



**GEK TERNA SOCIETE ANONYME  
HOLDINGS REAL ESTATE CONSTRUCTIONS**

85 Mesogeion Ave., 115 26 Athens, Greece  
General Commercial Registry No. 253001000  
(former S.A. Reg. No. 6044/06/B/86/142)

**ANNUAL FINANCIAL REPORT**

**for the period**

**1 January to 31 December 2022**

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## CONTENTS

|      |                                                                                                                                            |     |
|------|--------------------------------------------------------------------------------------------------------------------------------------------|-----|
| I.   | STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS .....                                                                                      | 5   |
| II.  | ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS ..... | 7   |
|      | A. Financial Developments and Performance for the Year 2022 .....                                                                          | 7   |
|      | B. Significant Events for the Financial Year 2022 .....                                                                                    | 10  |
|      | C. Significant Events after the end of the period 01.01 – 31.12.2022 .....                                                                 | 27  |
|      | D. Risk Factors and Uncertainties .....                                                                                                    | 28  |
|      | E. Outlook and Prospects.....                                                                                                              | 37  |
|      | F. Alternative Performance Measurement Indicators (“APMI”) .....                                                                           | 44  |
|      | G. Report of Payments to Governments .....                                                                                                 | 49  |
|      | H. Non-Financial Information Report 2022 .....                                                                                             | 49  |
|      | I. Treasury Shares .....                                                                                                                   | 112 |
|      | J. Transactions with Related Parties .....                                                                                                 | 114 |
|      | CORPORATE GOVERNANCE STATEMENT.....                                                                                                        | 123 |
|      | EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 OF L. 3556/2007 .....                                                  | 191 |
| III. | Independent Auditor’s Report.....                                                                                                          | 195 |
| IV.  | ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS AT DECEMBER 31 2022 (1 January - 31 December 2022).....      | 203 |
|      | CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022 .....                                                     | 205 |
|      | CONSOLIDATED AND SEPARATE STATEMENT OF TOTAL COMPREHENSIVE INCOME 2022 .....                                                               | 207 |
|      | CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS 2022 .....                                                                               | 210 |
|      | CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY 2022 .....                                                                        | 213 |
|      | NOTES ON THE FINANCIAL STATEMENTS.....                                                                                                     | 216 |
| 1    | GENERAL INFORMATION ABOUT THE GROUP AND THE COMPANY .....                                                                                  | 216 |
| 2    | BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS .....                                                                               | 219 |
| 3    | SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS .....                                                                          | 222 |
|      | 3.1 <i>Significant judgments of the Management</i> .....                                                                                   | 223 |
|      | 3.2 <i>Uncertainty of estimates and assumptions</i> .....                                                                                  | 224 |
| 4    | SUMMARY OF KEY ACCOUNTING PRINCIPLES .....                                                                                                 | 228 |
|      | 4.1 <i>Basis for consolidation</i> .....                                                                                                   | 228 |
|      | 4.2 <i>Business Combinations</i> .....                                                                                                     | 231 |
|      | 4.3 <i>Acquisition of entities that do not constitute a “business” according to the definition of IFRS 3 – Acquisition of assets</i> ..... | 231 |
|      | 4.4 <i>Foreign currency conversion</i> .....                                                                                               | 232 |
|      | 4.5 <i>Operating segments</i> .....                                                                                                        | 233 |
|      | 4.6 <i>Goodwill</i> .....                                                                                                                  | 233 |
|      | 4.7 <i>Intangible assets</i> .....                                                                                                         | 234 |
|      | 4.8 <i>Property, plant and equipment</i> .....                                                                                             | 237 |
|      | 4.9 <i>Borrowing costs</i> .....                                                                                                           | 237 |
|      | 4.10 <i>Impairment of non-current assets (intangible and tangible assets/investments in consolidated companies)</i> .....                  | 237 |
|      | 4.11 <i>Investment property</i> .....                                                                                                      | 238 |
|      | 4.12 <i>Inventory</i> .....                                                                                                                | 239 |
|      | 4.13 <i>Cash and Cash Equivalents</i> .....                                                                                                | 239 |
|      | 4.14 <i>Financial instruments</i> .....                                                                                                    | 240 |
|      | 4.14.1 <i>Recognition and derecognition</i> .....                                                                                          | 240 |
|      | 4.14.2 <i>Classification and initial recognition of financial assets</i> .....                                                             | 240 |
|      | 4.14.3 <i>Subsequent measurement of financial assets</i> .....                                                                             | 241 |
|      | 4.14.4 <i>Impairment of financial assets</i> .....                                                                                         | 241 |
|      | 4.14.5 <i>Classification and measurement of financial liabilities</i> .....                                                                | 242 |
|      | 4.14.6 <i>Derivative financial instruments and hedge accounting</i> .....                                                                  | 243 |
|      | 4.14.7 <i>Offsetting financial assets and financial liabilities</i> .....                                                                  | 244 |
|      | 4.15 <i>Receivables on Embedded Derivatives</i> .....                                                                                      | 245 |
|      | 4.16 <i>Service concession agreements</i> .....                                                                                            | 246 |
|      | 4.17 <i>Employee benefits</i> .....                                                                                                        | 247 |
|      | 4.18 <i>Leases</i> .....                                                                                                                   | 249 |
|      | 4.19 <i>Government grants</i> .....                                                                                                        | 251 |

|      |                                                                                                       |     |
|------|-------------------------------------------------------------------------------------------------------|-----|
| 4.20 | <i>Provisions, Contingent Assets and Liabilities</i> .....                                            | 251 |
| 4.21 | <i>Revenue</i> .....                                                                                  | 252 |
| 4.22 | <i>Income tax</i> .....                                                                               | 256 |
| 4.23 | <i>Earnings per share</i> .....                                                                       | 257 |
| 4.24 | <i>Share capital, reserves and distribution of dividends</i> .....                                    | 258 |
| 5    | GROUP AND COMPANY STUCTURE .....                                                                      | 259 |
| 6    | OPERATING SEGMENTS .....                                                                              | 271 |
| 7    | SIGNIFICANT CHANGES IN GROUP STRUCTURE .....                                                          | 278 |
| 8    | INTANGIBLE ASSETS AND GOODWILL .....                                                                  | 285 |
| 9    | RIGHT OF USE ASSETS .....                                                                             | 291 |
| 10   | TANGIBLE FIXED ASSETS .....                                                                           | 295 |
| 11   | INVESTMENT PROPERTY .....                                                                             | 302 |
| 12   | PARTICIPATIONS IN SUBSIDIARIES .....                                                                  | 306 |
| 13   | PARTICIPATIONS IN ASSOCIATES .....                                                                    | 310 |
| 14   | INVESTMENTS IN JOINT ARRANGEMENTS .....                                                               | 310 |
| 15   | FINANNCIAL ASSETS - CONCESSIONS .....                                                                 | 315 |
| 16   | OTHER LONG-TERM ASSETS .....                                                                          | 317 |
| 17   | INVENTORIES .....                                                                                     | 319 |
| 18   | TRADE RECEIVABLES .....                                                                               | 320 |
| 19   | RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS .....                                         | 323 |
| 20   | ADVANCES AND OTHER RECEIVABLES .....                                                                  | 325 |
| 21   | INVESTMENT IN EQUITY INTERESTS .....                                                                  | 327 |
| 22   | FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS .....                                          | 327 |
| 23   | CASH AND CASH EQUIVALENTS .....                                                                       | 328 |
| 24   | BORROWINGS .....                                                                                      | 329 |
| 25   | LEASE LIABILITIES .....                                                                               | 333 |
| 26   | PROVISIONS FOR EMPLOYEE COMPENSATION .....                                                            | 334 |
| 27   | OTHER PROVISONS .....                                                                                 | 335 |
| 28   | GRANTS .....                                                                                          | 337 |
| 29   | SUPPLIERS .....                                                                                       | 338 |
| 30   | ACCRUED AND OTHER LIABILITIES .....                                                                   | 338 |
| 31   | FINANCIAL DERIVATIVES .....                                                                           | 341 |
| 32   | SHARE CAPITAL – EARNINGS PER SHARE .....                                                              | 344 |
| 33   | RESERVES .....                                                                                        | 345 |
| 34   | INCOME TAX – DEFERRED TAX .....                                                                       | 354 |
| 35   | TURNOVER .....                                                                                        | 360 |
| 36   | COST OF SALES - ADMINISTRATIVE AND DISTRIBUTION EXPENSES - RESEARCH AND DEVELOPMENT<br>EXPENSES ..... | 364 |
| 37   | AUDITORS' FEES .....                                                                                  | 366 |
| 38   | OTHER INCOME/(EXPENSES) .....                                                                         | 367 |
| 39   | PROFIT/(LOSSES) FROM SALE OF PARTICIPATIONS AND SECURITIES .....                                      | 368 |
| 40   | GAINS/(LOSSES) FROM VALUATION OF INTERESTS AND SECURITIES .....                                       | 369 |
| 41   | GAINS / (LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INSTRUMENTS .....                               | 369 |
| 42   | FINANCIAL INCOME/(EXPENSES) .....                                                                     | 370 |
| 43   | PAYROLL COST .....                                                                                    | 371 |
| 44   | TRANSACTIONS WITH RELATED PARTIES .....                                                               | 373 |
| 45   | RISK MANAGEMENT POLICIES AND PROCEDURES .....                                                         | 374 |
| 46   | PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY .....                                   | 380 |
| 47   | FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS .....                                                 | 382 |
| 48   | CAPITAL MANAGEMENT POLICIES AND PROCEDURES .....                                                      | 386 |
| 49   | CONTINGENT LIABILITIES AND ASSETS .....                                                               | 387 |
| 50   | EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION .....                          | 395 |
| 51   | APPROVAL OF FINANCIAL STATEMENTS .....                                                                | 397 |
| V.   | REPORT ON USE OF FUNDS RAISEDFROM THE ISSUANCE OF COMMON BOND LOAN OF 120 MILLION ...                 | 399 |
| VI.  | REPORT ON USE OF FUNDS RAISED OF THE COMMON BOND LOAN OF 500 MILLION .....                            | 405 |
| VII. | REPORT ON USE OF FUNDS RAISED OF THE COMMON BOND LOAN OF 300 MILLION .....                            | 417 |

## **I. STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS**

**(according to article 4 par. 2 of L. 3556/2007)**

We

1. George Peristeris, Chairman of the Board of Directors and Chief Executive Officer, Executive Member of the Board of Directors
2. Apostolos Tamvakakis, Vice Chairman, non-Executive Member of the Board of Directors
3. Penelope Lazaridou, Executive Director, Executive Member of the Board of Directors

STATE THAT

To the best of our knowledge:

- a. The attached separate and consolidated Financial Statements of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS for the period from January 1<sup>st</sup> 2022 to December 31<sup>st</sup> 2022, prepared in accordance with the effective accounting standards reflect in true manner the Assets and Liabilities, the Shareholders' Equity and the Total Comprehensive Income of the Company, as well as of the companies included in the consolidation in aggregate, and
- b. The Board of Directors' Report presents in true manner the developments, the performance and the position of the Company, as well as of the companies included in the consolidation in aggregate, including the description of main risks and uncertainties they are facing.

Athens, 26th April 2023

Chairman of the BoD and  
Chief Executive Officer

Georgios Peristeris

Vice Chairman of the BoD,  
non-Executive Member

Apostolos Tamvakakis

Executive Director,  
Executive Member of the BoD

Penelope Lazaridou

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## **II. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

Dear Shareholders,

Pursuant to the provisions of Law 4548/2018 as well as Law 3556/2007 article 4 paragraph 2c, 6, 7 and 8 of the decisions issued thereon 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission and the Company's Articles of Association, we are hereby submitting to you the Annual Report of the Board of Directors for the closing year from 01.01.2022 to 31.12.2022.

This report contains financial and non-financial information regarding GEK TERNA Group, for the financial year 2022 and describes the most significant events that took place during as well as after the reporting period of the financial statements. Moreover, the report outlines the key risks and uncertainties the Group may face in 2023 and records significant transactions between the Company and its related parties.

### **A. Financial Developments and Performance for the Year 2022**

Despite the prolonged war in Ukraine as well as the substantially surging energy costs, according to ELSTAT's provisional data, the Greek economy following the high GDP growth of 2021 (8.4%) expanded by 5.9%, in 2022 with total GDP accounting for 192 bn euros versus 181 bn euros in 2021, confirming the economy's ability to further grow.

A significant contribution towards the achievement of the 5.9% annual growth rate came from the absorption of funds amounting to 11.4 bn euros (approximately 6.4% of GDP) in the context of the Recovery and Resilience Mechanism. Those funds were injected into the Greek economy from 2021 until the end of 2022. Other contribution factors included the Greek State's investment program which reached 11.0 bn euros, foreign direct investments of 6.24 bn euros, as well as the great increase in tourism and shipping revenues as well as the increase in private consumption. It should be noted that at the end of the year 2022, corporate and household deposits exceeded 188 bn euros, i.e. the highest level since 2021, creating significantly improved liquidity conditions in the domestic market and economy.

On the contrary, the rising inflation created unfavorable conditions in the market due to the upward trend in prices of energy products and food items. According to ELSTAT's latest data for the entire period of 2022, the annual increase in Consumer Price Index stood at 9.6%, despite the deceleration seen in the last quarter of the year due to the declining energy prices.

From a fiscal perspective, according to the latest available figures, the Greek economy has achieved better performance in relation to the existing targets. The primary deficit according to the estimates of the Minister of Finance was expected to be zero for 2022 against the target of 1.6% of GDP. The above was made feasible due to the increased tax revenues and the higher growth realized in the economy, and despite the household support measures taken by the authorities to offset the impact from inflationary pressures. At the same time a primary surplus of 0.7% is estimated for 2023. It should

be noted that according to data from the Ministry of Finance, the Greek government supported households and businesses against the energy crisis with 10.7 bn euros in 2022.

The yield to maturity of the Greek 10-year government bond followed the broader economic developments and evolved in line with the respective course of interest rates in the rest of the Eurozone countries, surpassing the levels of 4%. In total, during the year 2022 the Greek government borrowed from the international markets 8.3 bn euros via bond issues, while the country's credit rating was improved by one notch by all 3 major rating agencies (Standard and Poor's, DBRS, Rating and Investment). At the beginning of 2023, Greece was only one notch below the investment grade level according to Scope, DBRS, Standard and Poor's, Rating and Investment and Fitch, and three notches below according to Moody's.

In this international uncertain and ever changing environment where due to the high inflation it is anticipated that restrictive monetary measures will continue to be taken leading the economies to deceleration in terms of GDP growth, the Greek economy having as driving factors: a) the contribution of the Recovery and Resilience Fund (RRF) targeting an amount of 30 bn euros until 2026 as well as the financial support from the EU budget for the period 2021-2027 for an amount up to 40 bn euros, and b) the expected credit rating upgrade of the Greek economy by the international rating agencies, anticipates higher investments which can mitigate the repercussions of contraction of the global economy. The above will allow the Greek economy to maximize its growth potential and achieve further improvement. According to the estimates of Bank of Greece, GDP growth is expected to rise from 2.2% in 2023 to almost 3% in years 2024 and 2025.

In the medium term horizon, the outlook for the Greek economy remains positive due to the important projects being implemented. A main determinant factor has been the increased investments for: a) the production of clean electricity through RES, b) the increase of energy storage capacity, c) the construction or improvement of infrastructure and d) the development of upgraded tourist accommodation, so that Greece takes further boost from its obvious comparative advantages over other countries (such as geographical location, climatic conditions, and high employee education level).

In this changing economic and geopolitical environment, GEK TERNA Group, which is one of the most important Greek corporate groups and holds a leading position in the fields of infrastructure and construction, clean energy, electricity generation and trading, as well as concessions, implements and seamlessly expands its investment plan with regard to "green development" mainly in the fields of Renewable Energy Sources, Concessions and Infrastructure, as its capital structure remains healthy and strong. At the same time the Group continues to have a selective presence in countries outside Greece.

The main consolidated financial results from continuing operations of the year 2022 based on the International Financial Reporting Standards compared to the corresponding period of 2021, are as follows:

Revenues from third parties from continuing operations amounted to 3,938.3 mn euros, compared 1,144.2 mn euros in 2021 posting an increase of 2,794.1 mn euros attributed to: a) the increase in sales of the Energy Sector which comes mainly from full consolidation of the companies HERON ENERGY S.M.S.A. (full consolidation as subsidiary as of 14.02.2022 with percentage 100%) and HERON II VOIOTIAS S.A. (full consolidation as subsidiary from 11.10.2021 with percentage 100%), which in the



previous corresponding period on the one hand, HERON ENERGY S.M.S.A. was consolidated as jointly managed entity according to the Equity method and with a smaller participation rate of 50%, and on the other hand HERON II VOIOTIA S.A. was consolidated for the period 01.01.2021 to 10.10.2021 via the Equity method and with a participation rate of 25%, b) the increase in revenues of the Construction Sector and c) the increase in revenues from the Concessions Operating Segment. The analysis of each operating segment's performance is discussed below.

The Adjusted EBITDA (EBITDA from continuing operations plus non-cash results included therein) amounted to 661.8 mn euros in 2022 against 323.5 mn euros in the corresponding period of 2021, posting an increase by 338.3 mn euros, which is mainly due to: a) the full incorporation of the increased operating profitability of the Energy Segment, in the current fiscal year due to the full consolidation of the companies HERON ENERGY S.M.S.A. (i.e. from 14.02.2022 with 100% share) and HERON II VOIOTIAS S.A. (i.e. from 01.01. 2022 with a 100% share) which in the previous corresponding period, on the one hand the first company was consolidated as joint operation with the Equity Method and with a 50% share and on the other hand the second company was consolidated for the period 01.01.2021 to 10.10.2021 with the Equity Method and with a 25% share, b) to the increased operating profitability of the Construction Segment and c) to the increased operating profitability of the Concessions Segment.

Operating Results before interest and taxes (EBIT) from continuing operations amounted to 415.8 mn euros compared to 192.5 mn euros in the corresponding period of 2021 and these results are significantly improved for the reasons set out above.

Earnings before taxes from continuing operations stood at 243.3 mn euros compared to 145.6 mn euros in the corresponding period of 2021, and these results are also significantly increased for the aforementioned reasons. It is noted that the results of the current period include events that have the characterization of non-operating result: a) gain of 21.7 mn euros, which was recognized as a result of the acquisition of control of HERON ENERGY S.M.S.A. versus 60.9 mn euros in the corresponding period of 2021, and b) loss of 76.3 mn euros compared to 11.9 mn euros in the corresponding period of 2021, mainly from the decrease in the fair value of the embedded derivative, which has been recognized in the context of the subsidiary company's operations CENTRAL GREECE MOTORWAY CONCESSION S.A.

The valuations of interest rate swap derivative contracts and the embedded derivative, which are recognized in accordance with the provisions of IFRS in each reference period, arise taking into account, among other things, the corresponding changes in Euribor and the yield of the country's borrowing bonds. According to the structure and correlation of the above contracts for their entire duration, the changes in said valuations will not have any substantial impact on the Operating results, Cash Flows and Equity of the Group respectively.

Earnings after taxes from continuing operations amounted to 177.3 mn euros compared to 130.2 mn euros in the respective period of 2021 (non-including the losses from the discontinued operations of 94.4 mn euros) of which these that are attributed to the shareholders of the Parent company stood at 136.5 mn euros for the year 2022 compared to 85.1 mn euros in the respective period of 2021.

Earnings after taxes from continuing operations without the effect of the above non-operating items, amounted to 215.1 mn euros for the year 2022 compared to 78.7 mn euros in the respective period

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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of 2021, of which 174.4 mn euros are the “adjusted” earnings attributed to the shareholders of the Parent company, compared to 33.1 mn euros in the respective period of 2021.

Total Earnings attributed to the Shareholders of the Parent company amounted to 273.5 mn euros in 2022, compared to 132.6 mn euros in the respective period in 2021.

The Net Debt of the Group stood on 31.12.2022 at 1,501.6 mn euros, compared to 1,231.7 mn euros on 31.12.2021 posting an increase by 269.9 mn euros.

Investment expenditures for the year 2022 settled at 338.4 mn euros, compared to mn euros in the respective period of 2021. It is noted that almost the entire amount has been spent on the operating segment of Renewable Energy Sources and also on the segment of Electricity Production from Thermal Sources and Energy Trading as well as on the Real Estate segment.

The Total Assets of the Group on 31.12.2022 stood at 5,978 mn euros, compared to 4,812 mn euros on 31.12.2021.

In the section “B Significant events for the period 01.01 – 31.12.2022” there are presented in detail the significant events of the period, as well as the key financial performance of the operating segments.

### B. Significant Events for the Financial Year 2022

During the financial year of 2022 the following significant events took place:

- On 12.01.2022 the subsidiary company TERNA S.A. signed a contract with OURANIA INVESTMENT S.A. for the project *“Demolition of a Building (gas station), Metal Roofs and Demolition of Asphalt/Construction of a New Complex of Office Buildings with 2 basements at 64, October 26 Street and Frixou Street in Thessaloniki”* of an indicative contractual amount of 27.6 mn euros with a planned duration of up to 30.06.2023.
- On 20.01.2021 completed as part of the implementation of the corporate, the transfer to GEK TERNA KASTELI S.M.S.A. of the interests held by TERNA S.A. in the company under the name INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A.
- On 26.01.2022 the subsidiary company TERNA S.A. signed the contract for the construction of the 6th Electricity Generation Unit at the Vasilikos Power Plant, with the Cyprus Electricity Authority (CEA).

The project, with a total budget of 149.8 mn euros, includes the design, supply, installation, inspection, and initial operation of the unit.

The unit, with a total maximum capacity of 160 MW will consist of two gas turbines, two heat recovery boilers and a steam turbine and will run on natural gas as the main fuel, while it will be able to operate on diesel as an alternative fuel.

Based on the project completion schedule, the new production unit is expected to be in commercial operation before the summer season of 2024.

The new, modern, and efficient generation unit will add to Cyprus Electricity Authority’s (CEA) existing total generation capacity from conventional stations and will contribute to the adequacy of electricity and towards securing the required reserves of the country.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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- On 31.01.2022, the amendment of the Public-Private Partnership (PPP) Agreement for the Integrated Waste Management of the Peloponnese Region was signed, between the Peloponnese Region and the company ENVIRONMENTAL PELOPONNESE, member of TERNA ENERGY Group. The amendment makes feasible the initiation of the Transitional Management in the project units that have already been completed (Transitional Management Unit in Paleochouni Arcadia and Transfer Station in Nea Kios, Argolida). On 14.02.2022, the Transitional Waste Management in the Peloponnese Region commenced, which will serve Arcadia, Corinth and Argolida.
- On 11.02.2022 PIRAEUS TOWER S.A. and TERNA S.A. signed the contract for the 2nd Phase of the Construction and electromechanical works for the completion of communal installations, basements, roofs, and premises of Piraeus Tower.

This agreement is an extension of the existing contract from 06.08.2021 (A' Phase) with TERNA S.A., along with a budget of 15.4 mn euros and provides for an additional construction project with a respective budget of 26.1 mn euros and delivery on 30.06.2023. The total budget of the project (A' and B' Phase) amounts to 41.6 mn euros approximately.

Piraeus Tower with 22 floors and a height of 88m will be the first digital and bioclimatic skyscraper in Greece to receive the highest Platinum certification, according to the international sustainable development standard LEED (Leadership in Energy and Environmental Design). The project is intended for the use of offices, commercial stores, and catering facilities in a total built-up area of 34,623.74 square meters.

- On 14.02.2022, in implementation of the agreement from 12.07.2021 for the acquisition of 75% and 50% of the shares of the companies HERON II VOIOTIAS S.A. and HERON ENERGY S.M.S.A. respectively, GEK TERNA acquired the additional 50% of shares of HERON ENERGY S.M.S.A. After this acquisition, the total percentage of the Group amounted to 100% in the respective companies (the acquisition of 75% in HERON VOIOTIAS S.A. had been completed as of 11.10.2021) which operate two electricity production plants with a total capacity of 588MW fueled by natural gas.
- On 15.03.2022 the Joint Venture APION KLEOS, in which TERNA participates with 28.7%, signed with the Concession company OLYMPIA ODOS S.A. the amendment of the Construction and Study Contract (CSC) of the project "*Elefsina-Corinth-Patra-Pyrgos-Tsakona*" for the re-inclusion of Patras-Pyrgos Road section in the project of Olympia Odos, with a contractual price of 295 mn euros. On 29.03.2022, the subsidiary TERNA S.A. signed a contract with APION KLEOS Joint Venture for part of the construction of Patras - Pyrgos motorway, from the km spot 54+530 until 74+500, I/S Gastounis to I/S Pyrgos. The contract amount was set at 78.6 mn euros and contract duration was agreed at 36 months.
- On 31.03.2022 the Joint Venture TERNA - THEMELI, in which TERNA S.A. participates with 50%, signed with ATTICA METRO a contract for the execution of the project "*Extension of a Tram depot to Elliniko*", a contractual amount of 10.3 mn euros.
- On 06.04.2022 the members of Companies Association MGE HELLINIKON BV – MGGR LLC – GEK TERNA S.A. with the distinctive title ATHENS IRC, launched the company CASINO CORPORATION BROAD SPECTRUM OF ELLINIKO S.A. and with distinctive title EKAZ HELLINIKON S.A., with initial share capital of 1 mn euros.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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- On 14.04.2022, the sub-Group TERNA ENERGY proceeded with the acquisition of the entire share capital of the companies KEY ILIAKI ENERGEIAKI P.C. and KASTRAKI ILIAKI ENERGEIAKI P.C. These companies develop Photovoltaic Stations in the wider area of the Regional Unit of Thessaly. Specifically, among the acquired companies, KEY ILIAKI ENERGEIAKI P.C. is in the licensing phase and is developing a Photovoltaic Station with a capacity of 50 MW, while KASTRAKI ILIAKI ENERGEIAKI P.C. is in the licensing phase and developing four Photovoltaic Stations with a total capacity of 172.3 MW. On the same day, a preliminary purchase agreement was signed for all the shares which are to be licensed for a 50 MW Photovoltaic Plant in the Regional Unit of Arta. Furthermore, the Company proceeded to the signing of a pre-purchase agreement of 70% of shares of a company that is developing a cluster of eight wind farms with a total capacity of 230.7 MW in the region of Aitolokarnania.
- On 19.04.2022, TERNA ENERGY sub-Group proceeded to sign an agreement for the potential future acquisition of a company in Bulgaria which is expected to be licensed for the construction and operation of a Photovoltaic Park with approximately 140 MW capacity. The transfer process is expected to be completed by the end of 2023.
- On 29.04.2022 the subsidiary TERNA S.A. signed a contract with PPC for the lease of an air turbine unit (with a right to purchase at the end), for the needs of covering additional power in Kos - Kalymnos for a period of 27 months, with a contract value of 39.1 mn euros.
- On 09.05.2022, the Companies Association INTERNATIONAL PORT INVESTMENTS KAVALA in which GEK TERNA S.A. participates with a percentage of 35%, was declared as a Preferred Investor for the assumption of the right to use, operate, maintain, and exploit a multi-purpose station in a part of the Philip II port, of Kavala Port Organization S.A. Following the finalization of the contractual documents, which is in progress, it is estimated that the above association will sign, within the second quarter of 2023, the sub-concession agreement with Kavala Port Authority (KPA S.A.) for a period of 40 years. The one-time sub-concession fee amounts to 1.8 mn euros, while on an annual basis the sub-concessionaire will pay the Greek State a mixture of fixed and variable remuneration.
- On 25.05.2022, the Companies Association GEK TERNA S.A. - AKTOR CONCESSIONS S.A. - INTRAKAT in which GEK TERNA participates with a percentage of 55%, was declared as the Temporary Contractor for the project "*Northern Road Axis of Crete (NRAC): Study, Construction, Financing, Operation and Maintenance of the Part Hersonissos - Neapoli, with PPP*". It is estimated that the above contract will be signed within the second quarter of 2023 for a period of 30 years, against availability payments for a total amount of 188.65 mn euros in net present value, which will be paid on an annual basis after the end of the work period (4 years).
- On 27.05.2022, GEK TERNA, pursuant to Regulation (EU) 596/2014 of the European Parliament, informed the investor community that the Board of Directors of the Company decided the initiation as 30.05.2022 of a plan to purchase the Company's bonds that were issued pursuant to the Common Bond Loan Scheme from 01.12.2021 and the Common Bond Loan Scheme from 19.06.2020, and which are traded in the Fixed Income Securities category of the Regulated Market of the Athens Exchange. Bonds were traded with a minimum purchase price of 80% and maximum purchase price of 105% of nominal value. The purchases of treasury bonds will be conducted for the period from 30.05.2022 until 30.11.2022. The bonds in custody, cumulatively for both bond

loans, will not exceed in value at any time the nominal value of one thousand (1,000) bonds of the above issues.

- On 08.06.2022, the Concession Agreement was signed between the GREEK STATE as Concessionaire and the company EKAZ HELLINIKON S.A. (EKAZ) as the Concessioner, regarding the granting to EKAZ of the operating license for a Casino Corporation of wide spectrum activities in the Metropolitan Area of Elliniko - Agios Kosmas which was ratified by law by the Hellenic Parliament (Law 4949/2002 – G.G. A' 126/30.06.2022). The duration of the concession is 30 years.
- On 16.06.2022, the Minister of Finance issued the Ministerial Decision provided for by Law 4512/2018, pursuant to which EKAZ that includes the development of: (a) a five (5) star hotel, (b) a conference and exhibition center, (c) an audience gathering area for sporting or cultural events and (d) casino area. The amount of the relevant private investment is expected to exceed 1bn euros, while the construction works of the project, which will be undertaken by GEK TERNA's 100% subsidiary, TERNA S.A., are expected to start in the second semester of 2023 and last approximately 3 years, therefore bringing the start of operation of the entire complex into the year 2026.
- On 17.06.2022 the companies GEK TERNA S.A. and TERNA ENERGY I.C.S.A. informed the investor community that, as it has been reported by the Management of both companies in the context of the official developments that are being publicly announced (e.g. analyst days on the annual financial results of 2021, TERNA ENERGY Investor Day), TERNA ENERGY has attracted this year, as in previous periods, the interest of major international investors. This interest is being evaluated, without currently having any development to announce. As part of the two companies' standard policy, the investor community will be informed in time for any new development. On 29.06.2022 and following the relevant question as of 28.06.2022 of the Hellenic Capital Market Commission, regarding the existence of a decision for the sale of a specific exempted asset and the use of the net proceeds that could arise from this sale, GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS (the "Company") informed the investor community of the following:

*"The Company on a permanent basis seeks the optimal management of its assets with the main criterion being the maximization of the value of the Company. During the previous period, the Company has received interest from investors for its assets (including its subsidiaries), without having taken a decision to enter into any relevant transaction. Among the other issues the Company examines before making a relevant decision is whether the liquidity that would result from such a disposal would serve the identification and capturing of new investment opportunities."*

- On 23.06.2022, GEK TERNA and the HARD ROCK Group announced their cooperation for the construction and operation of an integrated tourist complex of high standards, which includes, among other things, a 5-star hotel, an exhibition and conference center, an entertainment area, catering facilities, retail stores and a casino. The agreement concerns the entrance of the HARD ROCK Group into EKAZ HELLINIKON with a percentage of 51% through the acquisition from GEK TERNA of the entire share capital of the company MGE HELLINIKON B.V. (shareholder of EKAZ), after receiving the necessary approvals from the Gaming Supervision and Control Committee.

- On 28.06.2022, the Ordinary General Meeting of Shareholders of GEK TERNA was held, in which 129 Shareholders holding 54,125,371 shares and voting rights, i.e. 55.63% of the Share Capital, were legally present.

On the same day, GEK TERNA informed the Investor Community about the decision of the Ordinary General Meeting of Shareholders to increase the share capital of the Company by the amount of 12,410,794.92 euros with the capitalization of part of the special reserve of share premium via an increase in the nominal value per share from 0.57 euros to 0.69 euros and a simultaneous reduction of the share capital by the amount of 12,410,794.92 euros with a corresponding reduction in the nominal value of each share from 0.69 euros to 0.57 euros and a capital return of 0.12 euros per share to the Shareholders.

- On 30.06.2022 the repeated Meeting of bondholders of the Company's common bond loans amounting to 500 mn euros (CBL 2020) and to 120 mn euros (CBL 2018) provided the consent of the Bondholders for the use of net proceeds from the sale of an Excluded Asset in accordance with the uses provided for in items (i) – (vi) of condition 8.1 (n) of the CBL 2020 and CBL 2018 Scheme, without time limitation, by way of derogation from conditions 8.1 (o) and 14.1 (b) of the CBL 2020 and CBL 2018 Scheme, as long as the sale (i.e. the obligational agreement for the transfer of the Excluded Asset) takes place within 24 months from the decision of the Bondholder Meeting. The Bondholders also acknowledged the non-exercise of the rights of clause 11.2 (b) of the CBL 2020 and CBL 2018 Scheme regarding the above deviation and there was the Bondholders' waiver of any relevant right.

- On 01.07.2022 the company GEK TERNA S.A. informed the Investor Community that in order to implement the stock option plan approved by a decision of the Extraordinary General Meeting of shareholders of GEK TERNA S.A. on 9 December 2019 and following the achievement of a set of performance measurement indicators related to the financial figures of the Group's operating segments, such as the construction sector, renewable energy sources, concessions, the Company decided to allocate to seventeen (17) Corporate Executives a total of 528,034 treasury shares, for the exercise of stock options, which represented 0.5106% of the paid-up share capital, against a total price of 1,056,068.00 euros. It is noted that, according to the terms of the stock option plan, the beneficiaries were required to hold the shares for two (2) years.

The options were exercised through an over-the-counter transaction on 01.07.2022.

Total number of treasury shares held directly and indirectly after the transaction of 01.07.2022 settled at 7,440,283, i.e. 7.1940%.

Following the above transaction, the shares directly and indirectly held by the Company are as follows.

The number of treasury shares, directly held, after the transaction of 01.07.2022 amounts to 5,632,638, i.e. a percentage of 5.4462%.

The number of treasury shares held by the subsidiary TERNA S.A. after the transaction amounts to 1,190,810, i.e. 1.1514% of the share capital.

The number of treasury shares held by the subsidiary company ILIOHORA S.A. after the transaction amounts to 616,835, i.e. 0.5964% of the share capital.

- On 01.07.2022 the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the construction of the *"Detailed Engineering Procurement and Construction of Booster Compressor for TAP in Nea*

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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*Messimvria*" project, which concerns the construction of a Compressor Station in Nea Messimvria, which will supply the Trans Adriatic pipeline. The project's budget settled at 38.9 mn euros.

