.

Potential inflows from economic benefits for the Group which do not meet the criteria of an asset are regarded as contingent assets and are disclosed when the inflow of the economic benefits is probable.

Provisions for rehabilitation of natural landscape

Concerning restoration of natural landscapes, the Group recognizes the provisions made by the entities of the Group's energy sector for decommissioning wind turbines from Wind Farms and restoring the surrounding area. Decommissioning and remediation provisions reflect the present value at the reporting date of the estimated cost less the estimated residual value of the recoverable materials. Provisions are reviewed at every reporting date of the Statement of Financial Position and are adjusted in order to reflect the present value of the expense,

expected to be disbursed for settling the lability regarding decommissioning and remediation. The related provision is recognized as an increase in the acquisition cost of wind turbines and is depreciated on a straight-line basis over the 25-year term of the energy production contract.
Amortization and disposal of the capitalized decommissioning and restoration costs is included in the Statement of Comprehensive Income together with depreciation of Wind Farms. Any changes in estimates with respect to the estimated cost or the discount rate are added to or deducted from, respectively, the cost of the asset. The effect of discounting the estimated cost is recognized in the income statement as an interest expense.

4.16 Revenue

IFRS 15 established the core principle by applying the following steps for identifying revenue from contracts with customers:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) the Group satisfies a performance obligation

Revenue is recognized at the amount by which an entity expects to have in exchange for the transfer of the goods or services to a counterparty. When assigning a contract, the accounting treatment us also defined regarding the additional costs and the direct costs required to complete the contract.
Revenue is defined as the amount that an entity expects to be entitled to in exchange for the goods or services it has transferred to a customer.

If the promised consideration in a contract includes a variable amount, the entity estimates the consideration amount it would be entitled versus the transfer of the promised goods or services to customer. The consideration amount may vary due to discounts, price subsidies, refunds, credits, price reductions, incentives, additional performance benefits, sanctions or other similar items. The promised consideration may also change if the entity's entitlement to the consideration depends on the occurrence or non-occurrence of a future event. For example, a consideration amount will be variable if the product has been sold with a refund option or if a fixed amount promise has been given as an additional performance benefit to achieve a specific milestone.

The volatility associated with the consideration promised by a customer may be expressly stated in the contract. An entity estimates the amount of the variable consideration using one of the following methods, whichever method it considers best suited to the amount of consideration to which it will be entitled:

(a) Estimated value - the estimated value is equal to the sum of the probability-weighted amounts in a range of possible consideration amounts. Estimated value is an appropriate estimate of the variable amount if the entity has a large number of contracts with similar characteristics.

b) Most probable amount - the most probable amount is the only most probable amount in a range of possible consideration amounts (i.e., the only likely outcome of the contract). The most probable amount is an appropriate estimate of the variable amount if the contract has only two possible outcomes (for example, the entity provides additional performance or not).

The Group and the Company recognize revenue, when it satisfies the performance of the contractual obligation by transferring the goods or services on the basis of this obligation. Acquisition of control by the client occurs when it has the ability to direct the use and to derive virtually all the economic benefits from this good or service. Control is transferred over a period or at a specific time. Revenue from the sale of goods is recognized when the goods are transferred to the customer, usually upon delivery to the customer, and there is no obligation that could affect the acceptance of the good by the customer.

Commitments for implementation performed over time

The Group recognizes revenue for a performance obligation implemented over time only if it can reasonably measure its performance in full compliance with the obligation. The Group is not in a position to reasonably measure progress in meeting a performance obligation when it does not have the reliable information required to apply the appropriate method of measuring progress. In some cases (eg during the initial stages of a contract), the entity may not be able to reasonably measure the outcome of a performance obligation, but it at least expects to recover the costs incurred to meet it.

In such cases, an entity shall recognize revenue only to the extent of the cost incurred until it is able to reasonably measure the outcome of the implementation obligation.

Revenue from rendering services is recognized in the accounting period in which the services are provided and measured according to the nature of the services to be provided. The receivable from client is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the client.

A contractual asset is recognized when the Group or the Company has settled its liabilities to the counterparty before the latter has paid or before the payment is due, for example when the goods or services are transferred to the customer prior to the right of the Group or the Company to issue an invoice. The contractual obligation is recognized when the Group or the Company receives a consideration from the counterparty as an advance or when it reserves the right to a consideration which is postponed before the performance of the contractual obligations and transfer of goods or services. The contractual obligation is derecognized when the contract obligations are met and the revenue is recorded in the income statement.

Commitments for implementation performed at a specific time

When a commitment for implementation is not met over time (as outlined above), then the entity enforces the implementation commitment at a particular time. In determining when the client acquires control of a promised asset and the entity settles an implementation commitment, the entity examines the requirements for the acquisition control, as analytically recorded in IFRS 15.

The main categories of revenue recognized from implementation commitments fulfilled over time for the Group are as follows:

i) Revenue from contracts with customers related to construction operations

It relates to revenue from contracts with customers and results from implementation commitments that are fulfilled over time. For the purpose of complying with IFRS, the proceeds from the construction activity are accounted for progressively during construction, based on the input method of measurement in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers".

The input method recognizes revenue based on the entity's efforts or inflows towards fulfilling an implementation commitment (for example, the resources consumed, the hours worked, the costs incurred the time spent or the hours of operation of the machines consumed) in relation to the total expected inputs to fulfil this implementation commitment.

(ii) Sale of goods
Revenue from the sale of goods, after deduction of sales discounts, sales incentives and related VAT, is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer.

(iii) Revenue from sale of Electric Energy
It relates to revenue from contracts with customers and arises from implementation commitments that are fulfilled over time. Revenue from the Sale of Electric Energy is accounted for within the year it concerns. Under the preparation of the financial statements, revenue accrued unbilled, revenue from electricity purchased by DAPEEP or another client not yet invoiced are regarded as collectible revenue.

Regarding the Group's wind farms operating in the USA and selling electricity to specific US energy markets (ERCOT) at market prices, revenue from the sale of electricity is recognized on the basis of the amount of electricity delivered at market prices for transactions, where all the revenue recognition criteria are met. In order to reduce its exposure to changes in energy prices in these markets, the Group uses the derivative instruments described in Note 4.10.6 above. The proceeds from the liquidation of these derivatives are included in the proceeds from the sale of electricity. Regarding the derivatives that do not meet the cash flow hedge accounting criteria but which are nonetheless used to reduce exposure to the risk of a change in earnings, the Turnover also includes non-realized gains/losses from valuation.

Renewable Energy Credits (Green Certificates) constitute an economic benefit achieved through the operation of a wind farm. Renewable Energy Credits are generated by the wind power generation of wind farms and can be sold either through Renewable Energy Credits' organized markets or directly to individual buyers under contracts. As Renewable Energy Credits are generated they are classified as inventories recognized at fair value and the related revenue deferred until sale. When Renewable Energy Credits are sold, they are recognized as a component of revenue at fair market value. Gains and losses from the subsequent sale of RECs to third parties are also recognized as a component of revenue (Turnover).

(iv) Revenue from tax benefits
The value of tax benefits is recognized in the income statement. The value of tax losses attributable to Tax Equity Investor is recognized in other income for the year, on proportional basis in compliance with the estimated period, during which the investor remains in the investment scheme, while the value of Production Tax Credits (PTCs), associated with the annual energy production of a wind farm, is recognized every year on the basis of actual production for the benefit of turnover. As a result of the fact of the loss of control carried out on 30/06/2021 (see Notes 7.1 and 28), the above reported value of tax losses was transferred to the line "Results for the period from discontinued operations".

(v) Income from rentals

The income in question pertains to revenue from contracts with customers and arises from implementation commitments that are fulfilled over time. Income from rentals (operating leases) is recognized using the straight-line method according to the terms of the lease.

(vi) Dividends

Dividends are accounted for when the right of recovery is finalized by the shareholders following the decision of the General Meeting of Shareholders.

(vii) Interests

Interest income is recognized on an accrual basis.

(viii) Revenue from concession contracts

During the construction phase, the revenues are recognized gradually during the execution of the construction project, based on the method of measuring the progress based on inputs (imput method), according to the accounting policy of the Group for the recognition of revenues from construction contracts.

During the operation stage, the revenue is recognized in the period in which the related services are provided by the Group. In case a concession agreement includes revenue for more than one service, the consideration is allocated to the different services based on the relative fair values of the services provided.

4.17 Income tax

Income tax burden for the year consists of current tax, deferred tax and tax differences from previous years.

Current Tax

Current tax is calculated on the basis of the separate tax Statements of Financial Position of every company, included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Expenditure on current income tax includes income tax that is based on the profits of each company as restated in its tax returns and provisions for additional taxes and is calculated according to the statutory or substantially statutory tax rates.

Deferred Income Tax

Deferred taxes are taxes or tax relief related to financial burdens or benefits accruing in the year but already been accounted for or to be accounted for by the tax authorities in different years. Deferred income tax is determined using the liability method, arising from the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss.

Deferred income taxes are measured using the liability method in all temporary differences at the date of the financial statements between the tax base and the carrying amount of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are measured at every reporting date of the financial statements and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used.

Deferred tax assets and obligations are measured at the tax rates expected to be effective for the year in which the asset is incurred or the liability will be settled and are based on the tax rates (and tax laws) that are in effect or effectively in force as at the financial statements reporting date. In the event the time of reversing temporary differences cannot be clearly identified, the tax rate applicable on the next FY date of the Statement of Financial Position will be applied.
Income tax related to items, recognized in other comprehensive income. is also recognized in other comprehensive income.

4.18 Earnings per share

Basic earnings per share are calculated dividing net earnings by the weighted average number of common shares outstanding during the period, excluding the weighted average number of the common shares acquired by the Group as treasury shares.

Earnings per share are calculated dividing the net profit attributable to shareholders by the weighted average number of shares outstanding during the year.

4.19 Share capital, reserves and distribution of dividends

Common registered shares are recorded as equity. Costs, directly attributable to a component of equity net of tax effect, are monitored as a deduction to the Balance of Retained Earnings in equity. Otherwise, this amount is recognized as an expense in the period in question.
In cases when the Company or its subsidiaries acquire part of the Company's share capital (treasury shares), the amount paid, including any expense, net of tax, is deducted from equity until the shares are derecognized or sold. The number of treasury shares held by the Company does not reduce the number of shares in circulation but affects the number of shares included in the calculation of earnings per share.
In particular, the reserves are divided into:

Statutory reserves

In compliance with the Greek Commercial Law, companies shall transfer at least 5% of their annual net profits to a statutory reserve until such reserve equals 1/3 of the paid-up share capital. This reserve cannot be distributed during the Company's operations.

Development legislation reserves and other tax exempted reserves

These reserves refer to profits not taxed at the applicable tax rate in accordance with the applicable tax framework in Greece and include reserves arising from taxable profits and pertaining to the company's participation in development laws. These reserves will be taxable at the tax rate applicable at the time of their distribution to the shareholders or their conversion into share capital under certain circumstances.

Cash flows risk hedging reserves
The risk hedge reserve is used to record profits or losses on derivative financial products, which can be classified as future cash flow hedges and are recognized in other comprehensive income.

Foreign currency translation differences from incorporation of foreign operations
Foreign exchange differences arising on foreign currency translation are recognized in other comprehensive income and accumulated in other reserves. The cumulative amount is transferred to the income statement of the year when the amounts were transferred.

Treasury shares reserves
The Company has proceeded with successive acquisitions of treasury shares through implementing the approved share buy-back plan in accordance with article 49 of Law 4548/2018. The total value of these acquisitions is presented in reserves as a deduction from Equity.

Other reserves
Other reserves mainly include actuarial losses of pension schemes.
The category of other reserves comprises:
(1) Actuarial gains/(losses) from defined benefit pension schemes arising from (a) actual adjustments (the effect of differences between previous actuarial assumptions and those eventually occurring) and (b) changes in actuarial assumptions.
(2) Changes in fair value of investments classified as equity investments.
Dividends distributed to the Company's shareholders are recognized in the financial statements as a liability in the period in which the distribution proposal of the Management is approved by the Annual General Meeting of the Shareholders. Also, at the same time, the financial statements reflect the effect of the disposal of the results approved by the General Meeting and the possible formation of reserves.

4.20 Business combinations
Subsidiaries are fully consolidated (full consolidation) applying the acquisition method from the date when control over them has been acquired and cease to be consolidated from the date when such control is no longer effective. Acquisition of a subsidiary by the Group is accounted for using the acquisition method. As at the acquisition date, the acquirer recognizes the goodwill arising on the acquisition transaction as the excess between:

- the aggregation of (i) the transferred consideration, measured at fair value; (ii) the amount of any non-controlling interests in the acquiree (measured at fair value or the proportion of non-controlling interests in its net identifiable assets (iii) in a business combination that is completed in stages, the fair value at the date of acquisition of the acquirer's shareholding previously acquired in the acquiree, less

- the net fair value of the acquiree's identifiable assets and liabilities as at the acquisition date.

Goodwill is tested for potential impairment on annual basis and the balance between its carrying amount and recoverable amount is recognized as an impairment loss, burdening the income statement for the period.

The costs arising under acquisition of investments in subsidiaries (eg fees of consultants, lawyers, accountants, appraisers and other professional and advisory fees) are recognized as expenses and burden the income statement for the period when they are incurred.

Otherwise, when the acquiree acquires participating interest, in which, at the acquisition date, net value of assets and assumed liabilities exceeds the transferred consideration, then the issue is classified as a market opportunity. Following the necessary reviews, the excess arising from the above balance is recognized as profit in the income statement for the period.
Any consideration given by the Group is initially recognized at its fair value at the date of acquisition. Changes in the fair value of any consideration that qualify as an asset or liability are recognized in accordance with IFRS 9 in the income statement. Contingent consideration recognized in equity is not redefined and the subsequent settlement is accounted for within equity.

4.21 Acquisition of entities that do not constitute a “business” according to the definition of IFRS 3 – Acquisition of assets

In accordance with IFRS 3 "Business Combination", the Group determines whether a transaction or other event constitutes a business combination as defined in the Standard, ie whether the assets acquired and liabilities assumed constitute a "business". In the event that the acquired assets are not a business, the Group shall account for the transaction or other event as an asset acquisition. According to IFRS 3, the term "business" identifies an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or to other owners, members or participants. The accounting treatment of a business combination (see accounting policy 4.20 "Business combination" does not apply to the acquisition of an asset (or group of assets) that does not constitute a "business".

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

- The acquirer shall identify the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for intangible assets in IAS 38) and liabilities assumed. In accordance with IFRS 3.2 (b), the cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.
- Goodwill or gain on a bargain purchase shall not be recognized in the transaction. The cost of the asset acquired (or group of assets) is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of purchase.
- In accordance with IAS 12.15, recognition of deferred tax is not permitted upon initial recognition of an asset or a liability in a transaction that is not a business combination. In this context, no deferred tax is recognized on the acquisition of assets.
- Costs associated with the acquisition of assets (eg fees of consultants, lawyers, accountants, appraisers and other professional and consulting fees) are recognized as an expense and are accounted for to profit or loss for in the period they are incurred.
- Any contingent consideration given by the Group is initially recognized at its fair value at the acquisition date. Changes in the fair value of any consideration that meet the conditions for classification as an asset or liability are recognized by a corresponding change in the value of the recognized asset (eg IAS 38).

(Amounts in thousands of Euros unless mentioned otherwise)

5. CONSOLIDATED COMPANIES AS ON 31/12/2021

The following table presents the consolidated companies of TERNA ENERGY as on 31/12/2021, their headquarters, business activity, the Company's direct and indirect participating interest in their share capital, method of consolidation and tax non-audited years.

5.1 Company Structure

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

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLIDATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	UNAUDITED FISCAL YEARS
CONSTRUCTION SEGMENT - JOINT VENTURES							
J/V GEK TERNA - TERNA ENERGY (INSTALLATION AND OPERATION ASSK)	Greece	50,00	–	50,00	Proportional	-	2016-2021

5.2 Group Structure

As on 31/12/2021, the Group structure is as follows:

ECONOMIC ENTITY	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLIDATION METHOD	SUBSIDIARY OF INDIRECT PARTICIPATION	UNAUDITED FISCAL YEARS
HOLDINGS & FINANCING - SUBSIDIARIES							
TERNA ENERGY FINANCE SA	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY OVERSEAS LTD	Cyprus	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY USA HOLDING CORPORATION	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY TRANSATLANTIC sp.z.o.o.	2011-2021
TERNA ENERGY TRANSATLANTIC sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
TERNA ENERGY TRADING LTD	Cyprus	–	90,00	90,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
GALLETTE LTD	Cyprus	–	100,00	100,00	Full	ENERGIAKI SERVOUNIOU SA	2015-2021
RES ENERGY SEGMENT - SUBSIDIARIES							
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
PPC RENEWABLES - TERNA ENERGY SA	Greece	51,00	–	51,00	Full	-	2016-2021
ENERGIAKI SERVOUNIOU SA	Greece	100,00	–	100,00	Full	-	2016-2021
IWECO HONOS LASITHIOU CRETE SA	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY EVROU SA	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI RACHOULAS DERVENOCHORION S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
ENERGIAKI DERVENOCHORION S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI MARMARIOU EVIAS SA	Greece	100,00	–	100,00	Full	-	2016-2021

(Amounts in thousands of Euros unless mentioned otherwise)

TERNA ENERGY SA & CO ENERGIAKI PETRION EVIAS G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
ENERGIAKI DYSTION EVIAS SA	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI KARYSTIAS EVOIA S.A.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
TERNA ENERGY SA & SIA ENERGEIAKI KAFIREOS EVIAS G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
ENERGIAKI STYRON EVIAS SA	Greece	100,00	–	100,00	Full	-	2016-2021
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI MALEA LAKONIAS S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY SA & CO ENERGEIAKI VELANIDION LAKONIAS G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
AIOLIKI EASTERN GREECE SA	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI PASTRA ATTIKIS AE	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
ENERGIAKI PELOPONNISOU S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY SA & SIA PROVATA TRAIANOUPOULEOS	Greece	100,00	–	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
AIOLIKI DERVENI TRAIANOUPOLEOS S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
ENERGIAKI FERRON EVROU S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ENERGY SA & CO ENERGIAKI ARI SAPPON G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
TERNA ENERGY SA & Co AIOLIKI POLYKASTROU G.P.	Greece	99,00	1,00	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
ENERGEIAKI XIROVOUNIOU S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI ILIOKASTROU S.A.	Greece	–	100,00	100,00	Full	TERNA ENERGY EVROU SA	2016-2021
EUROWIND S.A.	Greece	–	100,00	100,00	Full	ENERGIAKI SERVOUNIOU SA	2016-2021
DELTA AXIOU ENERGEIAKI S.A.	Greece	80,00	–	80,00	Full	-	2016-2021
TERNA ENERGY SA & VECTOR GREECE WIND PARKS - TROULOS WIND PARK G.P.	Greece	90,00	–	90,00	Full	-	2016-2021
TERNA ENERGY SEA WIND PARKS S.A.	Greece	85,00	–	85,00	Full	-	2016-2021
TERNA ENERGY WIND PARKS XIROKAMPOS AKRATAS S.A.	Greece	77,00	–	77,00	Full	-	2016-2021
VATHICHORI ENVIRONMENTAL S.A.	Greece	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
VATHICHORI ONE PHOTOVOLTAIC S.A.	Greece	–	100,00	100,00	Full	VATHICHORI ENVIRONMENTAL S.A.	2016-2021
ALISTRATI ENERGY Ltd	Greece	80,00	–	80,00	Full	-	2016-2021
DIRFIS ENERGY SA	Greece	51,00	–	51,00	Full	-	2016-2021
TERNA ENERGY AI-GIORGIS SA	Greece	99,40	0,60	100,00	Full	IWECO HONOS LASITHIOU CRETE SA	2016-2021
TERNA AIOLIKI XEROVOUNIOU SA	Greece	–	100,00	100,00	Full	AIOLIKI PANORAMATOS DERVENOCHORION S.A.	2016-2021
TERNA AIOLIKI AITOLOAKARNANIAS SA	Greece	–	100,00	100,00	Full	AIOLIKI MALEA LAKONIAS S.A.	2016-2021
TERNA AIOLIKI AMARINTHOU SA	Greece	–	100,00	100,00	Full	ENERGIAKI SERVOUNIOU SA	2016-2021

(Amounts in thousands of Euros unless mentioned otherwise)

TEPNA ILIAKI PANORAMATOS SA.	Greece	100,00	–	100,00	Full	-	2016-2021
TEPNA ILIAKI PELLOPONISSOU SA.	Greece	100,00	–	100,00	Full	-	2016-2021
TERNA ILIAKI VIOTIAS SA	Greece	100,00	–	100,00	Full	-	2016-2021
AIOLIKI STEREAS ELLADOS S.A.	Greece	100,00	–	100,00	Full	-	2016-2021
VATHICHORI TWO ENERGY S.A.	Greece	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
TERNA ENERGY OMALIES MAE	Greece	100,00	–	100,00	Full	-	2016-2021
EVOIKOS ANEMOS AE	Greece	70,00	–	70,00	Full	-	2020-2021
ILIAKI PIKROLIMNIS M.A.E.	Greece	51,00	–	51,00	Full	-	2020-2021
ILIAKA VAKOUFIA PC	Greece	–	51,00	51,00	Full	-	2020-2021
FOTOVOLTAIKA KILKIS PC	Greece	–	51,00	51,00	Full	-	2020-2021
VALE PLUS LTD	Cyprus	100,00	–	100,00	Full	-	2015-2021
HAOS INVEST 1 EAD	Bulgaria	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
ECO ENERGY DOBRICH 2 EOOD	Bulgaria	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
ECO ENERGY DOBRICH 3 EOOD	Bulgaria	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
ECO ENERGY DOBRICH 4 EOOD	Bulgaria	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2016-2021
EOLOS NORTH sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
EOLOS NOWOGRODZEC sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
EOLOS POLSKA sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
EOLOS EAST sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
JP GREEN sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
WIRON sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
BALLADYNA sp.z.o.o.	Poland	–	100,00	100,00	Full	TERNA ENERGY OVERSEAS LTD	2015-2021
AEGIS LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2021
AEGIS LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2021
MOUNTAIN AIR HOLDINGS, LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2011-2021
MOHAVE VALLEY ENERGY LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
TERNA RENEWABLE ENERGY PROJECTS LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
TERNA DEN LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
FLUVANNA INVESTMENTS LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
FLUVANNA HOLDINGS LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021

(Amounts in thousands of Euros unless mentioned otherwise)

FLUVANNA I INVESTOR, INC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2021
FLUVANNA INVESTMENTS 2, LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2018-2021
CI-II BEARKAT QFPF, LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
CI-II BEARKAT HOLDING B, LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
SPONSOR BEARKAT I HOLDCO, LLC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2017-2021
TERNA HOLDCO INC	U.S.A.	–	100,00	100,00	Full	TERNA ENERGY USA HOLDING CORPORATION	2016-2021
RES ENERGY SEGMENT - JOINT VENTURES							
EN.ER.MEL S.A.	Greece	50,00	–	50,00	Equity	-	2016-2021
RES ENERGY SEGMENT - ASSOCIATES							
CYCLADES RES ENERGY CENTER SA	Greece	–	45,00	45,00	Equity	IWECO HONOS LASITHIOU CRETE SA	2016-2021
ARMONIA ENERGY SOCIETY	Greece	12,50	–	12,50	Equity	-	2019-2021
AMALTHEIA ENERGY SOCIETY	Greece	–	16,67	16,67	Equity	IWECO HONOS LASITHIOU CRETE SA	2019-2021
Energy Trading Segment							
OPTIMUS ENERGY SA	Greece	51,00	–	51,00	Equity	-	2017-2021
TERNA ENERGY TRADING EOOD	Bulgaria	–	90,00	90,00	Full	TERNA ENERGY TRADING LTD	2016-2021
TETRA DOOEL SKOPJE	FYROM	–	90,00	90,00	Full	TERNA ENERGY TRADING LTD	2020-2021
PROENTRA D.O.O BEOGRAD	Serbia	–	90,00	90,00	Full	TERNA ENERGY TRADING LTD	2015-2021
TERNA ENERGY TRADING SHPK	Albania	–	90,00	90,00	Full	TERNA ENERGY TRADING LTD	2018-2021
CONCESSIONS SEGMENT - SUBSIDIARIES							
HELLAS SMARTICKET S.A.	Greece	35,00	–	35,00	Full	-	2015-2021
PERIVALLONTIKI PELOPONNISOU MAE	Greece	100,00	–	100,00	Full	-	2015-2021
AEIFORIKI IPIROU MAEES	Greece	100,00	–	100,00	Full	-	2017-2021
CONCESSIONS SEGMENT - JOINT VENTURES							
WASTE CYCLO S.A.	Greece	51,00	–	51,00	Full	-	2015-2021
CONSTRUCTION SEGMENT - JOINT VENTURES							
JV TENERGY-INDIGITAL-AMCO	Greece	70,00	–	70,00	Full	-	2020-2021

The percentage of voting rights of TERNA ENERGY S.A. in all the above participations coincides with the percentage held on companies' free float.