- On 06.07.2022 the Joint Venture TERNA S.A. - MYTILINEOS S.A. in which TERNA S.A. participates with 50%, signed a contract with ERGOSE S.A., for the execution of the *project "Construction of Electric Drive System and Anti-noise Sound Curtains in Kiato - Rododafni Section"*. The project's budget settled at 55.4 mn euros.
- On 25.07.2022, the subsidiary HERON II THERMOELECTRIC STATION VOIOTIA S.A. assigned TERNA S.A. the project *"Restructuring of the Emergency Department for installation of a New CT Scanner and for Small-Scale Works in the area of the existing CT Scanner"*, in the general hospital EVANGELISMOS – POLYCLINIC. The company allocated an amount of 150,000 euros in the form of a donation.
- Within July, TERNA ENERGY sub-Group acquired the entire share capital of the company TEKAL AIOLIKI G.P. which is developing a 21.5 MW wind farm in the Pieria Regional Unit.
- Within July, the Group allocated an amount of approximately 27.4 mn euros for the acquisition of plots and agricultural land in various areas of the Peloponnese for further development and utilization.
- Within July, the company under the name TERNA ENERGY PUMPING-STORAGE I S.M.S.A. was established, which is a special purpose vehicle for the construction and operation of pumped-storage projects in the Regional Unit of Aitolokarnania.
- On 04.08.2022 the subsidiary TERNA S.A. signed a contract with PPC RENEWABLES S.M.S.A. for the construction of the project *"Study, Civil Engineering Works, Procurement, Transportation, Installation and Commissioning of Four (4) Photovoltaic Stations with a Total Nominal Power of 93.98122MW, within the Lignitic Center of Western Macedonia, at the Locations "Haravgi 1" (36.0004MW), "Haravgi 5" (24.993MW), "Pteleonas 1" (14.988 MW) and "Pteleonas 2" (18.00018MW) of the Municipalities of Eordaia and Kozani, of the Region of Western Macedonia and Expansion Works of the Existing Substation 33/150kV "Haravgi" with the Addition of Two (2) New Gates M/S 33/150KV"*. The project's budget settled at 62.3 mn euros.
- On 25.08.2022, the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the construction of the project *"Networks of Samos, Chios and Lesvos Areas"*, with a budget of 32.7 mn euros.
- At the end of August 2022, the payment of the first instalment was made, amounting to 100 mn euros, with regard to the investment subsidy through the Public Investment Scheme for the project *"Sub-project 1 Pumping-Storage Station of Western Greece (Amfilochia), with a capacity of 680 MW"* which has been included in the Recovery and Resilience Fund.
- On 01.09.2022, GEK TERNA, following the decision of the Company's Ordinary General Meeting of Shareholders as of 28.06.2022, and also following the registration as of 25.07.2022 with no. Prot. 2664931 in the General Commercial Register (G.E.MI.) of the decision of Ministry of Development and Investments - General Secretariat of Commerce, which approved the amendment of paragraph 1 of article 5 of the Company's Articles of Association, as a result of the increase and decrease of the share capital and the notification as of 12.08.2022 made to the Corporate Transactions Committee of Athens Exchange regarding the increase and subsequent

decrease of the nominal value of the company's shares, informed the investor community that the share capital of the Company amounts to a total of fifty-eight million nine hundred and fifty-one thousand two hundred and seventy-five euros and eighty-seven cents (58,951,275.87 euros) and is divided into one hundred and three million four hundred and twenty-three thousand two hundred and ninety-one (103,423,291) common voting registered shares with a nominal value of fifty-seven cents (0.57 euros) per share.

Following the above, from Tuesday, September 6, 2022 (cut-off date) the Company's shares were trading on the Athens Exchange with the new nominal value of 0.57 euros per share and without the right to participate in the capital return via a cash payment to the shareholders for an amount of 0.12 euros per share. The commencement date for the payment of the capital return was Tuesday, September 13, 2022 and it was carried out by the paying bank "BANK OF PIRAEUS S.A." which in turn paid the amount of the capital return.

- On 09.09.2022, GEK TERNA announced the signing of a Real Estate Agreement between subsidiary company EKAZ and the company HELLINIKON S.M.S.A. (100% subsidiary of LAMDA DEVELOPMENT S.A.) according to which a piece of land in Elliniko was granted to the company EKAZ HELLINIKON, where the latter aimed to develop the Integrated Touristic Resort which will host a five (5) star hotel, a conference and exhibition center, an audience gathering place for sporting and/or cultural events and a casino. The duration of the Real Estate Agreement was set at 30 years and will take place in accordance with the provisions of the Concession Agreement.
- On 26.09.2022, the subsidiary TERNA S.A. signed a contract with CHRISTOS KANELAKIS S.A. for the construction of the project *"Complex of Apartments in a Five-Storey Building with a Lower Open House and Two Basements, on 35-37 Posidonos Street and Bakoyanni Street in Glyfada"*, with a budget of 15 mn euros.
- With the under no. 53/3/20.10.2022 EEEP decision approved the indirect acquisition of control of EKAZ by the company SHRE/SHRI L.L.C. through the transfer from GEK TERNA S.A. of 100% of the shares of MGE HELLINIKON B.V.
- On 04.11.2022 the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the construction of the project *"Detailed Engineering, Procurement and Construction for the Connection of "THERMOILEKTRIKI KOMOTINIS" Power Plant and the NNGTS at Komotini Industrial Area"*, which concerns the Construction of a 1.5 km pipeline, two gas stations and a measuring station for the connection of TERNA - VIPE KOMOTINI power plant with DESFA. The project's budget was set at 5.95 mn euros.
- On 10.11.2022, the subsidiary TERNA S.A. signed a contract with the company ANTLISIOTAMIEFSI I M.A.E. for the construction of a project entitled *"Amfilochia Pumped Storage Electric Energy Station"* with a capacity of 680 MW. The project's Phase A concerns Road Construction and Channel Works with a budget of 36.3 mn euros.
- On 22.11.2022, the Joint Venture TERNA S.A. – MYTILINEOS S.A. in which TERNA S.A. participates with 50%, signed a contract with ERGOSE S.A., for the execution of the project *"Construction of Railway Stations and Stops (buildings, docks, shelters and surrounding area), Infrastructure, Electrification, Signaling - Remote Control, ETCS, Telecommunications and E/M Installations of*



*Panagopoula Tunnel for the route Kiato - Patras in Rododafni - Rio section".* The project's budget was set at 129.5 mn euros.

- On 28.12.2022, the Group and the National Technical University of Athens signed a contract providing for the Establishment and Financing of a Professional Interdepartmental Master's Degree Program entitled "Infrastructure and Construction Project Management" (PIMDP - ICPM). The Group undertook the full financing of PIMDP - ICPM by paying each year the amount of 80,000 euros for five academic years from 2023 to 2028. It is expected that up to thirty-five postgraduate students will participate each year.
- On 30.12.2022, the subsidiary TERNA S.A. signed a contract with NOVAL PROPERTY S.A. for the project *"Construction of a 3-storey office building with a solar glass wall space and 4 basements (Building B), extension of an existing building (Building A), shaping of the surrounding area and reconstruction of the facades of an existing building (Building A)"* in the area of Marousi, Athens, Greece. The budget of the project was set at 25.6 mn euros.

### **Key Financial Performance of the Operating Segments for the Year 2022**

The financial analysis of the operating segments mentioned below records the performance of these segments, before performing the intersegmental elimination, which are accounted for in accordance with the provisions of IFRS for the purposes of preparing the consolidated financial statements of GEK TERNA.

#### **Construction Operating Segment**

The Group, mainly through its fully owned by 100% subsidiary company TERNA, is one of the leading and dynamic Greek construction groups, specializing in complex and demanding infrastructure projects, along with international partnerships, with significant experience inside and outside Greece and with large synergies with the other business segments of the Group in concessions and energy. Revenues from construction activities increased significantly, while the backlog of construction works has been maintained at high levels, on 31.12.2022 reaching approximately 2.9 bn euros and at the same time the Group is expecting to sign contracts for new projects as qualified bidder amounting to 2.4 bn euros.

The Turnover of the Construction Operating Segment settled at 1,024.2 mn euros compared to 600.6 mn euros in the corresponding period of 2021 posting an increase of 70.5%. The growth in turnover was due to stronger construction activity in public infrastructure projects (E-65, etc.) and third-party private infrastructure projects, and also derived from the implementation of the Group's investment plan in wind farms, waste management units. Turnover growth was also due to the construction of the new state-of-the-art Combined Cycle Gas Turbine Station with natural gas as fuel with an installed gross capacity of 877 MW in Komotini, Greece, owned by the company KOMOTINI THERMOELECTRIC, where the Group participates with 50%.

The Adjusted EBITDA (EBITDA plus non-cash results included therein) amounted to 80.6 mn euros compared to 52.8 mn euros in the respective period of 2021 higher by 52.7%, due to the increase in construction revenue and the maintenance of the profit margin of ongoing projects at a satisfactory level.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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Operating Results before interest and taxes (EBIT) amounted to 62.8 mn euros compared to 42.4 mn euros in the respective period of 2021 significantly improved by 48.1% due to the aforementioned reasons.

Earnings before taxes in 2022 amounted to 66.4 mn euros compared to 39.7 mn euros in the corresponding period of 2021.

Earnings after taxes in 2022, stood at 47.9 mn euros compared to 28.5 mn euros in the respective period of 2021.

The revenues of the Construction segment towards third parties arise from the operations: a) in Greece and Cyprus at percentage of 95% and b) in Balkan countries at percentage of 5%.

The Net Debt of the Construction Operating Segment stood at minus -120.7 mn euros approximately, compared to minus -247.2 mn euros on 31.12.2021.

### **Energy Production Operating Segment from RES**

GEK TERNA Group, operating in the energy segment through the sub-Group TERNA ENERGY I.C.S.A. since the mid - 1990s, is one of the leading players in the Renewable Energy Segment (RES).

The shift to Renewable Energy Sources (RES) is confirmed worldwide, with the sector being one of the top investment destinations for the coming years. In this context, TERNA ENERGY sub-Group continues the development of selected RES projects in Greece at a high pace, in order to lay the solid foundation for the company's sustainable development which is the long-term objective of its strategic planning for the next 10 years and at the same time, by capitalizing on its experience TERNA ENERGY is intensifying its efforts in order to further expand its presence in Poland and Bulgaria.

The energy needs of the country are covered mainly by imports (crude oil and natural gas) and to a lesser extent, by domestic production of solid fuels and renewable energy sources (RES). The dependence index on primary energy imports in Greece amounts to approximately 85% compared to a level of 60% in the European Union, indicating the country's high energy dependence. However, this dependence is partly offset by the country's diversified sources of energy supply as a result of its geographical location and the investments that have been made in related infrastructures.

Recently the Greek Government presented the draft of the new National Energy and Climate Plan (NECP) using the RePowerEU policy package as a reference. The new NECP aims at the following:

- i) Reduction of greenhouse gas emissions by 55% in 2030 compared to the emissions level in 1990, and achievement of climate neutrality in 2050.
- ii) Indicator for RES as percentage of gross final energy consumption in 2030 equal to 40% (or 45%), along with fulfilment of individual targets per consumption sector (electricity, heating-cooling and transport).
- iii) Energy efficiency in 2030 equal to -13%, measured as a percentage change in the final energy consumption compared to the projection made for the year 2030 with the year 2020 being the Reference Scenario.
- iv) Targets for mixing biofuels (advanced and with upper limit in conventional) and renewable gas of non-biological origin as a % in transport fuels.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

In the electricity sector, NECP aims to increase the installed RES capacity in the country to 25 GW by the year 2030, with RES covering approximately 80% of the demand for electricity and 45% of the total demand for energy.

TERNA ENERGY sub-Group possessed, as of 31.12.2022, 2,000 MW of power from RES electricity generation units, which are in operation, under construction or ready for construction in Greece, Central and Eastern Europe.

In particular, the total installed capacity of the sub-Group in Greece and abroad amounted to 905.3 MW at the end of 2022 increased by approximately 10 MW compared to the end of 2021, as the gradual trial operation of the Kafirea wind farms began. It is noted that the total power capacity of the project accounts for 330 MW and the initial operation of the entire project is expected to be completed within the year 2023. Upon completion, it will comprise the largest wind park in the country and is expected to contribute significantly to the profitability of the sub-Group. Also during the year 2022, the preliminary construction works of the project *"Pumped Storage Station of Western Greece (Amfilochia), 680 MW"* commenced. It is noted that in August 2022 the subsidiary company received the first tranche, amounting to 100 mn euros, of investment aid through the Public Investment Program, for the project *"Sub-project 1 Pumping-Storage Station of Western Greece (Amfilochia), with a capacity of 680 MW"* which has been included in the Recovery and Resilience Fund.

Furthermore, a portfolio of over 180 MW of photovoltaic parks in Greece are currently ready for construction.

It is noted that the sub-Group's portfolio includes additional projects of various technologies (on-shore and off-shore wind, photovoltaic, hydroelectric, pumped storage, storage, etc.) in various stages of maturity, while the broader portfolio is constantly developing with the addition of new projects and exceeds the level of 12 GW.

Specifically in the energy sector, the installed capacity settled as follows:

|               | <b>TOTAL</b> | <b>GREECE</b> | <b>POLAND</b> | <b>BULGARIA</b> |
|---------------|--------------|---------------|---------------|-----------------|
| WIND PARKS    | <b>876.4</b> | <b>744.4</b>  | <b>102</b>    | <b>30</b>       |
| HYDROELECTRIC | <b>17.8</b>  | <b>17.8</b>   |               |                 |
| PHOTOVOLTAIC  | <b>8.5</b>   | <b>8.5</b>    |               |                 |
| BIOMASS       | <b>2.6</b>   | <b>2.6</b>    |               |                 |
| <b>TOTAL</b>  | <b>905.3</b> | <b>773.3</b>  | <b>102</b>    | <b>30</b>       |

Revenues from continuing operations during the year 2022 in the segment of Electricity Production from Renewable Energy Sources, amounted to 236.2 mn euros compared to 224.4 mn euros in the respective period of 2021, recording an increase of 5.3%. The respective increase is attributed to the operation of new wind parks as well as to the improved wind conditions.

The Adjusted EBITDA (EBITDA from continuing operations plus non-cash results included therein) settled at 161.1 mn euros compared to 161.5 mn euros in the respective period of 2021 meaning that it remained almost unchanged between the two periods.

- In accordance with the Article 37 ("Extraordinary levy on electricity producers") of Law 4936/2022 (Government Gazette 105'A 27.05.2022), an extraordinary levy was imposed on the

revenues from the participation of RES electricity production units for the period from 01.10.2021 until 30.06.2022, calculated on the increase of the gross profit margin of each of the production units. According to the circular under protocol no. RAE O-98571 and the Joint Ministerial Decision under no. YPEN/DIE/111281/4111/26.10.2022, the amount of the above levy for the Company was determined at 3,595,499.43 euros. This amount has been included in EBITDA calculation.

- Finally, according to article 122 ("Temporary Mechanism for the Return of Part of DAM – Day Ahead Market Revenues (Electricity)") of Law 4951/2022 (Government Gazette 129'A 04.07.2022) and the Decisions under no. YPEN/DIE/70248/2434/05.07.2022 and no. YPEN/DIE/115180/4229/04.11.2022, a maximum selling price of electricity was set out for the electricity production units that fall within the framework of operation of the Temporary Mechanism for the Return of Part of DAM – Day Ahead Market Revenues (according to article 12A of Law 4425/2016) with implementation date as of 07.08.2022 (day of physical delivery). Through this legislation, part of revenues deriving from the sales of electricity production units in the Day Ahead Market was withheld, which for the period 07.08.2022 – 31.12.2022 amounted for the Company to 13,317,173.00 euros.

Operating Results before interest and taxes (EBIT) from continuing operations amounted to 71.7 mn euros compared to 118.6 mn euros in the corresponding period of 2021 posting a decline of 39.5% as a result of the expense recorded for the company's stock options plan, i.e. distribution of bonus shares, amounting to 48.8 mn euros.

As at 31.12.2022, in accordance with the provisions of IFRS 2, the Company performed the valuation of the free share distribution plan, which resulted in the recognition of a cost of 48.8 million in the Statement of Comprehensive Income and the recording of an equal amount of a special reserve in Equity. The above accounting treatment of the free share distribution plan does not have any impact on the Company's Equity. Furthermore, for cash flow purposes, that valuation is a non-cash item. Finally, it is noted that the new shares that will result from the free share allocation plan represent approximately 1.3% of the shares already outstanding after the deduction of treasury shares held by the Company.

Earnings before taxes amounted to 34.1 mn euros compared to 90.1 mn euros in the corresponding period of 2021, negatively affected by the expense recorded for the company's stock options plan, i.e. distribution of bonus shares, amounting to 48.8 mn euros.

Earnings after taxes accounted for 18.0 mn euros in 2022 compared to 67.8 mn euros in the corresponding period of 2021, negatively affected by the above factor. It should be noted that the earnings in 2021 do not include the losses from discontinued activities in the USA, of approximately minus -94.0 mn euros.

The Net Debt in the segment of Electricity Production from Renewable Energy Sources settled at approximately 668.3 mn euros compared to 600.5 mn euros on 31.12.2021.

The investments of TERNA ENERGY sub-Group amounted to 244,5 mn euros in 2022.

**Operating Segment of Electric Energy Production from Thermal Energy Sources – Electric Energy Sales**

GEK TERNA Group is active in the field of Electricity and Natural Gas Production, Distribution and Trading through the subsidiary companies HERON ENERGY S.M.S.A. and HERON II VOIOTIAS S.A.

The Group, in the context of its decision to increase investments in the area of Thermal Energy Sources and Electricity Trading, completed within the year 2022 the implementation of the agreement from 12.07.2021 for the acquisition of the additional equity stakes of 50% and 75% in the companies HERON ENERGY S.M.S.A. and HERON II VOIOTIAS S.A., which operate two power plants with a total capacity of 588 MW, fueled by natural gas. In particular, since 11.10.2021, the Company is the sole shareholder of 100% of HERON II VOIOTIAS S.A. and since 14.02.2022 it is also the sole shareholder of 100% of HERON ENERGY S.M.S.A. From the above dates these companies are being fully consolidated as subsidiaries according to the full consolidation method, while up to and before these dates the above companies were consolidated as jointly controlled entities and the consolidation of their financial accounts was carried out via the equity method.

In the Electric Energy Production segment, the Group managed to ensure the uninterrupted, competitive and flexible supply of its generation stations, successfully coping with the challenges arising from new market conditions. Those conditions included the unprecedented volatility of international natural gas prices, the extremely high liquidity needs to ensure supply, especially when importing liquefied natural gas, but also the constantly changing production costs of the generation stations, mainly in relation to the electricity clearing prices of the neighboring countries. As direct consequence of all the above, the total participation of the energy production units of the companies HERON ENERGY S.M.S.A. and HERON II VOIOTIAS S.A., with a total capacity of 588 MW, settled during the year 2022 at 11.3% of the broader energy production from natural gas plants in Greece, thus comprising a strong pillar in the country's strategy to ensure energy sufficiency. The Group's production derives to a very large extent from the operation of HERON II combined cycle plant, which produced a total of 2,127 GWh during the financial year of 2022 far exceeding pre-pandemic production levels and posting an increase of approximately 18% compared to 2021.

In the area of Electricity Distribution to final consumers, the increase in energy prices has resulted in strong customer mobility among electricity providers. Despite this trend, the company HERON ENERGY S.M.S.A. managed to fully cope with the difficult market conditions and even increase its market share to 7.6%. As a result the company is among the leading independent suppliers in the domestic energy market.

Revenues from continuing operations in the Electricity Production from Thermal Energy Sources – Electric Energy Sales settled at 2,661.1 mn euros compared to 252.6 mn euros in 2021, marking a significant increase mainly due to the following reasons:

a) the full consolidation of 100% subsidiary HERON II VOIOTIA's results for the year of 2022 (acquisition of control on 11.10.2021) and the full consolidation of 100% subsidiary HERON ENERGY's results for the period 14.02- 31.12.2022 (acquisition of control on 14.02.2022). The above subsidiaries during the corresponding comparative period of 2021 were consolidated as jointly controlled entities applying the Equity method and with percentages of 25% and 50% respectively,

b) The increased volumes of production and sale of electricity as result of the improved market shares of the Group's subsidiaries

c) The higher electricity sale prices following the increase in the wholesale price (DAM – Day Ahead Market) due to the significant increase of the Natural Gas prices in Europe, as a result of the recent geopolitical developments, but also the high CO<sub>2</sub> prices which also resulted in the overall increase of energy cost.

The Adjusted EBITDA (EBITDA plus non-cash results included therein) amounted to 335.5 mn euros compared to 33.2 mn euros in the corresponding period of 2021 and it was significantly improved due to the aforementioned factors.

- In accordance with the Article 37 ("Extraordinary levy on electricity producers") of Law 4936/2022 (Government Gazette 105'A, 27.05.2022), an extraordinary levy was imposed on the revenues from the participation of the two electricity production units, using natural gas as fuel, of the companies HERON ENERGY S.A. and of HERON II VOIOTIA S.A. for the period from 01.10.2021 until 30.06.2022, calculated on the increase of the gross profit margin of each of the production units. According to the circulars under protocol no. RAE O-98561, O-98563 and the Joint Ministerial Decision under no. YPEN/DIE/111281/4111/26.10.2022, the amount of the above levy for the Company was determined at 14,916,566.57 euros. This amount has been included in EBITDA calculation.
- Finally, according to article 122 ("Temporary Mechanism for the Return of Part of DAM – Day Ahead Market Revenues (Electricity)") of Law 4951/2022 (Government Gazette 129'A 04.07.2022) and the Decisions under no. YPEN/DIE/70248/2434/05.07.2022 and no. YPEN/DIE/115180/4229/04.11.2022, a maximum selling price of electricity was set out for the electricity production units that fall within the framework of operation of the Temporary Mechanism for the Return of Part of DAM – Day Ahead Market Revenues (according to article 12A of Law 4425/2016) with implementation date as of 08.07.2022 (day of physical delivery). Through this legislation, part of revenues deriving from the sales of electricity production units of the companies HERON ENERGY S.A. and of HERON II VOIOTIA S.A. in the Day Ahead Market was withheld, which for the period 08.07.2022 – 31.12.2022 amounted for the Company to 24,082,994 euros.

Operating Results before interest and taxes (EBIT) from continuing operations amounted to 276.0 mn euros compared to 27.9 in the corresponding period of 2021 posting a significant improvement for the reasons mentioned above.

Earnings before taxes amounted to 260.3 mn euros compared to 22.8 mn euros in the corresponding period of 2021.

Earnings after taxes amounted to 198.4 mn euros compared to 23.1 mn euros in the period of 2021.

The Net Debt of the segment of Electricity Production from Thermal Energy Sources – Electric Energy Sales amounted to approximately minus -6.2 mn euros compared to 47.8 mn euros on 31.12.2021.

The Group's investments in the segment of Electricity Production from Thermal Energy Sources – Electric Energy Sales amounted to 59.9 mn euros in 2022.

**Concessions – Self or Jointly Financed Projects Operating Segment**

In the Operating Segment of Concessions, the Group owns 100% of the Motorway Concession companies NEA ODOS SOCIETE ANONYME CONCESSION and CENTRAL GREECE MOTORWAY SOCIETE ANONYME CONCESSION, 17% of the Motorway Concession company OLYMPIA ODOS SOCIETE ANONYME CONCESSION, as well as 32.46% of the Concession Company of Kasteli Airport INTERNATIONAL AIRPORT HERAKLION CRETE SOCIETE ANONYME CONCESSION.

The Group will participate with a percentage of 49% through the company IRC HELLINIKON S.A. in the construction, development, and operation of (a) a five (5) star hotel, (b) a conference and exhibition center, (c) an audience gathering place for sports and cultural events and (d) a casino area. The duration of the concession is 30 years.

The Group also participates with a percentage of 70% in the Electronic Ticket Service Provider Societe Anonyme - HELLAS SMARTICKET S.A., which undertook from the Athens Urban Transport Organization S.A. (AUTO), the Partnership Agreement for the Study, Financing, Installation, Operational Support, Maintenance and Technical Management of a Unified, Automatic Toll Collection System for the AUTO Group of companies based on a PPP scheme. The term of the concession has been set at 10 years after the construction period.

The Group participates through the sub-Group TERNA ENERGY:

- with a percentage of 100% in the company AEIFORIKI EPIRUS S.M.S.A.S.P., which is active in the operation of the Waste Management Unit of Epirus with a maximum annual capacity of 105,000tn, the operation of which started on 27.03.2019. The duration of the Concession has been set for 27 years.
- with a percentage of 70% in the Joint Venture TERNA ENERGY - INDIGITAL - AMCO with which it signed a contract for the project *"Digital Transformation, Telematics, and the Unified Automated Collection System for Thessaloniki (ACST)"*. The total budget of the project amounts to 30 mn euros plus VAT, whereas the commencement of works has been scheduled for the year 2023, and
- with 100% in PERIVALLONTIIKI OF PELOPONNESE S.M.S.A. which has undertaken the construction of PPP project *"Integrated Waste Management of Peloponnese"*. The total duration of the contract has been set at 28 years and includes the two-year construction period and the 26-year operating period. The amount of the investment settles at 152 mn euros, of which 62.5 mn euros derive from an NSRF (ESPA) subsidy.

On 14.02.2022 the Transitional waste management began in the Peloponnese Region which will serve Arcadia, Corinthia, and Argolis, while on 25.08.2022 following the issuance of a relevant certificate by the Independent Auditor, the Waste Transfer Station of Corinthia was set into operation. At the same time, the construction of the Transitional Management Units of Messinia and Laconia and further the construction of the OSDA Units is in progress. This project is implemented with the main aim of providing modern waste management services targeting at protecting the environment, ensuring public health, and providing multiple benefits to local communities as development cells of the circular economy.

Finally, during the year 2022, the Group continued its activity in the area of Management and Operation of Car Parking Stations, whereas the capacity of these stations corresponding to the Group accounted for 2,171 vehicles.

Revenues of the Concessions Operating Segment amounted to 202.0 mn euros compared to 173.0 mn euros in the corresponding period of 2021. This increase is mainly attributed to the increased traffic observed during the period in motorways NEA ODOS and CENTRAL GREECE (Kentriki Odos), as a result of the elimination of travel restrictions that were previously imposed due to COVID-19.

The Adjusted EBITDA (EBITDA plus non-cash results included therein) settled at 111.7 mn euros compared to 101.8 mn euros in the corresponding period of 2021 posting an increase of 9.7%. In calculating the segment's adjusted EBITDA the following were included:

- a. compensations from the Greek State, due to the non-operation of toll stations under the responsibility of the State, as well as due to a respective state order to suspend the collection of tolls at the Gavrolimni toll station (Ionia Odos) - amounting to 23.3 mn euros in 2022, compared to 14,5 mn euros in the corresponding period of 2021, the calculation of which is based on relevant provisions of the concession contracts. Until the approval of the Financial Statements, the above amount had not been collected. It is noted that during the corresponding period of 2021, compensations for loss of revenue due to the COVID-19 bans totaling 16.4 mn euros were also included in the calculation of adjusted EBITDA.
- b. the provisions for heavy maintenance of the motorways are not included, which in the year 2022, amounted to 22.6 mn euros compared to 24.1 mn euros in the corresponding period of 2021.

Operating Results before interest and taxes (EBIT) stood at 41.1 mn euros compared to 33.6 mn euros in corresponding period of 2021, posting an increase of 22.3% which was due to the stronger motorway revenues following the abolition of travel restrictions that were previously imposed due to COVID-19.

Results before taxes amounted to -80.8 mn euros compared to -19.1 mn euros in the corresponding period of 2021. The increase in the loss as compared to the corresponding period of 2021, is solely due to the change in the receivable's fair value from the subsidiary's embedded derivative of the concession company CENTRAL GREECE MOTORWAY S.A., as well as from the valuations of the IRS, which amount in total to minus (74.7) mn euros, as a consequence of the increase in interest rates and the discount factor used for the accounting valuation. It was also due to the reduction in the value of the discounted future cash flows of collections from the Greek State. The above increase in interest rates of the Greek Government debt is not due to a change in the country's credit risk profile but is linked to the broader increase in interest rates at the European level, due to the geopolitical developments, the energy crisis, and the inflationary pressures. Changes in the above valuations will not have any material impact on the Group's Operating Results, Cash Flows and Equity respectively.

Results after taxes settled at -51.1 mn euros compared to -2.1 mn euros in the corresponding period of 2021. The increase in losses is due to the decrease in the fair value of the embedded derivative, as mentioned above.

The Net Debt of the Concessions Operating Segment amounted to approximately 618.8 mn euros compared to 529.5 mn euros on 31.12.2021.



**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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**Real Estate Operating Segment**

GEK TERNA Group is active in the management and sale of real estate assets holding a broad portfolio of 123.8 mn euros in Greece, Bulgaria and Romania that includes shopping centers, industrial parks, leisure parks, hotels, plots, and lands in tourist destinations, etc. In this context, with cautious steps the Group has restarted its investment activities in the domestic real estate market. At the same time, the Group examines alternative scenarios for the utilization of its portfolio and whenever it deems appropriate it will proceed with additional investments.

Revenues of the Real Estate Operating Segment amounted to 3.9 mn euros compared to 4.5 mn euros in the corresponding period of 2021.

The Adjusted EBITDA (EBITDA plus non-cash results included therein) was negative at -0.2 mn euros compared to 0.5 mn euros in the corresponding period of 2021.

Operating Results before interest and taxes (EBIT) settled at -0.9 mn euros compared to -0.6 mn euros in the corresponding period 2021.

Earnings before taxes stood at 2.9 mn euros compared to -0.8 mn euros in the corresponding period of 2021.

Earnings after taxes settled at 2.6 mn euros compared to -0.8 mn euros in the corresponding period of 2021.

The Net Debt of the Real Estate Operating Segment amounted to approximately 83.3 mn euros compared to 55.9 mn euros on 31.12.2021 .

**Industry/Quarry Operating Segment**

The Group, via the fully owned by 100% subsidiary TERNA MAG (through the mining licenses and concessions it possesses), is active in the mining and processing of limestone and magnesium, as well as in its industrial processing for the production of caustic and refractory magnesia products of various qualities and chemical characteristics, which are being sold mainly to foreign customers.

Revenues from the Industry / Quarry Operating Segment, despite the problems that existed in the first half of 2022 in the transportation of goods abroad, settled at 18.7 mn euros in 2022, compared to 10.0 mn euros in the corresponding period of 2021, posting an increase of 87.0%. The above increase was mainly due to the quality upgrade of the sales mix, the increase in the number of customers and the increase in the selling prices of the extracted products.

The Adjusted EBITDA (EBITDA plus non-cash results included therein) settled at 0.4 mn euros during the year 2022, compared to -0.4 mn euros in the corresponding period of 2021. The favorable improvement was due to the following factors: the higher revenues, the quality upgrade of the sales mix, the increase in the number of customers and the increase in the selling prices of the extracted products.

Operating Results before interest and taxes (EBIT) settled at minus -3.3 mn euros compared to -3.7 mn euros in the corresponding period of 2021. The positive difference was due to the reasons mentioned above.

## **GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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Earnings before taxes settled at -17.2 mn euros compared to -5.4 mn euros in the corresponding period of 2021. The significant increase in the loss was due to the re-valuation of the activity following the utilization of higher interest rates when estimating the present value of future results.

Earnings after taxes settled at -16.3 mn euros compared to -5.5 mn euros in the corresponding period of 2021. The change was due to the above mentioned factor.

The Net Debt of the Industry / Quarry Operating Segment amounted to approximately 106.1 mn euros compared to 98.7 mn euros on 31.12.2021.

### **Holding Operating Segment**

Adjusted EBITDA (EBITDA plus the non-cash results) settled in 2022 at -12.4 mn euros compared to -14.0 mn euros in the corresponding period of 2021, positively and mainly affected by the reduced expenditure in the current year and versus the previous year in relation to the stock options plan, i.e. distribution of shares to the members of the Board of Directors.

The Operating Results before interest and taxes (EBIT) settled in 2022 at -15.7 mn euros compared to -15.9 mn euros in the corresponding period of 2021.

Earnings before taxes in 2022 settled at -6.6 mn euros compared to 29.5 mn euros in the corresponding period of 2021. The significant difference in earnings between 2022 and 2021, was due to the existence of non-recurring gains from the measurement at fair value of the participation in companies in which the percentages of third-party shareholders were purchased by the Group during the years 2021 and 2022. These companies have now become 100% subsidiaries. The non-recurring gains during the year 2022 amounted to 21.7 mn euros, whereas in 2021 amounted to 60.9 mn euros.

Earnings after taxes in 2022 settled at -6.3 mn euros compared to 30.2 mn euros in the corresponding period of 2021. The change in earnings was also due to the reasons mentioned above.

The Net Debt of the Holding Operating Segment amounted to approximately 151.8 mn euros compared to 146.4 mn euros on 31.12.2021.

### **Intersegmental Transactions**

During the year 2022, Revenues of Intersegmental Transactions amounted to 210.6 mn euros compared to 122.7 mn euros in the corresponding period of 2021. The significant increase in Revenues was due to the higher investments in the segment of Electricity Production from Renewable Energy Sources and in the construction of the Waste Management Units of the Peloponnese region.

Adjusted EBITDA (EBITDA plus non-cash results included therein) settled in 2022 at -15.0 mn euros compared to -11.9 mn euros in the corresponding period of 2021.

Operating Results before interest and taxes (EBIT) stood at minus -15.9 mn euros compared to -10.0 mn euros in the corresponding period of 2021.

Earnings before taxes settled at -15.8 mn euros compared to -11.0 mn euros in the corresponding period of 2021.

Earnings after taxes settled at -15.8 mn euros compared to -11.0 mn euros in the corresponding period of 2021.

**C. Significant Events after the end of the period 01.01 – 31.12.2022**

From 01.01.2023 until the date of approval of the attached financial statements, the following important events took place:

- On 09.01.2023, the decision under number 226/09.01.2023 of G.E.MI. Service was registered in the General Electronic Commercial Registry (G.E.MI.) with Registration Code 3409259. The decision approved the amendment of article 1, par. 1 and of article 3, par. 2, case (iii) of the articles of association of the Limited Company under the name CASINO OF WIDE SPECTRUM SOCIETE ANONYME COMPANY, the distinctive title EKAZ HELLINIKON S.A. (EKAZ) and G.E.MI. number 163658901000, according to the decision of the Extraordinary General Meeting of shareholders dated 09.01.2023. After the above, the name of the company was formed as follows: INTEGRATED RESORT COMPLEX HELLINIKON SOCIERTE ANONYME and with the distinctive title: IRC HELLINIKON S.A.
- On 09.01.2023, the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the project *"Detailed Engineering and Construction for the anti-flood works and damage restoration in the Ampelia Station (1788/22)"* which concerns anti-flood works, with a budget of 2.5 mn euros.
- On 09.01.2023, the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the project *"Detailed Engineering, Procurement and Construction of the "Relocation of Ampelia Karditsa – Trikala Pipeline" Project (1789/22)"* which concerns the relocation of the pipeline of Karditsa - Trikala section to Ampelia Farsalon, with a budget of 4.9 mn euros.
- On 10.01.2023, the subsidiary TERNA S.A. signed a contract with INSIGNIO M.A.E. for the Phase A of the *"Construction of Bearing Structure from reinforced concrete" of the project "Construction of a New Complex of Office Buildings with 2 Basements and Planted Roof in the Municipality of Marousi"*, with a budget of 7.9 mn euros. The total budget of the project (Phases A and B) amounts to 9.5 mn euros.
- The Hellenic Gaming Commission with the decision under no. 3/26.01.2023 approved the change of the conveyor of technical experience towards IRC HELLINIKON, i.e. from HR Atlantic City L.L.C.
- On 10.02.2023, the subsidiary TERNA ENERGY S.A. acquired the entire number of share units of the company ANAX which was renamed into TERNA ENERGIKI SAPPON. The latter company is developing a Photovoltaic Plant with 246.35 MW capacity in the Regional Unit of Evros, Rodopi, Greece. The total price of the acquisition, based on the terms of the Agreement for the Sale and Transfer of Shares, will depend on the successful outcome of the process required for securing the relevant permits for the installation of electricity generation units from Photovoltaic systems.
- On 13.02.2023, the subsidiary TERNA S.A. signed a contract with BLUE IRIS INVESTMENTS S.M.S.A. for the construction of the project entitled *"5-Star Luxury Resort in Kalo Livadi Mykonos"* with a budget of 78.6 mn euros.
- On 15.02.2023, the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the *"Detailed Engineering, Procurement and Construction for the "Alternative Interconnection of Thermoilektriki Komotinis New Power Generation Unit with NNGTS" Project"*, with a budget of 3.6 mn euros.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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- On 17.02.2023 the subsidiary TERNA S.A. signed a contract with THERMOILEKTRIKI KOMOTINIS S.A. for the project entitled *"Construction and Supply of Materials for the 400KV HV Lines Connection between National Grid and the New Power Plant located at VIPE Komotinis area"*, which concerns the construction of a double circuit input-output line of the station and the modifications of the existing installation 400kV/2B'B' Philippoi - N. Santa. The project's budget was set at 6.2 mn euros.
- On 24.03.2023, the subsidiary TERNA S.A. signed a contract with DESFA S.A. for the project entitled *"Detailed Engineering, Procurement and Construction for the "LVS and Hot Tapping Connection for the New Power Plant of Thermoilektriki Komotinis, west of LVS Komotinis" Project"*, with a total budget of 1.9 mn euros.
- On 06.04.2023, KOMOTINI THERMOELECTRIC, in which GEK TERNA participates jointly with MOTOR OIL Group with 50% each, signed a Common Bond Loan agreement with Greek creditor banks for a total amount of 325 mn euros for the purpose of developing and building the new state-of-the-art Combined Cycle Gas Turbine Station with natural gas as fuel aiming at an installed gross capacity of 877 MW in the Industrial Area of Komotini, Greece.
- On 21.04.2023, the company PASIFAI ODOS S.A., in which GEK TERNA participates with a percentage of 55%, signed the contract for the project *"Northern Road Axis of Crete (BOAK): Study, Construction, Financing, Operation and Maintenance of the Hersonissos – Neapoli Section, with PPP"*.

### D. Risk Factors and Uncertainties

The Group's operations are subject to various risks and uncertainties, such as the return of macroeconomic uncertainty, market risk, credit risk and liquidity risk, wind and weather conditions, the uncertainty of the results from the impact of emergency events (COVID-19) which may have a prolonged and unforeseen term.

#### 1) Financial Risks

To address financial risks, there is a management plan aiming to reduce the adverse impact on the financial results of the Group, arising from the inability to project financial markets and fluctuations in cost and sales variables.

The financial instruments used by the Group mainly comprise bank deposits, mainly long-term and secondarily short-term loans as well as derivatives, trade debtors and creditors, other accounts receivable and payable. The impact of the main risks and uncertainties on the Group's activities is analyzed below.

#### Credit risk

Credit risk entails the possibility that a counterparty will cause financial loss to the Group and the Company due to the breach of the counterparty's contractual obligations.

The Group continuously monitors its receivables, either separately or per group and encompasses all the arising information into the credit audit. When deemed necessary, external reports or analyses related to effective or potential clients are used.

The Group is not exposed to significant credit risk arising from trade receivables with regard to its business activities, except for the trading of electric energy. This is attributed, on the one hand, to the Group's policy, which is focused on cooperation with reliable clients and, on the other hand, to the nature of the Group's operations.

In particular, total receivables, whether related to the narrow or the broader public sector, or private sector clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, their financial sizes regardless of whether they are a broader public or private entity, for potential implications, in order to take the necessary measures to minimize any adverse effects for the Group.

The Group is exposed to credit risk from end consumers due to the sale of electricity and natural gas to them. The control carried out to ensure the collectability of receivables is systematic. Wherever required, adequate reserves are being created through provisions to minimize any potential adverse impact. Apart from the above, and in addition to safeguarding collectability, the Group makes sure to issue monthly bills concerning the probable consumption per month, so that with the issuance of the settlement invoice that is being made in the fourth month of consumption, there is no large outstanding balance to be settled. It should be noted that at the start of cooperation with customers, an amount equal to the indicative cost of consumption for one month is paid by the customers in the form of a guarantee.

The credit risk regarding cash and cash available and other receivables is considered limited given that the counterparties are reliable Banks with high quality capital structure, the Greek State and the broader public sector and strong Groups of companies.

The Management assumes that all the financial assets, for which necessary impairment is calculated, are of high credit quality.

### **Foreign exchange risk**

Foreign exchange risk arises when the fair value or future cash flows of a financial instrument are subject to fluctuations due to changes in exchange rates. This type of risk may arise, for the Group, from foreign exchange differences at the valuation and conversion into the Group's currency (Euro) of financial assets, mainly financial receivables, and financial liabilities, related to transactions that are carried out in a currency other than the operating currency of the Group's entities. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations.

The Group operates mainly in Greece and Eastern Europe for investments in renewable energy and selectively in the undertaking of construction projects, and therefore may be exposed to foreign exchange risk that may arise from Euro exchange rate with other currencies. To manage this risk category, the Group's Financial Management Department uses the financial instruments and offset the Group's exposure to foreign exchange risk on the basis of specific policies, whenever it is necessary.

Regarding the Group's transactions with foreign companies, these are usually carried out with European Groups where the settlement currency is the euro. To reduce this risk, the Group utilizes the locally produced cash available in local currency to pay the expenses incurred, minimizing the creation of foreign exchange risk.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### **Interest rate risk**

Interest rate risk entails the probability that fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's policy is to minimize its exposure to the interest rate risk of long-term financing. Under this policy, medium-term loans are mainly in Euro, with fixed spread and a floating base interest rate linked to Euribor. In order to reduce the interest rate risk associated with long-term financing and to reduce the consequent volatility of financial expenses, the Group implements specific policies that include Interest Rates Swaps.

The biggest component of the Group's short-term debt is in Euro at a floating base interest rate linked to Euribor. Short-term loans are mainly issued as a bridge financing in order to cover temporary needs during the implementation phase - construction of investments (Wind Parks) of the Group. The Group's policy is to convert these loans into long-term fixed spreads linked to Euribor and, where deemed necessary due to repayment time, to implement approved interest rate risk management policies through Interest Rate Swaps.

On 31.12.2022, 37,42% of the Group's total debt bares fixed interest rate, 32,58% bares floating interest rate that have been offset through derivatives, with which future fixed interest rate payments are exchanged against floating rate based receivables, while 30% of the Group's loans bare floating rate based on the Euribor or wibor on a per case basis.

These loans are repaid either through collections of trade receivables, or during the collection of the relevant state grants or through the operating cash flows from the Group's operations.

### **Sensitivity analysis of interest rate risk**

The following table presents the sensitivity of profit or loss for the period against the Groups short-term debt and deposits, towards a change in variable interest rates amounting to +20% –20% (2021: +/-20%). The changes in interest rates are estimated to be logical in relation to the current market conditions and until now they have been consistent with the previous year.

|                                                                   | <b>2022</b> |       | <b>2021</b> |      |
|-------------------------------------------------------------------|-------------|-------|-------------|------|
|                                                                   | 20%         | -20%  | 20%         | -20% |
| Net earnings after income tax (from interest bearing liabilities) | (1,227)     | 1,227 | (437)       | 437  |
| Net earnings after income tax (from interest earning assets)      | 617         | (617) | 15          | (15) |

The Group is not exposed to other interest rate risks.

### **Market risk analysis**

The Group is not exposed to market risk regarding its financial assets.

**Liquidity risk**

Liquidity risk entails the risk that the Group or the Company will be in no position to meet their financial obligations when required. The Group maintains its liquidity risk at a low level.

Specifically, the Group's liquidity, in particular, is considered satisfactory, as in addition to the existing cash and cash equivalents, the cash flows generated by the Concessions of the motorways, the operating wind farms, the production and sale of electric energy as well as from construction works are ongoing.

The Group manages liquidity needs by closely monitoring the progress of long-term financial obligations, as well as the payments made daily. Liquidity needs are monitored in different time zones, on a daily and weekly basis as well as in a rolling period of 30 days. Liquidity needs for the next 6 months and next year are determined on a monthly basis.

The Group maintains cash and cash available in banks to meet liquidity needs for periods of up to 30 days. The funds for the medium-term liquidity needs are released from the Group's time deposits and if deemed necessary, bank credits are also being used.

**2) Risks arising from existing financial conditions prevailing in Greece and from the global economy**

The performance of the Greek economy for the year 2022 was positive since the achieved GDP growth rate settled at 5.9% following another positive growth in 2021 (8.4%). According to estimates of the Bank of Greece GDP growth is expected to settle at 2.2% in 2023.

The Greek economy is developing at a faster pace compared to the European one, due to its lower dependence on the ongoing energy crisis which was exacerbated by the geopolitical developments in Ukraine. The effect of the reduced supply of natural gas from Russia to the European Union and its substitution with the more expensive solution of liquefied natural gas negatively affected the production of electricity, resulting in an increase in prices, which further sparked the already high inflationary pressures in the European Union.

As a result of the above, inflation, based on the harmonized Consumer Price Index, settled for the entire European Union at 9.6% in 2022 due to the upward trend in energy needs as well as due to price increases in food items.

The estimated inflation based on the harmonized Consumer Price Index for the period 2023-2024 is expected to settle at 5.8% and 3.6% respectively, mainly due to the anticipated decline in energy prices and also due to the negative effect on the comparison basis.

The European Central Bank in its effort to control inflation, considering that the high inflation pressures were due to increased demand, proceeded with successive interest rate hikes. From July 2022 and until the preparation date of the present Financial Report, European interest rates have risen to 3.5%. The Central Bank appears determined to continue increasing its key rates in order to tighten money supply and liquidity in the markets and tame inflation pressures to an even greater degree.

To date, with the views prevailing with regard to the continuation of the energy crisis, the duration and intensity of hostilities in Ukraine, as well as the monetary policy and the interest rate hikes which are

considered to be the "only way" to tackle inflation, the overall course of the economies and especially of the European Union, is negatively affected indicating a reduction or even zero growth in GDP.

The additional sources of uncertainty regarding the economic activity in Greece for the coming years that could have either positive or negative impact in terms of achievement of the ultimate GDP growth target, are listed below:

- A possible prolonged period of political uncertainty.
- Delay in reducing the public debt level.
- The continuous increase of interest rates which might have caused issues in the borrowers' effort to repay the instalments of their mortgage loans for the first residence and the agricultural land.
- The continued increase of inflation due to higher energy and consumer goods prices which reduces the real disposable income and household purchasing power, will create the need for additional fiscal measures to support vulnerable groups of people in the economies.
- The reduction in the receipts from Greek tourism compared to 2022, due to a) the negative geopolitical developments and b) the contraction of disposable income of many countries, mainly from the European Union, from which tourists originate.
- The impact of geopolitical conditions on foreign direct investments, as increased uncertainty adversely affects the investment risk of a country that has not yet reached investment grade.
- The lack of acceleration towards the structural reforms and the government's inability for the timely disbursement of European funds and any obstacles in the implementation of the investment plans.
- The continuing delay in the process of granting justice.
- The inability of certain sections of the Public Administration to overcome the bureaucracy, a condition that is most required in order to solve the various problems of the Greek economy.

On the contrary, in this volatile international environment, the growth potential of Greece is significantly enhanced by the contribution of the Recovery and Resiliency Fund (RRF) as more than 30 bn euros are expected to flow into the Greek Economy during the coming years. Greece is expected to lead the absorption indices of the respective funds as a percentage of GDP. Additionally, the upgrading of the country's credit rating by the respective international rating agencies is expected to have a positive impact, which in turn would generate larger inflows of investments into the Greek economy with more favorable borrowing terms in terms of the financing required for the implementation of investments.

Despite the new conditions that have arisen due to the geopolitical developments along with the ongoing energy crisis and inflationary pressures, and given that the Group does not have any meaningful activity in Russia, Ukraine and Belarus, the outlook for the Group remains positive in the medium term due to the following factors: a) investments in the form of Concessions and PPPs, b) the important construction contracts signed by the Group and ready to be executed, c) the higher participation rate of electricity production via natural gas in the Greek economy, as well as the Group's potential market share increase in commercial distribution of electricity, d) the increase of investments for the production of clean energy through RES, e) the construction and expansion of energy storage



areas and f) the development of upgraded tourist accommodation facilities that will allow Greece to take advantage of its comparative advantages (geographical location, climatic conditions and high level of employee education).

### **3) Risks related to the impact of pandemic (COVID-19)**

Despite the fact that the problems which started in 2019 by the COVID-19 pandemic and its mutations were not completely eliminated in 2022, the experience that the world has gained with regard to protecting the population from the transmission of virus, the mass vaccination programs that started in 2021, as well as the provision of new medicines to the patients, have altogether reduced the severity of the risk, as well as the percentage of patients or infected people.

The de-escalating impact of the pandemic resulted in the withdrawal of restrictive measures, allowing the free movement of populations, and significantly improving the operation of economies worldwide. At the same time the transportation of products was exempted from the existing prohibitions which previously aimed at the non-transmission of the virus from area to area. A consequence of the lifting of the above prohibitions was the influx of tourists which had a significant positive impact on the revenues from tourism and, by extension, on the GDP growth of the Greek economy during the year 2022.

The COVID-19 pandemic and its mutations will continue to affect the global economy however with ever-diminishing intensity, due to the experience that has been gained on how to prevent and deal with the pandemic through mass vaccination programs and with the provision of new medicines to the patients.

The Group took all the necessary measures wherever it was deemed necessary in order to continue the uninterrupted development of its core activities, carrying out smoothly its construction activity, the exploitation of RES and Concessions, the operation of its electricity production plant as well as its investment program in the sectors of energy and concessions. By this manner the Group strengthened its efforts to develop the Greek economy and contribute towards employment. Specifically per segment/sector:

#### **Construction Operating Segment**

In the Construction operating segment construction works have returned almost entirely to normalcy within the year 2022, while at the same time the adjusted schedules of their implementation were met.

The subsidiary TERNA S.A. is at advantageous position due to (a) its dominant position in the construction industry in combination with the experienced and fully proven effective management team, and (b) the strong financial position of the company that is required in order to support the timely completion of all projects it has currently in the backlog and / or will undertake.

#### **Operating Segment of Electric Energy Generation from Renewable Energy Sources [RES]**

In the segment of Electric Energy Generation from RES, in Greece there was no interruption or other adverse impact on the activity of the Group's facilities that are in operation. As far as the RES facilities under construction are concerned, until today no delays have been caused due to the COVID-19

pandemic and its mutations and the estimated time of completion and launching of the projects has not changed.

### **Operating Segment of Electricity Generation from Thermal Energy Sources - Sale of Energy**

In the Operating Segment of Electricity Generation from Thermal Energy Sources – Sale of Energy in 2022, the Group continued smoothly, despite COVID-19 pandemic and its mutations, the production activity of the Thermal Power Plants of 588 MW. At the same time the commercial activity was carried out without any interruption.

### **Concession Operating Segment – Self/co-financed projects**

In Concession segment there are mainly included motorway concession companies (NEA ODOS S.A. CONCESSION COMPANY and CENTRAL GREECE MOTORWAY CONCESSION COMPANY S.A.) and the concession for the airport at Kastelli (INTERNATIONAL AIRPORT OF CRETE S.A. CONCESSION).

Within the year 2022, the effect of the COVID-19 pandemic and its mutations had been softened, lifting the travel restriction measures. Therefore, motorway traffic returned to normal levels and the negative impact on the Group's operations from this factor almost ceased to exist.

### **Real Estate Operating Segment**

This activity was not substantially affected by the impact of COVID-19 and its mutations.

### **Quarry / Industry Operating Segment**

Reducing the time and cost of transporting products has significantly mitigated the problems that had been created in previous years due to COVID-19 pandemic and its mutations, resulting in an increase in the revenue of the particular sector.

This segment's activity will improve as the global economy resumes its normal course.

## **4) Other Risks and Uncertainties**

### **Consequences of the Russian invasion of Ukraine**

The ongoing and escalating hostilities between Ukraine and Russia with the indirect involvement of the European Union and the U.S.A. through the provision of support to the Ukrainian side, weakened the possibility of a ceasefire between the two sides of war.

The adoption of restrictive measures by the European Union and the U.S.A. regarding the international circulation of funds of Russian origin, as well as the additional restrictive measures towards the same direction (asset freezes, convictions, etc.), as well as the bans on the sale of Russian products in the European Union and other countries, resulted in countermeasures taken by Russia against the European Union. Such measures included the reduction of natural gas' sold quantities with a parallel significant increase in prices, since natural gas has been the main fuel for the production of electricity in most of the countries in European Union, including Greece. The result of all the above has the very large increase in the selling price of electricity, which is finally transferred to the final consumers, creating inflationary pressures across all economies among other problems.

In the effort to meet the demand of the European Union's population for electricity, the member states were forced to take fiscal measures to support consumers and especially vulnerable households at the expense of their economic growth outlook. At the same time, in its attempt to control the inflationary pressures across the economies, the European Central Bank even from the 4th quarter of 2022 has decided to increase its key interest rate to 3.5% and until the date of drafting the present Financial Report. The Central Bank appears determined to continue increasing its key rates in order to tighten money supply and liquidity in the markets and tame inflation pressures to an even greater degree. This in turn creates disincentives of investment in the broader financial and economic environment.

The Group does not have direct operations in Russia, Ukraine and Belarus, however it constantly assesses the geopolitical risks it is exposed to, having formulated specific policies and procedures, so as to mitigate the risk to the extent possible.

Specifically in the Construction operating segment there is an effect on construction costs from the geopolitical developments in Ukraine but given that in a large part of mainly important contracts, there is provision for price adjustments, the final effect on the Group is not expected to be significant. At the same time, for all the new projects in which we are the bidder or will participate in the tenders for their undertaking, the increased costs are included in the bid budgets.

In the area of Electricity Production from Renewable Energy Sources due to the fact that the majority of Wind Farms have a fixed selling energy price, the important costs are the depreciation of the equipment, and the cost of borrowing refers to fixed interest loans, the effect is insignificant.

In the operational sector of Electricity Production from Thermal Energy Sources, due to the nature of the activity and given that the selling price follows the purchase cost, typically there was no problem of substantial influence of the consequences of geopolitical developments. The support of the Greek state was also important as it covered part of the cost of electricity concerning vulnerable households, in the broader context of the government's efforts to protect this category of citizens.

In the area of Concessions, there is a charge related to the cost of supplying electricity and fuel required for the operation of traffic control systems, as well as in relation to the cost of lighting the motorways. To reduce these costs, a series of measures have been already taken, such as changing light bulbs and using LED technology, as well as using cars with lower fuel consumption.

Following the above, the Group's prospects remain positive and not directly dependent on the war conflict in Ukraine. However, due to the dynamics of these events, new risks may arise. The Management of the Group, taking into account the existing uncertainty in the wider economic climate, tries to assess in a timely manner any indirect consequences for the Group so that the required measures can be taken to mitigate any impact.

#### **Backlog of the construction contracts**

The backlog of the construction contracts does not necessarily constitute an indication of future revenues from the Group's operations in this segment. Although the backlog of these contracts represents projects that are considered certain, no guarantee can be given that cancellations or adjustments will not be performed.

The backlog of the Group's construction contracts may fluctuate in connection with the delays in the project's implementation and/or receivables or inability to fulfill contractual obligations.

**Climate change risk**

The increase in the average temperature of the planet has caused a series of extreme natural phenomena (disastrous floods, frosts, heavy snowfalls, but also large-scale wildfires from prolonged drought).

The risks arising from the effects of climate change and the transition to a low-carbon economy are expected to affect most, if not all, business entities in matters related to their sustainability.

The Group owns and operates in Greece and abroad Wind Parks, operates two major highways, where the effects of climate change in recent years consist of intense weather phenomena and long-term natural turnarounds.

Taking into account the extreme natural phenomena that have occurred in recent years, the Group takes all necessary measures to eliminate or minimize the problems that may arise, in addition to insurance coverage for the risks that are insurable.

**Cyber Security Risk**

Potential violations in the security of networks, information, and operating systems, threaten the integrity of the Group's data, sensitive information, as well as the smooth operation of its business activities. Such a breach could adversely affect the Group's reputation and competitive position. Also, a possible occurrence of damages, release of fines, or loss of business (including restoration costs) could have a significant negative impact on our financial position and operating results. In addition, managing cybersecurity breaches may require a significant investment of time by the management.

In order to avoid the Cyber Security risks, GEK TERNA Group has established and implements Cyber Security Policies and Procedures, with which all the executives and the external collaborators of the Group must comply. In cases where it is deemed necessary, the IT Department provides additional instructions and guidance.

The Group is in continuous cooperation with companies providing specialized Cybersecurity services as well as with experienced consultants in the field, in order to provide full technical and organizational coverage in terms of Cybersecurity in close collaboration with its various departments. Some of the technical measures taken include the following areas:

- Perimeter Security (Firewall)
- The security of the Group's network
- The security of executives' computers (Firewall and Antivirus)
- The technological security of the Servers (Specially configured restricted areas, Antivirus,) where the data are stored
- Secure remote access for users (use of secure VPN channel)
- The monitoring of Cybersecurity events in real time by specialized external partners
- The availability of services through the existence of Disaster Recovery Plan (DRP)
- The continuous training and information of the executives in matters of Cyber Security

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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- Supervision and coordination of Cybersecurity issues by experienced external partners (CISO chief information security officer)
- Strong password and user authentication policies
- Protect email from Phishing and Spam attacks

### E. Outlook and Prospects

GEK TERNA – the parent company of the Group ([www.gekterna.com](http://www.gekterna.com)) is listed on Athens Stock Exchange (FTSE / Athex Large Cap / Athex ESG) and comprises one of the largest business groups in Greece, with selective presence in Central and Southeastern Europe as well as in Middle East.

GEK TERNA Group with a Turnover of 3,938.3 mn euros is active in the following sectors:

a) infrastructure, b) the production of electricity from Renewable Energy Sources (RES), c) the production of electricity with natural gas fuel and the trade of electricity, d) the construction and operation of the Concessions, as well as the construction and joint operation co-financed projects (PPPs) and waste management projects, e) mining activities and f) real estate management and sale of properties.

GEK TERNA Group in the field of construction activities has a backlog of construction works, which on 31.12.2022 amounted to approximately 2.9 bn euros and at the same time the Group is expecting to sign contracts for new projects as qualified bidder amounting to 2.4 bn euros.

The total installed capacity of the Group's RES projects in operation has settled at 905.3 MW. Within the year 2023, an additional capacity of 320 MW is expected to be commissioned. In addition to the above, the Group has over 180 MW of photovoltaic parks in Greece ready for construction.

In the segment of power generation with natural gas fuel the Group owns and operates two (2) units with a total installed capacity of 588 MW, while it also participates in the construction and operation of one (1) unit of 877 MW capacity with a 50% participation stake. At the same time, it is active inside and outside Greece, in the trade of electricity.

In the field of Concessions, the Group owns 100% of the Motorway Concessions NEA ODOS SOCIETE ANONYME CONCESSION and CENTRAL GREECE MOTORWAY SOCIETE ANONYME CONCESSION, 17% of the Concession Company OLYMPIA ODOS SOCIETE ANONYME CONCESSION, as well as 32.46% of the Concession Company of Kasteli Airport INTERNATIONAL AIRPORT HERAKLION CRETE SOCIETE ANONYME CONCESSION. In addition to the above, the Group will participate with a percentage of 49% through the company IRC HELLINIKON S.A. in the construction, development and operation of: (a) a five (5) star hotel, (b) a conference and exhibition center, (c) a gathering place for sport events or cultural events and (d) casino area.

The Group is waiting for the signing of contract of the flagship motorway concession project “Egnatia Odos” in which it will participate with a percentage of 75%.

Finally, the Group is active in the management and sale of real estate assets, owning commercial properties with a total estimated value of approximately 123.8 mn euros as well as in the quarry / industrial segment through the extraction and processing of limestone and magnesium.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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The Group, for the existing business activities in 2022, employed more than 4,370 employees (directly 4,116 and in its proportion through joint ventures 254) on international level.

Total investments during the year amounted to 338.4 mn euros, with the energy sector being the main contributor. In recent years, investments have exceeded 2.5 bn euros, actively supporting the Greek economy, but also the country's banking system, constantly maintaining all the Group's assets from operations in Greece in Greek banks.

For the year 2022, the positive growth prospects of the Greek economy exceeded the initial estimates calling for 4.8% annual GDP growth, as the achieved growth rate settled at 5.9%. Respectively, the growth rate for the year 2023 according to estimates of the Bank of Greece, is expected at 2.2%, while for the years 2024 and 2025 close to 3%.

In contrast to the significant GDP growth in Greece, the European economy is growing at a lower rate and is facing significant problems, due to its greater dependence on the ongoing energy crisis, which was exacerbated by the geopolitical developments in Ukraine. The effect of the reduced supply of natural gas from Russia to the European Union and its substitution with the more expensive solution of liquefied natural gas, affected negatively the electricity production across the continent, resulting into higher product prices, which reignited the already existing inflationary pressures in the European Union.

As a result of the above, inflation, based on the harmonized Consumer Price Index, settled for the entire European Union at 9.3% in 2022 due to the upward trend in energy needs as well as due to price increases in food items.

The estimated inflation based on the harmonized Consumer Price Index for the period 2023-2024, according to the estimates of Bank of Greece, is expected to settle at 4.4% and 3.6% respectively, mainly due to the anticipated decline in energy prices and also due to the negative effect on the comparison basis.

In this international environment where the high inflation pressures lead to the adoption of restrictive financial measures that in turn force economies to be compromised with lower growth rates, the Greek economy having as driving factors: a) the contribution of the Recovery and Resilience Fund (RRF) targeting an amount of 30 bn euros until 2026 as well as the financial support from the EU budget for the period 2021-2027 for an amount up to 40 bn euros, and b) the expected credit rating upgrade of the Greek economy by the international rating agencies, anticipates higher investments which can mitigate the negative repercussions of the energy crisis.

Despite the prevailing uncertainty, the outlook for the Greek economy remains positive in the medium term, in view of a number of conditions that could facilitate the change in the pattern of economic growth, which is expected in turn to derive from investment spending to an even greater extent.

In this changing economic and geopolitical environment, GEK TERNA Group, which is one of the most important Greek corporate groups and holds a leading position in the fields of infrastructure, clean energy, electricity production and concessions, implements and expands its investment plan (mainly in the fields of Renewable Energy Sources, Concessions and Infrastructure), as its capital structure remains strong while the Group continues to have a selective presence in countries outside Greece. Furthermore, GEK TERNA Group has already proved during the Greek financial crisis (i.e. the most

difficult and longest financial crisis in Europe) its ability to expand and further solidify its market position.

It is worth noting, however, that the boost of investment activity in the sectors in which GEK TERNA Group operates (such as in RES, Concessions, Constructions and Infrastructure) constitute a priority for both the Greek State and the European Union. The Greek State in the field of infrastructure has accelerated tenders for new public, concession and PPP projects. Infrastructure projects, through their higher multiplier effect, contribute significantly to the increase in GDP and to the strengthening of employment.

In 2023, GEK TERNA Group will continue to implement its strategy for continuous development in the Greek and international markets in the fields of infrastructure, production, supply, and trading of electricity and in the concessions in the field of RES, Concessions in general and in the Construction sector. The objective is to maintain its leading position in the Greek market and to pursue its sustainable development in the international markets in order to achieve a satisfactory diversification of corporate risk and to maintain return on equity at satisfactory levels.

The Group's investment plan continues intensively in all areas of its activity (infrastructure, concessions - PPPs, energy production and storage, circular economy - environmental projects), with the total investments planned or in which the Group participates, in the medium term, expected to exceed the value 10 bn euros.

With the investments that are in progress and those that will follow, GEK TERNA Group creates thousands of well-paid jobs, giving the opportunity to the Greek scientific workforce, to our young men and women to live with dignity and optimism for the future in their homeland, but also to those who left we provide the incentive to gradually return back to the country.

The prospects for achieving the targets for 2023 and beyond are positive given that:

**In the Construction Operating Segment:**

The Group, mainly through its 100% subsidiary TERNA S.A., has been operating in the construction segment for almost half a century, both in the Middle East and in the Southeast Europe, executing a wide range of large and complex public and private projects, of high budgets and complex know-how, such as construction of motorways and rail networks, buildings, hospitals, museums, industrial facilities, hydroelectric projects, dams, industrial facilities, power plants, etc.

The prospects for the coming years are in favor of improving the financial performance of this operating segment, while the backlog of construction objects is maintained at high levels, amounting to approximately 2.9 bn euros on 31.12.2022 whereas at the date of approval of the attached financial statements with the new agreements signed or to be signed this backlog stands at 5.3 bn euros.

In addition, the prospects of the construction sector in Greece are particularly positive, as in the coming years the budget of the new projects to be auctioned may exceed under certain conditions the level of 30 bn euros, of which a significant part is estimated to be executed by the Group.

At the same time, the existence of synergies that will result from the execution of new investments within the Group (Concession of Egnatia Motorway, development of the Integrated Tourist Complex in Hellinikon, PPP of the Northern Road Axis of Crete and implementation of the investment program

in the RES sector, as well as the construction of large pumping projects) will further boost the potential financial size of the particular sector.

It should be noted that the execution of the above projects will deliver significant positive multiplier results to the Greek Economy.

The Group, with the consistency and the high sense of corporate social responsibility that distinguishes its actions for years now, will remain a leader in the construction sector and will seek to increase the financial size of the particular market segment, while generating satisfactory earnings to the benefit of its shareholders.

**In the Energy Operating Segment:*****Electricity production and commercial activity from RES***

GEK TERNA Group, operating through the sub-Group TERNA ENERGY I.C.S.A. in the field of energy since the mid-1990s is one of the leading players in the field of Renewable Energy Sources (RES) in Greece.

The shift to the Renewable Energy Sources (RES) is confirmed worldwide, with the sector being one of the top investment destinations for the coming years. In this context, TERNA ENERGY sub-Group continues the development of selected RES projects in Greece at a high pace, in order to lay the solid foundation for the company's sustainable development which is the long-term objective of its strategic planning for the next 10 years and at the same time, by capitalizing on its experience TERNA ENERGY is intensifying its efforts in order to further expand its presence in Poland and Bulgaria.

The energy needs of the country are covered mainly by imports (crude oil and natural gas) and to a lesser extent, by domestic production of solid fuels and renewable energy sources (RES). The Greek Government, in order to reduce the imported energy, presented the draft of the new National Energy and Climate Plan (NECP) using the RePowerEU policy package as a reference.

In the electricity sector, NECP aims to increase the installed RES capacity in the country to 25 GW by the year 2030, with RES covering approximately 80% of the demand for electricity and 45% of the total demand for energy.

TERNA ENERGY sub-Group had, as of 31.12.2022, almost 2,000 MW of power capacity from RES electricity generation units, which are in operation, under construction or ready for construction in Greece, Central and Eastern Europe.

In particular, the total installed capacity of the sub-Group in Greece and abroad amounted to 905.3 MW at the end of 2022 increased by approximately 10 MW compared to the end of 2021. The sub-Group aims to put into operation within the year 2023 another 320 MW in relation to the wind farms of Kafirea.

Also during the year 2022, the preliminary construction works of the project "Subproject 1. Pumped Storage Station of Western Greece (Amfilochia), 680 MW" which has been included in the Recovery and Resilience Fund, commenced.

Additionally, over 180 MW of photovoltaic parks in Greece are currently ready for the construction phase.



It is noted that the sub-Group's portfolio includes additional projects of various technologies (on-shore and off-shore wind farms, photovoltaic farms, hydroelectric, pumped storage, storage, etc.) in various stages of maturity, exceeding 12 GW.

The Group, through its subsidiary TERNA ENERGY, utilizing its dominant position and know-how in RES and appreciating the favorable environment in the field, continues its investment program.

***Electricity production from thermal energy sources***

GEK TERNA Group is active in the field of Production, Distribution and Trading of Electricity and Natural Gas mainly through the subsidiary companies HERON ENERGY S.M.S.A. and HERON II VOIOTIAS S.A., which are fully owned by 100% by the Group.

The significant reduction of lignite production units for environmental protection reasons and the large penetration of RES, have subsequently increased the market's needs for thermal units with alternative fuel possessing at the same time the necessary flexibility to cover the daily variation of the stochastic production of RES. The operation of electricity production plants using natural gas has been viewed to contribute significantly and quite efficiently to the production of energy with a smaller footprint on the environment. This ensures and enhances at the same time the country's energy supply mechanism providing the flexibility required for an orderly operation of the Electricity System in the country.