The company HELLAS SMARTICKET S.A. ("HST") is fully consolidated as a subsidiary, as the Group exercises control in accordance with the provisions of IFRS 10 (See Note 11.2).

* After the loss of control of the subsidiaries of the TERNA DEN LLC Sub-Group, which owns and operates the three (3) Wind Farms in Texas, USA (see Note 7.1), these companies remain in the Group, but do not have any substantial activity.

5.3 Changes in the Group structure within 2021

On January 29th, 2021, the Group through TERNA ENERGY OVERSEAS LTD, acquired an additional 10% of the shares of its subsidiary TERNA ENERGY TRADING LTD for an amount of € 90 thousand of which € 65 thousand was paid to the seller while the remaining amount of 25 thousand covered an outstanding due capital of the seller towards the company. On December 1st, 2021, the Group acquired an additional 29% of the shares of subsidiary TERNA ENERGY TRADING LTD for an amount of € 1, thus changing the participation percentage in the latter to 90%. As a result of the above transactions, the Group increased the percentage of its indirect participation in subsidiaries TERNA ENERGY TRADING EOOD, TETRA DOOEL SKOPJE, TERNA ENERGY TRADING D.O.O and TERNA ENERGY TRADING SHPK to 90%.
It is noted that TERNA ENERGY TRADING LTD holds 100% of the share capital of the above companies.

As at 30/06/2021, the Group lost control of the subsidiaries of the TERNA DEN LLC Sub-Group, which owns and operates the three (3) Wind Farms in Texas, USA. The items of the results of these Wind farms for the reported periods are presented in the results from discontinued operations of the Group (see in detail Note 7.1.5).

In October 2021, after the signing of an act amending the terms of the existing shareholders' agreement, the Group assumed control of OPTIMUS ENERGY SA, which until that date was consolidated as a jointly controlled entity based on the equity method (see details Note 7.2)

During the second half of the year 2021, the liquidation of the companies TERNA ENERGIAKI & SIA AEOLIKI ROKANI DERVENOCHORION GP, MALESINA ENERGY LTD & ORCHOMENOS ENERGY LTD was completed. The above companies had not started their production activity.

Finally, in September 2021, the company TERNA ENERGY OVERSEAS LTD acquired for a symbolic consideration all shares of the newly established company EOLOS DEVELOPMENT Sp.z o.o.

6. SEGMENT REPORTING

Under the provisions of IFRS 8, an operating sector is a component of an entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), and, b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

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

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

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

i. **Constructions:** The segment refers to development of wind farms and other units for electricity production from renewable energy sources, and also to the construction of the necessary infrastructure (roads, substations, interconnection with the national electric energy grid). Furthermore, the construction segment of the Group undertakes construction of the infrastructure assigned to special purpose companies of the Group in the form of Public-Private Partnerships. Finally, the construction segment of the Group renders services to third parties mainly in small scale infrastructure works under the capacity of the main contractor or subcontractor, or through joint ventures.

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

iii. **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.

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidation eliminations**	**Consolidated total**
31st December 2021							
Continuing operations							
Revenue							
Sales of products and services	27.694	224.427	132.317	4.321	16.647	–	**405.406**
Intersegment revenue	96.345	–	–	–	–	(96.345)	–
Total revenue from continuing operations	**124.039**	**224.427**	**132.317**	**4.321**	**16.647**	**(96.345)**	**405.406**
Cost of sales	(113.606)	(87.623)	(129.828)	(3.810)	(14.682)	86.119	**(263.430)**
Gross profit from continuing operations	**10.433**	**136.804**	**2.489**	**511**	**1.965**	**(10.226)**	**141.976**
Administrative and distribution expenses	(805)	(22.277)	(621)	(511)	(641)	8	(24.847)
Research and development expenses	(306)	(4.967)	–	–	–	–	(5.273)
Other income/(expenses) and other gain/(losses)-EBIT determinants	41	9.115	(2.070)	50	1.183	1	8.320
Operating results (EBIT) from continuing operations	**9.363**	**118.675**	**(202)**	**50**	**2.507**	**(10.217)**	**120.176**
Other income/(expenses) and other gain/(losses)- non-EBIT determinants	–	739	(18)	–	–	–	721
Operating results from continuing operations	**9.363**	**119.414**	**(220)**	**50**	**2.507**	**(10.217)**	**120.897**
Financial income	370	521	–	1.284	3.697	–	**5.872**
Financial expenses	(650)	(30.082)	(52)	(1.120)	(673)	39	**(32.538)**
Gains/(Losses) from financial instruments measured at fair value	–	(873)	–	–	–	–	**(873)**
Revenue from participating interest and other investments	–	735	–	–	–	–	**735**
Gains/(losses) from disposals and valuation of participations and other investments	–	–	3.994	–	–	–	**3.994**
Share of results of assosiates and joint ventures	–	350	–	–	–	–	**350**
profit before tax from continuing operations	**9.083**	**90.065**	**3.722**	**214**	**5.531**	**(10.178)**	**98.437**
Income tax expense	(1.848)	(22.258)	(213)	(40)	(1.160)	–	**(25.519)**
Net profit for the year from continuing operations	**7.235**	**67.807**	**3.509**	**174**	**4.371**	**(10.178)**	**72.918**
Depreciation	(109)	(48.563)	(37)	(144)	(14)	1.883	**(46.984)**
Grants' amortisation	–	5.374	–	–	–	–	**5.374**

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidatio**	**Consolidated total**
Discontinued operations							
Revenue and other income from discontinued operations	–	32.746	–	–	–	–	**32.746**
Net (losses)/profit for the year from discontinued operations	–	(94.035)	–	–	–	–	**(94.035)**
Net (losses)/profit for the year from continuing and discontinuing operations	**7.235**	**(26.228)**	**3.509**	**174**	**4.371**	**(10.178)**	**(21.117)**

Operating segments	**Construction**	**Electricity from RES**	**Electricity trading**	**Waste management**	**E-Ticket**	**Intersegment consolidation eliminations**	**Consolidated total**
31st December 2021							
Segment assets (except of investments)	79.970	1.542.667	90.428	53.874	43.104	(44.443)	**1.765.600**
Investment in associates and joint ventures	–	4.318	–	–	–	–	**4.318**
Total assets	**79.970**	**1.546.985**	**90.428**	**53.874**	**43.104**	**(44.443)**	**1.769.918**
Segment liabilities	**17.283**	**1.180.388**	**55.362**	**56.205**	**29.037**	**–**	**1.338.275**
Long-term loans	126	805.739	–	50.992	15.287	–	**872.144**
Short-term loans	–	40.425	–	–	–	–	**40.425**
Long-term liabilities carried forward	180	66.946	–	310	3.530	–	**70.966**
Cash and cash equivalents	(50.860)	(312.169)	(21.406)	(2.567)	(10.407)	–	**(397.409)**
Grants to be rebated (Note 21)	–	3.024	–	–	–	–	**3.024**
Restricted cash (Note 21)	–	(59.401)	(77)	(1.316)	(399)	–	**(61.193)**
Net debt/(surplus)	**(50.554)**	**544.564**	**(21.483)**	**47.419**	**8.011**	**–**	**527.957**
Lease liabilities	1.876	17.925	43	–	8	–	**19.852**
Capital expenditures for the year	27	229.112	3	227	3	(11.997)	**217.375**

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total
31st December 2020 *							
Continuing operations							
Revenue							
Sales of products and services	5.460	193.993	35.949	4.320	8.969	–	**248.691**
Intersegment revenue	21.223	–	–	–	–	(21.223)	**–**
Total revenue from continuing operations	**26.683**	**193.993**	**35.949**	**4.320**	**8.969**	**(21.223)**	**248.691**
Cost of sales	(27.075)	(80.240)	(35.445)	(3.561)	(8.163)	22.774	**(131.710)**
Gross profit from continuing operations	**(392)**	**113.753**	**504**	**759**	**806**	**1.551**	**116.981**
Administrative and distribution expenses	(637)	(21.163)	(366)	(241)	(536)	–	**(22.943)**
Research and development expenses	(128)	(2.716)	–	(56)	–	–	**(2.900)**
Other income/(expenses) and other gain/(losses)-EBIT determinants	380	1.406	686	26	(2)	–	**2.496**
Operating results (EBIT) from continuing operations	**(777)**	**91.280**	**824**	**488**	**268**	**1.551**	**93.634**
Other income/(expenses) and other gain/(losses)- non-EBIT determinants	(104)	(5.082)	(66)	23	42	–	**(5.187)**
Operating results from continuing operations	**(881)**	**86.198**	**758**	**511**	**310**	**1.551**	**88.447**
Financial income	349	366	1	1.292	3.901	–	**5.909**
Financial expenses	(125)	(21.068)	(34)	(1.107)	(793)	2	**(23.125)**
Gains/(Losses) from financial instruments measured at fair value	–		–	–	–	–	**–**
Revenue from participating interest and other investments	13	–	–	–	–	–	**13**
Gains/(losses) from disposals and valuation of participations and other investments	–	(1)	–	–	–	–	**(1)**
Share of results of assosiates and joint ventures	–	166	–	–	–	–	**166**
profit before tax from continuing operations	**(644)**	**65.661**	**725**	**696**	**3.418**	**1.553**	**71.409**
Income tax expense	24	(15.076)	(226)	(143)	(807)	–	**(16.228)**
Net profit for the year from continuing operations	**(620)**	**50.585**	**499**	**553**	**2.611**	**1.553**	**55.181**
Depreciation	(47)	(43.571)	(16)	(105)	(8)	1.705	**(42.042)**
Grants' amortisation	–	5.381	–	–	–	–	**5.381**

(Amounts in thousands of Euros unless mentioned otherwise)

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidatio	Consolidated total
Discontinued operations							
Revenue and other income from discontinued operations	–	(79.400)	–	–	–		**(79.400)**
Net (losses)/profit for the year from discontinued operations	–	18.253	–	–	–	–	**18.253**
Net (losses)/profit for the year from continuing and discontinuing operations	**(620)**	**68.838**	**499**	**553**	**2.611**	**1.553**	**73.434**

Operating segments	Construction	Electricity from RES	Electricity trading	Waste management	E-Ticket	Intersegment consolidation eliminations	Consolidated total
31st December 2020 *							
Segment assets (except of investments)	14.500	1.887.384	18.216	49.429	34.600	(34.264)	**1.969.865**
Investment in associates and joint ventures	–	4.629	–	–	–	–	**4.629**
Total assets	**14.500**	**1.892.013**	**18.216**	**49.429**	**34.600**	**(34.264)**	**1.974.494**
Segment liabilities	**3.429**	**1.410.386**	**10.102**	**32.843**	**21.640**	**–**	**1.478.400**
Long-term loans	–	814.658	–	27.262	15.312	–	**857.232**
Short-term loans	–	27.451	36	–	–	–	**27.487**
Long-term liabilities carried forward	–	66.027	–	490	2.847	–	**69.364**
Cash and cash equivalents	–	(263.429)	(2.288)	(16.434)	(8.756)	–	**(290.907)**
Grants to be rebated (Note 21)	–	3.024	–	–	–	–	**3.024**
Restricted cash (Note 21)	–	(52.573)	(673)	–	–	–	**(53.246)**
Net debt/(surplus)	**–**	**595.158**	**(2.925)**	**11.318**	**9.403**	**–**	**612.954**
Lease liabilities	–	11.718	56	5	3	–	**11.782**
Equity interests having a substance of financial liability	–	281.263	–	–	–	–	**281.263**
Capital expenditures for the year	36	88.499	61	448	11	(183)	**88.872**

** Amounts adjusted to include only continuing operations. The results of discontinued operations are disclosed separately and analyzed in a special note (see Note 7.1), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*
In addition, the comparative figures for the year 2020 have been revised by the impact in the changes of the accounting policy of IAS 19 (see Note 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

Geographical segments (continuing operations)	Greece	Eastern Europe	USA	Consolidated total
31/12/2021				
Revenue	306.920	97.289	1.197	**405.406**
Non-current assets	1.025.66	111.876	2.959	**1.140.496**
Capital expenditures	217.102	19	254	**217.375**
31/12/2020 *				
Revenue	200.014	48.482	195	**248.691**
31/12/2020 *				
Non-current assets	824.096	119.925	548.385	**1.492.406**
Capital expenditures	84.279	–	4.593	**88.872**

**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 7.1), in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations".*
Moreover, the comparative figures for the year 2020 have been revised by the impact in the changes of the accounting policy of IAS 19 (see Note 2.6.3).

The turnover in the energy segment, from continuing activities, 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 fiscal year ended December 31st, 2021, an amount of € 146,7million (36,2%) 2020: € 153,6 million (61,8%) of the turnover from continuing activities of the Group derived from an external customer (Customer A) active in the electricity sector.

7. BUSINESS COMBINATION

7.1 Loss of Control over the Group's 3 Wind Parks in Texas, USA – Discontinued Operations

7.1.1 General Overview of the February 2021 Natural Phenomenon in Texas, USA and its Impact on Energy Consumption, Energy Infrastructure and Energy Costs

Within the year under consideration and specifically on 11/02/2021, bad weather of unprecedented power and severity hit most areas of the State of Texas, in the United States of America,, 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 (three) Wind Farms in Texas - Fluvanna 1, Fluvanna 2 / Gopher Greek and Bearkat I – of total capacity of 510MW - hereinafter referred to as "the three (3) Wind Farms")], 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 farm machines resulted in their shutdown due to eccentric load.

The 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 farms 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.

7.1.2 Financial burden on the three (3) Wind Parks of the Group because of the Natural Phenomenon

In the case of the Group's 3 (three) Wind Farms, 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 Farms, 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 7.1.3.

7.1.3 Actions and decisions of the Management of the 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, 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 farms 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, because 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, and Lender) and their legal advisors continued with increasing intensity, 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 farms 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 Farms 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 € 94,04 million Euros (see Note 7.1.4 κατωτέρω). 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 Farms 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 farms through borrowing from the CIP).

Note 7.1.4 below presents the Management's decision to divest from the three (3) Wind Farms in Texas, as well as the total accounting loss recognized because of the consolidated results for 2021. Finally, it is emphasized that the loss from Disinvestment from the 3 Wind Farms 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 ENERGIAKI. As a result of the above, apart from the accounting loss recognized in 2021 (see Note 7.1.4 below) no liquidity or financing issues arose for the Group.

7.1.4 Sale of Three (3) Wind Parks of the Group in Texas, USA

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 Farms" or "Disposal Team".

According to the terms of the signed agreement, CIP (through its affiliated companies) purchased the right to purchase the Class B Interests of the above companies, and the Group purchased 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 (three) 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 Farms, 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. According to the definitions of IFRS 10, control exists when the investor exercises power over the investee, holds positions or variable returns 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 farms in Texas, USA. Therefore, the Group divested from these investments, through the theoretical sale (deemed disposal) following the Put Call Options Agreement, which led to a substantial loss of control (the three (3) Wind Farms were considered as a Disposal Team 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 to finance the construction of these Wind farms (non-cash consideration that essentially relates to the transfer of loans to the Buyer at the date of completion of the transaction - see Note 22).

(Amounts in thousands of Euros unless mentioned otherwise)

On July 23, 2021, the Group, through its subsidiaries SPONSOR BEARKAT I HOLDCO, LLC, FLUVANNA INVESTMENTS 2, LLC, and FLUVANNA I INVESTOR, INC, exercised the put option that it had acquired through the above Put & Call Option Agreement. As a result of that exercise, the Contract for the Sale and Purchase of Class B company shares (interests) of the three (3) wind farms "Disposal Group of Assets" was signed on September 30, 2021. With the signing of this agreement, the process of transferring the aforementioned company shares to CIP was completed.

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 year 2021, the Gains / (Losses) of these Wind Parks which were previously fully consolidated i.e. until 30/06/2021, 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 7.1.5).

Details of the book values of the net assets of the above Wind Farms at the date of loss of control are as follows:

Deemed disposal as a result of the Put Call Option Agreement, which led to a loss of control	**Book values at the date of loss of control**
Assets	
Non current assets	536.560
Current assets other than cash	22.070
Cash and cash equivalents	8.031
Total assets	**566.661**
Liabilities	
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
Total liabilities	**481.263**
Net assets disposed	**85.398**

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

Cash consideration ($1.00)	–
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
Theoretical selling price (a)	**194.356**
Disposal costs (b)	**1.076**

(Amounts in thousands of Euros unless mentioned otherwise)

Book value of the Disposal Group of Entities (c)	**85.398**
Profit from the presumed sale of the 3 Wind Parks as a result of the loss of control (a) - (b) - (c)	**107.882**
Less: Reclassification of other comprehensive income related to discontinued operations in current year results	(39.925)
Total profit from the presumed sale as a result of the loss of control	**67.957**
Results from the discontinued operations of the 3 Wind Parks for the period 01/01 – 31/12/2021	(161.992)
Overall results from discontinued operations (see Note 7.1.5.2)	**(94.035)**

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 Team 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 Farms in Texas, USA, the total loss for the Group was reduced from € 161,99 million to € 94,04 million No further liquidity or financing issues arose for the Group..

In accordance with the above details, the presumed sale of the three (3) Wind Farms 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 farms. 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 counterbalance 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 the Group's loan obligations to CIP) occurred on 30/09/2021, when the Class B Interests (company shares) were transferred to the Buyer, i.e. the relevant Purchase & Sale Agreement was signed concerning the company shares to the CIP.

7.1.5 Discontinued Operations of the Group

7.1.5.1 Discontinued operations for the comparative reporting period (01/01 - 31/12/2020)

The data of the consolidated Income Statement for the comparative reporting period (01/01 - 31/12/2020) 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 Farms (Sponsor Bearkat I, Gopher HoldCo and Fluvanna HoldCo) in Texas, USA for the period 01/01 – 31/12/2020 (due to the loss of control on 30/06/2021 - see Note 7.1.3 and 7.1.4).

(Amounts in thousands of Euros unless mentioned otherwise)

• the results of the Mountain Air Wind Farm in Idaho, USA for the period 01/01 – 31/12/2020 (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 farm (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 farms 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 7.1.3), 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 periodo 01/01 - 31/12/2020.

7.1.5.2 Net Results of the Group from Discontinued Operations

The net results of the Group from discontinued operations for the periods 01/01 – 31/12/2021 and 01/01 – 31/12/2020 are analyzed as follows:

	01/01 - 31/12/2021	**01/01 - 31/12/2020**
Revenue	32.132	79.400
Cost of sales	(21.337)	(51.460)
Gross profit	**10.795**	**27.940**
Administrative and distribution expenses	(104)	(329)
Other income/(expenses)	(145.360)	8.532
Results from Operating Activities	**(134.669)**	**36.143**
Financial income	260	45
Financial expenses	(19.447)	(44.580)
Losses from financial instruments measured at fair value	(7.991)	(412)
Gains from disposals and valuation of participations and other investments	–	27.453
Losses before income tax	**(161.847)**	**18.650**
Income tax expense	(145)	(397)
Net operating losses	**(161.992)**	**18.253**
Less: Reclassification of other comprehensive income related to discontinued operations in current year results	(39.925)	–
Profit from the presumed sale of the 3 Wind Parks as a result of the loss of	107.882	–
Net loss for the period from discontinued operations	**(94.035)**	**18.253**

The table below presents the net cash flows from operating, investment and financial activities related to discontinued operations for the periods 01/01 - 31/12/2021 and 01/01 - 31/12/2020:

(Amounts in thousands of Euros unless mentioned otherwise)

Cash flow analysis of discontinued operations	01/01 - 31/12/2021	01/01 - 31/12/2020
Net cash flows from operating activities	(28.234)	76.157
Net cash flows from investment activities	–	43.608
Net cash flows from financial activities	26.313	(61.519)
Total net cash flows from discontinued operations	**(1.921)**	**58.246**

The basic earnings per share from discontinued operations for the presented reporting periods 01/01-31/12/2021 and 01/01-31/12/2020 amount to € (0,81288) and € 0,16242 respectively (see detailed calculation method in Note 33). There are no diluted earnings per share from discontinued operations.

7.2 Acquisition of Control of the company OPTIMUS ENERGY S.A. within 2021 (former joint venture)

TERNA ENERGY participates with 51% in the company OPTIMUS ENERGY SA. Despite holding a majority of the voting rights, the Company did not exercise control over OPTIMUS ENERGY SA. According to the definitions of IFRS 10 "Consolidated Financial Statements", as a consequence of the terms included in the relevant shareholders' agreement, the Management had assessed that it exercises joint control in accordance with IFRS 11 "Shares under Joint Control". Therefore, this investment was classified in the item "Investments in Joint Ventures" and was consolidated according to the equity method.

OPTIMUS ENERGY SA aims to provide integrated representation and financial optimization services to Producers of Renewable Energy Sources (RES) in the Greek wholesale electricity market and is licensed by RAE as a Cumulative Representation Agency (CRA). During the financial year 2021, and in particular in October 2021, an act of amendment of the terms of the above shareholders' agreement was signed. As a result, changes were made in the manner of exercising control on OPTIMUS ENERGY SA along with an amendment made in the latter company’s articles of association. Following the above change, certain shareholder rights expired, which previously did not allow the Company to exercise control in accordance with the requirements of IFRS 10. Consequently, and after evaluation of the requirements of IFRS 10, from 25.10.2021 TERNA ENERGY acquired the control of the company OPTIMUS ENERGY SA.

As a result of the above, from 25.10.2021 onwards, OPTIMUS ENERGY SA is consolidated as a subsidiary in the consolidated financial statements by the method of full consolidation. The investment in OPTIMUS ENERGY SA for the period 01/01/2021 – 25/10/2021 was consolidated based on the equity method and therefore, the results of the Group for the annual period ended 31/12/2021 include its share (51%) in the results of the above company and certain profits amounting to € 470 thousand. This amount is included in the item "Share of results of assosiates and joint ventures" of the consolidated Statement of Comprehensive Income based on the percentage held by the Group until 25.10.2021 (i.e. 51%). Respectively, the contribution to the total results of the Group for the period 25/10-31/12/2020 had amounted to € 67 thousand.

Furthermore, in accordance with the requirements of IFRS 3 "Business Combinations", at the date of acquisition of control, the Group measured the existing pre-acquisition equity rights (51%) at fair value. The above estimation indicated a profit of € 3,994 thousand which was recognized in favor of the consolidated results of the year 2021 and was included in the item "Profit / (losses) from sale and valuation of participations and other investments" of the consolidated Income Statement for the year 2021. The measurement of the fair value of OPTIMUS ENERGY SA amounted to € 9,400 thousand and was determined based on the valuation technique of discounted cash flows. The determination of fair value is based on significant assumptions not observable in the market. The main estimates and assumptions are related to the evolution of the future income of the company which is expected to be formed based on the estimated representation that the company is expected to achieve in the total estimated electricity production of the country as planned by the National Energy & Climate Plan. The estimated future cash flows have been discounted at a discount rate of 11.60%.

(Amounts in thousands of Euros unless mentioned otherwise)

Acquired assets and assumed liabilities and Temporary Goodwill

The book values of the assets acquired and the liabilities assumed in October 2021 and the resulting temporary goodwill are as follows:

	Temporary book values at the acquisition of control
ASSETS	
Intangible assets και Right-of-use assets	179
Property, plant and equipment	6
Other long-term receivables	5
Trade receivables και Receivables from contracts with customers	7.422
Prepayments and other receivables	23.285
Cash and cash equivalents	22.914
TOTAL ASSETS	**53.811**
Liabilities	
Lease liabilities	1
Suppliers και Liabilities from contracts with customers	337
Accrued and other short-term liabilities	51.626
Income tax payable	279
Total liabilities	**52.243**
Less: Non Controlling interest	(768)
Book Value of acquaried net assets	**800**

The goodwill arising from the above transaction, and which is included in the respective item of the consolidated Statement of Financial Position was determined based on the book values of OPTIMUS on 25/10/2021 and is deemed to be temporary. The process of determining the fair value of the acquired assets and liabilities, the purchase price allocation and the consequent final determination of the relevant goodwill is underway, as the Group made use of the option provided by IFRS 3 "Business Combinations" for the finalization of the above figures within the 12-month period from the date of acquisition of control.

(Amounts in thousands of Euros unless mentioned otherwise)

Consideration of obtaining control	–
Fair Value of owned shares (51% - see above)	4.794
Less: Obtained Net Asset	(800)
Temporary Goodwill	**3.994**

The total income after taxes and non-controlling interests of OPTIMUS ENERGY SA for the period 25/10/2021 up to 31/12/2021 amounted to earnings of € 67 thousand and were included in the consolidated Statement of Comprehensive Income of the Group. If the above company had been fully consolidated with the above percentage from 01/01/2021, then the consolidated turnover would have increased by € 2,006 thousand, while the consolidated earnings after taxes and non-controlling interests would have increased by € 989 thousand.

8. INTANGIBLE ASSETS

The intangible assets of the Group and the Company and their movement for the periods 1 January to 31 December 2021 και 2020, presented in the attached financial statements, are analyzed as follows:

	GROUP		
	Concessions and Rights	**Software**	**Total**
Acquisition value			
1 January 2020	**39.576**	**876**	**40.452**
Additions	898	443	**1.341**
Disposals/Write offs	(41)	–	**(41)**
Additions due to acquisition	30.611	–	**30.611**
Reductions from disposal of subsidiaries	(8.476)	–	**(8.476)**
Foreign exchange differences	(163)	–	**(163)**
31st December 2020	**62.405**	**1.319**	**63.724**
1 January 2021	**62.405**	**1.319**	**63.724**
Additions	792	904	**1.696**
Impairment/write-offs	(49)	(222)	**(271)**
Additions due to acquisition of subsidiaries (7.2)	184	29	**213**
31st December 2021	**63.332**	**2.030**	**65.362**
Accumulated Amortisation			
1 January 2020	**(14.672)**	**(436)**	**(15.108)**
Amortisation	(939)	(141)	**(1.080)**
Amortisation of disposals/write-offs	23	–	**23**
Amortisation from discontinued operations (see Note 7.1.5)	(175)	–	**(175)**
Accumulated amortisation of subsidiaries disposed	2.867	–	**2.867**

(Amounts in thousands of Euros unless mentioned otherwise)

Foreign exchange differences	50	–	**50**
31st December 2020	**(12.846)**	**(577)**	**(13.423)**
1 January 2021	**(12.846)**	**(577)**	**(13.423)**
Amortisation	(1.044)	(181)	**(1.225)**
Impairment/write-offs	8	222	**230**
Additions due to acquisition of subsidiaries (7.2)	(26)	(9)	**(35)**
31st December 2021	**(13.908)**	**(545)**	**(14.453)**
Net Book Value			
31st December 2020	**49.559**	**742**	**50.301**
31st December 2021	**49.424**	**1.485**	**50.909**

	COMPANY		
	Concessions and Rights	**Software**	**Total**
Acquisition value			
1 January 2020	**3.433**	**875**	**4.308**
Additions	–	434	**434**
Disposals/Write offs	(38)	**–**	**(38)**
31st December 2020	**3.395**	**1.309**	**4.704**
1 January 2021	**3.395**	**1.309**	**4.704**
Additions	–	905	**905**
Impairment/write-offs	(44)	**(222)**	**(266)**
31st December 2021	**3.351**	**1.992**	**5.343**
Accumulated Amortisation			
1 January 2020	**(1.763)**	**(435)**	**(2.198)**
Amortisation	(105)	(141)	**(246)**
Amortisation of disposals	23	–	**23**
31st December 2020	**(1.845)**	**(576)**	**(2.421)**
1 January 2021	**(1.845)**	**(576)**	**(2.421)**
Amortisation	(116)	(178)	**(294)**
Impairment/write-offs	7	222	**229**
31st December 2021	**(1.954)**	**(532)**	**(2.486)**
Net Book Value			
31st December 2020	**1.550**	**733**	**2.283**
31st December 2021	**1.397**	**1.460**	**2.857**

(Amounts in thousands of Euros unless mentioned otherwise)

Amortization of the Group's intangible assets for the year 2021 has been recorded in the Cost of Sales by € 996 thousand (€ 1.072 thousand in 2020), in the Administrative and Distribution Expenses € 218 thousand (€ 184 thousand in 2020) and in the Research and Development Expenses by € 11 thousand (€ 0 in 2020). Respectively, the amortization of the Company's intangible assets for the year 2021 has been recorded in the Cost of Sales by € 114 thousand (€ 110 thousand in 2020), in the Administrative and Distribution Expenses by € 169 thousand (€ 136 thousand in 2020) and in Research and Development Expenses by € 11 thousand (€ 0 in 2020).

During the previous year, the Group recognized intangible assets of € 30,611 thousand as a result of the acquisition of the subsidiary RF ENERGY OMALIES SA, which was subsequently renamed into TERNA ENERGY OMALIES SA. These intangible assets (wind farm licenses) will start to be amortized on the date of completion of the construction of each farm and the date of electrification of the wind farms. In the interim reporting periods, they are examined for any impairment, in accordance with the relevant requirements of IAS 36 "Impairment of Assets". From the performance of the relevant audit on the reporting date of the annual financial statements, i.e. on 31/12/2021, there was no need to recognize any impairment losses on these intangible assets.

9. RIGHTS IN USE OF ASSETS

The Group and the Company right-of-use assets and changes for the periods 1 January to 31 December 2021 and 2020, presented in the accompanying financial statements, are analyzed as follows:

Group RIGHTS IN USE OF ASSETS

	GROUP			
	Land-Plots	**Buildings and Installations**	**Vehicles**	**Total**
<u>**Acquisition value**</u>				
1 January 2020	**7.774**	**1.974**	**92**	**9.840**
Additions and changes due to modification of existing contract	3.208	527	54	**3.789**
Additions due to acquisition of subsidiaries	582	–	–	**582**
Foreign exchange differences	(245)	(46)	–	**(291)**
31st December 2020	**11.319**	**2.455**	**146**	**13.920**
1 January 2021	**11.319**	**2.455**	**146**	**13.920**
Additions and changes due to modification of existing contract	6.083	2.921	6	**9.010**
Additions due to acquisition of subsidiaries	–	1	–	**1**
Foreign exchange differences	(29)	35	–	**6**
31st December 2021	**17.373**	**5.412**	**152**	**22.937**

(Amounts in thousands of Euros unless mentioned otherwise)

Accumulated Depreciation				
1 January 2020	**(369)**	**(1.036)**	**(34)**	**(1.439)**
Depreciation	(433)	(391)	(23)	**(847)**
Changes due to modifications of exsiting contracts	4	–	–	**4**
Foreign exchange differences	20	19	–	**39**
31st December 2020	**(778)**	**(1.408)**	**(57)**	**(2.243)**
1 January 2021	**(778)**	**(1.408)**	**(57)**	**(2.243)**
Depreciation	(668)	(577)	(27)	**(1.272)**
Changes due to modifications of exsiting contracts	107	23	–	**130**
Foreign exchange differences	5	(22)	–	**(17)**
31st December 2021	**(1.334)**	**(1.984)**	**(84)**	**(3.402)**
Net Book Value				
31st December 2020	**10.541**	**1.047**	**89**	**11.677**
31st December 2021	**16.039**	**3.428**	**68**	**19.535**

Depreciation of the Group's right-of-use assets for FY 2021 has been recorded in the Cost of Sales by € 686 thousand (€ 455 thousand in 2020), in the Administration and Distribution Expenses by € 387 thousand (€ 368 thousand in 2020), in the Research and Development Expenses by € 148 thousand (€ 23 thousand in 2020) and in the item Other Income / (expenses) by € 1 thousand (€ 1 thousand in 2020).

The additions & changes from the amendment of existing contracts of the year 2021 of the Group amounting to € 9,010 thousand derive mostly from additions of the Company amounting to € 8,620 thousand and are mainly due to additions of land plots amounting to € 5,717 thousand and buildings and facilities amounting to € 2,897 mm (see table below).

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	COMPANY			
	Land-Plots	**Buildings and Installations**	**Vehicles**	**Total**
Acquisition value				
1 January 2020	**677**	**1.367**	**46**	**2.090**
Additions and changes due to modification of existing contract	2.729	527	–	**3.256**
31st December 2020	**3.406**	**1.894**	**46**	**5.346**
1 January 2021	**3.406**	**1.894**	**46**	**5.346**

(Amounts in thousands of Euros unless mentioned otherwise)

Additions and changes due to modification of existing contract	5.717	2.897	6	**8.620**
31st December 2021	**9.123**	**4.791**	**52**	**13.966**
Accumulated Depreciation				
1 January 2020	**(31)**	**(883)**	**(23)**	**(937)**
Depreciation	(33)	(251)	(11)	**(295)**
31st December 2020	**(64)**	**(1.134)**	**(34)**	**(1.232)**
1 January 2021	**(64)**	**(1.134)**	**(34)**	**(1.232)**
Depreciation	(239)	(434)	(7)	**(680)**
Write offs	95	9	–	**104**
31st December 2021	**(208)**	**(1.559)**	**(41)**	**(1.808)**
Net Book Value				
31st December 2020	**3.342**	**760**	**12**	**4.114**
31st December 2021	**8.915**	**3.232**	**11**	**12.158**

Depreciation of the Company's right-of-use assets for FY 2021 has been recorded in Cost of Sales by € 248 thousand (€ 47 thousand in 2020), in Administrative and Distribution Expenses by € 284 thousand (€ 225 thousand in 2020), in Research and Development Expenses by € 148 thousand (€ 22 thousand in 2020) and in the Other income/ (expenses) by € 1 thousand (€ 1 thousand in 2020).

10. TANGIBLE ASSETS

The Group's and the Company's tangible fixed assets and their movements for the periods from 1 January to 31 December 2021 and 2020, in the accompanying financial statements, are analyzed as follows:

	GROUP						
	Land-Plots	**Buildings and Installation**	**Technological and Mechanical equipment**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Acquisition value							
1 January 2020	**5.051**	**122.245**	**1.798.293**	**1.945**	**5.139**	**53.135**	**1.985.808**
Additions	180	2.962	55.971	94	470	24.487	**84.164**
Borrowing cost	–	–	1.900	–	–	507	**2.407**
Disposals/Write offs	1	(30)	(355)	(157)	(2.050)	(269)	**(2.860)**
Dismatling provision	–	–	960	–	–	–	**960**
Tranfers	–	15.870	25.701	–	–	(41.571)	**–**
Reclassifications	(2.380)	–	–	–	–	–	**(2.380)**
Additions due to acquisition of subsidiaries	200	–	(563)	–	–	3.915	**3.552**
Reductions from disposal of subsidiaries	–	(13.260)	(221.098)	–	–	–	**(234.358)**
Foreign exchange differences	–	(2.285)	(65.865)	(31)	(17)	(89)	**(68.287)**
31st December 2020	**3.052**	**125.502**	**1.594.944**	**1.851**	**3.542**	**40.115**	**1.769.006**

(Amounts in thousands of Euros unless mentioned otherwise)

1 January 2021	**3.052**	**125.502**	**1.594.944**	**1.851**	**3.542**	**40.115**	**1.769.006**
Additions	350	2.819	27.608	38	1.183	182.708	**214.706**
Borrowing cost	–	–	186	–	–	529	**715**
Disposals/Write offs	(200)	–	(3.381)	(411)	–	–	**(3.992)**
Dismatling provision	–	–	258	–	–	–	**258**
Impairment/write-offs	–	–	–	–	(422)	–	**(422)**
Tranfers	–	607	9.351	–	–	(9.949)	**9**
Additions due to acquisition of subsidiaries (7.2)	–	–	–	–	7	–	**7**
Reductions from loss of control of subsidiaries (see Note 7.3.4)	–	(18.358)	(589.477)	–	(8)	118	**(607.725)**
Foreign exchange differences	–	534	17.778	25	2	190	**18.529**
31st December 2021	**3.202**	**111.104**	**1.057.267**	**1.503**	**4.304**	**213.711**	**1.391.091**
Accumulated Depreciation							
1 January 2020	**–**	**(37.640)**	**(399.693)**	**(1.274)**	**(3.894)**	**–**	**(442.501)**
Depreciation	–	(3.454)	(36.303)	(119)	(242)	–	**(40.118)**
Depreciation of disposals	–	30	204	93	2.050	–	**2.377**
Depreciation from discontinued operations (see Note 7.1.5)	–	(1.032)	(28.613)	–	(1)	–	**(29.646)**
Accumulated depreciation of subsidiaries disposed (see Note 7.2)	–	4.485	74.037	–	–	–	**78.522**
Foreign exchange differences	–	397	8.907	11	11	–	**9.326**
31st December 2020	**–**	**(37.214)**	**(381.461)**	**(1.289)**	**(2.076)**	**–**	**(422.040)**
1 January 2021	**–**	**(37.214)**	**(381.461)**	**(1.289)**	**(2.076)**	**–**	**(422.040)**
Depreciation	–	(4.080)	(39.994)	(98)	(367)	17	**(44.522)**
Depreciation of disposals/write-offs	–	–	650	250	–	–	**900**
Impairment/write-offs	–	–	–	–	422	–	**422**
Tranfers	–	–	(9)	–	–	–	**(9)**
Depreciation from discontinued operations (see Note 7.1.5)	–	(373)	(11.769)	–	(1)	–	**(12.143)**
Additions due to acquisition of subsidiaries (7.2)	–	–	–	–	(1)	–	**(1)**
Accumulated depreciation of subsidiaries disinvested (see Note 7.1.4)	–	2.614	68.550	–	1	–	**71.165**
Foreign exchange differences	–	(52)	(1.407)	(10)	(3)	–	**(1.472)**
31st December 2021	**–**	**(39.105)**	**(365.440)**	**(1.147)**	**(2.025)**	**17**	**(407.700)**
Net Book Value							
31st December 2020	**3.052**	**88.288**	**1.213.483**	**562**	**1.466**	**40.115**	**1.346.966**
31st December 2021	**3.202**	**71.999**	**691.827**	**356**	**2.279**	**213.728**	**983.391**

	COMPANY						
	Land-Plots	**Buildings and Installation**	**Technological and Mechanical equipment**	**Vehicles**	**Furniture and fixtures**	**Assets under construction**	**Total**
Acquisition value							
1 January 2020	**896**	**11.206**	**150.731**	**1.040**	**4.454**	**10.178**	**178.505**
Additions	124	19	441	–	432	610	**1.626**
Disposals/Write offs	–	(31)	(332)	–	(2.050)	(269)	**(2.682)**
31st December 2020	**1.020**	**11.194**	**150.840**	**1.040**	**2.836**	**10.519**	**177.449**
1 January 2021	**1.020**	**11.194**	**150.840**	**1.040**	**2.836**	**10.519**	**177.449**

(Amounts in thousands of Euros unless mentioned otherwise)

Additions	329	1.994	4	38	685	1.657	**4.707**
Borrowing cost	–	–	–	–	–	57	**57**
Disposals/Write offs	–	–	(1.120)	–	–	–	**(1.120)**
Impairment/write-offs	–	–	–	–	(422)	–	**(422)**
Tranfers	–	–	9	–	–	–	**9**
31st December 2021	**1.349**	**13.188**	**149.733**	**1.078**	**3.099**	**12.233**	**180.680**
Accumulated Depreciation							
1 January 2020	**–**	**(7.138)**	**(86.594)**	**(838)**	**(3.548)**	**–**	**(98.118)**
Depreciation	–	(341)	(5.442)	(44)	(193)	–	**(6.020)**
Depreciation of disposals	–	30	195	–	2.050	–	**2.275**
31st December 2020	**–**	**(7.449)**	**(91.841)**	**(882)**	**(1.691)**	**–**	**(101.863)**
1 January 2021	**–**	**(7.449)**	**(91.841)**	**(882)**	**(1.691)**	**–**	**(101.863)**
Depreciation	–	(341)	(5.460)	(45)	(314)	–	**(6.160)**
Depreciation of disposals/write-offs	–	–	575	–	–	–	**575**
Impairment/write-offs	–	–	–	–	422	–	**422**
Tranfers	–	–	(9)	–	–	–	**(9)**
31st December 2021	**–**	**(7.790)**	**(96.735)**	**(927)**	**(1.583)**	**–**	**(107.035)**
Net Book Value							
31st December 2020	**1.020**	**3.745**	**58.999**	**158**	**1.145**	**10.519**	**75.586**
31st December 2021	**1.349**	**5.398**	**52.998**	**151**	**1.516**	**12.233**	**73.645**

The account "Technological and mechanical equipment" totaling € 691.827 thousand regarding the Group and € 52.998 thousand regarding the Company includes Wind Farm generators that have been collateralized at credit institutions as security for 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.

The categories "Land-Plots", "Buildings and installations" and "Technological and mechanical equipment" include Group's fixed assets at book value of € 72.228 thousand (2020: € 73.078 thousand) relating to Installations Distribution Networks built by the Company and as provided for in contracts with HEDNO are being transferred to HEDNO free of charge at the commencement of operation of each Wind Park. However, even after their transfer, these installations continue to serve the purpose for which they were constructed, i.e. the sale of electricity generated to HEDNO and DAPEEP, remaining in the exclusive use of the Group and therefore the unamortized cost, at the date of the transfer, it continues to be depreciated, as before, until the 25-year depreciation period of the Wind Parks has expired.

In 2021 the Group's additions to Technological and Mechanical Equipment of € 27.608 thousand in total, mainly relate to additions of amount:

- € 15,744 thousand concerning the construction of a wind farm at the location TARATSA (33.6 MW) of the Municipality of Thebes through the subsidiary AIOLIKI PROVATA TRAIANOUPOLEOS MAE,
- € 711 thousand and € 2,532 thousand concerning the wind farms at the location MESOPIKI (9 MW) and AGRIACHLADIA (22.5 MW), respectively, of the Municipality of Kymi - Aliveri through the subsidiary ENERGIAKI DYSTION EVIA SA,
- € 262 thousand, € 220 thousand and € 7,390 thousand concerning the wind farms at the location VOUREZA (7.2 MW), PYRGARI II (9.9 MW) and KOSKINA-LAKKA (7.65MW), respectively, of the Municipality of Kymi - Aliveri through the subsidiary AIOLIKI EASTERN GREECE SA.

The additions to the Group's assets under construction for the fiscal year 2021 amount to € 182.708 thousand mainly related to additions:

- € 75,087 thousand concerning the construction of the following wind farms (W/F) in the Municipality of Karystos: OMALIES W/F 30MW, OMALIES II W/F 15MW, KORAKOVRACHOS W/F 21MW, KORAKOVRACHOS II W/F 6MW, KALAMAKI W/F 6MW, KALAMAKI II W/F 18MW, MILZA W/F 18MW, MOLIZEZA I W/F 18MW, DEXAMENES II W/F 15MW and PRARO W/F 36MW, through the subsidiary TERNA ENERGY OMALIES M.A.E.,
- € 10,465 thousand concerning advances to suppliers of the Company which, at the Group level, are classified as advances for the acquisition of fixed assets (see Note 19).

The reductions presented in the line "Reductions from loss of control of subsidiaries" of net book value of € 536,560 thousand, relate to reductions due to the loss of control, on 30/06/2021, of the subsidiaries of TERNA DEN LLC Sub-Group, which own and operate the three (3) Wind farms in Texas, USA (see Note 7.1.4).

The transfers from the "Assets under construction" amounting to € 9.949 thousand resulted from the completion, within 2021, of the construction of the following wind farms:

- of the subsidiary AIOLIKI EASTERN GREECE SA at the location KOSKINA LAKKA (7.65 MW) in the Municipality of Dystia
- of the subsidiary AIOLIKI PROVATA TRAIANOUPOLEOS M.A.E. at the location TARATSA (33.6 MW) of the Municipality of Thebes

Depreciation of tangible assets of the Group for the year 2021 has been recorded in the Cost of Sales by € 43.773 thousand (€ 69.575 thousand in 2020), in the Administration and Distribution Expenses by € 167 thousand (€141 thousand in 2020) and in the Research and Development Expenses by € 85 thousand (€ 45 thousand in 2020).

Respectively, the depreciation of the tangible assets of the Company for the year 2021 have been recorded in the Cost of Sales by € 5.927 thousand (€ 5.871 thousand in 2020), in the Administration and Distribution Expenses by € 147 thousand (€ 104 thousand in 2020) and in the Research and Development Expenses by € 85 thousand (€ 45 thousand in 2020).

Within the current year 2021 and the previous year 2020, there was no need to recognize impairment losses on the value of the tangible assets of the Group and the Company.

11. INVESTMENTS IN SUBSIDIARIES

11.1 Analysis of changes of investments in subsidiaries for the year 2021

The subsidiaries of the Company are presented analytically in Note 5.

The change in the book value of investments in subsidiaries in the Company's financial statements is as follows:

(Amounts in thousands of Euros unless mentioned otherwise)

	Company data	
	31/12/2021	**31/12/2020**
Opening balance	**435.525**	**400.287**
Additions	12.635	59.613
Disposals	–	(12)
Company liquidation	–	(89)
Capital return	(31.990)	(23.600)
Recovery of impairment/(impairment)	558	(394)
Transfer from/to joint ventures (see Note 7.2 and 13.1)	123	(280)
Closing balance	**416.851**	**435.525**

The additions of € 12.635 thousand in 2021, relate to share capital increases that took place in existing subsidiaries and in particular:

- Share capital increase of € 8.700 thousand in subsidiary ENERGIAKI KAFIREOS EVIA SA on 22/07/2021. Furthermore, share capital increase of € 1.426 thousand pursuant to the approval as of 27/09/2021 of the establishment of a societe anonyme company with the distinctive title «ENERGIAKI KAFIREOS EVIA SA», which was the successor of the General Partnership with the distinctive title "ENERGIAKI KAFIREOS EVIA GP".
- Rise in share capital of the amount of€ 1.020 thousand in the subsidiary AIOLIKI KARYSTIAS EVIA SA on 03/12/2021.
- Rise in share capital of the amount of€ 561 thousand in the subsidiary AIOLIKI MALEA LAKONIAS SA on 20/09/2021.
- Rise in share capital of the amount of€ 60 thousand in the subsidiary AIOLIKI CENTRAL GREECE MAE on 27/05/2021.
- Rise in share capital of the amount of€ 654 thousand in the subsidiary PERIVALLONTIKI PELOPONNISOU MAE on 22/12/2021.
- Rise in share capital of the amount of€ 214 thousand in the subsidiary ILIAKI PIKROLIMNIS SA on 05/03/2021 and on 28/04/2021.

Return of share capital € 31.990 thousand that took place in 2021, are related with subsidiaries TERNA ENERGY OVERSEAS LTD, VALE PLUS LTD, AIOLIKH PROVATA TRAIANOUPOLEOS, up € 27.600 thousand, € 890 χιλ, and € 3.500 thousand respectively.

Within the year 2021, the liquidation of the companies AIOLIKI ROKANI DERVENOCHORION GP, MALESINA ENERGY LTD and ORCHOMENOS ENERGY LTD was completed. Those companies were already in liquidation status which was completed within the year 2021. Those participations were recorded with zero value in the accounting books of the company.

During the year 2021 the Company recognized dividends collected from the subsidiaries amounting to € 31.594 thousand Those amounts are included in the item "Income from participations and other investments" in the attached separate Financial Statements (see Note 40).

11.2 Assessment of control under IFRS 10

The company HELLAS SMARTICKET AE («HST»), which is 35% owned by the Group in terms of voting rights, is fully consolidated as a subsidiary, since the Group exercises control over it according to the provisions of IFRS 10. More specifically, the Company owned 70% of the share capital of (HST) until 28/11/2017 inclusively, when it sold off 35% of its holding to its parent company GEK TERNA. According to the Management assessment, the Company exercises control over that subsidiary as IFRS 10 criteria are met since it directs the related operations of the subsidiary through the majority of BoD members and key management personnel.

A reassessment of the above judgments was conducted within the current reporting period, and no change was made with respect to the existing approach.

During the current year, as a result of amending the terms of an existing shareholder agreement regarding OPTIMUS ENERGY SA (in which the Company holds 51% of the voting rights) based on which changes were made in the exercise of control, the Group re-evaluated the audit elements according to the requirements of IFRS 10, and concluded that on 25.10.2021 TERNA ENERGY acquired control of the above company, which from this date is fully consolidated as a subsidiary, in the consolidated financial statements of the Group (see Note 7.2).

11.3 Impairment test

In accordance with the applied accounting policies and in line with provisions of IAS 36, the Company performs an impairment test on the assets at the end of each annual reporting period if there is any indication of impairment. The test can be performed earlier if any evidence of impairment arises. The arising evaluation focuses on both - extrinsic and intrinsic factors.

Regarding the impairment test, every wind farm constitutes a Cash Generating Unit (CGU). The recoverable amounts of the above GTUs were determined using the value in use method. Value in use was calculated applying the discounted cash flow method, i.e. projections for cash flows, based on the Management calculations and projections until the end of the useful life of each wind farm.

Assumptions used to determine value in use

The key assumptions applied by Management relate to the determination of the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method) and are as follows:

- Projected sales: Projected sales include management assumptions and estimates that have taken into account historical measurements of electricity generation and electricity sales prices.
- Pre – calculated EBITDA: Operating profit margins and EBITDA are calculated on the basis of the latest years' actuarial data. For the projected period, EBITDA margin for RES is estimated fluctuate between 13% and 82%while for the biomass 35% and 54%.
- Discount rate from 4,05% up to 8,68% per case (for Greece 4,05% - 8,68%, for Poland 4,73% - 7,61% and for Bulgaria 6,58% - 6,60%).