The total participation of the energy production units of the companies HERON ENERGY S.M.S.A. and HERON II VOIOTIAS S.A., with a total capacity of 588 MW, settled during the year 2022 at 11.3% of the broader energy production from natural gas plants in Greece, thus comprising a strong pillar in the country's strategy to ensure energy sufficiency. The Group's production derives to a very large extent from the operation of HERON II combined cycle plant, which produced a total of 2,127 GWh during the financial year of 2022.

At the same time GEK TERNA Group and MOTOR OIL Group, via the establishment of the company KOMOTINI THERMOELECTRIC with participation rate of 50% each, continue the joint development, construction, and operation of the new state-of-the-art Combined Cycle Gas Turbine Station with natural gas as fuel aiming at an installed gross capacity of 877 MW in the Industrial Area of Komotini, Greece.

The technology of the main equipment that has been selected for the Station is the most modern one and will lead to very high degrees of overall net efficiency. The construction of the new unit started in 2021, in order to be placed into commercial operation at the beginning of 2024.

The amount of the investment is estimated at approximately 375 mn euros. This investment is expected to create about 500 jobs during the construction period and about 80 jobs during the operating period.

The Group, through its subsidiaries, utilizing its know-how in energy production from the operation of factories via the use of natural gas and by taking into account the favorable environment in the particular market, continues its investment plan with positive prospects.

In the area of Electricity Distribution to final consumers, the increase in energy prices has resulted in strong customer mobility among electricity providers. Despite this trend, the company HERON ENERGY S.M.S.A. managed to fully cope with the difficult market conditions and even increase its market share to 7.6%. As a result the company is among the leading independent suppliers in the domestic energy

market, aiming to establish itself in the 1st position among independent suppliers in terms of market share by the year 2023.

**In the Concession Operating Segment - Self/co-financed projects:**

The Group has a dominant presence in the financing, management, and commercial operation of concession projects. The ever-expanding portfolio of concession projects and PPPs, as analyzed below, makes GEK TERNA Group one of the most important concession portfolio managers at European level.

The Group owns 100% of the Motorway Concessions NEA ODOS SOCIETE ANONYME CONCESSION and CENTRAL GREECE MOTORWAY SOCIETE ANONYME CONCESSION, 17% of the Concession Company OLYMPIA ODOS SOCIETE ANONYME CONCESSION, as well as 32.46% of the Concession Company of Kasteli Airport INTERNATIONAL AIRPORT HERAKLION CRETE SOCIETE ANONYME CONCESSION.

The Group was notified to sign on 21.04.2023 as a member of the association of companies GEK TERNA S.A. - AKTOR CONCESSIONS S.A. – INTRAKAT S.A., with a participation rate of 55%, the project *"Northern Road Axis of Crete (BOAK): Study, Construction, Financing, Operation and Maintenance of the Hersonissos – Neapoli Section, with PPP"*. The project, with a total duration of 30 years, includes payments totaling 188.65 mn euros in net present value, which will be paid on an annual basis after the completion of the period of works (4 years). The total length of the motorway is 22.5 km while the total construction objective is estimated at 140 mn euros.

The Group expects during the second half of 2023 the signing of the concession agreement between the Greek State and the Association of GEK TERNA S.A. (75%) – EGIS PROJECTS S.A. (25%) for the concession of the right to commercially operate Egnatia Odos highway and its three vertical road axes for a period of 35 years, which signals an extremely positive and important development, with numerous benefits for the Group and its shareholders. In particular the Group includes in its ever-expanding portfolio of concessions the largest highway in the country and one of the largest in Europe, with a total length (including the three vertical roads) of 883 km. During the current period, the Preferred Investor is working towards finalizing the contractual documents of the main construction and operating subcontractors. It is worth noting that alongside the signing of the concession agreement and among other things, the following will be signed: the contract for the study and construction of the project between the Concessionaire and the Construction Company, i.e. the subsidiary company TERNA S.A. and the contract for the operation and maintenance of the project, between the above Concessionaire and the Operator, i.e. the legal entity that will be made up of the companies GEK TERNA S.A. (25%) – EGIS PROJECTS S.A. (75%).

The total portfolio of highways of the GEK TERNA Group, after the commencement of operation Egnatia Odos, will now exceed 1,500 km. This is the largest portfolio of highways in the country and one of the largest in Europe, further strengthening the ability of the Group to generate significant, stable, and recurring revenues in the longer run.

In addition, the Group participates with a percentage of 49% through the company IRC HELLINIKON S.A. in the construction, development, and operation of a five (5) star hotel, a conference and exhibition center, an audience gathering place for sports and cultural events and a casino area. The duration of concession is 30 years while the amount of the relevant private investment exceeds 1 bn euros. The construction works of the project, which will be undertaken by the Group's subsidiary TERNA S.A., are expected to start within 2023 and last approximately 3 years, placing the

commencement of operation of the above building complex in 2026. This development project will create a high-quality reference point for the country's tourism and provide employment to more than 3,000 thousand people, generating significant revenue streams for the Greek State and creating added value to the so-called brand of Greece.

In addition to the above, the Group also participates with a percentage of 70% in the Electronic Ticket Service Provider Societe Anonyme - HELLAS SMARTICKET S.A., which undertook from the Athens Urban Transport Organization S.A. (OASA), the Partnership Agreement for the *"Study, Financing, Installation, Operational Support, Maintenance and Technical Management of a Unified, Automatic Toll Collection System for the OASA Group of companies based on a PPP scheme"*. The term of the concession has been set at 10 years after the construction period.

The Group participates through the sub-Group TERNA ENERGY:

- with a percentage of 100%, via the subsidiary TERNA ENERGY in the company AEIFORIKI EPIRUS S.M.S.A.S.P., in the operation of the Waste Management Unit of Epirus with a maximum annual capacity of 105,000tn, the operation of which started on 27.03.2019. The duration of the Concession has been set for 27 years.
- with a percentage of 70% in the Joint Venture TERNA ENERGY - INDIGITAL - AMCO with which it signed a contract for the project "Digital Transformation, Telematics, and the Unified Automated Collection System for Thessaloniki (ACST)" The total budget of the project amounts to 30 mn euros plus VAT, whereas the commencement of works has been scheduled for the year 2023 and
- with a percentage of 100% in PERIVALLONTIIKI OF PELOPONNESE S.M.S.A. (ENVIRONMENTAL PELOPONNESE), which has undertaken the PPP project *"Integrated Waste Management of Peloponnese"*. The total duration of the contract is 28 years and includes the two-year construction period and the 26-year operation period. The amount of the investment amounts to 152 mn euros, of which 62.5 mn euros will derive from an NSRF subsidy.

At the same time, the Group participates in the tender process of emblematic concession projects such as the Attica Road, the Submarine Link Salamina - Perama, Kalamata airport, as well as various Public and Private Partnerships (PPPs) for infrastructure projects and building projects throughout Greece. The successful initiation of these projects will contribute to the dynamic development of the Greek economy through the high multiplier effect on GDP.

Apart from the above, at the same time the Management continues to pursue new investments for the expansion of the Group's business activity in Greece and abroad, by constantly monitoring the developments in the Greek economy, collaborating with financial agents and expert analysts of the international markets.

The Group confirms its strategic decision to invest dynamically in the Concessions segment and in the field of PPPs, while creating satisfactory earnings and returns for its shareholders.

Taking into consideration the above, the prospects of the concessions segment of GEK TERNA Group for the year 2023 and for the following years are positive, despite the difficult period that the global economy is going through.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### **In the Real Estate Operating Segment:**

GEK TERNA Group is also engaged in real estate development, management and sale with a broad portfolio valued at 123.8 mn euros in Greece, Bulgaria, and Romania, including business centers, industrial parks, entertainment parks, residential properties, hotels, etc. At the same time, the Group examines alternative scenarios for the exploitation of a part of the existing investments and wherever it deems appropriate, it will proceed into new investments.

### **In the Quarry/Industry Operating Segment:**

The Group is also involved in extracting and processing whitewash and subsequent production of magnesium products through the subsidiary company TERNA LEFKOLITHI I.C.S.A., mainly focusing on export related activities ([www.ternamag.com](http://www.ternamag.com)).

Despite the negative results, the operating result (EBIT) in the current financial year is improved compared to the previous financial year in the industry segment, the company by having already restructured its operational activities in order to reduce production cost, estimates that the industrial sector will become a profitable business in the future.

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

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

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

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

### **A. "Net Debt/(Surplus)"**

It is a ratio, through which the Group's Management assesses the cash position of an operating segment at any given time. The ratio is defined as total loan liabilities and bank leases less cash and cash equivalents. If restricted deposits are excluded from the aforementioned ratio, (note 20) and grants to be repaid (note 30), are added, then the item of "Net Debt/(Surplus)" less restricted deposits and grants to be returned" will arise.

The ratio for the financial years 2022 and 2021 is as follows:

|                              | GROUP      |            |
|------------------------------|------------|------------|
|                              | 31.12.2022 | 31.12.2021 |
| Long-term loans (Note24)     | 2,672,299  | 2,386,217  |
| Liabilities from bank leases | 16,907     | 218        |
| Short-term loans (Note24)    | 143,869    | 95,557     |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                               | <b>GROUP</b>      |                   |
|-------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                               | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Long-term liabilities payable during the next financial year (Note24)         | 160,224           | 114,064           |
| <b>Total bank debt</b>                                                        | <b>2,993,299</b>  | <b>2,596,056</b>  |
| Less: Cash and cash equivalents (Note23)                                      | (1,491,703)       | (1,364,351)       |
| <b>Net Debt / (Surplus) (Note6)</b>                                           | <b>1,501,596</b>  | <b>1,231,705</b>  |
| Less: Blocked bank deposit accounts (Note20)                                  | (139,055)         | (127,625)         |
| Add: Approved and collected grants to be returned (Note30)                    | 3,260             | 3,024             |
| <b>Net Debt / (Surplus) after restricted deposits and Grants to be repaid</b> | <b>1,365,801</b>  | <b>1,107,104</b>  |

**B. "Bank Debt to Total Capital Employed"**

It is a ratio, based on which the Management assesses the Group's financial leverage. **"Total bank debt"** is defined as the sum of Short-Term Loans, Long Term Loans, Bank lease liabilities and Long term liabilities payable during the next financial year. The **"Total Capital Employed"** is defined as the sum of Total Equity, Total bank debt and Equity investments, the state grants minus the amount of cash and cash equivalents which are not subject to any limitation in use or to any commitment.

The ratio for the financial years 2022 and 2021 is as follows:

|                                                         | <b>GROUP</b>       |                    |
|---------------------------------------------------------|--------------------|--------------------|
|                                                         | <b>31.12.2022</b>  | <b>31.12.2021</b>  |
| Total bank debt (Note6) (a)                             | 2,993,299          | 2,596,056          |
| Total equity                                            | 1,190,698          | 871,259            |
| Grants                                                  | 176,232            | 87,431             |
| <b>Sub total (b)</b>                                    | <b>4,360,229</b>   | <b>3,554,746</b>   |
| <u>Less:</u>                                            |                    |                    |
| Cash and cash equivalents (Note23)                      | (1,491,703)        | (1,364,351)        |
| Blocked bank deposit accounts (Note20)                  | (139,055)          | (127,625)          |
| Approved and collected grants to be returned (Note30)   | 3,260              | 3,024              |
| <b>Sub total (c)</b>                                    | <b>(1,627,498)</b> | <b>(1,488,952)</b> |
| <b>Total Capital Employed (b+c)=(d)</b>                 | <b>2,732,731</b>   | <b>2,065,794</b>   |
| <b>Total Bank Debt / Total Capital Employed (a)/(d)</b> | <b>109.54%</b>     | <b>125.67%</b>     |

**C. EBITDA (Earnings before Interest Taxes Depreciation and Amortization)**

It is a ratio based on which the Management of the Group assesses the operational performance of an operating segment. "EBITDA" is defined as Earnings before Interest and Taxes (EBIT), plus depreciation and amortization, less any equity-based grants as presented in the accompanying financial statements.

**D. Adjusted EBITDA (Adjusted Earnings before Interest Tax Depreciation and Amortization)**

"Adjusted EBITDA" is defined as EBITDA, plus any non-cash items (see note below the table of Business Segments).

**E. EBIT (Earnings before Interest and Taxes)**

Earnings before Interest and Taxes (EBIT) is defined as the Gross Profit less Administrative and Distribution Expenses, less Research and Development Expenses, plus/less Other Revenues/(Expenses) EBIT determinants. Other Revenues/ (expenses) EBIT determinants are defined as Other Revenues/(Expenses) apart from the items of Foreign Currency Valuation Differences and Impairments/ (Reversals of Impairments) of fixed, intangible assets, right of use assets and goodwill as presented in Note 38.

EBITDA and Adjusted EBITDA ratios in the years 2022 and 2021, per operating segment and as a total are presented below as follows:

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2022                      | Constructions | Electricity from RES | Electricity from thermal energy and EP/NG trading | Real Estate  | Mining / Industry | Concessions    | Holdings        | Eliminations on consolidation | Consolidated Total |
|---------------------------------------------------|---------------|----------------------|---------------------------------------------------|--------------|-------------------|----------------|-----------------|-------------------------------|--------------------|
| <b>Gross profit</b>                               | <b>94,807</b> | <b>142,365</b>       | <b>326,841</b>                                    | <b>(428)</b> | <b>2,521</b>      | <b>55,683</b>  | <b>340</b>      | <b>(16,440)</b>               | <b>605,689</b>     |
| Administrative and distribution expenses          | (27,261)      | (76,252)             | (23,493)                                          | (633)        | (5,772)           | (9,233)        | (14,183)        | 3,503                         | <b>(153,324)</b>   |
| Research and development expenses                 | (2,146)       | (6,982)              | 0                                                 | 0            | (257)             | 0              | (534)           | 38                            | <b>(9,881)</b>     |
| Other income/(expenses) attributable to EBIT      | (2,592)       | 12,571               | (27,367)                                          | 185          | 222               | (5,359)        | (1,291)         | (3,046)                       | <b>(26,677)</b>    |
| <b>Results (EBIT) from continuing operations</b>  | <b>62,808</b> | <b>71,702</b>        | <b>275,981</b>                                    | <b>(876)</b> | <b>(3,286)</b>    | <b>41,091</b>  | <b>(15,668)</b> | <b>(15,945)</b>               | <b>415,807</b>     |
| Net depreciation                                  | 11,599        | 40,561               | 27,125                                            | 614          | 3,461             | 44,194         | 161             | 960                           | <b>128,675</b>     |
| <b>EBITDA from continuing operations</b>          | <b>74,407</b> | <b>112,263</b>       | <b>303,106</b>                                    | <b>(262)</b> | <b>175</b>        | <b>85,285</b>  | <b>(15,507)</b> | <b>(14,985)</b>               | <b>544,482</b>     |
| Non cash results                                  | 6,212         | 48,860               | 32,424                                            | 20           | 270               | 26,434         | 3,116           | 0                             | <b>117,336</b>     |
| <b>Adjusted EBITDA from continuing operations</b> | <b>80,619</b> | <b>161,123</b>       | <b>335,530</b>                                    | <b>(242)</b> | <b>445</b>        | <b>111,719</b> | <b>(12,391)</b> | <b>(14,985)</b>               | <b>661,818</b>     |

Adjustments to non-cash results for the year 2022 relate to provisions for staff compensation of 1,294, an expense recognized from the valuation of stock options 50,724, valuation loss of investment properties 378, provisions for heavy maintenance 25,923, provisions for impairment of receivables 39,634 and income from reversal of provisions for impairment of inventories, other provisions, and gains from cancellation of obligations amounting to minus 617.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2021                      | Constructions | Electricity from RES | Electricity from thermal energy and EP/NG trading | Real Estate  | Mining / Industry | Concessions    | Holdings        | Eliminations on consolidation | Consolidated Total |
|---------------------------------------------------|---------------|----------------------|---------------------------------------------------|--------------|-------------------|----------------|-----------------|-------------------------------|--------------------|
| <b>Gross profit</b>                               | <b>61,932</b> | <b>136,805</b>       | <b>30,738</b>                                     | <b>289</b>   | <b>(1,132)</b>    | <b>36,181</b>  | <b>307</b>      | <b>(10,492)</b>               | <b>254,628</b>     |
| Administrative and distribution expenses          | (27,014)      | (22,308)             | (1,173)                                           | (593)        | (3,700)           | (10,270)       | (17,840)        | 1,934                         | <b>(80,964)</b>    |
| Research and development expenses                 | (1,433)       | (4,967)              | 0                                                 | 0            | (140)             | 0              | (147)           | 0                             | <b>(6,687)</b>     |
| Other income/(expenses) attributable to EBIT      | 8,944         | 9,114                | (1,627)                                           | (247)        | 1,239             | 7,726          | 1,810           | (1,409)                       | <b>25,550</b>      |
| <b>Results (EBIT) from continuing operations</b>  | <b>42,429</b> | <b>118,644</b>       | <b>27,938</b>                                     | <b>(551)</b> | <b>(3,733)</b>    | <b>33,637</b>  | <b>(15,870)</b> | <b>(9,967)</b>                | <b>192,527</b>     |
| Net depreciation                                  | 9,947         | 42,998               | 2,715                                             | 712          | 2,989             | 43,966         | 153             | (1,883)                       | <b>101,597</b>     |
| <b>EBITDA from continuing operations</b>          | <b>52,376</b> | <b>161,642</b>       | <b>30,653</b>                                     | <b>161</b>   | <b>(744)</b>      | <b>77,603</b>  | <b>(15,717)</b> | <b>(11,850)</b>               | <b>294,124</b>     |
| Non cash results                                  | 426           | (93)                 | 2,520                                             | 292          | 298               | 24,148         | 1,735           | 0                             | <b>29,326</b>      |
| <b>Adjusted EBITDA from continuing operations</b> | <b>52,802</b> | <b>161,549</b>       | <b>33,173</b>                                     | <b>453</b>   | <b>(446)</b>      | <b>101,751</b> | <b>(13,982)</b> | <b>(11,850)</b>               | <b>323,450</b>     |

Adjustments to non-cash results for 2021 relate to provisions for staff compensation 1,232, an expense recognized from the grant of stock options 1,979, impairments of investment properties 52, provisions for heavy maintenance 23,638, Impairments of receivables and inventories, other provisions, and earnings from elimination of liabilities amount 2,425.



**G. Report of Payments to Governments**

In accordance with the provisions of article 6 of Law 3556/2007 as effective, the Group, due to the mining activity of quarry products of its subsidiaries TERNA and TERNA LEFKOLITHI, paid to the Greek Government during the year ended 31.12.2022, an amount of 48.7 thousand euros.

**H. Non-Financial Information Report 2022**

## Introduction

The current non-financial statement covers the fiscal year ended on the 31st of December 2022. The statement has been prepared in accordance with the provisions of the Law 4403/2016 (explanatory circular no. 62784) and the EU Taxonomy Regulation 2020/852 including information on GEK TERNA Group's performance with respect to the following areas:

- Anti-corruption and anti-bribery
- Respect for human rights
- Social and labor issues
- Environmental issues
- Taxonomy report

The current report presents information on the main risks related to the Group's activities, the due diligence policies as well as other relevant policies applied. For a better understanding of the Group's performance, qualitative and quantitative results are presented, while relevant financial and non-financial performance indicators are listed.

The content of this report has been prepared, taking into account the Global Reporting Initiative Standards (Indicator: GRI), the SASB Standard "Engineering and Construction Services, 2018" (Indicator: IF – EN) as well as the Athens Stock Exchange ESG Reporting Guide.

(ATHEX ESG Reporting Guide 2022 – Indicator: ATHEX)

## GEK TERNA Group

GEK TERNA Group is one of the largest Greek business Groups with a presence also in Central and Southeast Europe and the Middle East. The Group has a leading position in the fields of infrastructure, energy production, supply and trade from thermal sources and RES, concessions, waste management and real estate development and management. GEK TERNA is listed on the Athens Stock Exchange (FTSE/Athex Large Cap) with a turnover of 3,938 mn euros.

GEK TERNA has the expertise and the aspiration to continue playing a leading role in the areas of Sustainable Development and the Green Economy, in line with the aspirations of the UN Sustainable Development Goals, with activities that contribute both to the Group's economic development and to the mitigation of the negative effects of climate change.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

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GEK TERNA Group's construction backlog at the date of preparation of the Financial Statements amounts to 2.9 bn euros and with the contracts to be signed to 5.3 bn euros. In addition, the Group has almost 2,000 MW of power from RES power plants that are in operation, under construction or ready for construction in Greece, Central and Eastern Europe. Including projects in various stages of maturity, the Group's portfolio exceeds 12 GW.

More information about the Group's presence and activities will be published in the GEK TERNA Group's Sustainable Development Report, in June 2023.

### Identification of financial/non-financial risks and management

The risk management policy followed by the Group aims to limit the effects that may negatively affect its activities, its business activity, its financial performance as well as the achievement of its strategic goals. The main sources of associated risks consist of the difficulty in predicting the performance of financial markets, the cost variations, and sales trends as well as the ambiguity linked to the prediction of meteorological data.

Regarding the financial risks for the Group, the most important factors are related to the persistence of macroeconomic uncertainty, market risks (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk, and the risk liquidity. Regarding non-financial risks, these are categorized into risks related to Governance, Environment and Society issues. To deal with non-financial risks, the Group takes the necessary measures to identify them in time and implement mitigation policies.

### Sustainable Development Policy

The Group's Sustainable Development Policy summarizes the way the Group approaches Sustainable Development issues. The Group's Sustainable Development Policy is inextricably linked to the needs of stakeholders (internal and external) considering both the current socio-economic trends and the scope of the Global Sustainable Development Goals. The main aim of its implementation is to strengthen the positive effects and limit the negative ones, through best practices, sustainable initiatives, and reliable partnerships with the enhancement of dialogue and consultation processes among its stakeholders.

In the context of the Group's Sustainable Development Policy, corporate responsibility is aligned with ESG (Environmental-Social-Governance) criteria/principles and focuses on four (4) axes:

- Environmental Protection,
- Promotion of Human Value,
- Strengthening the Social Footprint,
- Development of a Responsible Market
- The Policy is monitored by the Strategic Communication, Corporate Social Responsibility and Sustainable Development Department and the ESG Committee and is subject to alterations with final approval by the Board of Directors if required.

(ATHEX C-G4: Sustainability policy)

Throughout its history, GEK TERNA Group has built long-term trusted relations with its stakeholders and continuously focuses on strengthening the principles that govern its business operations. Specifically, these values are the following:

- Respect for people and the natural environment
- Creating value for our employees, partners, customers, and shareholders
- Targeted social contribution
- Honesty and reliability

The Group's Policy reflects its goals for Sustainable Development and is based on the dialogue with the interested parties to identify, evaluate and prioritize the most important effects that its activity creates or may create on the environment, society, and the economy. The process of prioritizing its impacts took place to determine the Group's essential issues of Sustainable Development which are inextricably linked to its operational efficiency.

Stakeholder mapping takes place each reference year to determine consultation channels and methods as well as the respective frequency and main topics of interest. It is pointed out that the Group recognizes and prioritizes its stakeholders according to the degree of their impact and influence on its operations and vice versa.

(ATHEX C- S1: Stakeholder Engagement, ATHEX C-G3: Materiality)

## Governance

### Major risks and risk management

Corporate Governance is the set of the overall established rules and business practices applied by GEK TERNA Group to ensure its business continuity and thereby its ability to create long-term value to benefit its shareholders and stakeholders. The Group has adopted the Greek Corporate Governance Code (GCGC) to promote responsible and ethical corporate governance mechanisms throughout its activities.

The Board of Directors (BoD) is the Group's top governing body with its members elected by the General Meeting of Shareholders. The BoD is responsible for setting the guidelines and monitoring the effective implementation of the Group's strategy, aiming at safeguarding, and promoting the long-term interests of all Shareholders, with terms and methods that reflect the Group's sense of credibility in the economic-business community and in the wider society. In addition, as an expression of its administrative philosophy, the Board of Directors ensures respect from and towards any stakeholder.

For the effective 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 a significant weight in the decision-making process:

- Nominations Committee
- Remuneration Committee
- Investment Committee
- Audit Committee
- Regulatory Compliance Committee

- Strategic Planning Committee

- ESG Committee

- Aiming at achieving better supervision of the Group's Sustainable Development issues, the ESG committee was established by the Board in 2021. The ESG Committee consists of five (5) members aiming to effectively monitor the Group's performance and recommend improvements in environmental, social, and corporate governance issues. The Committee's objective includes monitoring the integration of non-financial factors into business strategy and decision-making so that the Group's resilience and preparedness, are strengthened to effectively manage changes in the environment in which it operates.

(ATHEX C-G2: Sustainability oversight)

## Data Protection and Privacy

### Due diligence and other policies

For the purposes of its business activities, the Group processes personal data resulting to data identification relating to individuals (such as the clients of the company, suppliers, shareholders and investors, as well as ordinary users of the website), in accordance with applicable national law and European Regulation 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation - GDPR-GKPD 2016/679) as applicable. Moreover, the entity has developed and implements an Information Security Management System, certified according to the international standard ISO/IEC 27001.

In the context of ensuring a level of security relative to the criticality and confidentiality of the data and information processed, an Information Security Management System Officer has been appointed, working closely with the Group's Chief Information Systems Security Officer (CISO). Moreover, the BoD is regularly informed about data security issues.

For any matter concerning the processing of personal data, there is a direct communication channel with the Data Protection Officer (DPO) by using the following email: [dpo@gekterna.com](mailto:dpo@gekterna.com)

(ATHEX: C-G6 Data security policy)

### Non-financial performance indicators

During 2022, there were no complaints or formal allegations about violations of customer privacy and loss of data. Moreover, there were no monetary losses resulting from legal proceedings associated with data security and privacy.

(ATHEX: SS-S5: Data security and privacy fines)

## Supply chain

### Major risks and risk management

Responsible supply chain management is at the center of the Group's effort to create long-term value through its business operations and its responsible business relationships with its suppliers and partners.

To address the new challenges arising by supply chain issues, the Group makes sure to incorporate new criteria into its supply chain management procedures, such as the new terms of cooperation with suppliers and the selection of 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 not sharing common policies/values with its suppliers.

Moreover, potential risks in the supply chain may arise from the non-support of local and domestic suppliers, with a possible reduction in their purchasing power and adverse impact on the wider economic development and prosperity of the areas where it operates. Therefore, the Group consistently aims at cooperating with local suppliers.

#### Terms of cooperation with suppliers

The Group recognizes that the responsible management of the supply chain also requires responsible collaborations with the mutual contribution and dialogue of all contracting parties. The Code of Ethics and Conduct constitutes the basic framework of principles and values that must characterize, among others, the Group's suppliers, subcontractors, and partners to maintain transparent and responsible business relations with it.

In this direction, the Group communicates the minimum cooperation requirements and ensures that its cooperating suppliers comply with environmental, energy and social criteria, such as:

- Their certification in international standards e.g., ISO 14001 and ISO 50001.
- The implementation of policies and procedures targeting the protection of the environment and the society.
- The provision and use of materials and equipment that meet high health and safety standards, are environmentally friendly, show low energy consumption and meet high levels in suitability and usability levels.
- Full compliance with the regulatory framework for Health and Safety as well as compliance with the Group's Code of Ethics and Conduct.

In this context, GEK TERNA Group aims to adopt a Procurement Policy within 2023, that will foresee and ensure the above criteria, giving due importance to further ESG criteria for the selection of suppliers and partners.

(ATHEX C-S8: Supplier assessment)

## Anti-Corruption and anti-bribery

#### Major risks and risk management

Combatting corruption is a critical pillar of the Group's operation, while the Group is committed to demonstrating zero tolerance for such incidents by ensuring that transparency, business ethics, and regulatory compliance are diffused throughout the range of activities and dictate the professional behavior of its people.

The Group applies a systematic approach to identify, analyze, and assess potential risks of corruption and fraud in order to effectively address any critical issues that arise during the execution of its activities.

### Due Diligence and other policies

To enhance transparency and combat corruption, the Group acts through the establishment of policies and procedures, but also through the creation of control mechanisms and compliance with said policies. In particular, the Group:

- Implementation of the Code of Ethics and Conduct.
- Implementation of a Management System for Regulatory Compliance and Anti-Bribery in accordance with international standards ISO 37001 and ISO 37301.
- Definition of specific Policies, such as Regulatory Compliance and Corruption and Bribery Control Policy, Gift Policy, Donation and Sponsorship Policy, Travel and Hospitality Policy, Unfair Competition Policy, assessment of Interest Policy, Related Party Transactions Policy.
- Identification and assessing regulatory compliance, corruption, and bribery risks to take any necessary preventive measures where required.
- Monitoring the correct application of the Code of Ethics and Conduct.
- Organization of targeted trainings and updates, in person and via e-learning, on the Code of Ethics and the policies and procedures to combat Corruption and Bribery for all employees.
- Providing all interested parties with the necessary communication channels to make reports/complaints that ensure anonymity and protection of the complainant.
- Ensuring the possibility to notify the Board of Directors of any discrepancies or concerns with the application of the Code.
- Implementation of due diligence actions to prevent and address issues of corruption and bribery.
- Assessing partners and suppliers for regulatory compliance, corruption, and bribery issues.
- Evaluation of deviations and implementation of the necessary legal actions.

(ATHEX C-G5: Business ethics policy, IF-EN-510a.3: Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes)

### Code of Conduct

The Group's Code of Conduct acts as a point of reference for all its employees and partners (suppliers, subcontractors) as it constitutes the basic framework of principles and values that must characterize their professional behavior. The Code reflects the fundamental principles, beliefs, corporate culture, business ethics and voluntary ethical commitments that characterize the Group with its focal points being issues related to tackling corruption and bribery.

The content of the Code is in accordance with the general principles provided by the International Regulations and Conventions as well as the international standards ISO 9001, ISO14001, ISO 45001, ISO 39001, ISO 19600, ISO 37001, ISO 50001, and SA 8000. The application of the Code extends to all

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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the companies and subsidiaries of the Group at national and international level, concerning all areas of activity while considering the partnerships and joint ventures in which it participates.

The Regulatory Compliance Committee and the Regulatory Compliance Unit, which report directly to the Board of Directors, monitor the implementation of the Code of Ethics and Conduct. In addition, the Group maintains a program of internal audits by the Head of Regulatory Compliance which aims to monitor the implementation of the Code of Ethics and Conduct and the Management System in all activities of the Company.

The Group has set the following policies, to ensure the desired robust and transparent framework of its operation:

- Regulatory Compliance, Corruption and Bribery Control Policy
- Unfair Competition Policy
- Travel and Hospitality Expenses Policy
- Sponsorship and Donation Policy
- Gift Policy
- Conflict of Interest Policy
- Policy Against Violence and Harassment at Work
- Reporting Policy

The Code of Ethics is an overarching framework that apart from governance issues, also includes issues related to labor and human rights. These issues, such as the fight against violence at work, the violation of human rights, etc., are approached in further detail with individual policies and internal procedures of the Group. Any employee can report or express concern about all matters related to the implementation of the Code of Ethics and Conduct, either anonymously or anonymously, through the following communication channels:

- Communication via e-mail to: [compliance@gekterna.com](mailto:compliance@gekterna.com)
- Use of the platform <https://gekterna.integrityline.com/frontpage->
- Communication via letter to the address: "GEK TERNA S.A." 85, Mesogeion Street, 115 26 Athens, to the attention of the Company's "Regulatory Compliance Unit" marked "Confidential".

The Group additionally has an electronic complaint management platform accessible to all internal and external stakeholders to make named or anonymous reports/complaints. GEK TERNA Group shows zero tolerance in cases of retaliation against employees who have reported on the issues of the Code. If such behavior comes to the attention of the Group, it is reported immediately following the above mechanisms. The Regulatory Compliance Officer is responsible for investigating and evaluating every complaint received and subsequently taking the necessary corrective actions within the framework of applicable legislation and Group policies.

(ATHEX C – G5: Business Ethics Policy)

## Non-financial performance indicators

Gek Terna Group implements a Regulatory Compliance and Anti-Bribery System and is certified with the ISO 37001:2016 Anti-Bribery standard. For 2023, its certification is planned according to the ISO 37301:2021 standard regarding Regulatory Compliance. By applying this specific international standard, the Group strengthens its ability to recognize, identify and manage the requirements arising from the Regulatory Framework that governs it.

The above standards significantly improve the principles of good governance, integrity, transparency while simultaneously creating a culture of compliance through the systematic awareness and training of staff.

During 2022, 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. Additionally, there were no monetary losses incurred as a result of business ethics violation.

(GRI 205-3: Confirmed incidents of corruption and actions taken, ATHEX A-G2: Business ethics violations, IF-EN-510a.2: Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices)

During 2022, no fines and / or non-monetary sanctions for non-compliance with laws and / or regulations in the social and economic sector were imposed to the Group.

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

## Human rights

### Major risks and risk management

GEK TERNA Group recognizes the high importance of respecting human rights, as a foundation for responsible business behavior and contribution to sustainable development. The Group, as a responsible social actor, acknowledges that the violation of human rights is directly linked to negative effects that may be caused to society, the environment, and the economy in which it operates.

In addition, the Group recognizes that incidents of discrimination, violation of employees' privacy, but also incidents of forced or child labor may result in unwanted imposition of fines or penalties and disruption of relations with employees and society. This specific issue affects all stages of the Group's value chain. Therefore, the Group is committed to the timely prevention and detection of any action that is not in accordance with its operating framework for the protection of Human Rights by implementing control procedures that ensure that no violation of fundamental human rights occurs.

### Due Diligence and other policies

#### **Human Rights Policy**

The purpose of the Human Rights Policy that GEK TERNA Group has developed is to primarily express the Group's commitment to respect and observe internationally recognized human rights, as well as to identify and manage possible impacts on the rights of the interested parties.



The Policy is binding for all countries where the Group operates and identifies human rights by categories of stakeholder groups. The policy is based on the United Nations Guidelines on Business Activities and Human Rights, taking into consideration the following:

- The United Nations Universal Declaration of Human Rights
- The United Nations International Pact on Civil and Political Rights.
- The United Nations International Pact on Social, Economic and Cultural Rights.
- The United Nations Guidelines for Business Activities and Human Rights.
- The United Nations Global Compact.
- The IOC Declaration on Fundamental Principles and Rights at Work.
- United Nations Resolution 46/7 on Human Rights and the Environment.
- The voluntary commitments of the Company's Management for safety and human rights.

To ensure the level of transparency, the Human Rights Policy is covered by the complaints and complaints mechanism of the Company's Regulatory Compliance Unit, which is available at the following link: <https://gekterna.integrityline.com/frontpage>

(ATHEX C-S6: Human Rights Policy)

#### Non-financial performance indicators

In 2022, there were no reported incidents of human rights abuses and/or violations, nor any incidents of discrimination based on race, religion, gender, age, disability, nationality, political beliefs, etc., including incidents of harassment, in any of the Group's companies.