Impairment test results

Based on the results of the impairment test as of 31 December 2021, the comparison of the recoverable amount from the investment costs of the wind farms of the subsidiaries and their book value, resulted in an increase in the investment item in subsidiaries due to reversal of impairment of previous years of € 558 thousand, which concerns the company VALUEPLUS LTD.

(Amounts in thousands of Euros unless mentioned otherwise)

The above profits are included in the item "Gains / (losses) from sale and valuation of participations and other investments" of the separate Income Statement. At the level of consolidated Financial Statements, there was no need to recognize losses or reversal of impairment.

11.4 Subsidiaries with significant percentage of non-controlling interests

The following tables summarize financial data of subsidiaries in which non-controlling interests hold a significant percentage.

Condensed items of the statement of financial position

	HST S.A.		DEI RENEWABLES- TERNA ENERGY S.A.		DELTA AXIOU S.A.	
Non-controlling interest (%)	**65,00%**	**65,00%**	**49,00%**	**49,00%**	**20,00%**	**20,00%**
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/202**	**31/12/2021**	**31/12/2020**
Non-current assets	23.494	22.268	9.276	9.740	3.219	3.445
Current assets	16.524	10.410	7.991	8.931	1.493	1.718
Total assets	**40.018**	**32.678**	**17.267**	**18.671**	**4.712**	**5.163**
Total long-term liabilities	15.691	15.495	11.572	12.345	3.975	3.918
Total short-term liabilities	13.052	6.046	911	1.118	295	618
Total liabilities	**28.743**	**21.541**	**12.483**	**13.463**	**4.270**	**4.536**
Total equity	**11.275**	**11.138**	**4.785**	**5.207**	**442**	**627**
Attributed to:						
Non-controlling interest	7.329	7.240	2.345	2.551	88	125

Condensed items of the statement of comprehensive income

	HST S.A.		DEI RENEWABLES- TERNA ENERGY S.A.		DELTA AXIOU S.A.	
	1-Ιαν		**1-Ιαν**		**1-Ιαν**	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Revenue'	14.490	8.119	2.190	2.231	1.631	1.609
Net profit/(losses) for the year	**2.687**	**2.211**	**561**	**670**	**(187)**	**(257)**
Other comprehensive income for the	–	7	–	(4)	–	–
Total comprehensive income/(losses)	**2.687**	**2.218**	**561**	**666**	**(187)**	**(257)**
Profit/(losses) for the year attributed to non-controlling interests	1.747	1.442	275	326	(37)	(51)

Condensed items of the statement of cash flows

	HST S.A.		DEI RENEWABLES- TERNA ENERGY S.A.		DELTA AXIOU S.A.	
	1-Ιαν		**1-Ιαν**		**1-Ιαν**	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Total inflows/(outflows) from operating	3.191	2.912	(13)	(115)	406	(656)
Total inflows/(outflows) from investing	63	28	(251)	(265)	(1)	(995)
Total inflows/(outflows) from financing	(2.589)	(6.218)	(1.890)	(2.588)	(169)	1.598
Net increase/(decrease) in cash and cash	**665**	**(3.278)**	**(2.154)**	**(2.968)**	**236**	**(53)**

Note: Financial data prior to deletions with the broader Group.

(Amounts in thousands of Euros unless mentioned otherwise)

The Group has no holdings in non-consolidated structured entities.

12. INVESTMENTS IN ASSOCIATES

The Group has participations in affiliated companies that are classified as associates because of their significant influence and are consolidated in the consolidated financial statements based on the equity method (the object of the activity and the Group's shareholdings in these investments are presented in Note 5 of the financial statements).

The Group, based on the associate's contribution to the Group's profits / (loss) before taxes, considered that each of the associates individually is immaterial and therefore it discloses in the table below only its aggregate share in these associates:

	GROUP	
	31/12/2021	31/12/2020
Net losses for the year	(2)	(6)
Total comprehensive loss for the year	**(2)**	**(6)**
Total participating interest of the Group in the carrying amount of associates	**59**	**62**

Change in investments in associates in 2021 and 2020 is as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**62**	**67**	**–**	**–**
Share of results from assosiates	(3)	(5)	–	–
Closing balance	**59**	**62**	**–**	**–**

13. INVESTMENTS IN JOINT ARRANGEMENT

13.1. Investments in joint ventures

The Group holds rights in joint ventures, consolidated under equity method in accordance with the provisions of IAS 28 and presented in Note 5 of the Financial Statements.

Based on the contribution of joint ventures to consolidated profits / (losses) before taxes, the Group considered that every single joint venture is insignificant and, therefore, discloses its share in these associates as an aggregate in the following table:

	GROUP	
	31/12/2021	31/12/2020
Net profit for the year	**352**	**172**
Total comprehensive income for the year	**352**	**172**
Total participating interest of the Group in the carrying amount of joint ventures	**4.259**	**4.567**

(Amounts in thousands of Euros unless mentioned otherwise)

Changes in investments in joint ventures are as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**4.567**	**4.362**	**4.689**	**4.409**
Additions	140	–	140	–
Transfers (Note 5, 7 & 11)	(800)	33	(123)	280
Share of results from joint ventures	352	172	–	–
Closing balance	**4.259**	**4.567**	**4.706**	**4.689**

13.2. Investments in joint operations – Proportional consolidation

The company, accounted for using the proportionate consolidation method in the Company's consolidated and separate financial statements is thoroughly presented in Note 5. The company in question relates to a joint venture with the partner shareholders and is essentially the tax construction consortium J/V GEK TERNA S.A. - TERNA ENERGY S.A. (joint operation), which is not a separate entity under IFRS. The assets and liabilities are being consolidated in proportion to the financial statements of the Group and the Company.

The following amounts represent the Group's share in the assets and liabilities accounts as well as on the profits after tax of the jointly controlled company and are included before eliminations in the Statement of Financial Position, as well as in the Statement of Comprehensive Income of the Group and the Company for the years 2021 και 2020:

	31/12/2021	31/12/2020
Non-current assets	115	42
Cash and cash equivalents	2.495	1.509
Other current assets	813	452
Total assets	**3.423**	**2.003**
Long-term liabilities	35	40
Suppliers	69	47
Other short-term liabilities	670	175
Total liabilities	**774**	**262**
Equity	**2.649**	**1.741**
Revenue	2.177	1.811
Gross profit	1.105	855
Profit (before tax)	1.765	743
Profit (after tax)	1.376	565
Total comprehensive income (after tax)	1.377	567

(Amounts in thousands of Euros unless mentioned otherwise)

In 2021 a turnover of € 19 thousand related to the construction sector while an amount of € 2,158 thousand related to the concessions sector.

14. INVESTMENTS IN EQUITY INTERESTS

Investments in equity interests in 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**2.753**	**2.419**	**2.753**	**2.419**
Additions	374	773	374	773
Return of capital	(249)	–	(249)	–
Fair value adjustment through other comprehensive income	(295)	(439)	(295)	(439)
Closing balance	**2.583**	**2.753**	**2.583**	**2.753**

In 2021, dividends were recognized from investments in equity securities amounting to € 735 thousand, which are included in the item "Income from participations and other investments" in the consolidated and separate financial statements (see Note 11).

15. OTHER LONG-TERM RECEIVABLE

Other Long-term receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Loans to subsidiaries of the Group and other related companies	5	679	120.464	107.559
Guarantees granted	2.603	1.684	1.835	1.310
Other long-term receivables	3.167	3.060	2.893	2.893
Impairments	(812)	(812)	(812)	(812)
Total	**4.963**	**4.611**	**124.380**	**110.950**

The Company participated in bond loan issues of subsidiaries. The loans will be repaid either at their maturity date or through premature repayments and carry an interest rate within the range of 3,25%-4,00%. During 2021 loans amounting to € 43.431 were provided to subsidiaries, while loans amounting to € 16.884 thousand were repaid from subsidiaries. The increase in the item "Loans to Group subsidiaries & other related companies" is mainly due to financing the construction of wind farms of the Group subsidiaries by the parent company.

The reduction of this item by € 674 thousand at the Group level is due to the repayment of a loan granted to TERNA OVERSEAS LTD Construction.

The change in the item "Various Guarantees Granted" concerns mainly guarantees of good payment for the purchase of network usage rights.

(Amounts in thousands of Euros unless mentioned otherwise)

Provision for impairment of long-tern financial assets in 2021 και 2020 is analyzed as follows:

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	**–**	**803**	**–**	**803**	**–**	**811**	**–**	**811**
Provision for credit loss	–	9	–	**9**	–	1	–	**1**
Other transfers	–	(811)	811	**–**	–	(811)	811	**–**
31st December 2020	**–**	**1**	**811**	**812**	**–**	**1**	**811**	**812**

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	**–**	**1**	**811**	**812**	**–**	**1**	**811**	**812**
31st December 2021	**–**	**1**	**811**	**812**	**–**	**1**	**811**	**812**

16. FINANCIAL ASSETS – CONCESSIONS

The Group constructs and operates three concession contracts:

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

B. Urban Waste Treatment Plant of the Region of Epirus: On 21/07/2017 a public and private partnership agreement (PPP) was signed between the EPIRUS REGION and the subsidiary company "AEIFORIKI EPIRUS MONOPROSOPI SPECIAL PURPOSE SOCIETE ANONYME", for the implementation of the project for the “Urban Waste Treatment Plant” of the Region of Epirus. The contract is executed in two periods, the period of project and the service period and is of a duration of 27 years. The construction of the project was completed in the 1st quarter of 2019 when the start of the service period was performed.

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 CO2.

C. Urban Waste Treatment Plant of Peloponnese Region: On 14/06/2018, a public and private partnership agreement was signed between the Peloponnese Region and the subsidiary company "PERIVALLONTIKI PELOPONNESE SINGLE MEMBER S.A. for the implementation of the project for the urban waste treatment plant of the Peloponnese Region for construction and operation of three (3) Waste Treatment Units (WTUs) and an equal number of (Landfills) in Arcadia, Messinia and Laconia, as well as two (2) Waste Transfer Stations (WTS) in Korinthia and Argolida. The Partnership Agreement includes study, licensing, financing, construction, insurance, operation and maintenance of the Project for the next 28 years. The construction term is 24 months, and from the 10th month after the contract enters into force, a transitional waste management plant is projected to alleviate the major problem of the Region.

During the second half of 2021, the Private Partnership Entity reviewed and accepted the proposal of the Peloponnese Region on the distinct treatment of deadlines and time of completion of the Project's infrastructure works due to delays that had occurred in the licensing from the competent authorities of the regional units Messinia and Laconia as well as the Waste Transfer Station of Corinth (i.e. in three of the five Regional Units for the implementation of the Project), in order to avoid horizontal delays and facilitate the achievement of the Scheduled Date of Availability of Transitional Management Services and Related Units, meaning for the entire infrastructure of the Project.

Therefore, following the approvals by the competent authorities regarding the above proposal of the Peloponnese Region and the relevant amendments made by the Partnership Agreement, on 31/01/2022 the relevant Amended Partnership Agreement for the waste management project in the Peloponnese region was finally signed (see Note 48).

Construction Works progress:

On 29/01/2021 the above partnership agreement (PPP) entered into force and during the year 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, construction works were carried out in MEA-XYTY of Arcadia, SMA of Argolis, MEA-XYY of Messinia and MEA-XYTY of Laconia.

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 is specifically included in the line of the following table "Reductions of financial item" – "Impairment". 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.

The Private Partnership Entity has submitted an account amounting to € 13,056 thousand which corresponds to a partial achievement of the Milestones of the project according to the monthly reports and according to the term 36.2.7 of the Partnership Agreement.

(Amounts in thousands of Euros unless mentioned otherwise)

Finally, the Peloponnese Region has made the payment of the 1st Milestone concerning the Completion of Studies for the two Waste Transfer Stations (WTS).

Detailed information on the accounting policy followed and the concessions mentioned above is presented in Note 4.11.

The analysis of the changes of the generated Concession Financial Statements as well as the revenue per category are analyzed as follows:

Financial Assets - Concessions	Unified Automated System for Ticket Collection	Installation of civil waste processing Epirus Region	Installation of civil waste processing Peloponnese Region	Total
Opening balance as at 1 January 2020	**24.441**	**16.659**	**3.308**	**44.408**
Increase/(decrease) in financial asset	(6.151)	(314)	3.574	**(2.891)**
Reversion of discounting	3.859	1.268	240	**5.367**
Recovery of impairment/(impairment)	30	39	(1)	**68**
Closing balance as at 31st December 2020	**22.179**	**17.652**	**7.121**	**46.952**
Opening balance as at 1 January 2021	**22.179**	**17.652**	**7.121**	**46.952**
Increase/(decrease) in financial asset	(2.381)	(1.773)	13.418	**9.264**
Reversion of discounting	3.631	1.254	266	**5.151**
Impairment	(1)	(4)	(9)	**(14)**
Closing balance as at 31st December 2021	**23.428**	**17.129**	**20.796**	**61.353**
Analysis of revenues per category of year				
Revenue from construction services	–	332	3.574	**3.906**
Revenue from operation services	7.500	4.320	–	**11.820**
Reversion of discounting	3.859	1.268	240	**5.367**
Total	**11.359**	**5.920**	**3.814**	**21.093**
Analysis of revenues per category of year				
Revenue from construction services	4.592	–	25.915	**30.507**
Revenue from operation services	9.898	4.320	–	**14.218**
Reversion of discounting	3.631	1.254	266	**5.151**
Total	**18.121**	**5.574**	**26.181**	**49.876**

Impairment of Financial Asserts – Concessions in 2021 and 2020, is analyzed as follows:

	GROUP				COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
1st January 2020	**–**	**73**	**–**	**73**	**–**	**–**	**–**	**–**
Provision for credit loss	–	1	–	**1**	–	–	–	**–**
Recovered provisions for credit loss	–	(69)	–	**(69)**	–	–	–	**–**
31st December 2020	**–**	**5**	**–**	**5**	**–**	**–**	**–**	**–**

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	–	**5**	–	**5**	–	–	–	–
Provision for credit loss	–	14	–	**14**	–	–	–	–
31st December 2021	–	**19**	–	**19**	–	–	–	–

17. INVENTORIES

Inventories in the accompanying consolidated financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Raw and auxiliary materials	6.171	1.564	5.936	1.272
Spare parts	4.833	3.835	2.869	2.400
Goods and products finished and semi-finished	33	594	33	33
Write-down of inventories	(148)	(148)	(148)	(148)
Total	**10.889**	**5.845**	**8.690**	**3.557**

The increase of raw materials is due to the stronger construction activity of the parent company.
On 31st of December 2021 there was no need to form an additional provision for obsolete or slow-moving inventory.

Inventory is not burdened with any liens.

18. TRADE RECEIVABLES

The trade receivables of the Group and the Company in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Customers	81.367	85.923	133.504	37.516
Customers-withheld guarantees	1.218	2.936	2.433	2.920
Bills/checks receivables	18	8	18	8
Impairment of trade receivables	(6.395)	(3.938)	(706)	(975)
Total	**76.208**	**84.929**	**135.249**	**39.469**

The above trade receivables also include trade receivables from the Energy segment amounting to € 27.330 thousand (31/12/2020: € 53.971 thousand), which are pledged to banks as security against provided long-term and bond loans to finance the construction of Wind Parks.

(Amounts in thousands of Euros unless mentioned otherwise)

The increase in the trade receivables of the Company is mainly due to intra-group receivables of the construction sector that arose from the construction of the new electricity generation units as well as waste management units.
Trade receivables are measured at fair value.

The table below presents the total of trade receivables before impairment:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-oustanding balances	75.670	82.900	125.962	31.878
Outstanding balances	6.933	5.967	9.993	8.566
Total receivables from customers	**82.603**	**88.867**	**135.955**	**40.444**

The maturity of the balances is depicted as follows:

	GROUP 2021				
	Non-oustanding balances	< 6 months	6 - 12 months	> 12 months	Total
Total amount of receivables	75.670	2.665	1.029	3.239	82.603
Expected credit loss	(3.124)	–	(144)	(3.127)	(6.395)

	GROUP 2020				
	Non-oustanding balances	< 6 months	6 - 12 months	> 12 months	Total
Total amount of receivables	82.900	1.891	436	3.640	88.867
Expected credit loss	(501)	(2)	(15)	(3.420)	(3.938)

	COMPANY 2021				
	Non-oustanding balances	< 6 months	6 - 12 months	> 12 months	Total
Total amount of receivables	125.962	3.887	1.429	4.677	135.955
Expected credit loss	(140)	–	(144)	(422)	(706)

	COMPANY 2020				
	Non-oustanding balances	< 6 months	6 - 12 months	> 12 months	Total
Total amount of receivables	31.878	1.944	3.106	3.516	40.444
Expected credit loss	(185)	(2)	–	(788)	(975)

At every reporting date, the Group examines the need to recognize expected credit losses, in accordance with the requirements of IFRS 9. The maximum exposure to credit risk at the financial statements reporting date is the book value of every category of receivables as recorded above. In All the necessary measures are taken on a case-by-case basis to ensure the receivables of receivables in the context of the Group's operations.

(Amounts in thousands of Euros unless mentioned otherwise)

The Company's trade receivables that are over one year past due, amounting to € 4.677 thousand, relate to receivables from subsidiaries of the Group. These receivables mainly arise from the construction of power plants and, as usual, the subsidiaries expect to obtain bank loans. Some of these debts have either been paid off at the date of approval of the Financial Statements or are due to be settled soon.

Provisions for impairment of trade receivables regarding 2021 and 2020 are analyzed as follows:

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2020	–	216	3.734	3.950	–	94	875	969
Provision for credit loss	–	173	188	**361**	–	91	35	**126**
Recovered provisions for credit loss	–	(292)	(60)	**(352)**	–	(60)	(60)	**(120)**
Other transfers	–	228	(228)	**–**	–	–	–	**–**
Reductions from disposal of subsidiary	–	(8)	–	**(8)**	–	–	–	**–**
Foreign exchange differences	–	(8)	(5)	**(13)**	–	–	–	**–**
31st December 2020	**–**	**309**	**3.629**	**3.938**	**–**	**125**	**850**	**975**

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	–	309	3.629	3.938	–	125	850	975
Provision for credit loss	–	56	2.896	**2.952**	–	58	–	**58**
Recovered provisions for credit loss	–	(198)	(75)	**(273)**	–	(110)	(75)	**(185)**
Use of impairment	–	–	(143)	**(143)**	–	–	(143)	**(143)**
Reductions from loss of control of subsidiaries (see Note 7.1.4)	–	(82)	–	**(82)**	–	–	–	**–**
Foreign exchange differences	–	3	–	**3**	–	–	–	**–**
31st December 2021	**–**	**88**	**6.307**	**6.395**	**–**	**73**	**632**	**705**

19. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables of the Group and the Company in the attached financial statements are analyzed as follows:

Prepayments and other financial receivables

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Short-term part of receivables from long-term intra-group loans and leases	–	–	19.920	3.335
Restricted cash	66.191	53.246	8.337	4.746
Other intra-group receivables / receivables from other related parties	879	577	5.367	10.878
Other receivables	845	2.490	758	528

(Amounts in thousands of Euros unless mentioned otherwise)

Impairments	(1)	(33)	–	(9)
Total	**67.914**	**56.280**	**34.382**	**19.478**

Prepayments and other non-financial receivables

	GROUP		COMPANY	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Prepayments to suppliers	17.423	2.970	14.455	1.510
Prepayments to social security funds	204	345	175	334
VAT for return-offsetting	38.875	8.488	–	1.534
Receivables from other taxes other than income tax	90	78	–	–
Prepaid expenses and other transitory asset accounts	9.546	6.139	6.405	1.222
Receivables from grants	1.479	1.479	–	–
Total	**67.617**	**19.499**	**21.035**	**4.600**
Total prepayments and other receivables	**135.531**	**75.779**	**55.417**	**24.078**

On 31/12/2021, the item "Short-term part of receivables from long-term intra-group loans and leases" of the Company, included an amount of € 14,088 thousand, which concerns transfer to short-term receivables from long-term intra-group loans, two common bond loans of initial amount € 13,487 thousand and € 5,195 thousand respectively between ENERGEIAKI PELOPONNESE SA ("Issuer") and TERNA ENERGY SA ("Bondholder"), with expiration dates on 15/06/2022 and 20/06/2022.

On 31/12/2021, the item "Other intragroup receivables / receivables from other related parties" of the Company, included amounts of € 3,703 thousand that relate to approved dividends of subsidiaries, which, until the date of approval of the attached financial statements, had not been collected (Note 40).

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 farms are advances for the acquisition of fixed assets. Therefore, at a consolidated level, they are classified under item "Property, plant and equipment" (see Note 10).

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".

Grant receivables relate to investments in Wind Farms which are expected to be collected upon final approval of the completion of the relevant investment plans (see Note 27).

(Amounts in thousands of Euros unless mentioned otherwise)

Provisions/recovery of impairment of other financial and non-financial receivables in 2021 και 2020 are analyzed as follows:

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2020	**–**	**4**	**4**	**8**	**–**	**9**	**4**	**13**
Provision for credit loss	–	38	–	**38**	–	–	–	**–**
Recovered provisions for credit loss	–	(13)	–	**(13)**	–	(4)	–	**(4)**
31st December 2020	**–**	**29**	**4**	**33**	**–**	**5**	**4**	**9**

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	**–**	**29**	**4**	**33**	**–**	**5**	**4**	**9**
Recovered provisions for credit loss	–	(28)	(4)	**(32)**	–	(5)	(4)	**(9)**
31st December 2021	**–**	**1**	**–**	**1**	**–**	**–**	**–**	**–**

20. RECEIVABLES (LIABILITIES) FROM CONTRACTS WITH CUSTOMERS

Receivables/ liabilities from contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Receivables from construction contracts with customers	86	270	108	2.762
Receivables from other contracts with customers	2.756	19.143	9.143	2.425
Less: Impairments of receivables from contracts with customers	(47)	(61)	–	–
	2.795	**19.352**	**9.251**	**5.187**

The provisions for impairment of receivables from contracts with customers are analyzed as follows:

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2020	**–**	**27**	**–**	**27**	**–**	**2**	**–**	**2**
Provision for credit loss	–	60	–	**60**	–	–	–	**–**
Recovered provisions for credit loss	–	(26)	–	**(26)**	–	(2)	–	**(2)**
31st December 2020	**–**	**61**	**–**	**61**	**–**	**–**	**–**	**–**

	GROUP				COMPANY			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
1st January 2021	**–**	**61**	**–**	**61**	**–**	**–**	**–**	**–**
Provision for credit loss	–	1	–	**1**	–	–	–	**–**
Recovered provisions for credit loss	–	(15)	–	**(15)**	–	–	–	**–**
31st December 2021	**–**	**47**	**–**	**47**	**–**	**–**	**–**	**–**

Liabilities from contracts with customers are analyzed as follow:

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Liabilities from construction contracts with customers	381	1.141	4.644	1.471
Liabilities from other contracts with customers	2.990	2.105	49.910	535
	3.371	**3.246**	**54.554**	**2.006**

The changes in receivables and liabilities from customer contracts for the years 2021 and 2020 are due to the following factors:

Receivables from contracts with customers	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**19.352**	**18.071**	**5.187**	**4.881**
Effect of the existing contracts implementation	(15.524)	1.999	87.450	13.484
Effect from new contracts	1.892	–	1.869	3.365
(Invoices for the period)	(156)	(825)	(82.511)	(16.868)
Transfer from liabilities from contracts with customers	(2.781)	267	(2.744)	323
Impairments of receivables from contracts with customers	13	(32)	–	2
Foreign exchange differences	(1)	(128)	–	–
Closing balance	**2.795**	**19.352**	**9.251**	**5.187**

Liabilities from contracts with contracts	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Opening balance	**3.246**	**2.076**	**2.006**	**2.241**
Effect of the existing contracts implementation	2.032	(441)	20.551	(704)
Effect from new contracts	200	656	(11.326)	(5.472)
(Invoices for the period)	657	730	46.067	5.617
Transfer from receivables from contracts with customers	(2.781)	267	(2.744)	324
Foreign exchange differences	17	(42)	–	–
Closing balance	**3.371**	**3.246**	**54.554**	**2.006**

21. CASH AND CASH EQUIVALENTS

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

	GROUP		ENTITY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cash in hand	2	3	–	–
Sight deposits	394.361	290.904	100.536	59.825
Time deposits	3.046	–	–	–
Total	**397.409**	**290.907**	**100.536**	**59.825**

(Amounts in thousands of Euros unless mentioned otherwise)

Term deposits have a usual duration of 3 months and carry an interest rate of 0,89% for 2021 (0,30%-0,35% for 2020).