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

## Social and Labor Issues

### Major risks and risk management

The Group's employees are one of its most crucial assets as its development and business continuity depend on them. For this reason, the Group takes care of the effective management of potential risks and opportunities presented in a constantly changing social and work environment. Its main objective is to ensure a balanced and safe working environment, which serves its vision and purpose.

The Group recognizes the existence of risks from not providing equal opportunities, fair remuneration, appropriate health and safety conditions and training of employees that may negatively affect its ability to function effectively. Therefore, the Group creates the appropriate structures and conditions that promote training, development and rewarding of its human resources by offering equal opportunities while supporting diversity.

At the same time, the Group highly prioritizes the Health and Safety of its employees, while recognizing the possible risk of occupational accidents. The Group seeks to minimize the possibility of occupational accidents by conducting special Occupational Risk Assessment studies to identify potential health and safety risks for each workplace. In addition, it carries out training programs, for employees and

subcontractors, related to occupational risks and potential prevention measures that can be taken both before the start of work and during the construction or operation of the facilities. An occupational accident not only affects its people, but also can cause negative effects both at an operational level (e.g., work stoppage) and at a financial level (e.g., imposition of fines, compensations, and other sanctions). Moreover, another significant risk arises from improper compliance or omissions of health and safety procedures and instructions by employees, partners, or suppliers.

### Due Diligence and other policies

Through the integration of policies related to conducting responsible business, GEK TERNA Group assists in the development of both its human capital and the local communities in which it operates and interacts. Through continuous consultation and efforts to recognize and respond to their real needs but also through its own activity, GEK TERNA Group actively participates, supports, and considers as a top priority the investment in its people by providing the necessary resources to promote the continuous improvement of the working environment.

In order to manage social and labor issues, GEK TERNA Group:

- Continuously increases its socio-economic footprint.
- Implements a Remuneration and Benefits Policy
- Seeks to increase workplace diversity.
- Provides equal training and education opportunities.
- Implements a Health and Safety Policy
- Implements a Data Privacy and cookies policy.

### Equal opportunities, rewards, and benefits

GEK TERNA Group places at the center of its action equal treatment in the working environment, the elimination of all kinds of discrimination and the provision of equal opportunities for professional development to ensure respect for the rights of employees.

Among others, the Group supports the institution of filling vacant positions initially internally, in the event that existing employees - executives are interested in moving to positions that they believe can perform better or even to be promoted to positions hierarchically superior to those they fill into the Group and its companies.

The Group cooperates with the largest Educational Institutions of the country (at times with the National Technical University of Athens, the National and Kapodistrian University of Athens, the Athens University of Economics and Business, the University of Piraeus, the Aristotle University of Thessaloniki, the University of Macedonia etc. a.) strengthening the institution of Internship and the acquisition of professional experience while maintaining the ability to offer professional opportunities after obtaining their degree.

More specifically, the Group is committed to providing fair wages and a decent living to all employees without discrimination or preferential treatment based on employees' gender or other characteristics. Therefore, the Group has formulated the remuneration and benefits framework with objective criteria

and evaluation indicators considering market trends in an impartial and transparent manner, while any additional benefits are offered according to the needs and requirements of each job.

The Group impartially manages human resources matters and ensures that every employee is treated fairly and without discrimination to promote a fair working environment, a healthy corporate culture and the development of beneficial working relationships.

The Remuneration Committee is responsible for the Remuneration Policy applied to the members of the Board of Directors and the Senior Executives of GEK TERNA Group. Within this framework, the Group operates with transparency and meritocracy regarding the provision of remuneration and benefits, applying objective criteria and evaluation indicators depending on the importance of the role, the responsibilities and responsibilities of each position, the educational background, experience, skills, the ability to implement the objectives and the level of performance of each employee.

Also, GEK TERNA Group has set as a goal to have all genders at all job levels represented. Therefore, the focus of its action is to increase the representation rates of women in its companies at all job levels. A step in this direction is the recording and monitoring of the distribution of women by geographical area of activity, by age and by job level.

### **Employee training**

The human capital of GEK TERNA Group is the driving force of the company as its employees support the successful planning and implementation of its business activities. Therefore, their professional and personal development is systematically supported, as the Group's philosophy is for employees to treat their work environment as a continuous challenge for cognitive and professional development.

The Group has an Employee Development Policy, which is a guiding policy for all Group personnel. The purpose of the Policy is to describe the framework of the internal procedures concerning the training of the Group's Human Resources and the dissemination of knowledge and experience, with an emphasis on any developments concerning the departments of Internal Control, Risk Management, Regulatory Compliance, Information Systems, Information Security and Personal Data Protection. The Policy is implemented under the responsibility of the Development department of the Human Resources Department and approved by the Group Management as a framework, while it can be specialized according to the needs and requirements of each subsidiary company.

The Group's training plan includes the following categories of training activities:

- In-house training programs
- Third-party cross-company training programs.
- Conferences/ Seminars/ Lectures/ Exhibitions
- Certifications of professional qualifications Foreign Language Courses
- Subsidy of Postgraduate programs

Based on the principle of equal opportunities, the Group ensures that all employees can participate in educational activities and promotes a clear and detailed framework of procedures for planning, implementing, and evaluating the training of its employees to achieve skills development increased productivity. To achieve this, the Human Resources Department collaborates closely with all Directorates, Construction Sites and Facilities.

At the same time, the nature of the Group's activities has created the need to cultivate a broader environmental and energy culture to achieve both better energy management and the improvement of the Group's overall environmental footprint. The Project Environmental Managers or the Group Health and Safety Department plan and implement trainings on an annual basis aiming to properly inform and provide systematic training to its employees.

Finally, the Group invests in the younger generation through Internship programs in collaboration with all the Educational Institutions of the country. In 2022, more than 55 young people completed their internships, many of whom were hired by the Group at the end of their internship.

### **Health and Safety**

Ensuring Health and Safety is a priority for GEK TERNA Group, as the provision of a safe and healthy working environment is a prerequisite for conducting its business activities responsibly. The Group is committed to reducing the impact of its operations on the health and safety of employees (including subcontractors) in all phases of study, design, construction, maintenance and operation of projects and facilities.

GEK TERNA Group is aligned with the provisions of the applicable national, European, and international legislation through the implementation and monitoring of a concrete Health and Safety Management System according to the ISO 45001:2018 standard. As part of this Health and Safety Management System, the Group implements a Health and Safety Policy, which applies horizontally to everyone that is directly or indirectly related to GEK TERNA Group.

The enhancement of the Group's Health and Safety framework and the target of zero accidents depends on objectives that are related to the following:

- Implementation of a certified Health and Safety Management System.
- Cultivation of a corporate culture governed by Health and Safety principles.
- Full compliance with legal and other national, community and international requirements directives and provisions relating to Health and Safety.
- Implementation, monitoring, evaluation and improvement of Health and Safety actions.
- Identification of occupational risks and development of an integrated methodology for the prevention of injuries, illnesses and adverse Health and Safety incidents.
- Preparing and implementing emergency management plans.
- Conducting measurements of harmful factors in the work environment (noise, suspended particles, etc.).
- Providing adequate Health and Safety training and information to all employees, suppliers, partners, and visitors.
- Compliance and strict adherence to the Q and A procedures of all interested parties.
- Immediate investigation of each accident/incident to assess the cause and take preventive measures.
- Incorporation of technologies, good practices and operating procedures that guarantee safety conditions for employees, subcontractors and third parties.

**Preventing Workplace violence and harassment**

With regards to the creation of a healthy and safe working environment, GEK TERNA Group adopted the Policy against Violence and Harassment at work, which recognizes and respects the right of every employee to a safe work environment. The purpose of this policy is to create and maintain a working environment that respects, promotes and guarantees human dignity and ensures the right of every individual to a working world free of violence and harassment.

Through this policy, the Group declares its zero tolerance for any incident of violence and harassment, in whatever form it may take, taking all appropriate and necessary measures to prevent and manage such incidents and forms of behavior. The identification and assessment of risks is carried out in detail and documented in the company's occupational risk assessment study, which is systematically monitored by the Safety Technician and the company's Health and Safety System Manager.

**Non-financial performance indicators**

During the year 2022, the Group's social contribution through sponsorships, donations and infrastructure projects amounted to 5.1 mn euros.

Part of GEK TERNA Group's revenues is converted into social benefit, either directly or indirectly through infrastructure projects that meet local community needs and improve everyday life.

During 2022, 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.

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

During 2022, there were no backlog cancellations or delays of work related to impacts on society within the GEK TERNA Group.

(ATHEX SS-E6: Backlog cancellations)

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### GRI 2-7: Employees

#### GREECE

| GRI 2-7: Employees <sup>2</sup> |                                                 | 2022   |       |                    |               |       | 2021   |       |                    |               |       |
|---------------------------------|-------------------------------------------------|--------|-------|--------------------|---------------|-------|--------|-------|--------------------|---------------|-------|
|                                 |                                                 | Female | Male  | Other <sup>1</sup> | Not disclosed | Total | Female | Male  | Other <sup>1</sup> | Not disclosed | Total |
| GREECE                          | Number of permanent employees                   | 843    | 2,289 | 0                  | 0             | 3,131 | 756    | 1,703 | 0                  | 0             | 2,459 |
|                                 | Number of temporary employees                   | 22     | 47    | 0                  | 0             | 69    | 0      | 0     | 0                  | 0             | 45    |
|                                 | Number of non-guaranteed hours employees        | 0      | 0     | 0                  | 0             | 0     | 0      | 0     | 0                  | 0             | 0     |
|                                 | Number of full-time employees                   | 841    | 2,325 | 0                  | 0             | 3,166 | 759    | 1,737 | 0                  | 0             | 2,496 |
|                                 | Number of part-time employees                   | 24     | 10    | 0                  | 0             | 34    | 4      | 4     | 0                  | 0             | 8     |
|                                 |                                                 |        |       |                    |               |       |        |       |                    |               |       |
|                                 | Number of freelancers                           | 130    | 555   | 0                  | 0             | 685   | 121    | 449   | 0                  | 0             | 570   |
|                                 | Number of employees (incl. freelancers) (Total) | 995    | 2,890 | 0                  | 0             | 3,885 | 884    | 2,190 | 0                  | 0             | 3,074 |
|                                 | Number of employees (excl. freelancers) (Total) | 865    | 2,335 | 0                  | 0             | 3,200 | 763    | 1,741 | 0                  | 0             | 2,504 |

<sup>1</sup>Gender as specified by the employees themselves.

<sup>2</sup> The total number of employees has been calculated by using the headcount methodology.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### GRI 2-7: Employees ABROAD

| GRI 2-7: Employees <sup>2</sup> |                                          | 2021   |      |                    |               |       | 2020   |      |                    |               |       |
|---------------------------------|------------------------------------------|--------|------|--------------------|---------------|-------|--------|------|--------------------|---------------|-------|
|                                 |                                          | Female | Male | Other <sup>1</sup> | Not disclosed | Total | Female | Male | Other <sup>1</sup> | Not disclosed | Total |
| ABROAD                          | Number of permanent employees            | 74     | 382  | 0                  | 0             | 456   | 61     | 210  | 0                  | 0             | 271   |
|                                 | Number of temporary employees            | 5      | 22   | 0                  | 0             | 27    | 3      | 23   | 0                  | 0             | 26    |
|                                 | Number of non-guaranteed hours employees | 0      | 0    | 0                  | 0             | 0     | 0      | 0    | 0                  | 0             | 0     |
|                                 | Number of full-time employees            | 74     | 391  | 0                  | 0             | 465   | 58     | 226  | 0                  | 0             | 284   |
|                                 | Number of part-time employees            | 6      | 12   | 0                  | 0             | 18    | 6      | 7    | 0                  | 0             | 13    |
|                                 |                                          |        |      |                    |               |       |        |      |                    |               |       |
|                                 | Number of freelancers                    | 0      | 1    | 0                  | 0             | 1     | 0      | 0    | 0                  | 0             | 0     |
|                                 | Number of employees (Total)              | 80     | 404  | 0                  | 0             | 484   | 64     | 233  | 0                  | 0             | 297   |

<sup>1</sup>The gender as determined by the employees themselves.

<sup>2</sup>The number of employees has been calculated using the Headcount method.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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**GRI 2-8: Workers who are not employees****GREECE**

| GRI 2-8: Workers who are not employees                                         | 2022 <sup>1</sup> |
|--------------------------------------------------------------------------------|-------------------|
| Workers who are not employees and whose work is controlled by the organization |                   |
| TOTAL                                                                          | 31                |

**ABROAD**

| GRI 2-8: Workers who are not employees                                         | 2022 <sup>1</sup> |
|--------------------------------------------------------------------------------|-------------------|
| Workers who are not employees and whose work is controlled by the organization |                   |
| TOTAL                                                                          | 1                 |



**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***ATHEX C-S2: Female employees****GREECE**

| ATHEX C-S2: Female employees   | 2022   | 2021   |
|--------------------------------|--------|--------|
| Percentage of female employees | 25.72% | 28.76% |

**ABROAD**

| ATHEX C-S2: Female employees   | 2022   | 2021   |
|--------------------------------|--------|--------|
| Percentage of female employees | 16.00% | 21.55% |

**ATHEX C-S3: Female employees in management positions****GREECE**

| ATHEX C-S3: Female employees in management positions                             | 2022  | 2021  |
|----------------------------------------------------------------------------------|-------|-------|
| Percentage of female employees at the top 10% of employees by total compensation | 12.3% | 12.1% |

**ABROAD**

| ATHEX C-S3: Female employees in management positions                             | 2022  | 2021 |
|----------------------------------------------------------------------------------|-------|------|
| Percentage of female employees at the top 10% of employees by total compensation | 15.6% | 3.5% |

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### GRI 401-1: New employees hires and employee turnover

#### ATHEX C-S4: Employee turnover

#### GREECE

| GRI 401-1: New employee hires and employee turnover | 2022  |       |        |               |                 |               | 2021  |      |        |               |                 |               |
|-----------------------------------------------------|-------|-------|--------|---------------|-----------------|---------------|-------|------|--------|---------------|-----------------|---------------|
|                                                     | Total | Male  | Female | <30 years old | 30-50 years old | >50 years old | Total | Male | Female | <30 years old | 30-50 years old | >50 years old |
| Number of new employee hires                        | 1,305 | 1,081 | 224    | 234           | 651             | 420           | 590   | 422  | 168    | 108           | 351             | 131           |
| Rate of new employee hires (%)                      | 33.7% | 27.9% | 5.8%   | 6%            | 17%             | 11%           | 19%   | 14%  | 5%     | 4%            | 11%             | 4%            |
| Total number of turnover                            | 563   | 459   | 104    | 97            | 328             | 138           | 266   | 194  | 72     | 35            | 181             | 50            |
| Total employee turnover rate (%)                    | 14.6% | 11.9% | 2.7%   | 2.5%          | 8.5%            | 3.6%          | 9%    | 6%   | 2%     | 1%            | 6%              | 2%            |
| Employee voluntary turnover rate (%)                | 10.1% | 7.8%  | 2.2%   | 2.0%          | 6.4%            | 1.6%          | 4%    | 4%   | 3%     | 1%            | 1%              | 3%            |
| Employee involuntary turnover rate (%)              | 4.5%  | 4.0%  | 0.5%   | 0.5%          | 2.1%            | 2.0%          | 5%    | 4%   | 1%     | 1%            | 3%              | 1%            |

#### ABROAD

| GRI 401-1: New employee hires and employee turnover | 2022  |       |        |               |                 |               | 2021  |      |        |               |                 |               |
|-----------------------------------------------------|-------|-------|--------|---------------|-----------------|---------------|-------|------|--------|---------------|-----------------|---------------|
|                                                     | Total | Male  | Female | <30 years old | 30-50 years old | >50 years old | Total | Male | Female | <30 years old | 30-50 years old | >50 years old |
| Number of new employee hires                        | 86    | 56    | 30     | 21            | 35              | 30            | 88    | 59   | 29     | 13            | 40              | 35            |
| Rate of new employee hires (%)                      | 32.3% | 21.1% | 11.3%  | 7.9%          | 13.2%           | 11.3%         | 30%   | 20%  | 10%    | 4%            | 13%             | 12%           |
| Total number of turnover                            | 114   | 97    | 17     | 7             | 59              | 48            | 234   | 216  | 18     | 23            | 154             | 57            |
| Total employee turnover rate (%)                    | 42.9% | 36.5% | 6.4%   | 2.6%          | 22.2%           | 18.0%         | 79%   | 73%  | 6%     | 8%            | 52%             | 19%           |
| Employee voluntary turnover rate (%)                | 13.5% | 8.6%  | 4.9%   | 1.9%          | 7.1%            | 4.5%          | 25%   | 22%  | 3%     | 1%            | 17%             | 6%            |
| Employee involuntary turnover rate (%)              | 29.3% | 27.8% | 1.5%   | 0.8%          | 15.0%           | 13.5%         | 58%   | 53%  | 4%     | 7%            | 37%             | 13%           |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***ATHEX C-S4: Employee turnover****GREECE**

| ATHEX C-S4: Employee turnover      | 2022 |        |       | 2021 |        |       |
|------------------------------------|------|--------|-------|------|--------|-------|
|                                    | Male | Female | Total | Male | Female | Total |
| Employee voluntary turnover rate   | 7.8% | 2.2%   | 10.1% | 3%   | 1%     | 4%    |
| Employee involuntary turnover rate | 4.0% | 0.5%   | 4.5%  | 4%   | 1%     | 5%    |

**ABROAD**

| ATHEX C-S4: Employee turnover      | 2022  |        |       | 2021 |        |       |
|------------------------------------|-------|--------|-------|------|--------|-------|
|                                    | Male  | Female | Total | Male | Female | Total |
| Employee voluntary turnover rate   | 8.6%  | 4.9%   | 13.5% | 22%  | 3%     | 25%   |
| Employee involuntary turnover rate | 27.8% | 1.5%   | 29.3% | 53%  | 4%     | 58%   |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**GRI 404-1: Average hours of training per year per employee**
**ATHEX C-S5: Employee training**
**GREECE**

| Greece                                                         |      |        |        |               |      |        |        |               |
|----------------------------------------------------------------|------|--------|--------|---------------|------|--------|--------|---------------|
| Employee training                                              |      | 2022   |        |               |      | 2021   |        |               |
| GRI 404-1 Average hours of training per year per employee      |      |        |        |               |      |        |        |               |
| Gender                                                         | Male | Female | Other* | Not Disclosed | Male | Female | Other* | Not Disclosed |
| By employee level                                              |      |        |        |               |      |        |        |               |
| Employees in the top 10% of employees by total compensation    | 2.06 | 3.83   | 0.00   | 0.00          | 1.3  | 7.5    | 0      | 0             |
| Employees in the bottom 90% of employees by total compensation | 4.27 | 3.27   | 0.00   | 0.00          | 5.9  | 4.5    | 0      | 0             |
| TOTAL                                                          | 4.02 | 3.29   | 0.00   | 0.00          | 5.4  | 4.6    | 0      | 0             |
| Gender                                                         | Male | Female | Other* | Not Disclosed | Male | Female | Other* | Not Disclosed |
| By function                                                    |      |        |        |               |      |        |        |               |
| Administrative staff                                           | 9.44 | 4.99   | 0.00   | 0.00          | 9.7  | 6.5    | 0      | 0             |
| Technicians                                                    | 3.77 | 2.40   | 0.00   | 0.00          | 4.3  | 1.9    | 0      | 0             |
| Rest of workers                                                | 3.13 | 0.00   | 0.00   | 0.00          | 4.2  | 0.5    | 0      | 0             |
| TOTAL                                                          | 4.68 | 3.95   | 0.00   | 0.00          | 5.4  | 4.6    | 0      | 0             |

\*Gender as determined by the employees themselves

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**ABROAD**

| Abroad                                                         |      |        |        |               |      |        |        |               |
|----------------------------------------------------------------|------|--------|--------|---------------|------|--------|--------|---------------|
| Employee training                                              | 2022 |        |        |               | 2021 |        |        |               |
| GRI 404-1 Average hours of training per year per employee      |      |        |        |               |      |        |        |               |
| Gender                                                         | Male | Female | Other* | Not Disclosed | Male | Female | Other* | Not Disclosed |
| By employee level                                              |      |        |        |               |      |        |        |               |
| Employees in the top 10% of employees by total compensation    | 3.53 | 4.00   | 0.00   | 0.00          | 2.4  | 0.0    | 0.0    | 0.0           |
| Employees in the bottom 90% of employees by total compensation | 3.14 | 2.25   | 0.00   | 0.00          | 3.4  | 3.8    | 0.0    | 0.0           |
| TOTAL                                                          | 3.2  | 2.40   | 0.00   | 0.00          | 3.2  | 3.7    | 0.0    | 0.0           |
|                                                                |      |        |        |               |      |        |        |               |
| Gender                                                         | Male | Female | Other* | Not Disclosed | Male | Female | Other* | Not Disclosed |
| By function                                                    |      |        |        |               |      |        |        |               |
| Administrative staff                                           | 0.92 | 2.40   | 0.00   | 0.00          | 1.6  | 6.4    | 0.0    | 0.0           |
| Technicians                                                    | 6.60 | 2.00   | 0.00   | 0.00          | 6.4  | 2.0    | 0.0    | 0.0           |
| Rest of workers                                                | 3.71 | 3.00   | 0.00   | 0.00          | 2.8  | 0.0    | 0.0    | 0.0           |
| TOTAL                                                          | 3.2  | 2.40   | 0.00   | 0.00          | 3.2  | 3.7    | 0.0    | 0.0           |

\*Gender as determined by the employees themselves

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

| <b>GRI 403-8: Workers covered by an occupational health and safety management system</b>                                                                                                                                                                                     | <b>2022</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Employees and workers who are not employees but whose work and/or workplace is controlled by the organization<sup>1</sup></b>                                                                                                                                             |             |
| Total number                                                                                                                                                                                                                                                                 | 6,730       |
| <b>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 <u>covered by a H and S management system</u></b>                                                                     |             |
| Number                                                                                                                                                                                                                                                                       | 6,873       |
| Percentage                                                                                                                                                                                                                                                                   | 100%        |
| <b>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 and S management system that has been <u>internally audited</u></b>                                    |             |
| Number                                                                                                                                                                                                                                                                       | 6,873       |
| Percentage                                                                                                                                                                                                                                                                   | 100%        |
| <b>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 and S management system that has been audited or <u>certified by an external party</u><sup>2</sup></b> |             |
| Number                                                                                                                                                                                                                                                                       | 6,873       |
| Percentage                                                                                                                                                                                                                                                                   | 97%         |

<sup>1</sup> Workers who are not employees but whose work and/or workplace is controlled by the organization, include all trainees, agency workers as well as Group's subcontractors working in the operations.

The number of workers who are not employees but whose work and/or workplace is controlled by the organization has been calculated proportionally to the percentage of the Group's participation in the joint ventures.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>GRI 403-9: Work-related injuries</b>                                                                    | <b>2022</b> | <b>2021</b> |
|------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Employees</b>                                                                                           |             |             |
| Number of hours worked                                                                                     | 6,923,812   | 5,545,809   |
| Number of fatalities as a result of work-related injury                                                    | 0           | 1           |
| Rate of fatalities as a result of work-related injury                                                      | 0           | 0.04        |
| Number of high-consequence work-related injuries (excluding fatalities)                                    | 0           | 0           |
| Rate of high-consequence work-related injuries (excluding fatalities)                                      | 0           | 0           |
| Number of recordable work-related injury <sup>2</sup>                                                      | 52          | 82          |
| Rate of recordable work-related injuries (IR) <sup>3</sup>                                                 | 2.13        | 2.96        |
| The main types and number of work-related injuries:                                                        |             |             |
| <b>All workers who are not employees but whose work and/or workplace is controlled by the organization</b> |             |             |
| Number of hours worked <sup>4</sup>                                                                        | 2,540,268   | 4,189,520   |
| Number of fatalities as a result of work-related injury                                                    | 0           | 0           |
| Rate of fatalities as a result of work-related injury                                                      | 0           | 0           |
| Number of high-consequence work-related injuries (excluding fatalities)                                    | 0           | 0           |
| Rate of high-consequence work-related injuries (excluding fatalities)                                      | 0.00        | 0.00        |
| Number of recordable work-related injury <sup>2</sup>                                                      | 65          | 29          |
| Rate of recordable work-related injuries (IR) <sup>3</sup>                                                 | 3.21        | 1.38        |
| The main types and number of work-related injuries                                                         | N/A         | N/A         |

- The indicators presented, are rounded.
- 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 working in the operations of GEK Terna activities.

<sup>2</sup>Refers to minor injuries.<sup>3</sup>Accident frequency rate based on terminology of the Athens Stock Exchange Reporting Guide 2022.<sup>4</sup>The number of workers who are not employees but whose work and/or workplace is controlled by the organization has been calculated proportionally to the percentage of the Group's participation in the joint ventures

## Environmental Management

### Major risks and risk management

The protection of the environment and the reduction of the environmental footprint of GEK TERNA Group is an integral part of its strategy and one of the central axes on which it focuses its action. Specifically, the Group acts purposefully by taking measures that lead to the reduction of adverse environmental effects to ensure both its business continuity and compliance with environmental legislation.

The issue of climate change is particularly critical for the activities of the Group, with its business model being strategically oriented towards addressing climate change. Considering its impact on all stages of its value chain, proper management of this issue is necessary as it affects its business strategy and its ability to create long-term value. An important component of the problem is the increase in greenhouse gases generated either directly by the Group's construction sites and its plants (construction sites, HERON I and HERON II, TERNAMAG), or indirectly through the activities of third parties, such as suppliers in the transport of materials and machinery. The Group's activity in clean energy production and proper waste management assists in preventing the release of a significant amount of carbon dioxide and methane emissions respectively.

Regarding its environmental management, the Group prioritizes the protection of biodiversity and ecosystems, as disruption may occur due to the construction and operation of projects in areas of high biodiversity interest. Such incidents may be caused by the possible absence or possible incorrect application of policies and procedures for the protection of biodiversity. The Group contributes to the management of the issue through a management system that ensures the enhancement of the positive impact and the limitation of the negative effects that its business activities create or may create on biodiversity and ecosystems.

Moreover, the Group considers as a critical issue the increase in the frequency of severe weather phenomena. The change and variability of wind data can significantly affect the business planning of wind energy production projects and therefore the relevant risks are taken into account during the planning phase of the projects.

### Due Diligence and other policies

The Group takes measures to improve its environmental and energy footprint through the responsible management of the energy and natural resources used throughout its activities (e.g., water, energy, materials). Its purpose is tackling climate change, protecting, and preserving biodiversity and natural ecosystems. The environmental and energy strategy implemented includes the following stages:

- Define environmental and energy goals that can be accomplished through approved programs.
- Ensure adequate resources to achieve environmental and energy goals.
- Implement the Environmental and Energy Management System.
- Actively contribute to pursuing responsible energy management.
- Actively contribute to tackling climate change.



- Ensuring the protection and preservation of biodiversity.
- Implement processes that promote the responsible management of waste.

The strategy to reduce the Group's environmental impact is based on the implementation of an integrated Environmental and Energy Management System that is certified according to the international standard ISO 14001 for most of its subsidiaries. By its implementation, the Group records and monitors the environmental impact of its activities to take timely necessary measures when needed to limit its environmental and energy footprint.

GEK TERNA Group carries out annual internal audits in all its operational activities, to meet the approved environmental conditions, as applied per installation / operational activity, the requirements of the legal and special requirements that apply per case, as well as the requirements as defined in internal systems procedures and corresponding standards (ISO).

Regarding its operation, the Group recognizes that the systematic recording and monitoring of energy consumption in its facilities (offices, construction sites, facilities) is a crucial condition to assess its energy needs and proceed with mitigating the energy consumption of its activities.

For this reason, the companies of GEK TERNA Group are certified according to the international standard ISO 50001:2018 to achieve the most efficient energy management of their operations. Furthermore, the Group invests in the renewal and the regular maintenance of its machinery aiming to improve its energy efficiency and increase its useful lifetime.

(IF-EN-160a.2: Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction)

### **Tackling climate change**

Mitigation and adaptation to Climate Change is the Group's greatest commitment to the current environmental regulatory framework. GEK TERNA Group recognizes that its active participation in the efforts made on a global and national level in dealing with the consequences of climate change constitutes its moral commitment beyond its legal obligation.

The Group promotes the transition to a business model less dependent on fossil fuels while promoting alternative energy production and storage technologies, and the development of climate change adaptation plans. In this way, the integration of relevant risks into its operational processes are achieved so the Group's competitive advantage and its ability to create long-term value for stakeholders are strengthened.

By its business operations, the Group contributes to tackling climate change, planning, and implementing a series of projects and planned investments, such as:

- Development and operation of wind farms.
- Development and operation of hydroelectric projects.
- Development and operation of waste treatment and biogas production units.
- Development and operation of photovoltaic parks.
- Development of pumped storage projects that will ensure the security of energy supply.
- Development of floating wind farms that will utilize the very large wind potential of the Aegean.

- Development of infrastructure projects with minimized energy footprint.
- Completion of the design of a specific action plan to reduce the carbon footprint of its operation.
- Develop a process for identifying and assessing climate risks and opportunities in line with the recommendations of the TCFD framework.

**Protection and conservation of biodiversity**

The Group prioritizes the protection of biodiversity, as it is a critical factor for both the balance of ecosystems and the proper operation of ecosystem services. Considering that plenty of Group's activities (e.g., wind farm development, infrastructure development, highway construction) take place within areas of high biodiversity value, the Group is responsible for implementing a management system that ensures the enhancement of the positive and the limitation of the negative effects that its operation creates or may create.

The Group has taken several measures in this direction:

- Application of certified systems.
- Conducting training for the workers and visitors of the construction sites regarding the protection of biodiversity.
- Undertaking initiatives to promote and protect local ecosystems.
- Use of mechanisms for monitoring and recording its effects on the wider natural environment.

Lastly, the Group constantly ensures that it operates beyond the provisions required by environmental legislation, by using mechanisms to monitor and record its effects on the wider natural environment. Both during the construction and operation of its projects, the Group prepares Environmental Impact Studies (EIA), Special Ecological Assessment Studies (SEA), Special Ornithological Studies (SEO), as well as Monitoring Programs in collaboration with specialized scientists and audit bodies. The aim of these actions is to obtain and use the necessary information to ensure the protection of local ecosystems, by taking appropriate measures to protect and restore the effects of its activities.

**Responsible management of hazardous and non-hazardous waste**

The Group makes sure to cooperate with licensed entities for the collection, recovery, treatment, reuse and/or disposal of its waste. By adopting the principles of the circular economy, significant quantities of produced materials are reused (e.g., excavation, construction, and demolition materials) to meet the needs of other activities, between the Group's companies and the different points of activity.

Regarding the management of hazardous waste, the Group's activities produce waste with high concentrations of chemical substances which tend to be unfriendly to the environment and public health. The Group plans and takes all the necessary measures to eliminate the risk of possible pollution of the natural environment, to ensure the safe transport of hazardous waste while collecting and rational storing the lubricating oils used for its equipment.

In all Group's offices and facilities, an integrated system of recycling paper, aluminum, glass, plastic, electronic and electrical equipment, lamps, and batteries is implemented using special collection containers in collaboration with special partners for their disposal and reuse of collected recyclable materials. Emphasis is placed on electrical and electronic equipment waste, which is recycled in specific

units, where valuable metals and materials are recovered and therefore dangerous leakages of heavy metals into the environment are prevented.

The raw materials procured by the Group play a crucial role in the quality of its as well as the size of its environmental and energy footprint. The Group makes sure to select materials that meet high standards of safety and functionality even under adverse, intense weather conditions.

In addition, the construction of waste treatment plants and their operation through Public-Private Partnerships (PPP schemes) contribute to the reduction of pollution of the surface (lakes, rivers, seas, and air) and underground (aquifer horizon) of natural environment. These initiatives have also a positive effect on the improvement of the soil conditions in local communities and the strengthening of awareness on environmental issues of social groups.

(ATHEX: A-E2 Climate change risks and opportunities, ATHEX A-E3 Waste management, ATHEX A-E5 Biodiversity sensitive areas)

### Non-financial performance indicators

To ensure environmental compliance, more than 94 internal and external audits were carried out in all the Group's facilities during 2022.

During the year 2022, no fines or other sanctions were imposed on GEK TERNA Group in relation to the violation of the environmental legislation and the relevant regulations.

(GRI 307-1 Non-compliance with environmental laws and regulations, IF-EN-160a.1: Number of cases of non-compliance with environmental permits, standards, and regulations)

During the year 2022, 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 GEK TERNA Group.

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

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***GRI 302-1: Energy consumption within the Organization****ATHEX C-E3: Energy consumption and production**

| ATHEX C-E3 Energy consumption and production<br>GRI 302-1: Energy consumption within the organization | 2022 <sup>1</sup> | 2021 <sup>2</sup> |
|-------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Fuel consumption within the organization from non-renewable sources (in GJ)                           | 16,839,744.73     | 13,811,720.00     |
| Electricity consumption (in MWh)                                                                      | 724,156.88        | 110,152.00        |
| Total energy consumption inside the Group (in GJ)                                                     | 19,819,960.05     | 14,277,451.00     |
| Total energy consumption inside the Group (in MWh)                                                    | 5,505,544.46      | 3,965,958.00      |
| Percentage of electricity consumed (in MWh)                                                           | 13.15%            | 2.78%             |
| Percentage of energy consumed from renewable sources (in MWh)                                         | 0.50%             | 0.89%             |

<sup>1</sup>For 2022, energy consumption includes a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA S.A., TERNA MAG, TERNA OVERSEAS, TERNA ENERGY, NEA ODOS, KENTRIKI ODOS, ALSOS PARKING, HERON PARKING, GEK SERVICES, TERNA Bahrain, TERNA Qatar, TERNA Cyprus, TERNA UAE, TERNA Bulgaria, TERNA Serbia, ICON BOROVS, b) the companies (joint ventures) in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia).

<sup>2</sup>For 2021, energy consumption includes a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA, TERNA OVERSEAS, TERNA ENERGY, HERON I and II, NEA ODOS, KENTRIKI ODOS, TERNA MAG, GEK Services, b) the companies (joint ventures) in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia).