The Group's cash and cash equivalents include amounts for return, of € 3.024 thousand (2020: € 3.024 thousand) which relate to grants received from subsidiaries, due to cancellation of construction or expiration of the time limits set by the decisions of inclusion of certain Wind Parks. The above amount of the grant to be returned had not been reimbursed until the date of approval of the attached financial statements, as the relevant audit by the competent services had not been completed.

In addition, on 31/12/2021 the Group and the Company possessed restricted deposits amounting to € 66.191 thousand and € 8.337 thousand respectively (31/12/2020: € 53.246 thousand for the Group and € 4.746 thousand for the Company), which were maintained in specific bank accounts to service their short-term operating and financial liabilities. Those restricted cash deposits were classified under "Prepayments and other receivables" (Note 19). Of the aforementioned restricted cash deposits, those who are directly related to the bank borrowings, amounted on 31/12/2021 to € 61,192 thousand for the Group and € 6,416 thousand for the Company.

22. LOANS

Loans in the accompanying consolidated and separate financial statements, are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Long-term loans				
Bank loans	35.683	192.525	–	–
Bond loans	836.461	664.707	389.790	343.792
Total long-term loans	**872.144**	**857.232**	**389.790**	**343.792**
Long-term liabilities carried forward				
Bank loans	7.714	9.870	–	783
Bond loans	63.252	59.494	14.318	30.684
Total long-term liabilities carried forward	**70.966**	**69.364**	**14.318**	**31.467**
Short-term loans				
Bank loans	40.425	27.451	40.425	10.013
Other intra-group loans	–	36	–	–
Total short-term loans	**40.425**	**27.487**	**40.425**	**10.013**
Total loans	**983.535**	**954.083**	**444.533**	**385.272**

The analysis of changes in the aforementioned loan liabilities of the Group and the Company in 2021 and 2020, is presented below as follows:

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
Long-term loans	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening balance	**857.232**	**906.518**	**343.792**	**304.086**
New loans	294.991	137.224	41.070	65.400
Loan repayment	(11.070)	(7.649)	–	(14.311)
Capitalization of interest	913	(6.999)	1.085	(2.519)
Transfer between long-term and short-term loan liabilities	(79.497)	(66.948)	3.843	(8.864)
Interest for the year from discontinued operations (see Note 7.1.5.2)	1.992	3.343	–	–
Change due to take over of subsidiary	–	(563)	–	–
Reductions from loss of control of subsidiaries (see Note 7.1.4)	–	(90.443)	–	–
Foreign exchange differences	4.458	(17.251)	–	–
Derecognition from Disposal of the 3 Wind Parks in Texas (Note 7.1.4)	(196.875)	–	–	–
Closing balance (a)	**872.144**	**857.232**	**389.790**	**343.792**
Long-term liabilities carried forward				
Opening balance	**69.364**	**70.214**	**31.467**	**39.926**
Loan repayment	(77.293)	(64.362)	(13.136)	(13.976)
Capitalization of interest	262	(12.525)	(170)	(3.347)
Transfer between long-term and short-term loan liabilities	79.497	66.948	(3.843)	8.864
Interest for the year from discontinued operations (see Note 7.1.4, 7.3.5)	5.240	13.628	–	–
Reductions from loss of control of subsidiaries	–	(4.044)	–	–
Foreign exchange differences	(21)	(495)	–	–
Derecognition from Disposal of the 3 Wind Parks in Texas (Note 7.1.4)	(6.083)	–	–	–
Closing balance (b)	**70.966**	**69.364**	**14.318**	**31.467**
Short-term loans				
Opening balance	**27.487**	**36.453**	**10.013**	**5.165**
New loans	44.323	158.416	30.000	67.000
Loan repayment	(3.828)	(166.361)	–	(62.000)
Capitalization of interest	(212)	(150)	412	(152)
Interest for the year from discontinued operations (see Note 7.1.5)	401	621	–	–
Reductions from loss of control of subsidiaries (see Note 7.1.4)	(28.264)	–	–	–
Foreign exchange differences	518	(1.492)	–	–
Closing balance (c)	**40.425**	**27.487**	**40.425**	**10.013**
Total loans (a) +(b) +(c)	**983.535**	**954.083**	**444.533**	**385.272**

According to Note 7.1.4 of the Annual Consolidated and Separate Financial Statements, the sale of the three (3) Wind farms took place for a theoretical consideration of € 194,357 thousand, which was equal to the amount of 1 US Dollar ($ 1.00) plus the theoretical repayment of the existing debt held by the Group (through their parent company TERNA DEN) for the financing of the construction of those Wind farms. The relevant settlement (theoretical repayment of the Group's loan obligations to CIP) took place on 30/09/2021, when the Class B Interests were transferred to the Buyer, with the relevant Purchase Sale Agreement being signed.

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 to cover liquidity needs during the Wind Farms construction period of the Group's energy sector.

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

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

On 31/12/2021, the total borrowings include amounts of subordinated loans (non-recourse debt to the parent company) of € 484.219 thousand, while the amounts of loans with the right of recourse to the parent company (recourse debt) amount to € 499,315 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 December 31st, 2021 of € 148.032 thousand

Regarding the Group's long-term borrowings totaling € 943.110 thousand liabilities plus long-term liabilities payable in the following year): (a) in Greece it consists in Euro standing 97,03% of the total, (b) in Poland - in PLN 2,51% of the total and (c) in Bulgaria - in EUR 0,46% of the total. Of the total Group long term debt, as reported at the end of the fiscal year, 35,19%, are at a fixed interest rate, 30,17%, are floating-rate loans that have been hedged with future fixed rate payments against floating rate receipts, while 34,64% % are floating-rate loans based on euribor or wibor, as the case may be each time.

The weighted average interest rate for long-term loans for the financial years 2021 and 2020 is 3,20% and 3,84% respectively. The weighted average interest rate for short-term loans was 3,35% and 3,35% for the year 2021 and 2020, respectively.

The total interest of the above loans for the years 2021 and 2020 regarding the Group amounted to € 27.923 thousand and € 19.404 thousand respectively, and for the Company amounted to € 15.209 thousand and € 11.440 thousand respectively (see Note 38).

The Company's long-term loans also include the loans received by its subsidiaries, amounted to € 314.260 thousand on December 31st 2021.

Significant changes in loan liabilities of the Group and the Company for the annual period ended on 31/12/2021 are presented below.

New loans

Within the year 2021, the Group was granted by financial institutions with loans for an amount of € 339.315 thousand (part of it and for € 55.921 thousand is related with discontinued operations). The liquidity raised, was mainly used to finance investments in wind farms of subsidiaries and repay short-term bank loans potentially issued to finance timely and prompt implementation of their construction schedule, namely

- Regarding wind farms "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 farms "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 farms "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 farm "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 farm "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.
- For the wind farms "MILIA", "TSOUKA-MANDRAGIARA", "TSOUKA-SKOURA", "DOUGZA-ANTIAS", "MOURIZA-MEGALI PETRA-VRANOULI" and "VIOS-KALAMAKI-BATHRIZA" of the subsidiary ENERGIAKI KAFIREOS SA, a bond loan of € 50,000 thousand was drawn on to cover its cash flow needs, based on the loan agreements signed in 2021. The duration of the loans was set at 3 years with maturity in year 2023. The interest rate was set at a fixed margin.

(Amounts in thousands of Euros unless mentioned otherwise)

- For the wind farms "OMALIES I", "OMALIES II", "KORAKOVRACHOS I", "KORAKOVRACHOS II", "DEXAMENES II", "MILZA", "PRARO", "MOLIZEZA", "KALAMAKI I" and "KALAMAKI II" of the subsidiary ENERGIAKI OMALIES MAE, a bond loan of € 90,000 thousand was drawn on to cover its cash flow needs, based on the loan agreements signed in 2021. The duration of the loans was set at 3 years with maturity in year 2023. The interest rate was set at a fixed margin.
- For the wind farm "Taratsa" of the subsidiary AIOLIKI PROVATA TRAJANOUPOLEOS SA, a bond loan with a nominal value of € 27,319 thousand was raised. The duration of the loan was set at 18 years with maturity in 2039. The interest rate was set at 6 month Euribor plus margin.
- For the short-term financing needs of the subsidiary Hellas Smart Ticket SA, a bond loan with a nominal value of € 3,463 thousand was raised. The duration of the loan was set at 5 years with maturity in 2026. The interest rate was set at 3 month Euribor plus margin.
- For the short-term financing needs of the subsidiary PERIVALLONTIKI PELOPONNESE SA, a bond loan with a nominal value of € 26,780 thousand was raised. The duration of the loan was set at 20 years with maturity in 2041. The interest rate was set at 6 month Euribor plus margin.
- For the short-term financing needs (working capital) of the sub-Group in America, short-term financing of € 14.3 million and long-term financing of nominal value € 41.6 million were raised, which was included in the amount of the theoretical repayment to CIP.
- The new loan also includes short-term financing in the amount of € 30.0 million.

In addition, the Group's total borrowing decreased by € 231.2 million due to the loss of control of the three (3) Wind farms in Texas, USA, on 30/06/2021 (see Note 7.1).

The Group has the obligation to maintain specific financial ratios relating to bond loans. As of December 31st, 2021, the Group was in full compliance with the required limits of these ratios, according to the provisions of the respective loan agreements.

23. LEASE LIABILITIES

The changes in lease liabilities in year 2021 are presented below as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening balance	**11.782**	**8.733**	**4.416**	**1.701**
Additions and changes due to modification of existing contract	8.971	3.664	8.553	3.256
Repayments under lease agreements	(1.733)	(1.422)	(945)	(635)
Financial cost for the year	751	486	395	94
Interest capitalised on assets	93	–	57	–
Change due to acquisition of subsidiaries (Note 7.2)	1	582	–	–
Foreign exchange differences	(13)	(261)	–	–
Closing balance	**19.852**	**11.782**	**12.476**	**4.416**

(Amounts in thousands of Euros unless mentioned otherwise)

For the period 01/01/2021 - 31/12/2021, the Group and the Company recognized rental expenses from short-term leases of € 741 thousand and € 1.394 thousand, respectively, while no leases of low values assets are effective.

24. FINANCIAL DERIVATIVES

The Group and the Company financial derivatives as at 31/12/2021 and 31/12/2020 are analyzed as follows:

		GROUP		COMPANY	
Liabilities from derivatives	**Σημείωση**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
- Cash flow hedging					
Interest Rate Swaps	24.1	3.657	8.392	720	1.377
Fixed for floating swap contracts	24.2.1	5.164	–	5.164	–
Electric energy options (collar)	24.2.2	–	1.873	–	–
Term contract for the sale of electric energy (physical forward)	24.2.2	–	2.382	–	–
Total liabilities from derivatives		**8.821**	**12.647**	**5.884**	**1.377**
Long-term liabilities from derivatives		*2.162*	*7.873*	*158*	*958*
Short-term liabilities from derivatives		*6.659*	*4.774*	*5.726*	*419*

		GROUP		ENTITY	
Receivables from derivatives	**Σημείωση**	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
- Cash flow hedging					
Interest Rate Swaps	24.1	1.546	–	–	–
Electric energy options (collar)	24.2.2	–	6.753	–	–
Electric energy options (swaption)	24.2.2	–	780	–	–
Term contract for the sale of electric energy (physical forward)	24.2.2	–	7.011	–	–
Total receivables from derivatives		**1.546**	**14.544**	**–**	**–**
Long-term receivables from derivatives		*1.409*	*14.544*	–	–
Short-term receivables from derivatives		*137*	–	–	–

The aforementioned financial instruments are measured at their fair value (see Note 44).

According to the details mentioned in Note 7.1 of the Financial Statements, on 30/06/2021, the Group lost control and de-consolidated the subsidiaries of TERNA DEN LLC Sub-Group, which owned and operated the three (3) Wind Farms in Texas, USA.

As a result of the fact of the loss of control, on 30/06/2021, from the above derivatives, it was de-recognized the loss in the results of the period deriving from changes in the fair value of € 6,828 thousand and was accordingly transferred to the "Results for the period from discontinued operations". For purposes of comparability, the corresponding loss recognized in the year 2020 in the item "Losses from financial instruments valued at fair value" amounting to € 412 thousand was de-recognized and transferred to the "Results for the period from discontinued operations".

During the year 2021, a total loss of € 873 thousand was recognized in the results of the year from changes in fair value, which is included in the item "Losses from financial instruments valued at fair value" (see Note 24.2.1).

The total changes in fair value recognized in other comprehensive income amounted to a loss of € 39.175 thousand (2020: profit of € 3.735 thousand). During the current reporting period and due to the above mentioned loss of control, a loss of € 39.219 thousand was reclassified from the relevant "Reserve differences from cash flow hedging risk" to the results of the period from discontinued operations (within the previous year 2020 and due to the sale of the wind farm "Mountain Air", a loss of € 6.511 thousand had been reclassified from the relevant "Reserve differences from cash flow hedging risk" to the results of the year (see Note 7.1).

24.1 Forward Interest Rate Swaps

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

The objective of interest rate swaps is to offset the risk of adverse cash flows of future cash flows arising from interest on loan contracts entered into as a result of activities, in particular the electricity generation sector. Specifically, interest rate swaps relate to contracts whereby the variable interest rate on the loan is converted to fixed over the entire term of the loan, so that the Group is protected against any increase in interest rates. The fair value of these contracts was estimated by displaying the effective interest rate (euribor) curve as of 31/12/2021, throughout the time horizon of such contracts.

The fair value of these contracts as of 31/12/2021 amounted to a total net liability of € 2.111 with the total nominal value of the contracts amounting to € 253.132 thousand for Greece and Bulgaria). As of 31/12/2021, 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 € 6.280 thousand (2020: loss € 2.158 thousand) was recognized in the item "Cash flow hedging" in the other comprehensive income statement. These financial liabilities are classified in the fair value hierarchy at level 2 (see Note 44).

24.2 Derivatives for hedging changes in energy market prices

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

On 25/01/2021, HERON ENERGY (ENERGIAKI) SA, in collaboration with TERNA ENERGY Group presented in the Greek market the plan "HERON EN.A", through which the TERNA ENERGY Group has agreed to sell the production of Renewable Energy Sources (RES) to HERON for 25 years. In addition, on 20/09/2021, HERON ENERGY SA, in collaboration with TERNA ENERGY Group presented to the Greek market the plan "HERON EN.A BUSINESS", through which the TERNA ENERGY Group has agreed to sell the production of Renewable Energy Sources (RES) to HERON for 20 years. TERNA ENERGY Group, based on these agreements, will receive fixed cash flows from the EN.A plan, while it will pay the floating cash flows (Proxy Market Revenues) to HERON (fixed for floating swap contract).

During the year 2021, from the above mentioned derivatives, a total loss of € 873 thousand was recognized in the results of the year from changes in fair value, which is included in the item "Losses from financial instruments valued at fair value".

The fair value of this derivative on 31/12/2021 amounted to a total liability of € 5.164 thousand. On 31/12/2021, 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 € 4,290 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 44).

24.2.2 Derivative hedging derivatives of energy prices in the Group for RES investments in RES in 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 31/5/2021, 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 € 1,649 thousand, which was included in the "Results for the period from discontinued operations".

According to the details mentioned in Note 7.1 of the Financial Statements, on 30/06/2021, the Group lost control and de-recognized the subsidiaries of TERNA DEN LLC Sub-Group, which owns and operates the three (3) Wind Farms in Texas, USA. As a result of the above, the fair value of 31/12/2020 that was de-recognized is € 7,720 thousand net receivable. In addition, within the year ended on 31/12/2021, from the above derivatives, a loss in the results of the period from changes in the fair value amounting to € 6,828 thousand was recognized in the "Results of the period from discontinued operations". For purposes of comparability, the corresponding loss of € 412 thousand recognized in the year 2020 in the item "Losses from financial instruments at fair value" was transferred to the "Results for the 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 of the year, amounted to a loss of € 39.219 thousand (2020: profit € 5.893 thousand) and relate to the discontinued operations in the USA. Within the previous financial year 2020 and due to the sale of the wind farm "Mountain Air", a loss of € 6.511 thousand was reclassified from the relevant "Reserve from cash flow risk hedging" into the results of the year (see Note 7.2).

25. PROVISION FOR STAFF INDEMNITIES

According to Greek labor law, each employee is entitled to a lump-sum indemnity in case of dismissal or retirement. The amount of the indemnity depends on the length of service with the company and the employee’s wages the day he/she is dismissed or retires. Employees that resign or are justifiably dismissed are not entitled to such an indemnity. The indemnity payable in case of retirement in Greece is equal to 40% of the indemnity calculated in case of dismissal. According to the practices in the countries where the subsidiaries of the Group are operating in, staff indemnity programs are usually not funded.

(Amounts in thousands of Euros unless mentioned otherwise)

The liabilities for staff indemnity liabilities were determined through an actuarial study. The following tables present an analysis of the net expenditure for the relevant provisions recorded in the consolidated Statement of Comprehensive Income for the FY 2021 and the change of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of financial position for the year ended on 31/12/2021.

The expense for personnel indemnities which was recognized in Income Statement is analyzed as follows:

	GROUP		**COMPANY**	
	01/01 - 31/12/2021	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Current service cost	79	104	73	94
Financial cost	1	1	1	1
Actuarial losses/(gains)	11	(14)	10	(11)
	91	**91**	**84**	**84**

The change in the relevant provision in the Statement of Financial Position is as follows:

	GROUP		**COMPANY**	
	31/12/2021	**31/12/2020 ***	**31/12/2021**	**31/12/2020 ***
Opening balance	**146**	**657**	**128**	**550**
Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*	–	(532)	–	(441)
Adjusted opening balance	**146**	**125**	**128**	**109**
Provision recognized in the income statement	80	105	74	96
Provision recognized in other comprehensive income	11	(14)	10	(11)
Provisions used	(33)	(70)	(33)	(66)
Closing balance	**204**	**146**	**179**	**128**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

The key actuarial assumptions for FY 2021 are as follows:

	31/12/2021	**31/12/2020**
Discount rate	0,60%	0,60%
Salary increases	1,80%	1,25%
Inflation	1,80%	1,50%
Service tables	EVK 2000	EVK 2000
TurnOver	Table 1	Table 1

(Amounts in thousands of Euros unless mentioned otherwise)

Table 1	
Years of experience	**Departure rate**
From 0 to 1 year	1,50%
From 1 to 5 years	1,00%
From 5 to 10 years	0,50%
Over 10 years	0,00%

26. OTHER PROVISIONS

Changes in other provisions of the Group and the Company in 2021 and 2020 έχει ως εξής:

	GROUP		COMPANY	
	Provisions for environmental rehabilitation	**Other provisions**	**Provisions for environmental rehabilitation**	**Other provisions**
Balance January 1st 2020	**20.654**	**896**	**3.351**	**760**
Provision recognized in the income statement	1.133	–	198	–
Provision recognized in tangible assets	960	–	–	–
Reductions from disposal of subsidiaries	(1.660)	–	–	–
Foreign exchange differences	(637)	–	–	–
Balance 31st December 2020	**20.450**	**896**	**3.549**	**760**
Long-term provisions	*20.450*	*896*	*3.549*	*760*
Short-term provisions	–	–	–	–

	GROUP		COMPANY	
	Provisions for environmental rehabilitation	**Other provisions**	**Provisions for environmental rehabilitation**	**Other provisions**
Balance January 1st 2021	**20.450**	**896**	**3.549**	**760**
Provision recognized in the income statement	881	–	210	–
Provision recognized in tangible assets	258	–	–	–
Provisions from discontinued operations (see Note 7.1.4, 7.1.5)	147	–	–	–
Reductions from loss of control of subsidiaries (see Note 7.1.4)	(5.133)	–	–	–
Foreign exchange differences	137	–	–	–
Balance 31st December 2021	**16.740**	**896**	**3.759**	**760**
Long-term provisions	*16.740*	*896*	*3.759*	*760*
Short-term provisions	–	–	–	–

The tables, presented above, record analysis of provisions based on the nature of the commitment as well as their analysis based on the expected timing of the financial outflows. In particular, provisions (except provisions for rehabilitation of natural landscape) are presented in total as long-term and are not recorded in discounted amounts as there is no accurate estimate of their payment time.

(Amounts in thousands of Euros unless mentioned otherwise)

The companies of the Group's energy sector are under obligation to proceed with environmental rehabilitation in locations, where they have installed electricity production units following the completion of the operations based on the effective licenses granted by the states where the installations are being implemented. The aforementioned provision of € 16.740 thousand (31/12/2020: € 20.450 thousand) reflects the expenses required for the removal of equipment and restoration of the area in which the equipment used to be installed, applying available technology and materials.

The other provisions mainly concern provisions for pending legal litigations amounting to € 335 thousand (31/12/2020: € 335 thousand), provisions for loss-making construction contracts amounting € 435 thousand (31/12/2020: € 0 thousand) and provisions for unaudited financial years amounting to € 560 thousand (31/12/2020: € 560 thousand) (see Note 47).

27. GRANTS

Grants on 31st December 2021 and 31st December 2020 in the accompanying financial statements are analyzed as follows:

	GROUP		**COMPANY**	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Opening balance	**82.140**	**134.322**	**17.657**	**18.916**
Amortisation recognized in the Income Statement	(5.374)	(5.381)	(1.259)	(1.259)
Results from discontinued operations	–	(1.383)	–	–
Reductions from disposal of subsidiaries	–	(44.281)	–	–
Foreign exchange differences	(30)	(1.137)	–	–
Closing balance	**76.736**	**82.140**	**16.398**	**17.657**

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

The "Grants" include approved though not collected grants, totaling € 1.479 χιλ., classified as "Prepayments and other receivables" (see Note 19). 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.

(Amounts in thousands of Euros unless mentioned otherwise)

28. EQUITY INSTRUMENTS HAVING A SUBSTANCE OF FINANCIAL LIABILITY

In the USA, in order to make the best use of the tax benefits provided by local legislation, the Group has entered into agreements with "Tax Equity Investors" (hereinafter "TEI"). According to these agreements, the cash flows and tax benefits generated by wind farms are distributed conventionally amongst TEI and the Group. The accounting policy applied in respect of the aforementioned financial liabilities is analytically presented in Note 4.10.5 (iii) of the consolidated and separate financial statements

According to the details mentioned in Note 7.1 of the Financial Statements, on 30/06/2021, the Group lost control and de-consolidated the subsidiaries of TERNA DEN LLC Sub-Group, which owns and operates the three (3) Wind Farms in Texas, USA. As a result of this event, the Group de-recognized the balance on 30/06/2021 of the Equity securities equivalent to financial liabilities, amounting at that date to € 278.520 thousand ($ 330.993 thousand).

More specifically, the Equity instruments having a substance of financial liabilities (long and short-term component) as of December 31st 2021 and December 31st 2020 are analyzed in the accompanying Financial Statements as follows:

	GROUP	
	31/12/2021	**31/12/2020**
Financial liabilities	–	193.654
Deferred income (*)	–	42.530
Long-term part	**–**	**236.184**
Long-term financial liabilities payable in the following year	–	45.079
Short-term part	**–**	**45.079**
Total	**–**	**281.263**

(*)The item pertains to the value of financial 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 in 2021 and 2020 are analyzed as follows:

Financial liabilities	GROUP	
	31/12/2021	**31/12/2020**
Opening balance	**238.733**	**323.947**
Received from TEI	1.535	1.052
Distribution of cash to TEI	(169)	(4.334)
Value of tax benefits transferred to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	(23.040)	(43.893)
Interest for the year tranfered to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	11.745	26.362
Reductions from disposal of subsidiaries	–	(41.243)
Reductions from loss of control of subsidiaries (see Note 7.1.4)	(248.285)	–

(Amounts in thousands of Euros unless mentioned otherwise)

Foreign exchange differences tranfered to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	19.481	(23.158)
Closing balance	**–**	**238.733**

Deferred income	**GROUP**	
	31/12/2021	**31/12/2020**
Opening balance	**42.530**	**51.825**
Value of tax benefits transferred to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	1.403	1.430
Amortisation of tax benefits tranfered to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	(3.435)	(6.711)
Reductions from loss of control of subsidiaries (see Note 7.1.4)	(43.957)	–
Foreign exchange differences tranfered to the results of the year from discontinued operations (see Note 7.1.4, 7.1.5)	3.459	(4.014)
Closing balance	**–**	**42.530**

29. SUPPLIERS

As of December 31st, 2021 and 2020, the suppliers in the financial statements, are analyzed as follows:

	GROUP		**COMPANY**	
	31/12/2021	**31/12/2020**	**31/12/2021**	**31/12/2020**
Suppliers	138.326	42.247	77.007	15.124
Total	**138.326**	**42.247**	**77.007**	**15.124**

Liabilities to suppliers mainly relate to obligations related to the construction and operation of renewable wind and hydroelectric power plants, photovoltaic farms, and other Renewable Energy Sources (RES).