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***ATHEX C-E1: Scope 1 emissions\*****GRI 305-1: Direct GHG emissions (Scope 1)****ATHEX C-E2: Scope 2 emissions****GRI 305-2: Energy indirect GHG emissions (Scope 2)**

| Metric ATHEX C-E1 Scope 1 emissions                                                                                                                                                           | 2022 <sup>3</sup> | 2021 <sup>4</sup> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| GRI 305-1: Direct (Scope 1) GHG emissions                                                                                                                                                     |                   |                   |
| Total gross direct (Scope 1) GHG emissions (in CO <sub>2</sub> e)                                                                                                                             | 936,938.04        | 813,239.00        |
| Biogenic CO <sub>2</sub> emissions (in CO <sub>2</sub> e)                                                                                                                                     | 4,273.41          | 4,318.00          |
| Metric ATHEX C-E2 Scope 2 emissions                                                                                                                                                           | 2022              | 2021              |
| GRI 305-2: Energy indirect (Scope 2) GHG emissions                                                                                                                                            |                   |                   |
| Location-based emissions (in t CO <sub>2</sub> e)                                                                                                                                             | 301,360.66        | 64,535.00         |
| Market-based emissions (in t CO <sub>2</sub> e)                                                                                                                                               | 298,562.28        | 56,357.00         |
| Which gases have been included in the calculation of indirect emissions (e.g., CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , or all)? | ALL               | ALL               |
| GRI 305-7: Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions                                                                          | 2022              | 2021              |
| Emissions of NO <sub>x</sub> (The scope of NO <sub>x</sub> includes NO and NO <sub>2</sub> , but excludes N <sub>2</sub> O) (in t)                                                            | 302.55            | 188.00            |
| Emissions of SO <sub>x</sub> (The scope of SO <sub>x</sub> includes SO <sub>2</sub> and SO <sub>3</sub> ) (in t)                                                                              | 6.17              | 2.73              |
| Emissions of non-methane volatile organic compounds (VOCs) (in t)                                                                                                                             | N/A               | -                 |
| Emissions of hazardous air pollutants (HAPs) (in t)                                                                                                                                           | N/A               | -                 |

<sup>3</sup>For 2022, the table contains data from a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA S.A., TERNA MAG, TERNA OVERSEAS, TERNA ENERGY, NEA ODOS, KENTRIKI ODOS, ALSOS PARKING, HERON PARKING, GEK SERVICES, TERNA Bahrain, TERNA Qatar, TERNA Cyprus, TERNA UAE, TERNA Bulgaria, TERNA Serbia, ICON BOROVETS, b) the companies (joint ventures) in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia) .

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<sup>4</sup>For 2021, the table contains data from a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA, TERNA OVERSEAS, TERNA ENERGY, HERON I and II, NEA ODOS, KENTRIKI ODOS, TERNA MAG, GEK Services, b) the companies in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia).

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## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### GRI 306-3: Waste generated

### GRI 306-4: Waste diverted from disposal

### GRI 306-5: Waste diverted from disposal

| GRI 306-3: Waste generated*** | Unit | 2022 <sup>5</sup> |                              |                            | 2021 <sup>6</sup> |                              |                            |
|-------------------------------|------|-------------------|------------------------------|----------------------------|-------------------|------------------------------|----------------------------|
|                               |      | Waste generated   | Waste diverted from disposal | Waste directed to disposal | Waste generated   | Waste diverted from disposal | Waste directed to disposal |
| Hazardous Waste               | t    | 454.188           | 445.287                      | 8.901                      | 283.920           | 225.480                      | 58.450                     |
| Non-hazardous Waste           | t    | 414,036.722       | 340,694.857                  | 73,341.865                 | 443,508.260       | 362,122.380                  | 81,385.870                 |

| GRI 306-4: Waste diverted from disposal |   | 2022 <sup>5</sup> |            |             | 2021 <sup>6</sup> |            |             |
|-----------------------------------------|---|-------------------|------------|-------------|-------------------|------------|-------------|
|                                         |   | Onsite            | Offsite    | Total       | Onsite            | Offsite    | Total       |
| Hazardous Waste                         |   |                   |            |             |                   |            |             |
| Preparation for reuse                   | t | 0.00              | 18.10      | 18.10       | 0.00              | 59.46      | 59.46       |
| Recycling                               | t | 0.00              | 416.49     | 416.49      | 0.00              | 158.08     | 158.08      |
| Other recovery methods                  | t | 0.00              | 10.69      | 10.69       | 0.00              | 7.942      | 7.94        |
| Total                                   | t | 0.00              | 445.284    | 445.284     | 0.00              | 225.48     | 225.48      |
| Non-hazardous Waste                     |   |                   |            |             |                   |            |             |
| Preparation for reuse                   | t | 263,465.50        | 16.00      | 263,481.50  | 287,654.66        | 142.01     | 287,796.67  |
| Recycling                               | t | 534.70            | 72,140.34  | 72,675.04   | 932.87            | 2,784.54   | 3,717.41    |
| Other recovery methods                  | t | 1.44              | 4,536.87   | 4,538.31    | 0.00              | 70,608.31  | 70,608.31   |
| Total                                   | t | 264,001.640       | 76,693.215 | 340,694.855 | 288,587.530       | 73,534.850 | 362,122.380 |
| GRI 306-5: Waste directed to disposal   |   | 2022              |            |             | 2021              |            |             |
|                                         |   | Onsite            | Offsite    | Total       | Onsite            | Offsite    | Total       |
| Hazardous Waste                         |   |                   |            |             |                   |            |             |
| Incineration (with energy recovery)     | t | 0.0               | 0.0        | 0.0         | 0.0               | 0.0        | 0.00        |
| Incineration (without energy recovery)  | t | 0.0               | 0.0        | 0.0         | 0.0               | 44.45      | 44.45       |
| Landfilling                             | t | 0.0               | 0.0        | 0.0         | 0.0               | 0.0        | 0.00        |
| Special Disposal                        | t | 0.0               | 8.9        | 8.9         | 0.0               | 14.00      | 14.0        |
| Total                                   | t | 0.0               | 8.9        | 8.9         | 0.0               | 58.45      | 58.45       |
| Non-hazardous Waste                     |   |                   |            |             |                   |            |             |
| Incineration (with energy recovery)     | t | 0.00              | 0.00       | 0.00        | 0.00              | 0.00       | 0.00        |
| Incineration (without energy recovery)  | t | 0.00              | 4.44       | 4.44        | 0.00              | 0.00       | 0.00        |
| Landfilling                             | t | 0.00              | 68,893.55  | 68,893.55   | 0.00              | 81,333.53  | 81,333.53   |
| Special Disposal                        | t | 0.36              | 4,443.51   | 4,443.87    | 0.00              | 52.34      | 52.34       |
| Total                                   | t | 0.36              | 73,341.51  | 73,341.87   | 0.00              | 81,385.87  | 81,385.87   |

<sup>5</sup>For 2022, the table contains data from a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA S.A., TERNA MAG, TERNA OVERSEAS, TERNA ENERGY, NEA ODOS, KENTRIKI ODOS, ALSOS PARKING, HERON PARKING, GEK SERVICES, TERNA Bahrain, TERNA Qatar, TERNA Cyprus, TERNA UAE, TERNA Bulgaria, TERNA Serbia, ICON BOROVS, b) the companies (joint ventures) in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia) .

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**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***ATHEX A-E3 Waste management**

| ATHEX A-E3 Waste management              |   | 2022 <sup>7</sup> | 2021 <sup>8</sup> |
|------------------------------------------|---|-------------------|-------------------|
| Percentage of waste by type of treatment |   |                   |                   |
| Total amount of waste generated          | t | 414,490.90        | 443,792.18        |
| Recycling                                | % | 17.6%             | 0.9%              |
| Preparation for reuse                    | % | 63.6%             | 64.9%             |
| Landfill                                 | % | 16.6%             | 18.3%             |
| Incineration (with energy recovery)      | % | 0.0%              | 0.0%              |
| Incineration (without energy recovery)   | % | 0.0%              | 0.01%             |
| Other recovery methods                   | % | 2.2%              | 15.9%             |

<sup>7</sup> For 2022, the table contains data from a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA S.A., TERNA MAG, TERNA OVERSEAS, TERNA ENERGY, NEA ODOS, KENTRIKI ODOS, ALSOS PARKING, HERON PARKING, GEK SERVICES, TERNA Bahrain, TERNA Qatar, TERNA Cyprus, TERNA UAE, TERNA Bulgaria, TERNA Serbia, ICON BOROVS, b) the companies (joint ventures) in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia) .

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<sup>8</sup>For 2021, the table contains data from a) the operating subsidiaries controlled by the Group: GEK TERNA, TERNA, TERNA OVERSEAS, TERNA ENERGY, HERON I and II, NEA ODOS, KENTRIKI ODOS, TERNA MAG, GEK Services, b) the companies in which the Group participates with a percentage: 40% AVAX – TERNA (Casino City of Dreams, Marina Ayia Napa) and 49% Vinci – TERNA (Nicola Tesla Airport construction in Serbia).

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## Taxonomy Regulation

### Article 8 Taxonomy Regulation

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU climate goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, we, as a non-financial parent undertaking, present the share of our group turnover, capital expenditure (CapEx) and operating expenditure (OpEx) for the reporting period 2022, which are associated with Taxonomy-aligned economic activities related to the first two environmental objectives (climate change mitigation and climate change adaptation) in accordance with Art. 8 Taxonomy Regulation.

### Our activities

#### Overview

For details and templates see chapter “Our KPIs and accounting policies”.

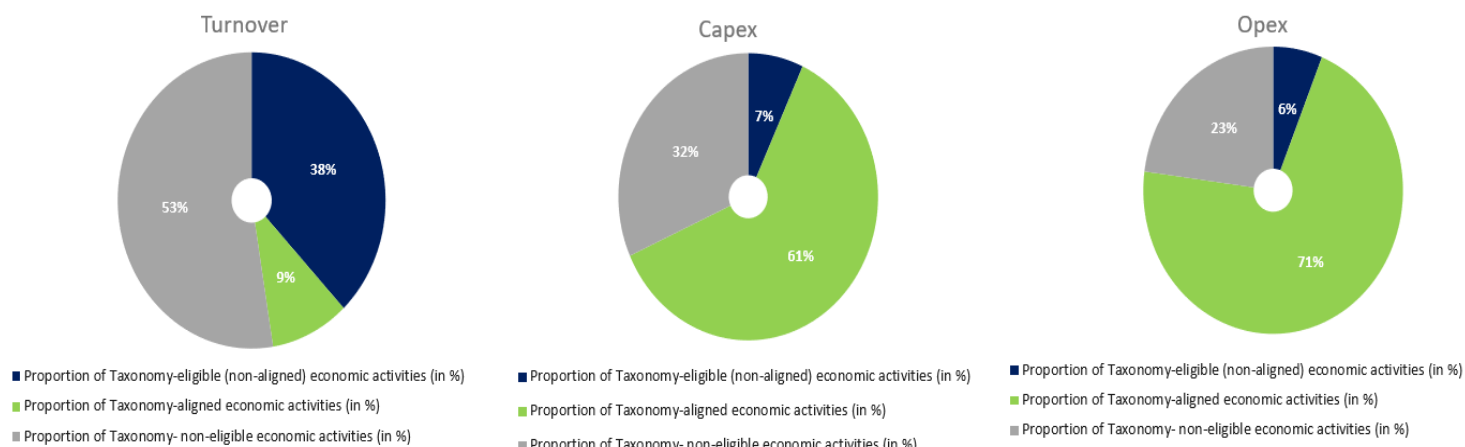




**Table 1 - Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx in FY 2022**

| FY 2022                      | Total (TEUR) | Proportion of Taxonomy-eligible (non-aligned) economic activities (in %) | Proportion of Taxonomy-aligned economic activities (in %) | Proportion of Taxonomy- non-eligible economic activities (in %) |
|------------------------------|--------------|--------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------|
| Turnover                     | 3,938,277    | 38%                                                                      | 9%                                                        | 53%                                                             |
| Capital expenditure (CapEx)  | 392,707      | 7%                                                                       | 61%                                                       | 32%                                                             |
| Operating expenditure (OpEx) | 38,888       | 6%                                                                       | 71%                                                       | 23%                                                             |

## Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e., the Climate Delegated Act as of now) irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

An economic activity is taxonomy-aligned when it complies with the technical screening criteria as defined in the Climate Delegated Act and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and anti -bribery, fair competition, and taxation. To meet the technical screening criteria an economic activity contributes substantially to one or more environmental objectives while not doing significant harm to any of the other environmental objectives.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

## Taxonomy-eligible and -aligned economic activities

We have examined all economic activities carried out by the group to see which of these are eligible and aligned in accordance with Annex I and II to the Climate Delegated Act. The table below indicates for which environmental objective the activities qualify as eligible. Information on the extent to which the economic activities (as defined in Annex I and II to the Climate Delegated Act) are also aligned, is provided in the KPI templates below (see chapter “Our KPIs and accounting policies”). The templates also provide a clear indication of which environmental objective is pursued by the respective activity. Our activities primarily contribute to climate change mitigation and secondly to climate change adaptation. With these activities, we generate revenue, and we generally incur both CapEx and OpEx for these activities, too. We describe the economic activities related to individually eligible and aligned CapEx and OpEx in the dedicated sections for the CapEx and OpEx KPI to explain our further investment

activities not directly related to our turnover generating activities (see chapter “Our KPIs and accounting policies”).

**Table 2 – Taxonomy-eligible economic activities**

| Economic activity                                                | Description                                                                                                                                                                                                                                                                                                                                | NACE-Code      |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 4.1 Electricity generation using solar photovoltaic technology   | Construction and operation of electricity generation facilities that produce electricity using solar photovoltaic                                                                                                                                                                                                                          | 35.11          |
| 4.3 Electricity generation from wind power                       | Construction and operation of electricity generation facilities that produce electricity from wind power.                                                                                                                                                                                                                                  | 35.11          |
| 4.5 Electricity generation from hydropower                       | Construction and operation of electricity generation facilities that produce electricity from hydropower.                                                                                                                                                                                                                                  | 35.11          |
| 4.8 Electricity generation from bioenergy                        | Construction and operation of electricity generation installations that produce electricity exclusively from biomass, biogas or bioliquids                                                                                                                                                                                                 | 35.11          |
| 4.9. Transmission and distribution of electricity                | Construction and operation of distribution systems that transport electricity on high-voltage, and ultra high-voltage distribution systems.                                                                                                                                                                                                | 35.12          |
| 4.29 Electricity generation from fossil gaseous fuels            | Construction and operation of electricity generation facilities that produce electricity using fossil gaseous fuels.                                                                                                                                                                                                                       | 35.11          |
| 6.14 Infrastructure for rail transport                           | Construction of electrified trackside infrastructure and associated subsystems, as well as stations, terminals and rail service facilities.                                                                                                                                                                                                | 42.12<br>43.21 |
| 6.15 Infrastructure enabling road transport and public transport | Construction, operation, exploitation and maintenance of motorways, including bridges and tunnels, and airfield runways.                                                                                                                                                                                                                   | 42.11<br>42.13 |
| 7.1. Construction of new buildings                               | Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realize the building projects for later sale as well as the construction of complete residential or non-residential buildings, on their own account for sale or on a fee or contract basis. | 41.1<br>41.2   |

### Taxonomy-eligibility

We consider all electricity generation and distribution facilities complying with the required types as eligible under 4.1, 4.3, 4.5, 4.8, 4.9 and 4.29.

We consider as Taxonomy-eligible under activities 4.1, 4.3, 4.5 and 4.8 the production of electricity from solar photovoltaic technology, wind power, hydropower and bioenergy respectively. All activities have the objective of enabling a substantial reduction of GHG emissions by generating, transmitting, storing, distributing or using renewable energy.

Furthermore, we consider as Taxonomy-eligible under activity 4.9, the interconnection of the Electricity Transmission facilities on the island of Crete, at Damasta location, with the Hellenic Electricity Transmission System (HETS) in Attica (Substation at lake Koumoundourou). The interconnection takes place via an underground/submarine/overhead Ultra High Voltage Direct Current (UHV) cable system and includes a transmission line of Ultra High Voltage ( $\pm 500$  kV) Direct Current (DC) and High and Ultra High Voltage (150 kV and 400 kV) Alternating Current (AC), which passes underground, aerial and underwater, with a total length of approximately 420 km. The undertaken project includes the study, supply and installation of two Conversion Stations and a Substation for the electric interconnection of direct current between Crete and Attica.

The Group, through Heron, is producing and supplying electricity to businesses and retail customers. The portfolio of energy assets includes two gas-fueled power plants HERON I and II outside Thiva, Viotia (with a total capacity of 147 and 435 MW respectively). According to the Complementary Delegated Act to the EU Taxonomy Regulation, electricity generation from fossil gaseous fuels (4.29) is a Taxonomy-eligible economic activity.

We consider as Taxonomy-eligible under activity 6.14, the construction of railways, electrified trackside infrastructure and associated subsystems, as well as stations, terminals and rail service facilities. The activity is considered as a mitigation activity under Annex I of the Climate Delegated Act, as it enables a substantial reduction of GHG emissions by using electrified infrastructure instead of gas-fueled railway services.

We consider as Taxonomy-eligible under activity 6.15, the construction, operation, exploitation and maintenance of motorways, including bridges and tunnels. The activity is considered as an adaptation activity under Annex II Climate change adaptation, as it takes measures to adapt to climate change after performing a climate risk vulnerability assessment to identify the most material issues.

Finally, activity 7.1 includes both construction works on existing residential and non-residential buildings, as well as the construction of new buildings for the purpose of subsequent sale, rental or concession on contract basis. The financing of such projects is part of the description of activity 7.1 for both Annexes I and II of the Climate Delegated Act.

**Table 3 - Declaration of activities related to nuclear energy and fossil gaseous fuels**

| Row | Nuclear energy related activities                                                                                                                                                                                                                                                                                                    |    |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 1.  | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.                                                                                        | NO |
| 2.  | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | NO |
| 3.  | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.                          | NO |

|    | <b>Fossil gas related activities</b>                                                                                                                                                |     |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.          | YES |
| 5. | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | NO  |
| 6. | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.   | NO  |

## **Taxonomy-alignment**

The electricity that the Group generates using solar photovoltaic technology (4.1), wind power (4.3), hydropower (4.5) and bioenergy (4.8) is fully Taxonomy-aligned. The construction of railways infrastructure (6.14) is, also, Taxonomy-aligned, while the construction and concession projects under activity 6.15 and the building constructions of activity 7.1 are partially aligned. On the contrary, the construction and operation of distribution systems that transport electricity (4.9) as well as the electricity generation activity using fossil gaseous fuels (4.29) are not Taxonomy-aligned, according to the criteria of the Climate Delegated Act and the Complementary Delegated Act. Details on our alignment assessment are presented below.

## **Assessment of Taxonomy-alignment**

### **Substantial contribution**

To determine if an economic activity is taxonomy-aligned, it must first comply with the first requirement as described in the Taxonomy Regulation. It must contribute substantially to one or more of the environmental objectives. Turnover-generating activities 4.1, 4.3, 4.5, 4.8, 4.9 and 4.29 and 6.14 aim at a substantial contribution to climate change mitigation, while turnover-generating activity 6.15 aims at a substantial contribution to climate change adaptation. Turnover-generating activity 7.1 substantially contributes to both climate change mitigation and climate change adaptation. To contribute to an environmental objective, an activity must meet specific technical screening criteria stated for that activity within the relevant Appendix to the delegated act. We comment on these criteria and how they have been assessed below.

The Group's electricity generation activities using solar photovoltaic technology (4.1) and wind power (4.3) are substantially contributing to climate change mitigation by definition.

Activity 4.5, which includes electricity generation facilities that produce electricity from hydropower, is substantially contributing to climate change mitigation. The electricity generation facilities are run-of-river plants and do not have an artificial reservoir. More specifically it consists of two small hydroelectric plants on Acheloos River in the Sanidi - Dafnozonara area and on Axios River in the Eleousa area of Thessaloniki.

Activity 4.8, which includes an electricity generation plant that produces electricity exclusively from biomass, is substantially contributing to climate change mitigation. The biogas plant has a total rated thermal input of 1 MW with the purpose electricity production. It is supplied with a large amount of

liquid waste rich in organic load. This waste comes mainly from dairy farms and is supplemented by animal feed residues (corn stuffing), sludges and waste with organic load. The installation relies on anaerobic digestion of this organic material, which results in the production of biogas that is used for the generation of electricity. There are countermeasures and preventing actions in place regarding the operation of the reactor, including the leakage of gasses such as CH<sub>4</sub>.

Activity 4.9 includes the construction of an interconnection system between transmission systems, as defined in the relevant technical screening criteria. Nonetheless, this project does not substantially contribute to climate change mitigation due to lack of sufficient evidence for the emissions assessment of the electricity transmission facilities in Attica and Crete. Thus, we have not conducted a detailed analysis of the DNSH criteria for the above-mentioned activity.

Activity 4.29, which includes electricity generation from fossil gaseous fuels, is not substantially contributing to climate change mitigation since it does not meet either of the technical screening criteria of Annex I. According to the technical screening criteria, among others, the life cycle GHG emissions from the generation of electricity using fossil gaseous fuels should be lower than 100 g CO<sub>2</sub>e/kWh and the annual direct GHG emissions of the activity are on a credible declining trajectory. However, for FY 2022, our activity cannot meet these GHG emissions' limits. For this reason, we have not conducted a detailed analysis of the DNSH criteria for the above-mentioned activity.

Activity 6.14, which includes the construction of railways and electrified trackside infrastructure and associated subsystems, as well as stations, terminals and rail service facilities, is substantially contributing to climate change mitigation. More specifically the electrified infrastructure includes the railway lines Kiato-Rododafni and Rododafni-Rio, in Greece, as well as the railway line Sofia - Dragoman - Serbian borders, in Bulgaria, under the Trans-European Transport Network (TEN-T) Programme. In addition, none of the railway infrastructures is dedicated to the transport or storage of fossil fuels. Thus, the technical screening criteria of activity 6.14 are met.

Activity 6.15, which includes both the construction and concession of road projects, is substantially contributing to climate change adaptation. The Group's construction and concession road projects are incorporated into the major road networks of the Greek mainland, e.g. the Ionia motorway, the E65 motorway and the Egnatia and Olympia motorway. The subsidiary Nea Odos has undertaken the study, design, construction, operation, exploitation and maintenance of Ionia and part of A.TH.E. motorways, while the subsidiary Kentriki Odos has undertaken the management of the "Central Greece Motorway – E65". Furthermore, activity 6.15 includes the construction and maintenance of a Qatar motorway in the Middle East, as well as the restoration of damages in motorways and other infrastructure in the region of Thessaly, caused by the Mediterranean cyclone IANOS. All the above projects are substantially contributing to climate change adaptation as we have conducted a climate risk and vulnerability assessment in order to reduce the potential physical climate risks and define the relevant adaptation solutions, which is a prerequisite of the technical screening criteria.

Furthermore, our activity 7.1 Construction of new buildings, is considered partially aligned. It includes 19 building projects, of which eight (8) substantially contribute to climate change mitigation, while the rest contribute to climate change adaptation. The first group includes the terminal of the new international airport in Crete, at Kasteli area, the building block of working spaces at Fragokklisias street and the building in the corner of Amarousiou-Chalandriou street and Chimaras 16 street in Marousi, the Tower of Piraeus, the hotel "Asteria" in Glyfada, the IRC "City of Dreams" in Limassol,

Cyprus, as well the Interbalkan Hospital and the building block of working spaces “Hub 26”, in Thessaloniki. For these buildings, there is a formal commitment that, upon completion, they will be certified with Energy Performance Certificates from private institutions (LEED, BREEAM or Passive House) and will undergo testing for airtightness and thermal integrity. The life-cycle Global Warming Potential (GWP) of the buildings resulting from the construction has begun to be calculated for each stage in the life cycle and will be disclosed to investors and clients on demand, upon completion. The second group, contributing to climate change adaptation, includes the tower of Agia Napa marine in Cyprus, the Refugee Building project, the terminal of “Nikola Tesla” airport in Belgrade and eight (8) building projects related to energy production units from fossil fuels (i.e. lignite, natural gas). For these buildings, a climate risk assessment has been conducted in order to define the physical climate risks and to develop a plan with potential scenarios. Therefore, the above-mentioned buildings are fully aligned with the Taxonomy Regulation.

The assessment of CapEx/OpEx associated with these activities (category a), follows the conclusions made for the purpose of assessing our turnover. To learn more about how we determined the KPIs please refer to the chapter “Our KPIs and accounting policies” below.

### **Do no significant harm (DNSH)**

For all economic activities where we are able to demonstrate substantial contribution to climate change mitigation and to climate change adaptation, we further analyze the DNSH criteria. This assessment usually starts with the relevant sites where we perform the respective economic activity. For activities carried out outside the EU, providing evidence of compliance with the DNSH criteria is not possible. Therefore, the portion of our turnover, capex and opex, allocated to third countries is not Taxonomy-aligned. In addition, we cannot provide sufficient evidence regarding the compliance with the DNSH criteria for the project of damage restoration of motorways and other infrastructure in the Thessaly region, which falls under activity 6.15, and therefore the specific project is not Taxonomy-aligned.

### **DNSH to climate change mitigation**

#### **Activity 6.15 and 7.1**

None of our construction projects, included in activity 6.15, are dedicated to fossil fuel extraction, production, transportation or storage. Specifically, based on recent calculation of carbon footprint, road transport infrastructure do not lead to additional relative greenhouse gas emissions, calculated on the basis of conservative assumptions, values and procedures.

Regarding the part of activity 7.1 contributing to climate change adaptation, our three projects, the Tower of Agia Napa marine in Cyprus, the Refugee Buildings in Lesvos, Chios and Evros, and the terminal of “Nikola Tesla” airport in Belgrade, are not dedicated to fossil fuel extraction, production, transportation or storage. However, the remaining 8 buildings are related to energy production from fossil fuels (i.e., lignite, natural gas) and therefore cannot comply with this requirement. In addition, none of the 11 above-mentioned buildings are qualified to receive an Energy Performance Certificate, and consequently they cannot meet DNSH to climate change mitigation criteria.

**DNSH to climate change adaptation****Activities 4.1, 4.3, 4.5, 4.8, 6.14 and 7.1**

For all our activities contributing to climate change mitigation, a physical climate risk assessment is needed pursuant to Appendix A of the Climate Delegated Act.

With respect to the activities carried out by GEK TERNA Group, the assessment focuses predominantly on:

- the sites where we have solar photovoltaic panels installed for activity 4.1
- the sites where we have wind turbines installed for activity 4.3
- the sites where we have hydropower generation technology installed for activity 4.5
- the sites where we have anaerobic combustion plants for activity 4.8
- the railway infrastructure sites for activity 6.14
- the sites where we have construction of buildings for activity 7.1

For each of the sites, a preliminary screening of the climate related risks hazards as mapped in Appendix A was conducted and those risks which were found to be relevant, were further analyzed in a climate risk assessment. Since the expected lifetime span of all relevant activities is more than ten years, the climate risk assessment was conducted considering an optimistic, a moderate and a pessimistic scenario, compared to the current risk. The impact of scenarios RCP2.6, RCP4.5 and RCP8.5 (Representative Concentration Pathway) of the IPCC were assessed as they represent the optimistic outcome of zero emissions by 2100, the moderate outcome of emissions peaking around 2040, then decline, whereas the global mean temperature increases between 1 and 2°C by 2100 and the pessimistic one of an increase of global temperature about 4.3°C by 2100. Risk assessment involves the calculation of the severity (magnitude) of potential impacts (on a five-level scale) and the likelihood (on a five-level scale) of these impacts to occur, as follows:

Risk = likelihood x impact; where:

- (i) likelihood is the probability of occurrence of an identified climate risk/opportunity; and,
- (ii) impacts is the magnitude of a business impact from climate risk/opportunity

The adaptive capacity is based on inter alia existing adaptation plans already in place and internally available measures to mitigate the impact of hazards. The result of the climate risk assessment is, for each of the identified climate risks in each scenario, a physical risk score that indicates the materiality of each risk.

**DNSH to Sustainable use and protection of water and marine resources****Activities 4.3, 4.5, 4.8, 6.14, 6.15 and 7.1**

Electricity production facilities that concern the activities 4.5 and 4.8 located in the EU, and construction and concession facilities that concern the activities 6.14, 6.15 and 7.1 located in the EU, have all been subjected to an environmental impact assessment including a measurement of the impact on water and are all in accordance with environmental degradation risks, related to preserving

water quality and avoiding water stress. Thus, they aim at achieving good water status and good ecological potential.

For activity 7.1 we ensure that, except for installations in residential building units, all appliances, such as wash hand basin and kitchen taps, showers and flushing systems, are in accordance with local and EU law for water policy and the limits for water consumption are being met based on product verification datasheets from the hydraulic products given from our suppliers, in accordance with all technical specifications for sustainable water flow. Furthermore, all the hydraulic products and installations used in our buildings are specifically adapted to the criteria of low energy buildings.

The DNSH criteria for activity 4.3 do not apply since we do not have a case of construction of an offshore wind farm. Furthermore, the Climate Delegated Act provides no applicable criteria regarding the sustainable use and protection of water and marine resources for our activity 4.1.

### **DNSH to Transition to a circular economy**

#### **Activities 4.1, 4.3, 6.14, 6.15 and 7.1**

The solar photovoltaic panels and the wind turbines we use regarding activities 4.1 and 4.3, as well as the related engineering equipment, are purchased from established manufacturers who focus on high durability and recyclability. We have carefully considered the durability and recyclability as well as the options to dismantle and refurbish the components when we decided on the technologies and products used. As a matter of fact, the large metal components of our wind turbines that are primarily mono-material (e.g., tower sections, cast iron frame in nacelle, etc.) are assumed to be 98% recycled. Other major components, such as generators, gearboxes, cables and yaw system parts are also recycled.

Regarding activities 6.14, 6.15 and 7.1, we limit waste generation in processes related to construction and demolition, we also use selective demolition to enable the removal and safe handling of hazardous substances, while we also facilitate reuse and high-quality recycling. All our construction techniques support circularity and enable our constructions to be more resource efficient, adaptable, flexible and dismantlable to enable reuse and recycling.

There are no applicable technical screening criteria regarding the transition to a circular economy for our activities 4.5 and 4.8.

### **DNSH to Pollution prevention and control**

#### **Activities 4.8, 6.14, 6.15 and 7.1**

The Pollution and Prevention control DNSH criteria for activity 4.8 requires installations to comply with specific requirements set out in European regulations. The emissions produced by our biogas plant are within the best available techniques (BAT-AEL) ranges. After the anaerobic digestion process, dissolved water organic with solids at a rate of about 5% is produced. Solids are separated and used as a first quality soil improver and solid fertilizer, while meeting the requirements for fertilizing materials set out in Component Material Categories (CMC) 4 and 5 in Annex II to Regulation (EU) 2019/1009 or national rules on fertilizers or soil improvers for agricultural use. According to the latest studies, the Group's biogas plant is treating over 100 tonnes per day. Emissions to air and water are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges. Taking these



considerations and measures into account electricity generation from biomass meets all requirements to comply with these DNSH criteria.

For activities 6.14 and 6.15, the specific DNSH criteria require the mitigation of noise and vibrations from the use of railway or road infrastructures. Therefore, we have installed open trenches and wall barriers, in order to comply with Directive 2002/49/EC of the European Parliament and of the Council, and we have taken relevant measures to reduce noise, dust and pollutant emissions during construction or maintenance works.

Furthermore, the criteria for activity 7.1 forbid the manufacture, placing on the market or use of hazardous chemical substances. Moreover, components and materials used in the construction and may come into contact with occupiers, emit less than 0,06 mg of formaldehyde per m<sup>3</sup> of material or component upon testing and less than 0,001 mg of other carcinogenic volatile organic compounds. In addition, construction sites have been subjected to an investigation for potential contaminants, while measures have been taken also to reduce noise, dust and pollutant emissions during construction.

The DNSH criterion relating to the objective of pollution prevention and control, also, requires the activity not to lead to the manufacturing, placing on the market or use of substances specified by Appendix C to the Climate Delegated Act. We have established a process to track potentially concerning substances based on information reported by our suppliers. Through this process, we maintain an inventory of all substances that are subject to the various regulations in the EU referred to in Appendix C. However, due to the late publication of the draft Commission Notice on the Climate Delegated Act as of 19 December 2022, we were unable to fully adapt our process to cover all the substances referred to in FAQ 178. We committed to readjust our oversight process in the near future, to ensure that all potentially concerning substances regarding the criteria provided in Article 57 of REACH<sup>2</sup> are identified and covered by EU regulations.

Due to technical reasons, not all potentially concerning substances pursuant to point (g) of Appendix C can be avoided in the manufacture of buildings. We consider the use of such substances essential, provided that there is no feasible alternative. Since such buildings are the key to the transformation towards low-carbon residential and non-residential zones, we consider the use of such substances essential for society, provided that there is no feasible alternative. Therefore, we test all identified potentially concerning substances for alternatives that are acceptable from a health and safety perspective and that are technically and economically feasible. We continuously strive to find adequate substitutes for these substances. Moreover, through the Material Safety Data Sheets (MSDS), we test such substances from a health and safety perspective, and we train our personnel accordingly. In addition, we ensure that our buildings do not contain lead, mercury, hexavalent chromium and cadmium.

Taking these considerations and measures into account, all our constructions meet all requirements to comply with the DNSH criterion concerning pollution prevention and control.

There are no applicable technical screening criteria regarding the pollution prevention and control for our activities 4.1, 4.3 and 4.5.

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<sup>2</sup> Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

**DNSH to Protection and restoration of biodiversity and ecosystems****Activity 4.1, 4.3, 4.5, 4.8, 6.14, 6.15 and 7.1**

Appendix D requires that an Environmental Impact Assessment or screening has been completed in accordance with Directive 2011/92/EU. All our generation and construction facilities located in the EU have been subjected to an environmental impact assessment and successfully passed the assessment. Furthermore, in terms of activities 4.1, 4.8 and 7.1, our facilities are not located in or near biodiversity-sensitive areas. Specifically, new constructions of activity 7.1, are not built on arable and crop land, greenfield land or forests. For the wind farms (activity 4.3), the hydropower facilities (activity 4.5) and the railway infrastructures (activity 6.14) that are in or near biodiversity-sensitive areas, appropriate assessments have been conducted, which are included in the relevant Environmental Impact Assessments, and, based on each one's conclusions, the necessary mitigation measures are implemented.

Lastly, for road infrastructures (activity 6.15), the maintenance of side vegetation is constant, along with other mitigation measures to avoid wildlife collisions.

**Minimum Safeguards**

The final step to Taxonomy-alignment is compliance with the minimum safeguards (MS). The MS include all procedures implemented to ensure that economic activities are carried out in alignment with:

- The OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines);
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work;
- The International Bill of Human Rights.

In the absence of further guidance from the European Commission, we based our MS assessment on the "Final Report on Minimum Safeguards" published by the Platform on Sustainable Finance (PSF) in October 2022.<sup>3</sup>

The scope of the MS covers the following four topics:

- Human rights (including labor and consumer rights);
- Corruption and bribery;
- Taxation;
- Fair competition.

We follow a two-dimensional assessment approach to assess compliance with MS. On the one hand, adequate processes have been implemented to prevent negative impacts (procedural dimension). On

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<sup>3</sup>[https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf).

the other hand, outcomes are monitored to check whether our processes are effective (outcome dimension).

In GEK TERNA group we understand that the behavior of all employees and other stakeholders along our value chain, plays a central role in complying with MS. We take our responsibility as leader in the construction and energy sector seriously by following the ethical business conduct principles for our daily business activities that are manifested in the Group's Code of Conduct. Moreover, GEK TERNA group aims to ensure that its operations are aligned with the 17 Sustainable Development Goals of the UN and contribute to the national goals. As part of the Group's Sustainable Development Policy, corporate responsibility is aligned with the ESG (Environmental- Social- Governance) criteria / principles and applies to the four MS dimensions.

Annual training is part of our business strategy, and it is mandatory for all employees. With regard to our supply chains and business relationships, we expect the same ethical business conduct as for our own business entities. Therefore, the MS requirements are an integral part of our business contracts. In fact, all partners and suppliers of GEK TERNA group are obliged to read and understand the Code of Conduct, as well as include a separate article in their contract with GEK TERNA group and its subsidiaries. We expect each of our suppliers to respect the Group's ethical principles and to ensure that this Code of Conduct is respected by all their employees and subcontractors. In addition to these preventive measures, we evaluate any incoming complaints about detrimental behavior regarding a variety of ethics, integrity and compliance issues (including the four topics covered by the MS) and assess any necessary adjustments in our procedures. As part of GEK TERNA group, TERNA ENERGY group, has a Supplier's Code of Conduct in place, which aims to promote and enforce practices relating to human rights, ethics, the protection of the environment safety, meritocracy and transparency, the quality of products and services and the fair competition. Moreover, its supplier selection and evaluation processes include human rights, anti-corruption and anti-bribery due diligence.

#### **Human Rights (including labor and consumer rights)**

Based on the UNGPs and the OECD Guidelines for Multinational Enterprises, including the OECD Due Diligence Guidance for Responsible Business Conduct, we have implemented a robust approach in order to identify, prevent and, if necessary, mitigate and remediate any actual and potential negative impacts on human rights. Our human rights statement describing our strategy, the high impact areas and our processes and measures to prevent negative human rights impacts, is publicly available on our website. Our strategy for combating human rights violations is based on a thorough impact analysis. The impact analysis includes our own business units and our subsidiaries. Our processes ensure that remedial action is taken promptly in the event of an acute human rights violation and whatever is necessary, is provided. The effectiveness of our processes is monitored by carrying out inspections at facilities and construction sites by competent personnel and monitoring the implementation of legislation and changes in the legislative/regulatory framework. on a regular basis. Any person who feels that their human rights have been violated by activities of GEK TERNA group or an stakeholder of our value chain, can contact us through our grievance mechanism.

During the financial year 2022, GEK TERNA group was not convicted of any violation of labor law or human rights. In addition, GEK TERNA group was not involved in a case dealt with by an OECD National Contact Point and was not questioned by the Business and Human Rights Resource Center (BHRR).

**Corruption and bribery**

Anti-corruption is an integral part of our business strategy and our Code of Conduct. To prevent and fight against corrupt practices, GEK TERNA group develops, where appropriate and after conducting a risk assessment, specific control measures in all of its activities in order to prevent and avoid corruption and bribery actions. In this context, the Group has installed and implements an Anti-Bribery Management System, based on the requirements of the ISO 37001 standard. We have published an anti-corruption policy which is communicated to our employees as well as suppliers and business partners and is publicly available on our website. Regular training of employees on the anti-corruption rules and on the application of those rules, as well as specific training of employees and other stakeholders, identified as specifically exposed to corruption risks, is mandatory.

In the financial year 2022, zero allegations of corruption or bribery were reported.

**Taxation**

In line with our ethical business values, tax governance and tax compliance are important elements of our oversight, and we are committed to comply with all relevant tax laws and regulations. GEK TERNA group develops, where appropriate and after conducting a risk assessment, specific control measures in all of its activities in order to prevent and avoid tax violation and illegal activity. Tax risk management is embedded in our overall company risk management system: Therefore, our tax compliance approach is transparent, sustainable in the long term and complies with the Code of Conduct.

In the financial year 2022, GEK TERNA group has not been finally convicted in court for any major violation of tax laws.

**Fair competition**

We carry out our activities in a manner consistent with all applicable competition laws and regulations in all countries where we operate. With our guidelines for fair competition and ethical business conduct, we pursue the goal of operating in a free-market environment by establishing a corresponding group corporate culture. Raising awareness and conducting trainings that address competition law risks are of particular importance to ensure fair competition.

In the financial year 2022, GEK TERNA group has not been convicted in court of violating competition laws.

**Our KPIs and accounting policies**

The key performance indicators ("KPIs") include the turnover KPI, the CapEx KPI and the OpEx KPI. For presenting the Taxonomy KPIs, we use the templates provided in Annex II to the Disclosures Delegated Act. As the KPIs need to include an assessment of Taxonomy-alignment for the first time for the reporting period 2022, we do not present comparative figures on alignment. As we are performing the activity of electricity generation from fossil gaseous fuels (4.29), one of the activities related to natural gas and nuclear energy (activities 4.26-4.31), we are using the dedicated templates introduced by the Complementary Delegated Act as regards activities in certain energy sectors.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**Table 4 Turnover KPI for FY 2022**

| Economic Activities                                                                                                  | Code(s)        | Absolute Turnover | Proportion of turnover | Substantial contribution criteria                                                                                                                    |     |     |     |     |     | DNSH Criteria |     |     |     |     |     | Minimum Safeguards | Taxonomy Aligned proportion of turnover Year N | Taxonomy Aligned proportion of turnover Year N - 1 | Category (enabling activity) | Category (Transitional Activity) |
|----------------------------------------------------------------------------------------------------------------------|----------------|-------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|---------------|-----|-----|-----|-----|-----|--------------------|------------------------------------------------|----------------------------------------------------|------------------------------|----------------------------------|
|                                                                                                                      |                |                   |                        | (1)                                                                                                                                                  | (2) | (3) | (4) | (5) | (6) | (1)           | (2) | (3) | (4) | (5) | (6) |                    |                                                |                                                    |                              |                                  |
|                                                                                                                      |                | TEUR              | %                      | %                                                                                                                                                    | %   | %   | %   | %   | Y/N | Y/N           | Y/N | Y/N | Y/N | Y/N | Y/N | Percent            | Percent                                        | E                                                  | T                            |                                  |
| A. TAXONOMY ELIGIBLE ACTIVITIES                                                                                      |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)                                                       |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| 4.1 Electricity generation using solar photovoltaic technology                                                       | 35.11          | 31,121.58         | 0.8%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | N/A | Y   | N/A | Y   | Y                  | 0.8%                                           | 0                                                  | -                            | -                                |
| 4.3 Electricity generation from wind power                                                                           | 35.11          | 213,196.55        | 5.4%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | N/A | Y   | N/A | Y   | Y                  | 5.4%                                           | 0                                                  | -                            | -                                |
| 4.5 Electricity generation from hydropower                                                                           | 35.11          | 5,862.21          | 0.1%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | Y   | N/A | N/A | Y   | Y                  | 0.1%                                           | 0                                                  | -                            | -                                |
| 4.8 Electricity generation from bioenergy                                                                            | 35.11          | 1,777.83          | 0.0%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | Y   | N/A | Y   | Y   | Y                  | 0.0%                                           | 0                                                  | -                            | -                                |
| 6.14 Infrastructure for rail transport                                                                               | 42.12<br>43.21 | 3,428.57          | 0.1%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | Y   | Y   | Y   | Y   | Y                  | 0.1%                                           | 0                                                  | -                            | -                                |
| 7.1 Construction of new buildings                                                                                    | 41.1<br>41.2   | 118,365.12        | 3.0%                   | 100                                                                                                                                                  | 0   |     |     |     |     | N/A           | Y   | Y   | Y   | Y   | Y   | Y                  | 3.0%                                           | 0                                                  | -                            | -                                |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                | 373,751.86        | 9.5%                   | 100                                                                                                                                                  | 0   |     |     |     |     |               |     |     |     |     |     |                    | 9.5%                                           | 0                                                  |                              |                                  |
| A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)               |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| 4.9 Transmission and distribution of electricity                                                                     | 35.12          | 14,397.31         | 0.4%                   |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| 4.29 Electricity generation from fossil gaseous fuels                                                                | 35.11          | 744,497.31        | 18.9%                  |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| 6.15 Infrastructure enabling low-carbon road transport and public transport                                          | 42.11<br>42.13 | 388,838.28        | 9.9%                   |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| 7.1 Construction of new buildings                                                                                    | 41.1<br>41.2   | 346,776.54        | 8.8%                   |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| Turnover of Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                | 1,494,509.44      | 37.9%                  |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
|                                                                                                                      |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| Total Turnover of Taxonomy Eligible Activities (A.1 + A.2) (A)                                                       |                | 1,868,261.30      | 47.4%                  |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES                                                                                  |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
|                                                                                                                      |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| Total Turnover of Taxonomy non-eligible Activities (B)                                                               |                | 2,070,016.05      | 52.6%                  |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
|                                                                                                                      |                |                   |                        |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
| Total (A + B)                                                                                                        |                | 3,938,277.35      | 100.0%                 |                                                                                                                                                      |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |
|                                                                                                                      |                |                   |                        | Environmental Objectives<br>(1) Climate Change Mitigation<br>(2) Climate Change adaptation<br>(3) Water and marine resources<br>(4) Circular Economy |     |     |     |     |     |               |     |     |     |     |     |                    |                                                |                                                    |                              |                                  |

Environmental Objectives  
 (1) Climate Change Mitigation  
 (2) Climate Change adaptation  
 (3) Water and marine resources  
 (4) Circular Economy  
 (5) Pollution Prevention and Control  
 (6) Biodiversity

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**Table 5 CapEx KPI for FY 2022**

| Economic Activities                                                                                                                                  | Code(s)        | Absolute CapEx | Proportion of CapEx | Substantial contribution criteria |     |   |   |   |   | DNSH Criteria |     |     |     |     |     | Minimum Safeguards | Taxonomy Aligned proportion of CapEx Year N | Taxonomy Aligned proportion of CapEx Year N - 1 | Category (enabling activity) | Category (Transitional Activity) |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|---------------------|-----------------------------------|-----|---|---|---|---|---------------|-----|-----|-----|-----|-----|--------------------|---------------------------------------------|-------------------------------------------------|------------------------------|----------------------------------|---|
|                                                                                                                                                      |                | TEUR           | %                   | %                                 | %   | % | % | % | % | Y/N           | Y/N | Y/N | Y/N | Y/N | Y/N |                    | Percent                                     | Percent                                         | E                            | T                                |   |
|                                                                                                                                                      |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| A. TAXONOMY ELIGIBLE ACTIVITIES                                                                                                                      |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)                                                                                       |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| 4.1 Electricity generation using solar photovoltaic technology                                                                                       | 35.11          | 6,939.67       | 1.8%                | 100                               | 0   |   |   |   |   |               | N/A | Y   | N/A | Y   | N/A | Y                  | Y                                           | 1.8%                                            | 0                            | -                                | - |
| 4.3 Electricity generation from wind power                                                                                                           | 35.11          | 206,011.06     | 52.5%               | 100                               | 0   |   |   |   |   |               | N/A | Y   | N/A | Y   | N/A | Y                  | Y                                           | 52.5%                                           | 0                            | -                                | - |
| 4.5 Electricity generation from hydropower                                                                                                           | 35.11          | 16,303.46      | 4.2%                | 100                               | 0   |   |   |   |   |               | N/A | Y   | Y   | N/A | N/A | Y                  | Y                                           | 4.2%                                            | 0                            | -                                | - |
| 4.8 Electricity generation from bioenergy                                                                                                            | 35.11          | 0.00           | 0.0%                | 100                               | 0   |   |   |   |   |               | N/A | Y   | Y   | N/A | Y   | Y                  | Y                                           | 0.0%                                            | 0                            | -                                | - |
| 6.14 Infrastructure for rail transport                                                                                                               | 42.12<br>43.21 | 93.22          | 0.0%                | 100                               | 0   |   |   |   |   |               | N/A | Y   | Y   | Y   | Y   | Y                  | Y                                           | 0.0%                                            | 0                            | -                                | - |
| 6.15 Infrastructure enabling low-carbon road transport and public transport                                                                          | 42.11<br>42.13 | 6,604.90       | 1.7%                | 0                                 | 100 |   |   |   |   |               | Y   | N/A | Y   | Y   | Y   | Y                  | Y                                           | 1.7%                                            | 0                            | -                                | - |
| 7.1 Construction of new buildings                                                                                                                    | 41.1<br>41.2   | 5,063.27       | 1.3%                | 100                               | 0   |   |   |   |   |               | N/A | Y   | Y   | Y   | Y   | Y                  | Y                                           | 1.3%                                            | 0                            | -                                | - |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                                                             |                | 241,015.58     | 61.4%               |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             | 61.4%                                           | 0                            |                                  |   |
| A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)                                               |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| 4.9 Transmission and distribution of electricity                                                                                                     | 35.12          | 118.38         | 0.0%                |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| 4.29 Electricity generation from fossil gaseous fuels                                                                                                | 35.11          | 17,556.38      | 4.5%                |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| 6.15 Infrastructure enabling low-carbon road transport and public transport                                                                          | 42.11<br>42.13 | 5,436.47       | 1.4%                |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| 7.1 Construction of new buildings                                                                                                                    | 41.1<br>41.2   | 3,938.55       | 1.0%                |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| CapEx of Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)                                    |                | 27,049.78      | 6.9%                |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 | 0                            | -                                | - |
| Total CapEx of Taxonomy Eligible Activities (A.1 + A.2) (A)                                                                                          |                | 268,065.36     | 68.3%               |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             | 61.4%                                           |                              |                                  |   |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES                                                                                                                  |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| Total CapEx of Taxonomy non-eligible Activities (B)                                                                                                  |                | 124,641.69     | 31.7%               |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| Total (A + B)                                                                                                                                        |                | 392,707.05     | 100.0%              |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |
| Environmental Objectives<br>(1) Climate Change Mitigation<br>(2) Climate Change adaptation<br>(3) Water and marine resources<br>(4) Circular Economy |                |                |                     |                                   |     |   |   |   |   |               |     |     |     |     |     |                    |                                             |                                                 |                              |                                  |   |

Environmental Objectives  
 (1) Climate Change Mitigation  
 (2) Climate Change adaptation  
 (3) Water and marine resources  
 (4) Circular Economy  
 (5) Pollution Prevention and Control  
 (6) Biodiversity

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**Table 6 OpEx KPI for FY 2022**

| Economic Activities                                                                                              | Code(s)        | Absolute OpEx | Proportion of OpEx | Substantial contribution criteria                                                                                                                                                               |     |     |     |     |     | DNSH Criteria |     |     |     |     |     | Minimum Safeguards | Taxonomy Aligned proportion of OpEx Year N | Taxonomy Aligned proportion of OpEx Year N - 1 | Category (enabling activity) | Category (Transitional Activity) |   |   |   |
|------------------------------------------------------------------------------------------------------------------|----------------|---------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|---------------|-----|-----|-----|-----|-----|--------------------|--------------------------------------------|------------------------------------------------|------------------------------|----------------------------------|---|---|---|
|                                                                                                                  |                |               |                    | (1)                                                                                                                                                                                             | (2) | (3) | (4) | (5) | (6) | (1)           | (2) | (3) | (4) | (5) | (6) |                    |                                            |                                                |                              |                                  |   |   |   |
|                                                                                                                  |                | TEUR          | %                  | %                                                                                                                                                                                               | %   | %   | %   | %   | %   | Y/N           | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N                | Percent                                    | Percent                                        | E                            | T                                |   |   |   |
| A. TAXONOMY ELIGIBLE ACTIVITIES                                                                                  |                |               |                    |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| A.1. Environmentally Sustainable Activities (Taxonomy-Aligned)                                                   |                |               |                    |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| 4.1 Electricity generation using solar photovoltaic technology                                                   | 35.11          | 1,258.12      | 3.2%               | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | N/A | Y   | N/A | Y   | Y                  | 3.2%                                       | 0                                              | -                            | -                                |   |   |   |
| 4.3 Electricity generation from wind power                                                                       | 35.11          | 23,450.71     | 60.3%              | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | N/A | Y   | N/A | Y   | Y                  | 60.3%                                      | 0                                              | -                            | -                                |   |   |   |
| 4.5 Electricity generation from hydropower                                                                       | 35.11          | 83.25         | 0.2%               | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | Y   | N/A | N/A | Y   | Y                  | 0.2%                                       | 0                                              | -                            | -                                |   |   |   |
| 4.8 Electricity generation from bioenergy                                                                        | 35.11          | 255.72        | 0.7%               | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | Y   | N/A | Y   | Y   | Y                  | 0.7%                                       | 0                                              | -                            | -                                |   |   |   |
| 6.14 Infrastructure for rail transport                                                                           | 42.12<br>43.21 | 29.68         | 0.1%               | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | Y   | Y   | Y   | Y   | Y                  | 0.1%                                       | 0                                              | -                            | -                                |   |   |   |
| 6.15 Infrastructure enabling low-carbon road transport and public transport                                      | 42.11<br>42.13 | 1,207.94      | 3.1%               | 0                                                                                                                                                                                               | 100 |     |     |     |     | Y             | N/A | Y   | Y   | Y   | Y   | Y                  | 3.1%                                       | 0                                              | -                            | -                                |   |   |   |
| 7.1 Construction of new buildings                                                                                | 41.1<br>41.2   | 1,306.87      | 3.4%               | 100                                                                                                                                                                                             | 0   |     |     |     |     | N/A           | Y   | Y   | Y   | Y   | Y   | Y                  | 3.4%                                       | 0                                              | -                            | -                                |   |   |   |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)                                          |                | 27,592.29     | 71.0%              |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    | 71.0%                                      | 0                                              |                              |                                  |   |   |   |
| A.2 Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)           |                |               |                    |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| 4.9 Transmission and distribution of electricity                                                                 | 35.12          | 10.63         | 0.0%               |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| 4.29 Electricity generation from fossil gaseous fuels                                                            | 35.11          | 1,167.00      | 3.0%               |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| 6.15 Infrastructure enabling low-carbon road transport and public transport                                      | 42.11<br>42.13 | 755.61        | 1.9%               |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| 7.1 Construction of new buildings                                                                                | 41.1<br>41.2   | 455.35        | 1.2%               |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| OpEx of Taxonomy Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |                | 2,388.59      | 6.1%               |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  | 0 | - | - |
| Total OpEx of Taxonomy Eligible Activities (A.1 + A.2) (A)                                                       |                | 29,980.88     | 77.1%              |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              | 71.0%                            |   |   |   |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES                                                                              |                |               |                    | <div>Environmental Objectives</div> <div>(1) Climate Change Mitigation</div> <div>(2) Climate Change adaptation</div> <div>(3) Water and marine resources</div> <div>(4) Circular Economy</div> |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| Total OpEx of Taxonomy non-eligible Activities (B)                                                               |                | 8,907.14      | 22.9%              |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |
| Total (A + B)                                                                                                    |                | 38,888.02     | 100.0%             |                                                                                                                                                                                                 |     |     |     |     |     |               |     |     |     |     |     |                    |                                            |                                                |                              |                                  |   |   |   |

Environmental Objectives  
 (1) Climate Change Mitigation  
 (2) Climate Change adaptation  
 (3) Water and marine resources  
 (4) Circular Economy  
 (5) Pollution Prevention and Control  
 (6) Biodiversity

## Fossil Gaseous Fuel Activities KPIs

In this section, we present the tables for each one of the KPIs presented in the Complementary Delegated Act to the EU Taxonomy Regulation for economic activity 4.29.

## Turnover KPI Tables

Table 7 - Taxonomy-aligned economic activities (denominator)

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 373,751.85(100%)                                                                                            |   | 373,751.85 (100%)               |   | 0 (0%)                          |   |
| 8.  | <b>Total applicable KPI</b>                                                                                                                                                                    | <b>373,751.85 (100%)</b>                                                                                    |   | <b>373,751.85 (100%)</b>        |   | <b>0 (0%)</b>                   |   |



**Table 8 - Taxonomy-aligned economic activities (numerator)**

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI           | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 373,751.85(100%)                                                                                            |   | 373,751.85 (100%)               |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>                                                                              | <b>373,751.85 (100%)</b>                                                                                    |   | <b>373,751.85 (100%)</b>        |   | <b>0 (0%)</b>                   |   |

**Table 9 - Taxonomy-eligible but not taxonomy-aligned economic activities**

| Row | Economic activities                                                                                                                                                                                                      | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                                          | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                                          | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 744,497.31 (49.8%)                                                                                          |   | 744,497.31 (49.8%)              |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 750,012.14 (50.2%)                                                                                          |   | 750,012.14 (50.2%)              |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>                                                                            | <b>1,494,509.45 (100%)</b>                                                                                  |   | <b>1,494,509.45 (100%)</b>      |   | <b>0 (0%)</b>                   |   |

**Table 10 - Taxonomy non-eligible economic activities**

| Row | Economic activities                                                                                                                                                                                                                                | Amount<br>(in TEUR) | Percentage  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| 1.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 2.  | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 3.  | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 4.  | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 5.  | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of EN 7 EN the applicable KPI | 0                   | 0%          |
| 6.  | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 7.  | <b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                                                                      | 2,070,016.05        | 100%        |
| 8.  | <b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>                                                                                                                           | <b>2,070,016.05</b> | <b>100%</b> |

**CapEx KPI Tables**
**Table 11 - Taxonomy-aligned economic activities (denominator)**

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 241,015.58 (100%)                                                                                           |   | 241,015.58 (100%)               |   | 0 (0%)                          |   |
| 8.  | <b>Total applicable KPI</b>                                                                                                                                                                    | <b>241,015.58 (100%)</b>                                                                                    |   | <b>241,015.58 (100%)</b>        |   | <b>0 (0%)</b>                   |   |

**Table 12 - Taxonomy-aligned economic activities (numerator)**

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI           | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 241,015.58 (100%)                                                                                           |   | 241,015.58 (100%)               |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>                                                                              | <b>241,015.58 (100%)</b>                                                                                    |   | <b>241,015.58 (100%)</b>        |   | <b>0 (0%)</b>                   |   |

**Table 13 - Taxonomy-eligible but not taxonomy-aligned economic activities**

| Row | Economic activities                                                                                                                                                                                                      | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                                          | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                                          | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 17,556.38 (64.9%)                                                                                           |   | 17,556.38 (64.9%)               |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 9,493.40 (35.1%)                                                                                            |   | 9,493.40 (35.1%)                |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>                                                                            | <b>27,049.78(100%)</b>                                                                                      |   | <b>27,049.78(100%)</b>          |   | <b>0 (0%)</b>                   |   |

**Table 14 - Taxonomy non-eligible economic activities**

| Row | Economic activities                                                                                                                                                                                                                                | Amount<br>(in TEUR) | Percentage  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| 1.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 2.  | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 3.  | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 4.  | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 5.  | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of EN 7 EN the applicable KPI | 0                   | 0%          |
| 6.  | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                   | 0%          |
| 7.  | <b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                                                                      | 124,641.69          | 100%        |
| 8.  | <b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>                                                                                                                           | <b>124,641.69</b>   | <b>100%</b> |

OpEx KPI Tables

Table 15 - Taxonomy-aligned economic activities (denominator)

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 27,592.27 (100%)                                                                                            |   | 27,592.27 (100%)                |   | 0 (0%)                          |   |
| 8.  | <b>Total applicable KPI</b>                                                                                                                                                                    | <b>27,592.27 (100%)</b>                                                                                     |   | <b>27,592.27 (100%)</b>         |   | <b>0 (0%)</b>                   |   |



**Table 16 - Taxonomy-aligned economic activities (numerator)**

| Row | Economic activities                                                                                                                                                                            | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI           | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-aligned economic activity EN 3 EN referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 27,592.27 (100%)                                                                                            |   | 27,592.27 (100%)                |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>                                                                              | <b>27,592.27 (100%)</b>                                                                                     |   | <b>27,592.27 (100%)</b>         |   | <b>0 (0%)</b>                   |   |

**Table 17 - Taxonomy-eligible but not taxonomy-aligned economic activities**

| Row | Economic activities                                                                                                                                                                                                      | Amount (in TEUR) and proportion (the information is to be presented in monetary amounts and as percentages) |   |                                 |   |                                 |   |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---|---------------------------------|---|---------------------------------|---|
|     |                                                                                                                                                                                                                          | (CCM + CCA)                                                                                                 |   | Climate change mitigation (CCM) |   | Climate change adaptation (CCA) |   |
|     |                                                                                                                                                                                                                          | Amount                                                                                                      | % | Amount                          | % | Amount                          | % |
| 1.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 2.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 3.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 4.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 1,167.00 (48.9%)                                                                                            |   | 1,167.00 (48.9%)                |   | 0 (0%)                          |   |
| 5.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 6.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated EN 6 EN Regulation 2021/2139 in the denominator of the applicable KPI | 0 (0%)                                                                                                      |   | 0 (0%)                          |   | 0 (0%)                          |   |
| 7.  | <b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                       | 1,221.58 (51.1%)                                                                                            |   | 1,221.58 (51.1%)                |   | 0 (0%)                          |   |
| 8.  | <b>Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI</b>                                                                            | <b>2,388.58 (100%)</b>                                                                                      |   | <b>2,388.58 (100%)</b>          |   | <b>0 (0%)</b>                   |   |

**Table 18 - Taxonomy non-eligible economic activities**

| Row | Economic activities                                                                                                                                                                                                                                | Amount<br>(in TEUR)    | Percentage             |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 1.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                      | 0%                     |
| 2.  | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                      | 0%                     |
| 3.  | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                      | 0%                     |
| 4.  | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                      | 0%                     |
| 5.  | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of EN 7 EN the applicable KPI | 0                      | 0%                     |
| 6.  | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI         | 0                      | 0%                     |
| 7.  | <b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>                                                                                      | 8,907.14 (100%)        | 8,907.14 (100%)        |
| 8.  | <b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>                                                                                                                           | <b>8,907.14 (100%)</b> | <b>8,907.14 (100%)</b> |

## Definition and further explanation

### Turnover KPI

#### Definition

The proportion of Taxonomy-aligned economic activities in our total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator), in each case for the financial year from 1.1.2022 to 31.12.2022.

The denominator of the turnover KPI is based on our consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding our consolidated net turnover, cf. Chapter 4.20 Revenue of our Annual Financial Report for the Year 2022.

The numerator of the turnover KPI is defined as the net turnover derived from products and services associated with Taxonomy-aligned economic activities, i.e.

- Activity 4.1 “Electricity generation using solar photovoltaic technology” generates net turnover from feeding into the energy grid
- Activity 4.3 “Electricity generation from wind power” generates net turnover from feeding into the energy grid
- Activity 4.5 “Electricity generation from hydropower” generates net turnover from feeding into the energy grid
- Activity 4.8 “Electricity generation from hydropower” generates net turnover from feeding into the energy grid
- Activity 6.14 “Infrastructure for rail transport” generates net turnover from constructing high quality transportation systems
- Activity 7.1 “Construction of new buildings” generates net turnover from constructing highly efficient buildings

According to the assessment of Taxonomy-alignment, activity 6.15 and part of activity 7.1 are considered to contribute significantly to climate change adaptation. For these activities, only the CapEx and OpEx associated with putting in place the adaptation solutions can count as Taxonomy-aligned. The turnover of that activity may only be considered as Taxonomy-aligned if the activity itself is also Taxonomy-aligned with respect to climate change mitigation. Therefore, the net turnover derived from products and services related to the aforementioned economic activities is not included in the numerator of the turnover KPI.

#### Reconciliation

Our consolidated net turnover can be reconciled to our consolidated financial statements, cf. Statement of Total Comprehensive Income of our Annual Financial Report for the Year 2022 (“Turnover”).

#### Activities using external personnel and subcontractors

In some cases, we use external subcontractors to offer construction services to our customers (activities 6.14, 6.15, 7.1). In this respect, we also include turnover for construction services that are

delivered by subcontractors, provided that GEK TERNA is acting as a principal in the engagement. This assessment follows the principal-agent considerations under IFRS 15.

## CapEx KPI

### Definition

The CapEx KPI is defined as Taxonomy-aligned CapEx (numerator) divided by our total CapEx (denominator).

Total CapEx consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in CapEx, as it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our CapEx, cf. Chapter 4.6 Intangible Assets, 4.7 Property, plant and equipment, 4.10 Investment Property and 4.17 Leases of our Annual Financial Report for the Year 2022.

The numerator consists of the following categories of Taxonomy-eligible CapEx:

- A. CapEx related to assets or processes that are associated with Taxonomy-aligned economic activities ("category a"):

We consider that assets and processes are associated with Taxonomy-aligned economic activities when they are essential components necessary to execute an economic activity. Consequently, all CapEx invested into the following areas are considered in the numerator of the CapEx KPI:

- the solar photovoltaic plants (under activity 4.1)
- the wind farms (under activity 4.3)
- the hydropower plants (under activity 4.5)
- the biogas plant (under activity 4.8)
- the railway infrastructures (under activity 6.14)
- the road transport infrastructures (under activity 6.15)
- the construction of buildings (under activity 7.1)

We generally follow the generation of external revenues as a guiding principle to identify economic activities that are associated with CapEx under ("category a").

- B. CapEx that are part of a plan to upgrade a Taxonomy-eligible economic activity to become Taxonomy-aligned or to expand a Taxonomy-aligned economic activity ("category b"):

We do not have specific upgrade plans for 2022. We also have no specific plans to expand the economic activities aligned with the Taxonomy Regulation.

- C. CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling certain target activities to become low-carbon or to lead to greenhouse gas reductions ("category c").

**Reconciliation**

Our total CapEx can be reconciled to our consolidated financial statements, cf. Chapter 8 Intangible Assets and Goodwill, 9 Right-of-use-assets, 10 Property, Plant and Equipment, 11 Investment Property of our Annual Financial Report for the Year 2022 (“table on changes in intangible assets, investment property, right-of-use assets, in tangible assets”). They are the total of the movement types (acquisition and production costs)

- additions and
- additions from business combinations
  - for intangible assets, investment property, right-of-use assets and property, plant and equipment.

In order to avoid double counting in the CapEx KPI (and OpEx KPI), we counted those CapEx (OpEx) related to purchased outputs and individual measures that we already considered under “category a” (i.e. CapEx, OpEx related to assets or processes that are associated with Taxonomy-aligned economic activities). Due to the limited verification of our individual investments by most of our suppliers, the largest part of our aligned CapEx is associated with our activities and the individual assessment of our CapEx does not have a substantial impact on our alignment KPIs.

**OpEx KPI****Definition**

The OpEx KPI is defined as Taxonomy-aligned OpEx (numerator) divided by our total OpEx (denominator).

Total OpEx consists of direct non-capitalised 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. This includes:

- Research and development expenditure recognised as an expense during the reporting period in our Statement of Total Comprehensive Income of our Annual Financial Report for the Year 2022). In line with our consolidated financial statements (IAS 38.126), this includes all non-capitalised expenditure that is directly attributable to research or development activities.
- The volume of non-capitalised leases was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases (cf. note 37 Cost of sales, administrative and research & development expenses of our Annual Financial Report for the Year 2022). Even though low-value leases are not explicitly mentioned in the Disclosures Delegated Act, we have interpreted the legislation as to include these leases.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment were determined based on the maintenance and repair costs. The related cost items can be found in various line items in our Statement of Comprehensive Income, including production costs (maintenance in operations), sales and distribution costs (maintenance logistics) and administration costs (such as maintenance of IT-systems). This also includes building renovation measures.

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

- In general, this includes staff costs, costs for services and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to our PP&E.

This does not include expenditures relating to the day-to-day operation of PP&E such as: raw materials, cost of employees operating the machine, electricity or fluids that are necessary to operate PP&E. Amortization and depreciation are also not included in the OpEx KPI.

We exclude direct costs for training and other human resources adaptation needs from the denominator and the numerator. This is because Annex I to Disclosures Delegated Act lists these costs only for the numerator which does not allow a mathematically meaningful calculation of the OpEx KPI.

With regard to the numerator, we refer to the corresponding statements on the CapEx KPI.

### Further explanations

- For 2022 we have not applied any allocation key on personnel costs, related to the maintenance of our assets, due to a lack of relevant information. Our goal is to identify the proportion of these people and apply this ratio to the total of personnel cost. Such an allocation key may be possible in the future. Other production personnel costs are not included in the operating expenditure in the sense of the Taxonomy.

## Contextual Information

### CapEx KPI

#### Quantitative breakdown at the economic activity aggregated level

In FY22 our Taxonomy-aligned CapEx is associated with activities 4.1, 4.3, 4.5, 4.8, 6.14, 6.15 and 7.1. In the table below, we show a breakdown of the amounts included in the numerator.

**Table 21 – Quantitative breakdown of the CapEx numerator at economic activity-level**

| Activity | Additions to PPE | Internally generated or purchased intangibles | Right-of-use assets | Sum     |
|----------|------------------|-----------------------------------------------|---------------------|---------|
| 4.1      | 81               | 6,778                                         | 81                  | 6,940   |
| 4.3      | 202,644          | 2,678                                         | 689                 | 206,011 |
| 4.5      | 14,500           | 1,803                                         | 0                   | 16,303  |
| 4.8      | 0                | 0                                             | 0                   | 0       |
| 6.14     | 55               | 10                                            | 28                  | 93      |
| 6.15     | 2,046            | 63                                            | 4,496               | 6,605   |
| 7.1      | 659              | 0                                             | 4,405               | 5,063   |
| Total    | 219,984          | 11,332                                        | 9,699               | 241,016 |

## OpEx KPI

**Quantitative breakdown of the numerator**

Table 22 shows the breakdown of the OpEx numerator into its components based on the definition of OpEx in the Disclosure Delegated Act:

**Table 22 – Quantitative breakdown of OpEx numerator**

|                        | OpEx(TEUR)    |
|------------------------|---------------|
| R&D costs              | 6,944         |
| Non-capitalised leases | 562           |
| Maintenance and repair | 20,087        |
| <b>Total</b>           | <b>27,592</b> |

**I. Treasury Shares**

On 31.12.2021, GEK TERNA held directly and indirectly through its subsidiaries a total of 7,184,254 treasury shares, i.e., a percentage of 6.9465% of the Share Capital.