The increase of liabilities to suppliers at the Group and Company level for the year 2021, is mainly due to the construction of the wind farm at MILZA (18 MW) of the Municipality of Karystos as well as the commencement, on 29/01/2021, of the construction of the PPP project "Integrated Waste Management of Peloponnese Region"

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30. ACCRUED AND OTHER LONG – TERM AND SHORT-TERM LIABILITIES

The item “Other Long-Term Liabilities” of the consolidated financial statements of 31/12/2021, amounting to € 10,549 thousand, concerns the potential consideration for the acquisition of the shares of the company TERNA ENERGIAKI OMALIES SA (former RF OMALIES SA).

The accrued and other short-term liabilities as of December 31st 2021 and December 31st 2020 in the accompanying financial statements, are analyzed as follows:

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Accrued and other short-term financial liabilities				
Liabilities from dividends payable and return of capital	229	213	229	213
Other liabilities to related parties	257	265	136	151
Employee fees due	431	341	384	285
Accrued expenses	10.318	8.865	1.327	1.967
Sundry creditors	1.036	1.228	417	770
Total	**12.271**	**10.912**	**2.493**	**3.386**

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other short-term non-financial liabilities				
Liabilities from taxes-duties other than income tax	12.265	4.384	5.593	1.857
Social security funds	560	511	466	432
Grants to be returned (Note 21)	3.024	3.024	–	–
Provisions for loss-bearing construction contracts	2.999	–	2.999	–
Total	**18.848**	**7.919**	**9.058**	**2.289**

On 31/12/2020, the item “Accrued expenses” includes the recognition of an 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.

The increase of "Liabilities from taxes-duties other than income tax" at the Group and Company level for the year 2021, is mainly due to the increase of VAT liabilities as well as the increase of subcontractor tax liabilities related to the construction of wind farms in Greece. In addition, at the Group level, for the year 2021, there is an increase in liabilities for subcontractor taxes amounting to € 2,373 thousand, which relates to the subsidiary TERNA ENERGIAKI OMALIES MAE.

31. SHARE CAPITAL AND SHARE PREMIUM

As of 31/12/2021 the Company’s share capital amounts to € 34.756.527,00 fully paid and divided into 115.855.090 common registered shares with voting rights of a nominal value € 0,30 each. Share premium as of 31/12/2021 stands at € 209.870 thousand

Εταιρικά γεγονότα χρήσης 2021

31.1 Μερίσματα

- 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 pursuant to article 48 of the 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 € 0.1615 per share. However that 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 € 0.1703 per share, i.e. a total net amount of € 0.1618 per share.

- On 14/12/2021, 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 pursuant to article 48 of the Law 4172/2013, in accordance with article 162 par. 3 of Law 4548/2018. On 27/12/2021, 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 € 0.1615 per share. However that 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 € 0.1703 per share, i.e. a total net amount of € 0.1618 per share.

31.2 Program of granting Company's shares to the Executive Members of the Board of Directors

- The Extraordinary General Meeting of 16.12.2020 of TERNA ENERGIAKI SA approved the distribution of up to two million five hundred thousand (2,500,000) new shares that will be issued with capitalization of share premium reserves to the Executive Members of the Board of Directors for their contribution in the achievement of financial objectives and the implementation of new projects as well that will increase of the Company's profitability within the three years 01.01.2021- 31.12.2023. The Board of Directors was authorized to further determine the beneficiaries, the manner of exercising the right and the terms of the program, as well as to regulate all relevant procedural issues for the implementation of the decision.
- The Board of Directors in the meeting of 19.03.2021, implementing the decision of the Extraordinary General Meeting of Shareholders, accepted the proposal of the Nominations and Remuneration Committee (hereinafter "N&R C") regarding the Review of the Remuneration Policy, the Revision of the Program Implementation Period (extension of the Program by one year, until 31.12.2024 - the extension of the duration of the program, in conjunction with its inclusion in the Remuneration Policy were approved by the Ordinary General Meeting of Shareholders of the Company on 23.06.2021), the conditions of implementation of the Program, as well as the Criteria - Objectives of the Program (concerning the fulfillment of performance conditions that are not related to the market – for example project construction objectives, EBITDA, etc.), as well as the granting of shares by Criterion - Objective. At the same meeting, the Board of Directors reserved the right to decide further on the criteria for the selection of beneficiaries, the distribution of shares to beneficiaries and the criteria for securing per beneficiary in a new meeting after a new relevant proposal of the "N&R C"

(Amounts in thousands of Euros unless mentioned otherwise)

32. RESERVES

The reserves for the financial years 2021 and 2020, in the financial statements, are analyzed as follows:

GROUP	Statutory reserves	Treasury shares	Foreign currency translation dif. to Euro reserves from foreign operations	Differences from cash flows risk hedges reserves	Actuarial gains/(losses) from defined benefit plan reserves	Valuation reserves at fair value of participations	Development and tax legislation reserves	Total
1 January 2020	**12.683**	**(9.261)**	**(900)**	**(14.132)**	**46**	**–**	**55.702**	**44.138**
Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*	–	–	–	–	(46)	–	–	**(46)**
Balance as at 1 January 2020, Adjusted balance	**12.683**	**(9.261)**	**(900)**	**(14.132)**	**–**	**–**	**55.702**	**44.092**
Other comprehensive losses (after tax)	–	–	(11.339)	10.565	20	(334)	–	**(1.088)**
Formation of reserves	2.490	–	–	–	–	–	3.623	**6.113**
Acquisition of treasury	–	(21.239)	–	–	–	–	–	**(21.239)**
Cancellation of treasury	–	30.500	–	–	–	–	–	**30.500**
31st December 2020 *	**15.173**	**–**	**(12.239)**	**(3.567)**	**20**	**(334)**	**59.325**	**58.378**
1 January 2021 *	**15.173**	**–**	**(12.239)**	**(3.567)**	**20**	**(334)**	**59.325**	**58.378**
Other comprehensive income (after tax)	–	–	953	(536)	(11)	(239)	–	**167**
Formation of reserves	2.982	–	–	–	–	–	4.260	**7.242**
Acquisition of treasury	–	(2.709)	–	–	–	–	–	**(2.709)**
Transfer to non-controlling interests and other	–	–	(7)	–	–	–	–	**(7)**
31st December 2021	**18.155**	**(2.709)**	**(11.293)**	**(4.103)**	**9**	**(573)**	**63.585**	**63.071**

COMPANY	Statutory reserves	Treasury shares	Foreign currency translation dif. to Euro reserves from foreign operations	Differences from cash flows risk hedges reserves	Actuarial gains/(losses) from defined benefit plan reserves	Valuation reserves at fair value of participations	Development and tax legislation reserves	Total
1 January 2020	**6.651**	**(9.261)**	**–**	**(1.012)**	**54**	**–**	**14.601**	**11.033**
Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*	–	–	–	–	(54)	–	–	**(54)**
Balance as at 1 January 2020, Adjusted balance	**6.651**	**(9.261)**	**–**	**(1.012)**	**–**	**–**	**14.601**	**10.979**
Other comprehensive losses (after tax)	–	–	–	(18)	8	(334)	–	**(344)**
Formation of reserves	1.100	–	–	–	–	–	422	**1.522**
Acquisition of treasury	–	(21.239)	–	–	–	–	–	**(21.239)**
Cancellation of treasury	–	30.500	–	–	–	–	–	**30.500**
31st December 2020 *	**7.751**	**–**	**–**	**(1.030)**	**8**	**(334)**	**15.023**	**21.418**

(Amounts in thousands of Euros unless mentioned otherwise)

1 January 2021 *	**7.751**	**–**	**–**	**(1.030)**	**8**	**(334)**	**15.023**	**21.418**
Other comprehensive losses (after tax)	–	–	–	(2.862)	(10)	(239)	–	**(3.111)**
Formation of reserves	1.450	–	–	–	–	–	421	**1.871**
Acquisition of treasury	–	(2.709)	–	–	–	–	–	**(2.709)**
31st December 2021	**9.201**	**(2.709)**	**–**	**(3.892)**	**(2)**	**(573)**	**15.444**	**17.469**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

Statutory Reserves
In compliance with the Greek Commercial Law, companies shall transfer at least 5% of their annual net profits to a statutory reserve until such reserve equals 1/3 of the paid-up share capital. This reserve cannot be distributed but can be used for loss write off.

Treasury Shares
The Company during the period 01/01/2021 – 31/12/2021 purchased 221.500 own treasury shares of a nominal value of € 66.450,00 and a market value of € 2.708.709,98. The total number of treasury shares held by the Company on 31/12/2021 221.500 with a total acquisition cost of € 2.708.709,98. These shares represented a percentage of 0,19% of the paid-up share capital of the Company.

Currency translation differences reserves
Under consolidation of foreign companies, foreign currency translation are recognized in other comprehensive income and cumulatively in foreign currency translation differences reserves from incorporating foreign operations. The cumulative amount is transferred to the income statement for the year when the investments are transferred.

Cash flows risk hedging reserves
The hedge reserve is used to record profit or losses on derivative financial instruments, which may be designated as cash flow hedges and recognized in other comprehensive income. When the transaction to which the compensation transaction relates affects the statement of comprehensive income, then the corresponding amounts are also transferred from the other comprehensive income to the statement of comprehensive income. During the year 2021, the Group recognized as an increase to these reserves, derivative losses after taxes amounting to € (536) thousand with the total of these reserves amounting on 31/12/2021 to a debit balance of € 4.104 thousand (see Note 24). Furthermore, an amount of € 39.219 thousand, which related to de-consolidated subsidiary reserves (see Note 7.1) was reclassified to the results of the consolidated Statement of Comprehensive Income for the current year.

Proportional actuarial gains/(losses) reserves
Actuarial gains / (losses) from defined benefit pension plans arising from (a) empirical adjustments (the result of differences between previous actuarial assumptions and those that eventually occurred) and (b) changes in actuarial assumptions.

(Amounts in thousands of Euros unless mentioned otherwise)

Development and tax legislation reserves

These reserves refer to profits not taxed at the applicable tax rate in accordance with the applicable tax framework. These reserves will be taxable at the tax rate applicable at the time of their distribution to the shareholders or their conversion into equity under certain circumstances.

The Group and the Company hold non taxable reserves for the amount of € 52.456 thousand and € 14.045 thousand, respectively, which, if disposed or capitalized, will be taxed at the applicable tax rate and subject to the provisions of the relevant development laws. The Group does not intend to distribute or capitalize these reserves in the near future.

33. EARNINGS PER SHARE

Basic earnings per share were calculated by dividing the net earnings attributed to shareholders of the parent company by the weighted average number of outstanding shares as follows:

	GROUP	
	31/12/2021	**31/12/2020 ***
Net profit attributed to shareholders of the parent for basic EPS purposes (in thousand Euro)		
- from continuing operations	71.834	53.588
- from discontinued operations	(94.035)	18.253
	(22.201)	**71.841**
Average weighted number of shares used to calculate basic EPS	115.681.726	112.381.580
Basic Earnings per share attributed to shareholders of the parent (Amounts in Euro per share)		
- from continuing operations	**0,62096**	**0,47684**
- from discontinued operations	**(0,81288)**	**0,16242**
- from continuing and discontinued operations	**(0,19191)**	**0,63926**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

No diluted earnings per share are effective regarding the Group and the Company in the FY ended as of 31/12/2021 and the respective comparative year.

34. INCOME TAX – DEFERRED TAXATION

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 was 24%. The effect from this reduction of the tax rate in the year 2021, on the results and the other comprehensive results for the Group amounted to a profit of € 1,908 thousand and a loss of € 173 thousand respectively.

(Amounts in thousands of Euros unless mentioned otherwise)

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

(α) Income Tax Expense

Income tax in the accompanying consolidated and separate financial statements for 2021 and 2020, is analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020 ***	**31/12/2021**	**31/12/2020 ***
Current income tax	18.242	15.109	1.709	598
Deferred tax	7.277	1.119	336	(3.046)
Total	**25.519**	**16.228**	**2.045**	**(2.448)**

	GROUP		COMPANY	
	31/12/2021	**31/12/2020 ***	**31/12/2021**	**31/12/2020 ***
Profit before tax	**98.437**	**90.060**	**35.174**	**26.498**
Nominal tax rate	22%	24%	22%	24%
Income tax based on the effective nominal tax rate	**21.656**	**21.614**	**7.738**	**6.360**
Adjustments for:				
Expenses not included in the tax calculation	141	451	141	451
Effect of change in tax rate and tax rate differences of foreign subsidaries	(1.791)	(278)	95	–
Adjustments of tax of previous years and additional taxes	–	(833)	–	–
Difference in taxation of foreign companies	(312)	(1.354)	–	–
Write-off/(offsetting) of tax losses	853	(427)	–	–
Effect of participations of associates and joint ventures in net results	756	–	–	–
Direct results on other comprehensive income or equity	(23)	–	–	–
Non-taxable results	(598)	(1.076)	(7.122)	(10.116)
Permanent tax differences (results not included in the tax calculation)	4.837	(1.473)	1.193	857
Deferred tax differences of previous years	–	(396)	–	–
Actual income tax expense	**25.519**	**16.228**	**2.045**	**(2.448)**
Effective tax rate	25,92%	18,02%	5,81%	(9,24)%

(Amounts in thousands of Euros unless mentioned otherwise)

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

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 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 5 and47.1 to the Financial Statements.

(b) Deferred Tax

Deferred tax assets and obligations are offset when there is an applicable legal right to offset current tax assets against current tax obligations and when deferred income taxes relate to the same tax authority.

The deferred income tax is calculated on all temporary tax differences between the book value and the tax value of assets and liabilities, using the expected effective tax rate at the time of maturity of the tax asset/ obligation:

Offset amounts as of 31/12/2021 and 31/12/2020 regarding the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31/12/2021	**31/12/2020 ***	**31/12/2021**	**31/12/2020 ***
Deferred tax asset	8.041	9.972	2.000	1.507
Deferred tax liability	(37.137)	(32.474)	–	(4)
Net deferred tax (liability)/asset	**(29.096)**	**(22.502)**	**2.000**	**1.503**
Opening balance	**(22.501)**	**(21.777)**	**1.503**	**(1.545)**
Change in opening balance due to take over of subsidiaries/Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*	1.186	156	–	(106)
Adjusted opening balance	**(21.315)**	**(21.621)**	**1.503**	**(1.651)**
(Debit)/credit recognised in net profit for the year	(7.279)	(1.119)	(334)	3.046
(Debit)/credit recognised in other comprehensive income	(523)	436	831	108
Deferred tax of non continuing	–	(397)	–	–

(Amounts in thousands of Euros unless mentioned otherwise)

Foreign exchange differences	21	200	–	–
Closing balance	**(29.096)**	**(22.501)**	**2.000**	**1.503**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

Deferred tax assets and obligations for 2021 and 2020, in the consolidated and separate Statement of Comprehensive Income, are analyzed as follows:

(Amounts in thousands of Euros unless mentioned otherwise)

GROUP	January 1st 2020 Opening balance	Change in opening balance due to take over of subsidiaries/Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)*	Adjusted opening balance	(Debit)/credit recognised in net profit for the year	(Debit)/credit recognised in other comprehensive income	Foreign exchange differences	31st December 2020 * Closing balance
Deferred tax asset/(liability)							
Provision for staff indemnities	156	(126)	**30**	6	()	–	**36**
Investment valuation	922	–	**922**	1	105	–	**1.028**
Derivative valuation	1.640	–	**1.640**	–	331	–	**1.971**
Other provisions	70	–	**70**	–	–	–	**70**
Receivables-Liabilities from contracts with customers	(99)	–	**(99)**	(240)	–	–	**(339)**
Loans	2.895	–	**2.895**	204	–	(71)	**3.028**
Lease liabilities	1.843	–	**1.843**	233	–	(45)	**2.031**
Recognized tax losses	1.554	13	**1.567**	1.873	–	–	**3.440**
Other	(666)	–	**(666)**	1.048	–	–	**382**
Valuation of investment properties	(130)	–	**(130)**	130	–	–	**–**
Intangible assets	9.991	430	**10.421**	1.156	–	–	**11.577**
Tangible assets	(28.256)	(161)	**(28.417)**	(6.323)	–	330	**(34.410)**
Financial Assets – Concessions	(10.658)	–	**(10.658)**	1.078	–	–	**(9.580)**
Grants	(1.039)	–	**(1.039)**	(285)	–	(14)	**(1.338)**
Deferred tax of net profit/other comprehensive income				**(1.119)**	**436**	**200**	
Deferred tax asset/(liability)	**(21.777)**	**156**	**(21.621)**				**(22.104)**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

	January 1st 2021 *						31st December 2021
GROUP	**Opening balance**	**Change in opening balance due to take over of subsidiaries/Adjustments due to retrospective**	**Adjusted opening balance**	**(Debit)/credit recognised in net profit for the year**	**(Debit)/credit recognised in other comprehensive income**	**Foreign exchange differences**	**Closing balance**
Deferred tax asset/(liability)							
Provision for staff indemnities	36	–	**36**	2	8	–	**46**
Investment valuation	1.028	–	**1.028**	(579)	–	–	**449**
Derivative valuation	1.971	–	**1.971**	142	(531)	–	**1.582**
Other provisions	70	–	**70**	872	–	–	**942**
Receivables-Liabilities from contracts with customers	(339)	–	**(339)**	404	–	–	**65**
Loans	3.028	–	**3.028**	(709)	–	(9)	**2.310**
Lease liabilities	2.031	–	**2.031**	2.275	–	(5)	**4.301**
Recognized tax losses	3.440	–	**3.440**	(1.749)	–	–	**1.691**
Other	382	–	**382**	(1.337)	–	–	**(955)**
Intangible assets	11.577	–	**11.577**	5.255	–	–	**16.832**
Tangible assets	(34.807)	1.186	**(33.621)**	1.781	–	37	**(31.803)**
Financial Assets – Concessions	(9.580)	–	**(9.580)**	(13.436)	–	–	**(23.016)**
Grants	(1.338)	–	**(1.338)**	(200)	–	(2)	**(1.540)**
Deferred tax of net profit/other comprehensive income	–			**(7.279)**	**(523)**	**21**	
Deferred tax asset/(liability)	**(22.501)**	**1.186**	**(21.315)**				**(29.096)**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

	January 1st 2020						31st December 2020 *
ENTITY	**Opening balance**	**Change in opening balance due to take over of subsidiaries/Adjustments due to retrospective application of change in IAS 19 accounting policy (Note 2.6.3)***	**Adjusted opening balance**	**(Debit)/credit recognised in net profit for the year**	**(Debit)/credit recognised in other comprehensive income**	**Foreign exchange differences**	**Closing balance**
Deferred tax asset/(liability)							
Provision for staff indemnities	132	(106)	**26**	6	(2)	–	**30**
Investment valuation	2.850	–	**2.850**	95	105	–	**3.050**
Derivative valuation	325	–	**325**	–	5	–	**330**
Other provisions	51	–	**51**	–	–	–	**51**
Receivables-Liabilities from contracts with customers	422	–	**422**	(240)	–	–	**182**
Loans	(57)	–	**(57)**	719	–	–	**662**
Lease liabilities	423	–	**423**	(116)	–	–	**307**
Recognized tax losses	–	–	**–**	2.214	–	–	**2.214**
Other	(279)	–	**(279)**	212	–	–	**(67)**
Valuation of investment properties	(130)	–	**(130)**	130	–	–	**–**
Intangible assets	(117)	–	**(117)**	(7)	–	–	**(124)**
Tangible assets	(5.368)	–	**(5.368)**	146	–	–	**(5.222)**
Financial Assets – Concessions	–	–	**–**	–	–	–	**–**
Grants	203	–	**203**	(113)	–	–	**90**
Deferred tax of net profit/other comprehensive income				**3.046**	**108**	**–**	
Deferred tax asset/(liability)	**(1.545)**	**(106)**	**(1.651)**				**1.503**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

	January 1st 2021 *						31st December 2021
ENTITY	**Opening balance**	**Change in opening balance due to take over of subsidiaries/Adjustments due to retrospective**	**Adjusted opening balance**	**(Debit)/credit recognised in net profit for the year**	**(Debit)/credit recognised in other comprehensive income**	**Foreign exchange differences**	**Closing balance**
Deferred tax asset/(liability)							
Provision for staff indemnities	30	–	**30**	1	8	–	**39**
Investment valuation	3.050	–	**3.050**	(303)	–	–	**2.747**
Derivative valuation	330	–	**330**	142	823	–	**1.295**
Other provisions	51	–	**51**	872	–	–	**923**
Receivables-Liabilities from contracts with customers	182	–	**182**	816	–	–	**998**
Loans	662	–	**662**	19	–	–	**681**
Lease liabilities	307	–	**307**	2.483	–	–	**2.790**
Recognized tax losses	2.214	–	**2.214**	(2.214)	–	–	**–**
Other	(67)	–	**(67)**	(415)	–	–	**(482)**
Intangible assets	(124)	–	**(124)**	9	–	–	**(115)**
Tangible assets	(5.222)	–	**(5.222)**	(1.621)	–	–	**(6.843)**
Financial Assets – Concessions	–	–	**–**	33	–	–	**33**
Grants	90	–	**90**	(156)	–	–	**(66)**
Deferred tax of net profit/other comprehensive income	–		**–**	**(334)**	**831**	**–**	
Deferred tax asset/(liability)	**1.503**	**–**	**1.503**				**2.000**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note* 2.6.3).

(Amounts in thousands of Euros unless mentioned otherwise)

35. TURNOVER

Turnover in the financial statements as of December 31st, 2021 και 2020, is analyzed as follows:

Turnover from contracts with customers per category

	GROUP		COMPANY	
	01/01 - 31/12/2021	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Revenue from construction services segment				
Road construction works	1.302	393	1.302	393
Railway construction works	192	804	192	804
Construction works	2	1	2	1
Electromechanical works	203	–	203	–
Industrial works	25.939	4.256	25.015	538
Energy RES works	56	6	96.563	21.223
	27.694	**5.460**	**123.277**	**22.959**

	GROUP		COMPANY	
	01/01 - 31/12/2021	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Revenue from RES energy generation segment				
Revenue from RES energy generation segment	212.357	140.832	21.046	18.829
Production Tax Credits (PTCs)	–	42.463		–
Energy generation from other RES technologies	10.387	4.605	3.294	2.378
Repair and maintenance of RES	1.291	291	6.717	5.617
Other revenue RES energy segment (except leases)	392	5.802	14	–
	224.427	**193.993**	**31.071**	**26.824**

	GROUP		COMPANY	
	01/01 - 31/12/2021	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Revenue from concession operating segment				
Revenue from the operation of waste management plants	1.670	2.771	3.468	3.350
Revenue from installation of e-ticketing	2.651	–	–	–
Revenue from operation of e-ticketing	–	8.969	–	–
Other revenue from concession operating segment (expect leases)	16.647	1.549	2.157	732
	20.968	**13.289**	**5.625**	**4.082**

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020	01/01 - 31/12/2021	01/01 - 31/12/2020
Revenue from trading segment	132.317	35.949	79.737	18.771
	132.317	**35.949**	**79.737**	**18.771**
Total Revenue from contracts with customers from continuing operations	**405.406**	**248.691**	**239.710**	**72.636**
Total	**405.406**	**248.691**	**239.710**	**72.636**

Turnover analysis from contracts with customers at the time of revenue recognition

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020 *	01/01 - 31/12/2021	01/01 - 31/12/2020
Transfer of goods at a specific time	353.908	227.869	102.712	39.187
Services at a specific time	2.838	2.072	8.096	6.408
Services over time	48.660	18.750	128.902	27.041
Total Revenue from contracts with customers from continuing operations	**405.406**	**248.691**	**239.710**	**72.636**
Total	**405.406**	**248.691**	**239.710**	**72.636**

Turnover analysis from contracts with customers per operating risk category of the contract

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020 *	01/01 - 31/12/2021	01/01 - 31/12/2020
Closed-value contracts	356.746	229.941	110.808	45.595
Cost contracts plus profit percentage	48.660	18.750	128.902	27.041
Total Revenue from contracts with customers from continuing operations	**405.406**	**248.691**	**239.710**	**72.636**
Total	**405.406**	**248.691**	**239.710**	**72.636**

Turnover analysis from contracts with customers per contract term

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020 *	01/01 - 31/12/2021	01/01 - 31/12/2020
Long-term contracts	273.088	212.742	159.973	53.865
Short-term contracts	132.318	35.949	79.737	18.771
Total Revenue from contracts with customers from continuing operations	**405.406**	**248.691**	**239.710**	**72.636**
Total	**405.406**	**248.691**	**239.710**	**72.636**

Time analysis of expected execution of a backlog of contracts with customers

	GROUP	COMPANY

	01/01 - 31/12/2021	01/01 - 31/12/2020	01/01 - 31/12/2021	01/01 - 31/12/2020
1 year	73.510	50.000	242.326	229.482
1-5 years	10.466	57.821	23.599	123.794
Total Revenue from contracts with customers from continuing operations	**83.976**	**107.821**	**265.925**	**353.276**
Total	**83.976**	**107.821**	**265.925**	**353.276**

** The items of the comparative period ended on 31/12/2020 have been adjusted to include only continuing operations (see Note 7.1 of the Annual Financial Statements).*

36. COST OF SALES, ADMINISTRATIVE AND RESEARCH AND DEVELOPMENT EXPENSES

Cost of sales, administrative and research & development expenses on December 31st, 2021 and 2020, in the financial statements, are analyzed as follows:

	GROUP		COMPANY	
COST OF SALES	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Cost of sales and inventory consumption	138.288	39.114	91.369	21.872
Employees remuneration and expenses	5.081	4.134	4.891	4.572
Subcontractors fees and expenses	16.022	1.919	83.102	9.135
Fees for engineers, studiers, technical consultants and third parties	19.507	14.099	12.288	7.405
Utilities	2.752	2.492	1.154	813
Leases	633	476	1.357	1.291
Taxes, duties and contributions	8.043	6.796	879	942
Travel expenses	63	45	76	32
Subscriptions and contributions	593	475	22	–
Donations-grants	4	9	6	17
Display and advertising costs	7	4	12	3
Laboratory inspection costs	7	3	6	3
Depreciation	45.456	41.280	6.290	6.028
Provisions for loss-making projects	3.434	–	3.434	–
Insurance premiums	4.939	4.746	1.219	819
Transportation expenses	2.231	1.312	2.201	5.738
Repairs and maintenance	15.860	14.395	3.010	2.596
Legal damages and litigation costs	5	5	5	1
Other	505	406	681	529
Total cost of sales from continuing operations	**263.430**	**131.710**	**212.002**	**61.796**
Total cost of sasles from discontinued operations	21.745	51.463	–	–
Total	**285.175**	**183.173**	**212.002**	**61.796**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

(Amounts in thousands of Euros unless mentioned otherwise)

The increase in the item "Cost of sale and consumption of inventories" in 2021 compared to the previous year amounting to € 99,174 thousand and € 69,497 thousand for the Group and the Company respectively, comes mainly from the electricity trading sector.

The increase in the item "Fees and expenses of subcontractors" of the Company in 2021 compared to the previous year amounting to € 73,968 thousand, is mainly due to the construction of the wind farm at MILZA (18 MW) of the Municipality of Karystos and the commencement, on 29/01/2021, of the construction of the PPP project "Integrated Waste Management of Peloponnese Region".

	GROUP		COMPANY	
ADMINISTRATIVE EXPENSES	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***	**01/01 - 31/12/2021**	**01/01 - 31/12/2020 ***
Cost of sales and inventory consumption	–	2	–	1
Employees remuneration and expenses	5.468	5.394	2.964	2.917
Subcontractors’ fees and expenses	50	56	13	56
Fees for engineers, studiers, technical consultants and third parties	11.676	11.752	2.737	7.866
Utilities	233	210	204	161
Leases	101	150	30	42
Taxes, duties and contributions	740	493	138	145
Travel expenses	262	309	205	273
Subscriptions and contributions	502	348	238	178
Donations-grants	389	412	387	408
Display and advertising costs	1.219	693	1.211	692
Depreciation	1.283	693	600	466
Insurance premiums	283	238	139	113
Transportation expenses	148	87	134	74
Repairs and maintenance	332	163	305	61
Auditors' fees	595	565	164	120
BoD members fees	1.146	873	1.080	700
Legal damages and litigation costs	9	–	7	–
Other	411	505	328	458
Total administration expenses from continuing operations	**24.847**	**22.943**	**10.884**	**14.731**
Total administration expenses from discontinued operations	106	329	–	–
Total	**24.953**	**23.272**	**10.884**	**14.731**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
RESEARCH & DEVELOPMENT EXPENSES	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Employees remuneration and expenses	383	380	383	380
Subcontractors fees and expenses	22	–	22	–
Fees for engineers, studiers, technical consultants and third parties	2.828	1.672	2.818	1.515
Utilities	10	11	10	11
Leases	7	6	7	6
Taxes, duties and contributions	1.413	651	1.412	626
Travel expenses	9	35	9	35
Subscriptions and contributions	107	18	107	18
Depreciation	244	68	244	67
Transportation expenses	6	8	6	8
Repairs and maintenance	178	2	178	2
Legal damages and litigation costs	42	2	42	2
Other	24	47	24	48
Total	**5.273**	**2.900**	**5.262**	**2.718**

Regarding FY ended as of December 31st, 2021, expenses for the year, analyzed in the item “Auditors’ fees” include statutory auditors’ and auditing firm’s fees amounting to € 19.5 thousand for the Group (2020: € 21 thousand) for the Group and € 14,5 thousand (2020: € 15 thousand) for the Company, which include non-prohibited non-audit services (excluding statutory and tax audit)

37. OTHER INCOME/(EXPENSES)

The other income / (expenses) on December 31st, 2021 and 2020, in the financial statements, are analyzed as follows:

	GROUP		COMPANY	
Other income	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Income from sale of waste material	12	22	11	150
Income from other services	68	–	–	–
Income from leases	27	37	70	78
Income from transfer of expenses	54	–	6.426	–
Income from insurance indemnities	361	668	235	304
Income from the forfeiture of guarantees received and penalty clauses	6.792	1.254	–	372
Grants amortisation (Note 27)	5.374	5.381	1.259	1.259

(Amounts in thousands of Euros unless mentioned otherwise)

Income from the grants for expenses (expenses included in cost)	118	–	118	–
Other income	5.008	920	1.556	327
Recovery of impairment	–	–	5	–
Foreign exchange differences (credit)	863	–	–	–
Total other income from continuing operations	**18.677**	**8.282**	**9.680**	**2.490**
Total other income from discontinued operations	3.485	8.532	–	–
Total other income	**22.162**	**16.814**	**9.680**	**2.490**

	GROUP		**COMPANY**	
Other expenses	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Fees for engineers, studiers, technical consultants and third parties	–	–	(6.056)	–
Taxes, duties and contributions	–	(405)	–	(284)
Donations-grants	(15)	–	(4)	–
Non accounted for fixed assets depreciation	(1)	(1)	(1)	(1)
Other	(6.833)	(5.380)	(359)	(1.313)
Taxes, fees and insurance contributions of previous years and fines and surcharges related to these	6	–	(64)	–
Impairments/write-offs	(2.793)	(9)	–	(3)
Foreign exchange differences (debit)	–	(5.178)	(3)	(2)
Total other expenses from continuing operations	**(9.636)**	**(10.973)**	**(6.487)**	**(1.603)**
Total other expenses from discontinued operations	(148.845)	–	–	–
Total other expenses	**(158.481)**	**(10.973)**	**(6.487)**	**(1.603)**
Total other income/(expenses) from continuing operations	**9.041**	**(2.691)**	**3.193**	**887**
Total other income/(expenses) from discontinued operations	(145.360)	8.532	–	–
Total other income/(expenses)	**(136.319)**	**5.841**	**3.193**	**887**

The item "Fees for engineers, studiers, technical consultants and third parties" of the Company amounting to € 6,056 thousand, includes costs of administrative support of the Company for the year 2021, which are then passed on to the subsidiaries of the Group. Revenue from the transfer of these expenses is included in the item "Revenue from the transfer of expenses".

38. FINANCIAL INCOME/(EXPENSES)

Employee remuneration and the average personnel are analyzed as follows:

(Amounts in thousands of Euros unless mentioned otherwise)

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020 *	01/01 - 31/12/2021	01/01 - 31/12/2020 *
Interest on short-term Loans	(788)	(1.317)	(787)	(613)
Interest on long-term Loans	(27.135)	(18.087)	(14.422)	(10.827)
Interest on lease liability	(751)	(486)	(395)	(94)
Expenses from unwinding of provisions and long-term liabilities	(1.140)	(1.196)	(469)	(602)
Commissions, bank charges and other expenses	(2.557)	(1.952)	(817)	(944)
Other financial expenses	(167)	(87)	(103)	–
Financial expenses from continuing operations	**(32.538)**	**(23.125)**	**(16.993)**	**(13.080)**
Financial expenses from discontinued operations	(19.818)	(44.580)	–	–
Financial expenses	**(52.356)**	**(67.705)**	**(16.993)**	**(13.080)**
Interest from sight deposits	497	304	3	32
Interest income from bond and other intercompany loans	17	18	5.284	3.735
Income from unwinding of long-term receivables	5.255	5.476	104	109
Other financial income	103	111	9	6
Financial income from continuing operations	**5.872**	**5.909**	**5.400**	**3.882**
Financial income from discontinued operations	264	45	–	–
Financial income	**6.136**	**5.954**	**5.400**	**3.882**
Net financial results from continuing operations	**(26.666)**	**(17.216)**	**(11.593)**	**(9.198)**
Net financial results from discontinued operations	(19.554)	(44.534)	–	–
Net financial results	**(46.220)**	**(61.750)**	**(11.593)**	**(9.198)**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

39. PAYROLL COST

Employee remuneration and the average personnel are analyzed as follows:

	GROUP		COMPANY	
	01/01 - 31/12/2021	01/01 - 31/12/2020 *	01/01 - 31/12/2021	01/01 - 31/12/2020 *
Salaries and other employee benefits	8.904	7.984	6.493	6.170
Social security contributions	1.949	1.821	1.672	1.605
Provision for staff indemnities	79	103	73	95
Total payroll cost from continuing operations	**10.932**	**9.908**	**8.238**	**7.870**
Total payroll cost from discontinued operations	273	748	–	–
Total	**11.205**	**10.656**	**8.238**	**7.870**
Average Headcount				
Day-waged workers	75	75	65	66
Regular staff	280	259	217	196

(Amounts in thousands of Euros unless mentioned otherwise)

40. TRANSACTIONS WITH RELATED PARTIES

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

Company's transactions with subsidiaries

a) Assets	**Company**	
Amounts in € '000	**31/12/2021**	**31/12/2020**
Trade receivables	122.258	27.441
Long-term loans	120.464	94.559
Short-term part of receivables from long-term loans	19.920	3.335
Intercompany receivables from cash and other receivables	5.300	2.159
Total	**267.942**	**127.494**

b) Liabilities	**Company**	
Amounts in € '000	**31/12/2021**	**31/12/2020**
Suppliers	56.210	1.503
Long-term loans	313.199	256.279
Long-term liabilities carried forward	1.061	16.911
Other liabilities	5	680
Total	**370.475**	**275.373**

c) Income	**Company**	
Amounts in € '000	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Income from trading electric energy	21.585	4.521
POC construction material	121.482	21.853
Repairs and maintenance	6.622	5.522
Other services	3.554	1.884
Other income and sales	6.620	325
Financial income	5.284	3.719
Total	**165.147**	**37.824**

d) Expenses	**Company**	
Amounts in € '000	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Electric energy acquisition cost	19.103	8.433
Fees and other third party expenses	141	39
Other expenses	1	16
Financial expenses	9.606	9.092
Total	**28.851**	**17.580**

(Amounts in thousands of Euros unless mentioned otherwise)

e) Revenue from participating interest and other investments

	Company	
Amounts in € '000	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Derivative income	31.594	41.869
Total	**31.594**	**41.869**

Transactions with other related parties

a) Assets

	Group		Company	
Amounts in € '000	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Trade receivables	1.514	4.667	1.430	2.870
Loans and Guarantees	5	2.741	–	1.977
Prepayments and other receivables	277	319	–	42
Total	**1.796**	**7.727**	**1.430**	**4.889**

b) Liabilities

	Group		Company	
Amounts in € '000	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Suppliers	4.662	2.351	4.455	1.271
Long-term loans	140.000	–	–	–
Long-term liabilities carried forward	472	–	–	–
Other liabilities	2.843	2.980	599	155
Total	**147.977**	**5.331**	**5.054**	**1.426**

c) Income

	Group		Company	
Amounts in € '000	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Income from construction services	600	–	600	–
Income from trading electric energy	4.344	10.595	344	947
Other income	8	646	7	18
Financial income	84	18	68	–
Total	**5.036**	**11.259**	**1.019**	**965**

d) Expenses

	Group		Company	
Amounts in € '000	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Electric energy acquisition cost	2.008	194	1.209	–
Fees and other third party expenses	1.893	926	1.892	871
Other expenses	5.299	1.890	1.688	1.283
Financial expenses	59	37	57	6
Total	**9.259**	**3.047**	**4.846**	**2.160**

e) Revenue from participating interest and other

	Group		Company	
Amounts in € '000	**01.01 - 31.12.2021**	**01.01 - 31.12.2020**	**01.01 - 31.12.2021**	**01.01 - 31.12.2020**
Derivative income	–	13	–	13
Total	**–**	**13**	**–**	**13**

(Amounts in thousands of Euros unless mentioned otherwise)

The most significant transactions and balances of the Company with its subsidiaries as of 31/12/2021 presented below as follows:

		ASSETS	LIABILITIES	INCOME	EXPENSES
AIOLIKI EASTERN GREECE SA	Subsidiary	12.788	–	2.148	–
AIOLIKI MARMARIOU EVIAS SA	Subsidiary	17.050	–	1.583	–
AIOLIKI PANORAMATOS DERVENOCHORION S.A.	Subsidiary	87	29.501	2.475	908
TERNA ENERGY SA & SIA PROVATA TRAIANOUPOULEOS	Subsidiary	18.751	–	3.334	–
EUROWIND S.A.	Subsidiary	49	17.341	272	447
ENERGIAKI DYSTION EVIAS SA	Subsidiary	9.723	–	971	–
ENERGIAKI STYRON EVIAS SA	Subsidiary	13.467	–	811	–
TERNA ENERGY AI-GIORGIS SA	Subsidiary	1.612	–	4.829	–
TERNA AIOLIKI AMARINTHOU SA	Subsidiary	1.104	–	328	–
AIOLIKI PASTRA ATTIKIS AE	Subsidiary	78	4.000	5.350	142
ENERGIAKI NEAPOLEOS LAKONIAS S.A.	Subsidiary	3.432	–	296	–
ENERGIAKI PELOPONNISOU S.A.	Subsidiary	14.596	–	1.083	–
AEIFORIKI IPIROU MAEES	Subsidiary	8.908	8	3.866	96
PERIVALLONTIKI PELOPONNISOU MAE	Subsidiary	24.001	15.796	31.404	38
ENERGIAKI SERVOUNIOU SA	Subsidiary	72	15.696	6.143	597
TERNA ENERGY FINANCE SA	Subsidiary		147.688	1	5.352
TERNA ENERGY EVROU SA	Subsidiary	79	42.000	3.973	1.478
PROENTRA D.O.O BEOGRAD	Subsidiary	6.097	–	8.055	7.695
TETRA DOOEL SKOPJE	Subsidiary	11.751	2.291	13.687	11.408
TERNA ENERGY OMALIES MAE	Subsidiary	90.758	19.704	87.582	–
		234.403	**294.025**	**178.191**	**28.161**

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 01/01-31/12/2021 and 01/01-31/12/2020 are presented below as follows:

	Group		Company	
	01/01 - 31/12/2021	**01/01 - 31/12/2020**	**01/01 - 31/12/2021**	**01/01 - 31/12/2020**
Fees of Board of Directors	1.228	873	1.080	700
Remuneration granted to executives who are executive members of the Board of Directors	1.103	1.295	746	882
	2.331	**2.168**	**1.826**	**1.582**

41. RISK MANAGEMENT POLICIES AND PROCEDURES

The Group is exposed to multiple financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk. The Group, on a regular basis, reviews and assess its exposure to the aforementioned risks, individually and in combination, and uses financial instruments in order to mitigate its exposure to specific risk categories.

Risk assessment and management of the risks which the Group and the Company encounter, are conducted by the Company's Management and the Board of Directors. Key objective is to monitor and assess all types of risks to which the Group and the Company are exposed through their business and investment activities.

The Group uses various financial instruments or applies specialized strategies to minimize its exposure to changes in the values of investments that may arise from market fluctuations, including changes in current interest rates and exchange rates.

41.1 Currency Risk

Currency risk is the risk that results from the fact that the fair value of future cash flows of a financial instrument will be subject to volatility due to changes in exchange rates.

This type of risk may result, for the Group, from foreign currency denominated transactions with non-Eurozone countries and countries that have not linked their currency to the euro. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign entities. The Group operates through subsidiaries in Greece, Cyprus, East Europe and North America and thus it may be exposed to foreign exchange risk.

The Group’s current foreign activities relate to energy production and electric energy trades.

As regards to the construction projects in countries such as Bulgaria, the contractual receivables and liabilities are realized in euro or local currency (which is linked to euro) and thus the exposure to currency risk is limited. But the development of energy projects as well as the trading of electricity in other countries such as Poland, Serbia and North Macedonia, where the local currency fluctuates against euro may lead to currency differences and exposure to currency risk from the change in the Polish zloty (PLN), Serbian dinar (RSD), North Macedonia dinar (MKD), the US Dollar (USD), and Albanian lek (ALL) against euro. The Group uses plain methods of hedging currency risk in the countries where it operates by borrowing partially in local currency, thereby hedging its foreign currency risk.

	2021				
	Amounts in € of balances in currency trades where differences in payments and valuations arise				
Nominal amounts	**USD**	**MKD**	**RSD**	**ALL**	**PLN**
Current financial assets	18	–	–	–	5.740
Current financial liabilities	–	–	–	–	–
Total	**18**	**–**	**–**	**–**	**5.740**
Non-current financial assets	–	–	–	–	131
Non-current financial liabilities	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**131**

(Amounts in thousands of Euros unless mentioned otherwise)

	Amounts in € of balances in local currency where differences in conversion arise				
Nominal amounts	**USD**	**MKD**	**RSD**	**ALL**	**PLN**
Current financial assets	75.743	2.092	6.758	12	12.417
Current financial liabilities	(74.101)	(1.193)	(5.242)	(78)	(4.757)
Total	**1.642**	**899**	**1.516**	**(66)**	**7.660**
Non-current financial assets	14.560	–	180	–	3
Non-current financial liabilities	(447.452	–	(40)	–	(51.125
Total	**(432.892**	**–**	**140**	**–**	**(51.122**

2020

	Amounts in € of balances in currency trades where differences in payments and valuations arise				
Nominal amounts	**USD**	**MKD**	**RSD**	**ALL**	**PLN**
Current financial assets	12	–	–	–	4.251
Current financial liabilities	–	–	–	–	–
Total	**12**	**–**	**–**	**–**	**4.251**
Non-current financial assets	–	–	–	–	127
Non-current financial liabilities	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**127**

	Amounts in € of balances in local currency where differences in conversion arise				
Nominal amounts	**USD**	**MKD**	**RSD**	**ALL**	**PLN**
Current financial assets	75.743	2.092	6.758	12	12.417
Current financial liabilities	(74.101)	(1.193)	(5.242)	(78)	(4.757)
Total	**1.642**	**899**	**1.516**	**(66)**	**7.660**
Non-current financial assets	14.560	–	180	–	3
Non-current financial liabilities	(447.452	–	(40)	–	(51.125
Total	**(432.892**	**–**	**140**	**–**	**(51.122**

The table below presents the sensitivity of the year's result as well as of the other comprehensive income versus the exchange rate fluctuations through their effect on financial assets and liabilities. For the BGN currency we did not review the change as the currency has a fixed exchange rate against the Euro. For the other currencies we reviewed the sensitivity to a change of +/- 10%.

(Amounts in thousands of Euros unless mentioned otherwise)

	2021									
	USD		MKD		RSD		ALL		PLN	
Nominal amounts	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Effect on net profit after tax	1	(1)	–	–	–	–	–	–	514	(514)
Effect on other comprehensive income	2.523	(2.523)	1.403	(1.403)	(403)	403	(7)	7	(1.288)	1.288

	2020									
	USD		MKD		RSD		ALL		PLN	
Nominal amounts	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Effect on net profit after tax	1	(1)	–	–	–	–	–	–	383	(383)
Effect on other comprehensive income	(37.015)	37.015	155	(155)	11	(11)	(7)	7	(2.129)	2.129

To manage this category of risk, the Group’s Management and financial department makes sure that most of the receivables (income) and liabilities (expenses) are denominated in euro or in currencies with fixed exchange rate (e.g. Bulgarian lev (BGN)) with euro or in the same currency so that they could offset.

41.2 Interest rate risk

The policy of the Group is to minimize its exposure to the interest rate risk of 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. In this context, on 31/12/2021, 35,2% of long-term loans received by the Group bear a fixed interest rate, 30,2% of long-term loans refer to floating-rate loans that have been hedged through derivatives with which future fixed rate payments are exchanged against floating rate collections, while 34,6% of long-term loans refer to floating rate loans on a case by case basis euribor or wibor (Note 22).

The Group's short-term bank loans, as a total, are denominated in Euro based on a floating rate linked to Euribor (Note 22).). It is to be noted that the Group's policy is to convert short-term debt into long-term debt when the wind farm whose construction is financed, is completed. The balance of the Group's short-term debt as at 31/12/2021 amounts to € 40.425 thousand.

The following table presents sensitivity of the results for the year versus the Group’s short-term debt and deposits, given a reasonable change in variable interest rates amounting to +20% –20% (2020: +/-20% επίσης). The changes in interest rates are estimated to fluctuate on a normal basis in relation to current market conditions and until today they remain stable compared to the previous Fiscal Year.

	2021		2020	
Amounts in thousand €	**20%**	**(20)%**	**20%**	**(20)%**
Results for the year after tax – Group	(421)	421	(171)	171
Results for the year after tax – Company	(130)	130	(64)	64

The Group is not exposed to other interest rate risks.

41.3 Market Risk

The Group, for its financial assets is not exposed to Market risks.

41.4 Credit Risk

Credit risk is the risk that the counterparty in a financial instrument might cause damage to the other party by failing to pay the relevant obligation.

The Group continuously controls its receivables and incorporates the resulting information in its credit control

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

Given the nature of its operations, the Group is not 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 for the cash and other receivables is considered low given that the counterparties are reliable banks with high quality capital structure, the Greek State and the broader public sector and powerful groups.

The amounts representing the maximum exposure to this risk at the end of the current and comparative periods are the present value of those items in the respective periods. The Company's maximum credit risk is the possibility of the counterparty's default.

On 31/12/2021, there are no guarantees and credit enhancements to securing the credit risk of the aforementioned receivables, for both the Group and the Company.

The Group's Management considers that all the above financial assets, arising following the implementations of the necessary impairments, are of high credit quality.

41.5 Liquidity Risk

The Group manages its liquidity needs by closely monitoring its long-term financial liabilities and the daily payments. The liquidity needs are monitored in different time-zones daily and weekly as well as in a rolling 30 day period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

The Group and the Company maintain cash and deposits at the banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs is disbursed from the time-deposits of the Group.

(Amounts in thousands of Euros unless mentioned otherwise)

The maturity of financial liabilities as of December 31st, 2021 for the Group is analyzed as follows:

	31/12/2021		
	Short-term	**Long-term**	
	0 to 12 months	**1 to 5 years**	**>5 years**
Long-term loans	70.966	411.096	461.048
Lease liabilities	1.151	4.067	14.634
Liabilities from derivatives	6.659	1.714	448
Short-term loans	40.425	–	–
Suppliers	138.326	–	–
Other long-term liabilities	–	10.549	–
Accrued and other short-term liabilities	31.119	–	–
Total	**288.646**	**427.426**	**476.130**

The respective maturity of financial liabilities as at December 31st, 2020 is analyzed as follows:

	31/12/2020		
	Short-term	**Long-term**	
	0 to 12 months	**1 to 5 years**	**>5 years**
Long-term loans	69.364	400.675	456.557
Lease liabilities	718	1.941	9.123
Equity interests having a substance of financial liability	45.079	178.478	57.706
Liabilities from derivatives	4.774	6.242	1.631
Short-term loans	27.487	–	–
Suppliers	42.247	–	–
Other long-term liabilities	–	10.290	–
Accrued and other short-term liabilities	18.831	–	–
Total	**208.500**	**597.626**	**525.017**

The above contractual maturity dates reflect gross cash flows, which may differ from the book values of liabilities as at the balance sheet date.

41.6 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 good progress of the vaccination program as well as the gradual easing of strict containment measures during 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.

Group Organizational Planning

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 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.

<u>The above mentioned actions are presented below:</u>

• Creation of a safe working environment for all employees along with the adoption of distance work policies wherever and whenever this is deemed feasible and necessary. The Group has taken a number of precautionary measures, including a large-scale teleworking plan (covering, over this period, more than 50% of the personnel). In addition, the Group provided communication channels for health advice and psychological support for all employees.

• Establishment of a special committee for the treatment of coronavirus and ensuring that ALL employees of the Group have the absolute protection and care against COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is also being immediately informed of any critical factors of its spread and guides the necessary actions to be taken by the Management and each employee throughout the Group in order to minimize the risks of the phenomenon and their impact on the course of the company. At the same time, the Committee has entered into an agreement with a special diagnostic center for the proper and timely examination of all its human resources with the aim of protecting them until the end of the pandemic and bringing social life back to normalcy. Finally, it has safeguarded the workplaces for those employees who continue to work in their offices by implementing the most stringent measures decided by the competent scientific committee of the Greek State.

• Security and utilization of the most modern information technology to limit movement and travel to a minimum, the implementation of teleconferencing (video calls), as well as modern, flexible ways of working depending on the individual or special needs of groups of employees.

• Establishment and adoption of extremely strict operating rules at all points of presence and operation of the Group in Greece and abroad, in order to constantly confirm the highest possible level of health safety for all.

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 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.

Although estimates regarding the impact of the pandemic on the global and Greek economy vary, 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 the maintenance of the smooth operation both in the Greek territory and in the other countries where the Group operates, applying procedures of continuous identification and evaluation of all risks that may arise in the near future. In direct, continuous and systematic cooperation with the Risk Managers and the executives of the Group, the Management plans and implements measures to deal with any identified risk in order to limit its negative effects to the minimum possible. The organizational efficiency of the Group and the continuous efforts of the Management to use its managers by project and specific issue depending on the required ability and experience, have created a proven capable, flexible and effective mechanism for dealing with any possible crisis in any company of the Group whenever it appears. Due to this fundamental principle is the immediate response of Management and the above mechanism for dealing with the epidemic crisis with prudence, balance 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 note to the war conflict in the region of Ukraine

Terna Energy Group closely monitors the geopolitical developments in Ukraine which in any case do not have a direct impact on its size and financial performance. However, from these events, risks have already appeared and new ones are expected to emerge. These include: fluctuations in expected state revenues in the tourism sector, inflation pressures on energy and grain prices and uncertainty in the development of foreign direct investment, with all the above being factors that may affect fiscal flexibility and the wider macroeconomic climate and thus have inevitable repercussions on the operations of the Group.

(Amounts in thousands of Euros unless mentioned otherwise)

(c) 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 effects on the Group's business activities, a relevant analysis is presented in Note 7.1 of the Financial Statements of the parent company.

42. PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY

The financial assets as well as the financial liabilities of the Group by category are as follows:

31st December 2021	**GROUP**			
	Unamortized cost	**Fair Value through profit and loss**	**Fair value through other comprehensive income**	**Total**
Financial Assets				
Other short-term investments	–	1.762	–	**1.762**
Investments in equity interests	–	–	2.583	**2.583**
Financial Assets – Concessions	61.353	–	–	**61.353**
Receivables from derivatives	–	–	1.409	**1.409**
Other long-term receivables	4.963	–	–	**4.963**
Trade receivables and other receivables	146.828	–	–	**146.828**
Cash and cash equivalents	397.409	–	–	**397.409**
Total	**610.553**	**1.762**	**3.992**	**616.307**

31st December 2021	**GROUP**			
	Unamortized cost	**Fair Value through profit and loss**	**Fair value through other comprehensive income**	**Total**
Financial Liabilities				
Long-term loans	943.110	–	–	**943.110**
Contingent consideration from acquisition of assets	–	10.549	–	**10.549**
Trade and other liabilities	153.968	–	–	**153.968**
Short-term loans	40.425	–	–	**40.425**
Lease liabilities	19.852	–	–	**19.852**
Liabilities from derivatives	–	–	8.821	**8.821**
Total	**1.157.355**	**10.549**	**8.821**	**1.176.725**

(Amounts in thousands of Euros unless mentioned otherwise)

31st December 2020	GROUP			
	Unamortized cost	Fair Value through profit and loss	Fair value through other comprehensive income	Total
Financial Assets				
Other short-term investments	–	2.212	–	**2.212**
Investments in equity interests	–	–	2.753	**2.753**
Financial Assets – Concessions	46.952	–	–	**46.952**
Receivables from derivatives	–	–	14.544	**14.544**
Other long-term receivables	4.611	–	–	**4.611**
Trade receivables and other receivables	160.425	–	–	**160.425**
Cash and cash equivalents	290.907	–	–	**290.907**
Total	**502.895**	**2.212**	**17.297**	**522.404**

31st December 2020	GROUP			
	Unamortized cost	Fair Value through profit and loss	Fair value through other comprehensive income	Total
Financial Liabilities				
Long-term loans	926.596	–	–	**926.596**
Equity instruments having a substance of financial liability	281.263	–	–	**281.263**
Contingent consideration from acquisition of assets	–	10.290	–	**10.290**
Trade and other liabilities	56.403	–	–	**56.403**
Short-term loans	27.487	–	–	**27.487**
Lease liabilities	11.782	–	–	**11.782**
Liabilities from derivatives	–	–	12.647	**12.647**
Total	**1.303.531**	**10.290**	**12.647**	**1.326.468**

Note 4.10 presents a more detailed description on the way the category of financial instruments affects their subsequent valuation. Regarding determination of fair value of contingent consideration, it was determined based on the expected payments and the relative probabilities of their realization in accordance with the decisions of the Management (see Notes 4.20 and 7.1).

43. LIABILITIES ARISING FROM FINANCING ACTIVITIES

In compliance with the provisions of IAS 7, non-cash changes not obligatory disclosed in Cash Flows, are presented below as follows:

Amounts in thousand €	Long-term loans	Long-term liabilities carried forward	Short-term loans	Equity interests having a substance of financial liability	Equity interests having a substance of financial liability (short term part)	Total
01/01/2021	**857.232**	**69.364**	**27.487**	**236.184**	**45.079**	**1.235.346**
Cash Flows :						
- Repayments	(11.070)	(77.293)	(3.828)	–	–	**(92.191)**
- Proceeds	294.991	–	44.323	–	–	**339.314**
Cash Flows from discontinued operations	(41.599)	–	(40.495)	–	(23.706)	**(105.800)**
Non-cash movements	(227.410)	78.895	12.938	(236.184)	(21.373)	**(393.134)**
31/12/2021	**872.144**	**70.966**	**40.425**	**–**	**–**	**983.535**

(Amounts in thousands of Euros unless mentioned otherwise)

Amounts in thousand €	Long-term loans	Long-term liabilities carried forward	Short-term loans	Equity interests having a substance of financial liability	Equity interests having a substance of financial liability (short term part)	Total
01/01/2020	**906.518**	**70.214**	**36.453**	**324.407**	**51.365**	**1.388.957**
Cash Flows :						
- Repayments	(5.836)	(64.362)	(158.416)	–	–	**(228.614)**
- Proceeds	137.224	–	158.416	–	–	**295.640**
Cash Flows from discontinued operations	(1.813)	–	(7.944)	–	(52.456)	
Non-cash movements	(178.861)	63.512	(1.022)	(88.223)	46.170	**(158.424)**
31/12/2020	**857.232**	**69.364**	**27.487**	**236.184**	**45.079**	**1.297.559**

44. FAIR VALUE MEASUREMENT

Fair value measurements of financial assets

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

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

- **Level 1:** at fair value based on quoted (unadjusted) prices in active markets for comparable assets or liabilities.
- **Level 2:** at fair value, using valuation techniques for which all inputs that significantly affect the fair value, are based (either directly or indirectly) on observable market data.
- **Level 3:** at fair value, using valuation techniques, in which the data that significantly affects the fair value, is not based on observable market data.

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

31st December 2021				
Financial Assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Other short-term investments	1.762	–	–	**1.762**
Investments in equity interests	–	–	2.583	**2.583**
Receivables from derivatives	–	1.409	–	**1.409**
Total	**1.762**	**1.409**	**2.583**	**5.754**

(Amounts in thousands of Euros unless mentioned otherwise)

Financial Liabilities				
Liabilities from derivatives	–	3.657	5.164	**8.821**
Contingent consideration from acquisition of assets	–	–	10.549	**10.549**
Total	**–**	**3.657**	**15.713**	**19.370**
Net Fair Value	**1.762**	**(2.248)**	**(13.130)**	**(13.616)**

31st December 2020

Financial Assets	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Other short-term investments	2.212	–	–	**2.212**
Investments in equity interests	–	–	2.753	**2.753**
Receivables from derivatives	–	–	14.544	**14.544**
Total	**2.212**	**–**	**17.297**	**19.509**
Financial Liabilities				
Liabilities from derivatives	–	8.392	4.255	**12.647**
Contingent consideration from acquisition of assets	–	–	10.290	**10.290**
Total	**–**	**8.392**	**14.545**	**22.937**
Net Fair Value	**2.212**	**(8.392)**	**2.752**	**(3.428)**

There were no changes in the valuation techniques applied by the Group within the current reporting period. Moreover, there were no transfers of amounts between the fair value hierarchy levels 1 and 2 during the 2021 και 2020.

The level 2 derivative financial instruments relate to forward rate swap contracts, while those of level 3 relate to fixed for floating swap contracts of the HERON EN.A and HERON EN.A BUSINESS plan and the possible consideration from the acquisition of assets (see Note 30). To determine the fair value of the above financial instruments, the Group uses appropriate valuation techniques depending on the category of financial instrument. With regard to forward rate swap contracts, their fair value is measured by reference to market interest rate curves, through valuations by credit institutions and in combination with internal valuation using interest rate curves. With regard to the fixed for floating swap contracts of the HERON EN.A and HERON EN.A BUSINESS plan, their fair value is determined by using future market prices and discounting their estimated future value at present value.

The fair value of the contingent consideration from acquisition of assets (see Note 30), 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 € 10,549 k by 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 31/07/2023.

(Amounts in thousands of Euros unless mentioned otherwise)

2021 and 2020 are presented as follows:

	31/12/2021			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
Opening balance	**2.753**	**10.289**	**(10.290)**	**2.418**	**5.666**	**–**
- Acquisition	374	(5.164)	–	774	–	(10.290)
- Return of capital	(249)	–	–	–	–	–
- (Impairment)	(295)	–	–	(439)	–	–
- Finance cost	–	–	(259)	–	–	–
- Effect of evaluation	–	–	–	–	5.481	–
- (Results from discontinued operations (see Note 7.1.5.2))	–	(48.408)	–	–	–	–
- Reductions from loss of control	–	37.554	–	–	–	–
- Foreign exchange differences	–	565	–	–	(858)	–
Closing balance	**2.583**	**(5.164)**	**(10.549)**	**2.753**	**10.289**	**(10.290)**

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

45. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The aims of TERNA ENERGY Group regarding the management of its capital are as follows:

- To ensure the ability of the Group to continue its activity (going concern)
- To secure a satisfactory return for its shareholders by pricing products and services according to their level of risk.
- to fulfill its contraction obligations in respect of specific debt agreements
- to ensure it meets the minimum requirements set by legislation regarding undertaking of contractual constructions.

The Group defines the level of capital in proportion to the risk of its activities, it monitors the developments of the economic environment and their effect on the risk characteristics, and it manages the capital structure (relation of debt to equity) with the adjustment of the amount and maturity of debt, the issue of new shares or the return of capital to shareholders, with the adjustment of the dividend and the sale of individual or a group of assets.

(Amounts in thousands of Euros unless mentioned otherwise)

The Group finances the construction of Wind Farms and other projects through a combination of capital, bank borrowings and government grants. Therefore, the Group monitors Loan Liabilities to Total Employed Capital ratio. As Loan Liabilities is defined the total of Short-term Loans, Long-term Loans and Long-term loan liabilities carried forward. Total Employed Capital is defined as total equity, loan liabilities, equity instruments similar to financial liabilities (Note 28), whose repayment follows repayment of the primary debt of the respective Wind Farms and is performed only to the extent the required performance is achieved from their operation, and government grants less the amount of cash not to be restricted or suspended for any reason, in addition to commitments linked with borrowing.

The ratio at the end of 2021 and 2020 was as follows:

Amounts in thousand €	**31/12/2021**	**31/12/2020 ***
Short-term loans	40.425	27.487
Long-term loans	872.144	857.232
Long-term liabilities carried forward	70.966	69.364
Loan liabilities	**983.535**	**954.083**
Total equity	431.643	496.094
Loan liabilities	983.535	954.083
Equity interests having a substance of financial liability	–	281.263
Lease liabilities (Long & Short-term portion)	19.852	11.782
Grants	76.736	82.140
Subtotal	**1.511.766**	**1.825.362**
Less:		
Cash and cash equivalents	397.409	290.907
Restricted cash related with loans (Note 21)	61.192	53.246
Grants to be rebated (Note 27)	(3.024)	(3.024)
Subtotal	**455.577**	**341.129**
Total employed capital	**1.056.189**	**1.484.233**
Loan Liabilities / Total employed capital	**93%**	**64%**

** The comparative figures of the Group and the Company for the year 2020 have been revised by the impact from the changes of the accounting policy of IAS 19 (see Note 2.6.3).*

The Group has settled all its material contractual obligations arising from loan agreements.

46. 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 10 and 22.

47. CONTIGENT ASSETS AND LIABILITIES

47.1 Non audited Fiscal Years

he Group's tax liabilities are not final as there are non-inspected tax years, which are analyzed in Note 5 to the accompanying Financial Statements. For non-inspected tax years there is the possibility additional taxes and surcharges to be imposed at the time they are inspected and finalized. The Group assesses annually any contingent liabilities that are expected to arise from the tax inspection of past years, making relevant provisions where appropriate. The Group has made provisions for non-inspected tax years of € 560 thousand (31/12/2020: € 560 thousand). Management considers that in addition to the provisions made, any tax amounts that may arise will not have a significant impact on the equity, results and cash flows of the Group and the Company.

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 2015 has expired on 31/12/2021, 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 2020, 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 2021, for the Group companies operating in Greece that have been subject to the optional criteria, they meet the relevant eligibility criteria for auditing the Certified Auditors, this special audit for obtaining the Tax Compliance Report for the fiscal year 2019 is in The relevant tax certificates are foreseen to be issued 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 2015 has been limited unless the special provisions of 10 years, 15 years and 20 years of limitation apply.

47.2 Commitments from construction contracts

The outstanding balance of the projects from construction contracts of the Group settles on 31/12/2021 σε ποσό € 84,0 million (31/12/2020:€ 107,8 million) which includes the outstanding balance (backlog) from concession contracts of € 80,1 million (31/12/2020: € 105.1 million).

47.3 Litigations

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

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

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 Farm 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.

- On July 19th, 2021, the Single-Member Court of First Instance in Karpenisi was notified of an Application for injunction measures dated 12/7/2021 and with filing number 23/2021 by natural persons against the Company, the hearing of which has been set for July 29th, 2021 before the above court, with a request for an Interim Order, the hearing of which was scheduled for July 22nd, 2021. The Interim Order issued on July 22nd, 2021 was revoked on July 29th, 2021 and the Application for Injunction Measures was set for September 10th, 2021, when it was actually discussed. An intervention in favor of TERNA ENERGY SA by AIOLIKI STEREAS ELLADOS SA and by the Greek State against the opponents was exercised. The Single Member Court of First Instance in Karpenisi ruled that it was materially incompetent and referred the case to the Magistrates' Court. Since then nothing new has been announced to the Company.

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

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

In particular, on 01.07.2019 the opponent filed a lawsuit to the Athens Single Member Court of First Instance against TERNA ENERGY S.A. and "TERNA ENERGY AI GIORGIS S.A.", demanding the return of the island of Agios Giorgis, Attica. 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 an Appeal which was discussed on 24th September 2021. 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 **0**4/12/2019 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. On 23/07/2019, the 19/07/2019 Arbitration Appeal - Appointment of Arbitrator and Invitation of Arbitration Appointment for the Company was handed to Region of Epirus with which it was requested to be declared 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.

After the completion of the discussions, the Arbitration Court issued on March 10, 2022 the relevant decision according to which it awards in favor of the Group company, AEIFORIKI EPIRUS MAEES, the total amount of € 3,111 thousand with legal interest. According to the Partnership Agreement, the parties have waived the exercise of ordinary or legal remedies or appeals before any court or other judicial authority with potential jurisdiction and the relevant decision is an enforceable one without having to be declared as such by the courts.

The company considers as probable scenario that the Epirus Regional Authority decides at a point in time to take legal action in order to avoid or delay the above payment of the above by litigation resolved obligations, but such attempt is unlikely to succeed.

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 Farm, requesting that these areas should be returned and the contractions on them – removed. On the above, the no. 15/2021 decision of the Magistrate Court of Karystos was issued, which postponed the issuance of a final decision and ordered the conduct of an expert opinion on specific issues and the resumption of the discussion.
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 Farm, requesting compensation for non-pecuniary damage at an amount of € 120,000. The lawsuit was discussed on 17/12/2021 and we are awaiting the relevant decision. The Company's Lawyers expect that the lawsuit will be rejected.

ENERGIAKI STYRON EVIAS S.A.

- On 09/06/2020, individuals filed before the Magistrate Court of Karystos, protocol number 2/11-6-2020, a Lawsuit against the Company with the main request for their recognition as nominees and holders by a percentage ¾ the former and ¼ 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. The case was discussed on 17/12/2021. 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.

ENERGIAKI DISTYON EVIAS S.A.

1. A natural person has filed before the Magistrates Court of Tamineon a lawsuit, from 15/04/2021 and with filing number 3/2021, which is directed against the Company and a natural person with a request to recognize its ownership on the Company's property and have the Company expelled from the specific property. On this, the Magistrates Court of Tamineon issued the no. 59/2021 decision, which rejected the lawsuit against the second defendant (natural person), accepted the lawsuit in part and recognized the plaintiff as the sole owner of the property. In order to avoid further disputes, on 28/02/2022 a notarial deed of lease was signed between the Company and the natural person (plaintiff) for the above property, lasting for 20 years, which was legally transferred to the Mortgage Office of Chalkida (former Tamineon). In this regard, the natural person (plaintiff and then appellant) signed on February 28, 2022, before the legal representatives of the Company, a Formal Declaration of Resignation from the appeal filed by the appellant and then the Company received via a bailiff the Statement of Waiver from the appeal before the competent court.
2. Natural persons had filed before the Magistrates Court of Tamineon an application -with filing number 9/2021- for taking Injunction Measures following of Disturbance Events in the Prefecture where the above persons are located, against the Company. The case was heard and discussed on September 28, 2021. On the above case, the Court issued the no. 11/2021 Decision which rejected the filed Application.
3. Also the above, under point (2), natural persons filed before the Magistrates Court of Tamineon a lawsuit -with filing number 17/1-10-2021- for taking Injunction Measures following of Disturbance Events in the Prefecture where the above persons are located, against the Company. The case will be discussed via a new procedure whereas the Lawyers of the Company view that the lawsuit will not be successful.
4. Natural persons have filed before the Single Member Court of First Instance of Chalkida a lawsuit, from 10/09/2020 with general filing number 2431/2020 and special filing number 273/2020, which is directed against the Greek State and our Company, with a request to be recognized their ownership on the Company's property and have the Company expelled from the specific property. The lawsuit was discussed on 19/11/2021 and a relevant decision is expected. The Lawyers of the Company view that the lawsuit will not be successful.

Contingent Assets
TERNA ENERGY S.A.

Lawsuit of the company TERNA ENERGY SA, with Filing Number 6/14-2-2022, before the Single Member Court of First Instance of Agrinio against the Sole Proprietorship Limited Liability Company under the name "IONIAN ANAKYKLOSI LTD" which is located in Agrinio, at the 7th km of Agrinio-Antirrio, with VAT No. 800376736, and against Argyrios Siorikis of Fotios and Zoi, resident of Agrinio, residing at the 7th km of Agrinio-Antirrio, sole Partner and Administrator of the above limited liability company, for the payment of a due amount of € 20,299.22 from unpaid invoices concerning sale of ferrous metals (scrap). The Company's Lawyers view that the lawsuit filed by the Company will be successful.

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. According to the assessment of the Company's Lawyers, the appeal filed by our Company will be successful and the appeal filed by the opposing company will be rejected. Those were determined to be tried and discussed on February 17, 2022 but they were then postponed to November 17, 2022.

(Amounts in thousands of Euros unless mentioned otherwise)

47.4 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 of 31/12/2021:

Type of Letter of Guarantee	Amount 31/12/2021	Amount 31/12/2020
Contract execution guarantees for construction	31.931	30.193
Guarantees of payment	5.702	3.396
Tender guarantees	6.584	4.295
Guarantees of warranty execution for Agreements of Private and Public Sector	21.454	25.967
Guarantees of warranty execution for Grants	28.560	28.580
Guarantees of warranty execution for Other Agreements	12.003	12.085
Total	**106.234**	**104.516**

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

From 01/01/2022 until the preparation date of the present report, the following important events occurred:

Amendment of the PPP Contract for the Integrated Waste Management of Peloponnese Region

On 31/01/2022, the amendment of the Public-Private Partnership (PPP) Contract for the Integrated Waste Management of Peloponnese Region was signed, between the Peloponnese Region and Environmental Peloponnese, a member company of TERNA ENERGY Group, with which the modern, responsible, and fully integrated waste management will become a reality in the Peloponnese Region.

The signing of the amended Contractual Agreement facilitates the Transitional Management period in the units of the project that have already been completed (Transitional Management Unit in Paleochouni, County of Arcadia and Transshipment Station in Nea Kios, County of Argolida), providing modern waste management services with the environmental protection as core priority and ensuring that public health requirements are met, offering at the same time multiple benefits to local communities which function as vital parts of the circular economy.

The above development marks the beginning of the end regarding the various environmental issues plaguing the Peloponnese Region for over 30 years, covering not only the current EU directives but also prospective ones, as the implementation of the project achieves high environmental benefits through the largest Integrated Waste Management PPP scheme currently under development in Greece.

When the project is fully operational, landfill will be prevented and at least 65% of biodegradable materials will be utilized, 50,000 tons of liquid waste will be diverted from landfills, and green energy will be generated to serve the needs of 6,000 households, while avoiding release of 24,000 tons of carbon dioxide into the atmosphere.

Under the project, a number of 800 jobs will be created during the construction period and of 200 permanent jobs during the operating period (27 years). These do not include the indirect job positions that will be generated (transport, marketing of recyclables, accommodation of personnel, environmental school excursions, etc.).

In total, it is about an investment of 152 million euros (62.5 million originating from a NSRF (National Strategic Reference Framework) related subsidy), which provides for the construction and operation of the following:
• three (3) Transitional Management Units (TMU) and three (3) Waste Treatment Units (WTU) with a total capacity of 200,000 tons / year
• three (3) Landfills (XYTY)
• two (2) Waste Transfer Stations (WTS)

The above units TMU, WTU and XYTY, have been located in Arcadia, Messinia and Laconia and the WTS in Corinth and Argolida, so that the waste materials can be collected along a distance of less than 50 km from the capitals of the prefectures of the Region, and therefore helping to minimize transport costs and time requirements from the Municipalities.

The project utilizing state-of-the-art technology implements most of the Regional Waste Management Plan (RWMP or PESDA) of Peloponnese, operates in parallel and in addition to the Local Recycling Plans at the source of the Municipalities and applies the best circular economy practices.

The Transitional Waste Management in the Peloponnese Region started on 14/02/2022

A new era for waste management in the Peloponnese Region, Greece, started on 14/02/2022 following the commencement of the Transitional Waste Management of the new modernized Transitional Management Unit in Paleochouni, Arcadia, which will serve Arcadia, Corinth and Argolida.

The transitional management will last up to 14 months and after the start of the integrated management, it will be the most modern waste management unit in the country and one of the most modern ones in Europe. Among the multiple advantages of the new unit is the fact that the Landfill (XYTY) is located close to the unit, which allows to minimize the transport requirements of waste and residuals.

Special note to the war conflict in the region of Ukraine

Terna Energy Group closely monitors the geopolitical developments in Ukraine which in any case do not have a direct impact on its size and financial performance. However, from these events, risks have already appeared, and new ones are expected to emerge. These include fluctuations in expected state revenues in the tourism sector, inflation pressures on energy and grain prices and uncertainty in the development of foreign direct investment, with all the above being factors that may affect fiscal flexibility and the wider macroeconomic climate and thus have inevitable repercussions on the operations of the Group.

(Amounts in thousands of Euros unless mentioned otherwise)

49. APPROVAL OF FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the annual period ended on 31/12/2021 were approved by the Board of Directors of TERNA ENERGY S.A. on 14/04/2022.

Chairman of the Board of Directors	Chief Executive Officer	CFO Finance	Chief Financial Officer	Chief Accountant
George Peristeris	Emmanouil Maragoudakis	Ilias Paizanis	Emmanouil Fafalios	Artan Tzanari
ID No. AB 560298	ID No. AB 986527	ID No. AZ 598239	ID No. AK 082011	ID No. AM 587311 License Reg. No A’ CLASS 064937