Within the year, the number of treasury shares held by the parent company increased by 512,564 shares and the number of treasury shares held by its subsidiaries increased by 599,690. Also, the number of treasury shares was reduced by 528,034 as a result of exercising part of the stock options plan of the company by the beneficiaries.

On 31.12.2022 the Company held directly or indirectly through its subsidiaries a total of 7,768,474 treasury shares, i.e. 7.5113% of the share capital. It is noted that the Company owns 5,843,244 treasury shares, the subsidiary company TERNA S.A. owns 1,308,395 treasury shares, i.e. 1.2651% of the share capital, and the subsidiary company ILIOHORA S.A. owns 616,835 treasury shares, i.e. 0.5964% of the share capital.

**Stock Option Plan of GEK TERNA Group:****1. Company's Stock Options:**

The Extraordinary General Meeting of GEK TERNA S.A. held on 09.12.2019 approved the Company's Remuneration Policy, in accordance with Articles 110 and 111 of Law 4548/2018. In the context of drawing up the Remuneration Policy, a new stock option plan (abolishing the previous one approved on 27.06.2018 by the General Meeting) was introduced to provide stock options up to the limit of 4,000,000 shares of the Company for the five-year period 2019-2023, which will address up to 20 executives. In particular, it was proposed that 50% of the stock options should be allocated to the Chief Executive Officer, 30% to senior executives and members of the Board of Directors of the Company and the companies of the Group and 20% to other executives holding managerial or general managerial positions or positions of responsibility in Group's companies. The plan will be implemented, provided that the objectives set by the BoD are fulfilled, through the issue of new shares or allocation of treasury



shares, in accordance with article 113 par. 2 of Law 4548/18. The share distribution price offered to the beneficiaries is proposed to stand at 2.00 euros per share. The Board of Directors has been authorized to determine the beneficiaries, the way the stock option is exercised as well as the rest terms of the plan and settle all the relevant regulatory issues for the implementation of the decision.

As of 20.02.2020, during the meeting of the Company's Board of Directors the sale price of the shares to the beneficiaries at the amount of 2.00 euros per share was adopted and the Board of Directors initially appointed 16 executives to be included in the Plan, as well as defined the specific terms and conditions of the plan, mainly related to the fulfillment of performance conditions, not related to the market (e.g. EBITDA of operating segments, distributions in the parent company, etc.). On 08.07.2020, at a new meeting, the Board of Directors approved further terms and conditions of the plan, related to meeting the terms and conditions of market performance (share price). At the meeting held as of 23.12.2020, the Board of Directors determined the final beneficiaries of the plan and the allocation percentage according to the proposal of the Nomination and Remuneration Committee (hereinafter "NRC").

## **2. Bonus Shares Plan of subsidiary company TERNA ENERGY I.C.S.A.**

The Extraordinary General Meeting of 16 December 2020 of TERNA ENERGY I.C.S.A. approved the distribution of up to two mn five hundred thousand (2,500,000) new shares to be issued with capitalization of share premium reserve to Executive Members of the Board of Directors and senior management of the Company due to their contribution to the achievement of financial goals, the implementation of new projects as well as to the increase of the Company's profitability within the three-year period 01.01.2021 - 31.12.2023.

The Board of Directors of the subsidiary company was authorized to further determine the group of beneficiaries, the way to exercise the respective rights and the conditions of the bonus share plan, as well as to regulate all relevant procedures for the implementation of the decision.

The Board of Directors of the subsidiary company at its meeting of 19.03.2021, in implementation of the above decision of the Extraordinary General Meeting of Shareholders, accepted the recommendation of the Nominations and Remuneration Committee regarding the Revision of the Remuneration Policy, the Revision of the Plan's Implementation Period (extension of the Plan by one year, i.e. ending on 31.12.2024 – the extension of the duration of the plan, in combination with its inclusion in the Remuneration Policy was approved by the Regular General Meeting of the subsidiary company's Shareholders on 23.06.2021), the conditions for the implementation of the Plan, as well as the Criteria – Objectives of the Plan (refer to the fulfilment of performance conditions not related to the market - namely project construction objectives, EBITDA, etc.), as well as regarding the Distribution of the shares by Criterion - Objective.

At the meeting of January 26, 2022, the Board of Directors of the subsidiary company proceeded with the selection of beneficiaries to the bonus-share distribution scheme as well as with the determination of allocation percentages in accordance with the recommendation of the Nominations and Remuneration Committee (NRC).

In order to proceed with the above Plans' measurement, the Company and the Group applied the requirements of IFRS 2 "Share-based Payments".

The data regarding the Stock Option Plan are presented below as follows.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

|             |                               |                        |                       | <b>No. Stock Options</b> |                   |
|-------------|-------------------------------|------------------------|-----------------------|--------------------------|-------------------|
| <b>Year</b> | <b>Rights Exercise Period</b> | <b>Expiration date</b> | <b>Exercise price</b> | <b>31.12.2022</b>        | <b>31.12.2021</b> |
| 2020        | 2019-2023                     | 31.12.2023             | 2 euro per            | 1,568,816                | 2,116,853         |
| 2022        | 2022-2024                     | 31.12.2024             | 0 euro per            | 2,500,000                | 0                 |

**J. Transactions with Related Parties**

The Company's and Group's transactions and balances with its related parties for the period 1.1-31.12.2022:

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

Sales-Inflows of the Company

|                                            | Participation type | Total  | Revenues from Goods/Consulting services | Revenues from administration support services | Income from leases | Income from dividends and related profits | Income from interest and related profit | Share capital reductions | Received Loans |
|--------------------------------------------|--------------------|--------|-----------------------------------------|-----------------------------------------------|--------------------|-------------------------------------------|-----------------------------------------|--------------------------|----------------|
| TERNA S.A.                                 | Subsidiary         | 4,523  | 0                                       | 1,178                                         | 390                | 0                                         | 2,956                                   | 0                        | 0              |
| TERNA ENERGY I.C.S.A.                      | Subsidiary         | 30,434 | 0                                       | 448                                           | 203                | 14,740                                    | 44                                      | 0                        | 15,000         |
| HIRON CONCESSIONS S.A.                     | Subsidiary         | 449    | 0                                       | 50                                            | 0                  | 0                                         | 0                                       | 399                      | 0              |
| IOANNINON ENTERTAINMENT DEVELOPMENT S.A.   | Subsidiary         | 77     | 0                                       | 18                                            | 18                 | 0                                         | 41                                      | 0                        | 0              |
| MONASTIRIOU TECHNICAL DEVELOPMENT S.M.S.A. | Subsidiary         | 380    | 0                                       | 0                                             | 0                  | 0                                         | 127                                     | 0                        | 253            |
| GEK SERVICES S.A.                          | Subsidiary         | 24     | 0                                       | 8                                             | 0                  | 0                                         | 16                                      | 0                        | 0              |
| ILIOHORA S.A.                              | Subsidiary         | 47     | 0                                       | 8                                             | 39                 | 0                                         | 0                                       | 0                        | 0              |
| VIPA THESSALONIKI S.A.                     | Subsidiary         | 397    | 0                                       | 0                                             | 0                  | 0                                         | 105                                     | 0                        | 291            |
| TERNA MAG S.A.                             | Subsidiary         | 33     | 0                                       | 29                                            | 0                  | 0                                         | 4                                       | 0                        | 0              |
| STROTIRES C.I.S.A.                         | Subsidiary         | 200    | 0                                       | 0                                             | 0                  | 0                                         | 0                                       | 200                      | 0              |
| NEA ODOS S.A.                              | Subsidiary         | 68,619 | 68,365                                  | 254                                           | 0                  | 0                                         | 0                                       | 0                        | 0              |
| CENTRAL GREECE MOTORWAY S.A.               | Subsidiary         | 24,324 | 24,285                                  | 39                                            | 0                  | 0                                         | 0                                       | 0                        | 0              |
| CONSTRUCTION JOINT VENTURES                | Subsidiary         | 70     | 0                                       | 69                                            | 1                  | 0                                         | 0                                       | 0                        | 0              |
| J/V CENTRAL GREECE MOTORWAY E-65           | Subsidiary         | 170    | 0                                       | 170                                           | 0                  | 0                                         | 0                                       | 0                        | 0              |
| J/V HELLAS TOLLS                           | Subsidiary         | 112    | 0                                       | 0                                             | 1                  | 111                                       | 0                                       | 0                        | 0              |
| HELLAS SMARTICKET S.A.                     | Subsidiary         | 632    | 0                                       | 2                                             | 0                  | 630                                       | 0                                       | 0                        | 0              |
| KIFISIA PLATANOU SQ. CAR PARK S.A.         | Subsidiary         | 559    | 0                                       | 2                                             | 0                  | 0                                         | 0                                       | 557                      | 0              |
| GEK TERNA MOTORWAYS S.M.S.A.               | Subsidiary         | 7,204  | 0                                       | 2                                             | 1                  | 4,611                                     | 0                                       | 2,589                    | 0              |
| GEK TERNA KASTELI S.M.S.A.                 | Subsidiary         | 24     | 0                                       | 23                                            | 1                  | 0                                         | 0                                       | 0                        | 0              |
| AVLAKI I B.V.                              | Subsidiary         | 24     | 24                                      | 0                                             | 0                  | 0                                         | 0                                       | 0                        | 0              |
| AVLAKI I B.V.                              | Subsidiary         | 24     | 24                                      | 0                                             | 0                  | 0                                         | 0                                       | 0                        | 0              |
| AVLAKI I B.V.                              | Subsidiary         | 24     | 24                                      | 0                                             | 0                  | 0                                         | 0                                       | 0                        | 0              |
| AVLAKI I B.V.                              | Subsidiary         | 24     | 24                                      | 0                                             | 0                  | 0                                         | 0                                       | 0                        | 0              |

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

|                                             |               |                |               |              |            |                |               |              |                |
|---------------------------------------------|---------------|----------------|---------------|--------------|------------|----------------|---------------|--------------|----------------|
| KASSIOPI BV                                 | Subsidiary    | 27             | 27            | 0            | 0          | 0              | 0             | 0            | 0              |
| GEK TERNA CONCESSIONS S.M.S.A.              | Subsidiary    | 92,948         | 0             | 0            | 2          | 91,500         | 1,446         | 0            | 0              |
| ENERGIAKI KAFIREOS EVIAS S.A.               | Subsidiary    | 88,283         | 0             | 0            | 0          | 0              | 2,083         | 0            | 86,200         |
| TERNA ENERGY OMALIES S.M.S.A.               | Subsidiary    | 209,528        | 0             | 0            | 0          | 0              | 4,528         | 0            | 205,000        |
| HERON ENERGY S.M.S.A.                       | Subsidiary    | 5,380          | 0             | 19           | 0          | 0              | 1,611         | 0            | 3,750          |
| HERON II VIOTIA THERMOELECTRIC STATION S.A. | Subsidiary    | 32,367         | 0             | 134          | 0          | 24,150         | 1,083         | 0            | 7,000          |
| ARGOLIKI RIVIERA S.M.S.A.                   | Subsidiary    | 11             | 0             | 0            | 1          | 0              | 10            | 0            | 0              |
| FIER THERMOELECTRIC S.H.A.                  | Subsidiary    | 19             | 19            | 0            | 0          | 0              | 0             | 0            | 0              |
| KASSIOPI REAL ESTATE S.M.S.A.               | Subsidiary    | 41             | 0             | 41           | 0          | 0              | 0             | 0            | 0              |
| THERMOELECTRIC KOMOTINIS S.A.               | Joint Venture | 103            | 0             | 103          | 0          | 0              | 0             | 0            | 0              |
| EKAZ HELLINIKON S.A.                        | Joint Venture | 335            | 0             | 334          | 1          | 0              | 0             | 0            | 0              |
| AG. NIKOLAOS PIRAEUS CAR PARK S.A.          | Joint Venture | 24             | 0             | 12           | 12         | 0              | 0             | 0            | 0              |
| PARKING OUIL S.A.                           | Joint Venture | 60             | 0             | 0            | 0          | 60             | 0             | 0            | 0              |
| POLIS PARK S.A.                             | Joint Venture | 4              | 0             | 0            | 0          | 0              | 4             | 0            | 0              |
| KEKROPS S.A.                                | Associate     | 41             | 0             | 0            | 0          | 0              | 41            | 0            | 0              |
|                                             |               | <b>567,547</b> | <b>92,794</b> | <b>2,942</b> | <b>671</b> | <b>135,803</b> | <b>14,099</b> | <b>3,744</b> | <b>317,495</b> |

### Company's Receivables

|                                            | Participation type | Total  | From revenue | From Loans and Interest | From Dividends and related earnings | From share capital reductions |
|--------------------------------------------|--------------------|--------|--------------|-------------------------|-------------------------------------|-------------------------------|
| TERNA S.A.                                 | Subsidiary         | 97,224 | 4,029        | 93,196                  | 0                                   | 0                             |
| TERNA ENERGY I.C.S.A.                      | Subsidiary         | 583    | 583          | 0                       | 0                                   | 0                             |
| HIRON CONCESSIONS S.A.                     | Subsidiary         | 7      | 7            | 0                       | 0                                   | 0                             |
| IOANNINON ENTERTAINMENT DEVELOPMENT S.A.   | Subsidiary         | 558    | 7            | 550                     | 0                                   | 0                             |
| MONASTIRIOU TECHNICAL DEVELOPMENT S.M.S.A. | Subsidiary         | 3,007  | 0            | 3,007                   | 0                                   | 0                             |
| GEK SERVICES S.A.                          | Subsidiary         | 368    | 0            | 368                     | 0                                   | 0                             |
| ILIOHORA S.A.                              | Subsidiary         | 20     | 20           | 0                       | 0                                   | 0                             |

# **GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

|                                             |               |                |                |                |           |          |
|---------------------------------------------|---------------|----------------|----------------|----------------|-----------|----------|
| VIPA THESSALONIKI S.A.                      | Subsidiary    | <b>2,705</b>   | 0              | 2,705          | 0         | 0        |
| TERNA MAG S.A.                              | Subsidiary    | <b>184</b>     | 55             | 130            | 0         | 0        |
| NEA ODOS S.A.                               | Subsidiary    | <b>11,544</b>  | 11,544         | 0              | 0         | 0        |
| CENTRAL GREECE MOTORWAY S.A.                | Subsidiary    | <b>3,396</b>   | 3,396          | 0              | 0         | 0        |
| CONSTRUCTION JOINT VENTURES                 | Subsidiary    | <b>6,104</b>   | 70             | 6,034          | 0         | 0        |
| J/V CENTRAL GREECE MOTORWAY E-65            | Subsidiary    | <b>252</b>     | 252            | 0              | 0         | 0        |
| J/V HELLAS TOLLS                            | Subsidiary    | <b>73</b>      | 73             | 0              | 0         | 0        |
| KIFISIA PLATANOU SQ. CAR PARK S.A.          | Subsidiary    | <b>2</b>       | 2              | 0              | 0         | 0        |
| GEK TERNA MOTORWAYS S.M.S.A.                | Subsidiary    | <b>4</b>       | 4              | 0              | 0         | 0        |
| GEK TERNA KASTELI S.M.S.A.                  | Subsidiary    | <b>29</b>      | 29             | 0              | 0         | 0        |
| AVLAKI I B.V.                               | Subsidiary    | <b>109</b>     | 109            | 0              | 0         | 0        |
| AVLAKI I B.V.                               | Subsidiary    | <b>109</b>     | 109            | 0              | 0         | 0        |
| AVLAKI I B.V.                               | Subsidiary    | <b>110</b>     | 110            | 0              | 0         | 0        |
| AVLAKI I B.V.                               | Subsidiary    | <b>112</b>     | 112            | 0              | 0         | 0        |
| KASSIOPI REAL ESTATE S.M.S.A.               | Subsidiary    | <b>158</b>     | 158            | 0              | 0         | 0        |
| GEK TERNA FTHIOTIDAS S.M.S.A.               | Subsidiary    | <b>0</b>       | 0              | 0              | 0         | 0        |
| GEK TERNA CONCESSIONS S.M.S.A.              | Subsidiary    | <b>134,526</b> | 81,514         | 53,012         | 0         | 0        |
| HERON ENERGY S.M.S.A.                       | Subsidiary    | <b>41,277</b>  | 27             | 41,250         | 0         | 0        |
| HERON II VIOTIA THERMOELECTRIC STATION S.A. | Subsidiary    | <b>27,553</b>  | 33             | 27,520         | 0         | 0        |
| ARGOLIKI RIVIERA S.M.S.A.                   | Subsidiary    | <b>1,012</b>   | 2              | 1,010          | 0         | 0        |
| FIER THERMOELECTRIC S.H.A.                  | Subsidiary    | <b>19</b>      | 19             | 0              | 0         | 0        |
| EKAZ HELLINIKON S.A.                        | Joint Venture | <b>380</b>     | 380            | 0              | 0         | 0        |
| AG. NIKOLAOS PIRAEUS CAR PARK S.A.          | Joint Venture | <b>5</b>       | 5              | 0              | 0         | 0        |
| PARKING OUIL S.A.                           | Joint Venture | <b>50</b>      | 0              | 0              | 50        | 0        |
| POLIS PARK S.A.                             | Joint Venture | <b>75</b>      | 0              | 75             | 0         | 0        |
| THERMOELECTRIC KOMOTINIS S.A.               | Joint Venture | <b>40</b>      | 40             | 0              | 0         | 0        |
| KEKROPS S.A.                                | Associate     | <b>891</b>     | 0              | 891            | 0         | 0        |
|                                             |               | <b>332,484</b> | <b>102,686</b> | <b>229,748</b> | <b>50</b> | <b>0</b> |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

Purchases - Company's Outflows

|                                | Participation type | Total          | Purchases of goods | Revenues from Consulting services | Purchases of administrative services | Lease expenses | Interest expenses | Share capital increases | Granted Loans  |
|--------------------------------|--------------------|----------------|--------------------|-----------------------------------|--------------------------------------|----------------|-------------------|-------------------------|----------------|
| GEK SERVICES S.A.              | Subsidiary         | 1,660          | 0                  | 1,660                             | 0                                    | 0              | 0                 | 0                       | 0              |
| TERNA S.A.                     | Subsidiary         | 26,736         | 25,355             | 1,351                             | 0                                    | 30             | 0                 | 0                       | 0              |
| TERNA ENERGY I.C.S.A.          | Subsidiary         | 15,000         | 0                  | 0                                 | 0                                    | 0              | 0                 | 0                       | 15,000         |
| VIPA THESSALONIKI S.A.         | Subsidiary         | 500            | 0                  | 0                                 | 0                                    | 0              | 0                 | 500                     | 0              |
| NEA ODOS S.A.                  | Subsidiary         | 7,984          | 7,984              | 0                                 | 0                                    | 0              | 0                 | 0                       | 0              |
| CENTRAL GREECE MOTORWAY S.A.   | Subsidiary         | 1,768          | 1,768              | 0                                 | 0                                    | 0              | 0                 | 0                       | 0              |
| GEK TERNA MOTORWAYS S.M.S.A.   | Subsidiary         | 197            | 0                  | 0                                 | 0                                    | 0              | 197               | 0                       | 0              |
| GEK TERNA CONCESSIONS S.M.S.A. | Subsidiary         | 78,125         | 0                  | 0                                 | 0                                    | 0              | 0                 | 63,125                  | 15,000         |
| ENERGIAKI KAFIREOS EVIAS S.A.  | Subsidiary         | 36,200         | 0                  | 0                                 | 0                                    | 0              | 0                 | 0                       | 36,200         |
| TERNA ENERGY OMALIES S.M.S.A.  | Subsidiary         | 115,000        | 0                  | 0                                 | 0                                    | 0              | 0                 | 0                       | 115,000        |
| HERON ENERGY S.M.S.A.          | Subsidiary         | 75,100         | 165                | 0                                 | 0                                    | 0              | 0                 | 29,935                  | 45,000         |
| ARGOLIKI RIVIERA S.M.S.A.      | Subsidiary         | 28,000         | 0                  | 0                                 | 0                                    | 0              | 0                 | 27,000                  | 1,000          |
| KASSIOPI BV                    | Subsidiary         | 3              | 0                  | 0                                 | 0                                    | 0              | 0                 | 3                       | 0              |
| FIER THERMOELECTRIC S.H.A.     | Subsidiary         | 261            | 0                  | 0                                 | 0                                    | 0              | 0                 | 261                     | 0              |
| KASSIOPI REAL ESTATE S.M.S.A.  | Subsidiary         | 51             | 0                  | 0                                 | 0                                    | 0              | 0                 | 51                      | 0              |
| MGGR LLC                       | Subsidiary         | 2,250          | 0                  | 0                                 | 0                                    | 0              | 0                 | 2,250                   | 0              |
| EKAZ HELLINIKON S.A.           | Joint Venture      | 5,600          | 0                  | 0                                 | 0                                    | 0              | 0                 | 5,600                   | 0              |
| MGE HELLINIKON B.V.            | Joint Venture      | 8,170          | 0                  | 0                                 | 0                                    | 0              | 0                 | 8,170                   | 0              |
| SARISA YPO-PARACHORISI S.A.    | Joint Venture      | 878            | 0                  | 0                                 | 0                                    | 0              | 0                 | 878                     | 0              |
|                                |                    | <b>403,482</b> | <b>35,273</b>      | <b>3,011</b>                      | <b>0</b>                             | <b>30</b>      | <b>197</b>        | <b>137,772</b>          | <b>227,200</b> |

## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

### Company's Liabilities

|                              | Participation type | Total         | From purchases | From Loan and interest | From dividends and Joint-Ventures results | From share capital increases |
|------------------------------|--------------------|---------------|----------------|------------------------|-------------------------------------------|------------------------------|
| GEK SERVICES S.A.            | Subsidiary         | 325           | 325            | 0                      | 0                                         | 0                            |
| TERNA S.A.                   | Subsidiary         | 10,870        | 10,870         | 0                      | 0                                         | 0                            |
| TERNA ENERGY C.I.S.A.        | Subsidiary         | 135           | 135            | 0                      | 0                                         | 0                            |
| CHIRON CONCESSIONS S.A.      | Subsidiary         | 1             | 1              | 0                      | 0                                         | 0                            |
| NEA ODOS S.A.                | Subsidiary         | 5,457         | 5,457          | 0                      | 0                                         | 0                            |
| CENTRAL GREECE MOTORWAY S.A. | Subsidiary         | 1,851         | 1,851          | 0                      | 0                                         | 0                            |
| GEK TERNA MOTORWAYS S.M.S.A. | Subsidiary         | 6,467         | 0              | 6,467                  | 0                                         | 0                            |
| HERON ENERGY S.M.S.A.        | Subsidiary         | 28            | 28             | 0                      | 0                                         | 0                            |
|                              |                    | <b>25,134</b> | <b>18,667</b>  | <b>6,467</b>           | <b>0</b>                                  | <b>0</b>                     |

### Sales - Inflows of the Group

|                                                          | Participation type | Total          | Revenues from Goods/Consulting services | Revenues from administration support services | Income from leases | Income from dividends and related profits | Income from interest and related profit | Share capital reductions | Received Loans |
|----------------------------------------------------------|--------------------|----------------|-----------------------------------------|-----------------------------------------------|--------------------|-------------------------------------------|-----------------------------------------|--------------------------|----------------|
| INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. | Joint Venture      | 42,262         | 42,115                                  | 90                                            | 57                 | 0                                         | 0                                       | 0                        | 0              |
| AG. NIKOLAOS PIRAEUS CAR PARK S.A.                       | Joint Venture      | 24             | 0                                       | 12                                            | 12                 | 0                                         | 0                                       | 0                        | 0              |
| POLIS PARK S.A.                                          | Joint Venture      | 4              | 0                                       | 0                                             | 0                  | 0                                         | 4                                       | 0                        | 0              |
| PARKING OUIL S.A.                                        | Joint Venture      | 60             | 0                                       | 0                                             | 0                  | 60                                        | 0                                       | 0                        | 0              |
| THERMOELECTRIC KOMOTINIS S.A.                            | Joint Venture      | 113,718        | 111,953                                 | 275                                           | 2                  | 0                                         | 1,489                                   | 0                        | 0              |
| EKAZ HELLINIKON S.A.                                     | Joint Venture      | 349            | 0                                       | 334                                           | 15                 | 0                                         | 0                                       | 0                        | 0              |
| KEKROPS S.A.                                             | Associate          | 41             | 0                                       | 0                                             | 0                  | 0                                         | 41                                      | 0                        | 0              |
|                                                          |                    | <b>156,458</b> | <b>154,068</b>                          | <b>711</b>                                    | <b>86</b>          | <b>60</b>                                 | <b>1,533</b>                            | <b>0</b>                 | <b>0</b>       |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

Receivables of the Group

|                                                          | Participation type | Total         | From revenue  | From Loan and interest | From dividends and Joint-Ventures results | Share capital reductions |
|----------------------------------------------------------|--------------------|---------------|---------------|------------------------|-------------------------------------------|--------------------------|
| INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. | Joint Venture      | 1,029         | 1,029         | 0                      | 0                                         | 0                        |
| AG. NIKOLAOS PIRAEUS CAR PARK S.A.                       | Joint Venture      | 5             | 5             | 0                      | 0                                         | 0                        |
| PARKING OUIL S.A.                                        | Joint Venture      | 50            | 0             | 0                      | 50                                        | 0                        |
| THERMOELECTRIC KOMOTINIS S.A.                            | Joint Venture      | 70,384        | 17,323        | 53,061                 | 0                                         | 0                        |
| EKAZ HELLINIKON S.A.                                     | Joint Venture      | 397           | 397           | 0                      | 0                                         | 0                        |
| POLIS PARK S.A.                                          | Joint Venture      | 75            | 0             | 75                     | 0                                         | 0                        |
| KEKROPS S.A.                                             | Associate          | 891           | 0             | 891                    | 0                                         | 0                        |
|                                                          |                    | <b>72,830</b> | <b>18,754</b> | <b>54,026</b>          | <b>50</b>                                 | <b>0</b>                 |

Purchases - Outflows of the Group

|                                                          | Participation type | Total         | Purchases of goods | Revenues from Consulting services | Lease expenses | Share capital increases | Granted Loans |
|----------------------------------------------------------|--------------------|---------------|--------------------|-----------------------------------|----------------|-------------------------|---------------|
| INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. | Joint Venture      | 61,065        | 0                  | 285                               | 0              | 60,780                  | 0             |
| THERMOELECTRIC KOMOTINIS S.A.                            | Joint Venture      | 15,000        | 0                  | 0                                 | 0              | 0                       | 15,000        |
| EKAZ HELLINIKON S.A.                                     | Joint Venture      | 5,600         | 0                  | 0                                 | 0              | 5,600                   | 0             |
| MGE HELLINIKON B.V.                                      | Joint Venture      | 8,170         | 0                  | 0                                 | 0              | 8,170                   | 0             |
| SARISA YPO-PARACHORISI S.A.                              | Joint Venture      | 878           | 0                  | 0                                 | 0              | 878                     | 0             |
|                                                          |                    | <b>90,712</b> | <b>0</b>           | <b>285</b>                        | <b>0</b>       | <b>75,428</b>           | <b>15,000</b> |



**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)*Liabilities of the Group

|                                                             | <b>Participation<br/>type</b> | <b>Total</b>  | <b>From Purchases and<br/>Advances</b> | <b>From Loan and<br/>interest</b> |
|-------------------------------------------------------------|-------------------------------|---------------|----------------------------------------|-----------------------------------|
| INTERNATIONAL AIRPORT OF HERAKLION<br>CRETE CONCESSION S.A. | Joint Venture                 | <b>91,755</b> | 91,755                                 | 0                                 |
| ATTIKAT T.S.A.                                              | Associate                     | <b>6</b>      | 6                                      | 0                                 |
|                                                             |                               | <b>91,760</b> | <b>91,760</b>                          | <b>0</b>                          |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

The remuneration of members of the Board of Directors and senior executives of the Group and the Company recognized for the year 2022 as well as the relevant balances on 31.12.2022, are as follows:

|                                                  | <b>GROUP</b>               |                            | <b>COMPANY</b>             |                            |
|--------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                  | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> |
| Remuneration for services rendered               | 5,644                      | 4,396                      | 926                        | 584                        |
| Remuneration of employees                        | 1,843                      | 1,300                      | 756                        | 371                        |
| Remuneration for participation in Board meetings | 2,622                      | 2,157                      | 1,252                      | 995                        |
| Stock options expense                            | 50,725                     | 8,041                      | 1,584                      | 6,432                      |
| <b>Total</b>                                     | <b>60,834</b>              | <b>15,894</b>              | <b>4,518</b>               | <b>8,382</b>               |
|                                                  |                            |                            |                            |                            |
|                                                  | <b>31.12.2022</b>          | <b>31.12.2021</b>          | <b>31.12.2022</b>          | <b>31.12.2021</b>          |
| Liabilities                                      | 293                        | 103                        | 228                        | 101                        |
| Receivables                                      | 72                         | 11                         | 11                         | 0                          |

## **CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement is prepared pursuant to 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 the entirety of its activities and operations all established rules and procedures by legislative, supervisory and other competent authorities without derogations. In addition, it has adopted internal rules and business practices that contribute to the compliance with the principles of transparency, professional ethics and sound managing of all resources of the Company at every level of its hierarchy for the benefit of its shareholders and related parties.

The Company has adopted the Hellenic Corporate Governance Code ("HCGC") of the Hellenic Corporate Governance Council, as revised in 2021 and in force, with the deviations listed in a table below with an explanation of the reasons for non-compliance. The HCGC can be found at the following e-mail address <https://www.esed.org.gr/web/guest/code-listed>. With the application of the HCGC and the individual thematic regulations, the Management ensures the effective management and utilization of the Company's resources and promotes corporate responsibility as a key value of the Group's development.

#### **Deviations from the HCGC and explanation of the reasons for non-compliance**

| <b>Passage</b> | <b>HCGC text</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Explanation</b>                                                                                                                                                                                                                                                                                         |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.4.7          | The Chairman of the Board of Directors may be a member of the Remuneration Committee, but may not chair it unless he is independent. In case the Chairman of the Board of Directors is a member of the remuneration committee, he/she may not participate in the determination of his/her remuneration. The member of the committee to be appointed as its Chairman must have served on the committee as a member for at least one year, unless the committee has not been established or operated in the previous year. | The Remuneration Committee first operated as an independent committee in 2021. The Chairman of the Remuneration Committee, having served for many years and a member, meets the necessary requirements and as a member of the Audit Committee was assessed to have the necessary experience for this role. |
| 2.4.13.        | The maturity of options rights shall be set at an interval of not less than three (3) years from the date of their issue to the executive members of the Board of Directors.                                                                                                                                                                                                                                                                                                                                             | The remuneration policy includes the stock option plan approved by the General Assembly of 2019, with a potential maturity period of less than three (3) years.                                                                                                                                            |

## **1.2. Internal Rules of Operation**

The Company has Internal Rules of Operation ("IRO"), which were approved and entered into force by virtue of the decision of the Company's Board of Directors dated 16.07.2021. The IRO were updated by virtue of the decision of the Board of Directors of the Company dated 30.03.2022. The IRO comply with the applicable legislation on corporate governance and in particular with Law 4706/2020, as well as the relevant directives and decisions of the Hellenic Capital Market Commission. The Company's Internal Rules of Operation have the minimum content provided for in article 14 of Law 4706/2020.

The IRO and other regulations incorporate any new relevant provision, measure, rule, etc. to maintain the required completeness and adapt immediately to the varying conditions of the economic, social and business environment of the Company.

## **2. Board of Directors**

The Board of Directors of the Company formulates the vision of the Group, defines its development strategy and ensures its effective implementation, aiming at safeguarding and promoting the long-term interests of its Shareholders.

In order to ensure transparency and effective management of business risks, the Board of Directors, through the Committees it has established, facilitates its communication with the competent managers on a daily basis in order to gain an immediate understanding of these risks and to proceed promptly and dynamically to make the required decisions and corrective measures.

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

The Board of Directors, as a collective body, runs the Company and manages its affairs, making the necessary decisions on all matters falling within its duties under the Company's Articles of Association, the decisions of the General Assembly and the relevant legislation. It is responsible towards the General Assembly of Shareholders for safeguarding their interests and for the overall efficiency and operation of the Company. It decides on all corporate affairs, except those for which, according to the legal framework and the Articles of Association of the Company, the General Assembly of Shareholders is competent.

In particular, within the scope of its responsibilities of the Board of Directors:

### **Convening of General Assemblies**

It takes all actions for the legal convening of the General Assemblies (regular or extraordinary) and determines the items on their agenda. It answers to the shareholders of the Company and submits proposals for the increase or decrease of the share capital, for the conversion of the Company, as well as for its dissolution before the expiration of its term provided for in the Articles of Association.

### **Corporate governance**

- Defines and supervises the implementation of the corporate governance system as per articles 1 to 24 of Law 4706/2020.
- Monitors and evaluates at least every three (3) financial years the implementation and effectiveness of the corporate governance system and takes appropriate actions to address deficiencies.
- Takes the necessary measures to ensure compliance with the independence requirements for the

independent non-executive members of the BoD.

**Strategic planning**

- Defines the values and strategic orientation of the Company, as well as the continuous monitoring of their observance.
- Ensures that the Company's values and strategic orientation are aligned with corporate culture, as the Company's values and purpose influence practices, policies and behaviors within the Company at all levels.
- Monitors the progress of the implementation of strategic directions and objectives and ensures the availability of the necessary resources.
- Decides the entry of the Company into other fields of activity through the acquisition or establishment of companies.

**Financial statements**

Approves the annual and the interim half-yearly financial statements and annual reports in accordance with the applicable provisions of Law 4548/2018 and Law 3556/2007. The annual financial statements are submitted to the ordinary General Assembly for approval. At the same time, it proposes the depreciation to be made on installation expenses, the necessary deductions for the statutory reserve, ensures that the annual financial statements, the annual management report and the corporate governance statement, the consolidated financial statements, the consolidated management reports and any 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, ensures the publication provided for in articles 12 and 13 of Law 4548/2018 as in force.

**Internal Audit System**

- Ensures the adequate and effective operation of the Company's Internal Audit System, including the risk management system and compliance.
- Ensures that the functions that constitute the Internal Audit System are independent from the business areas they audit and that they have the appropriate financial and human resources, as well as the powers for their effective operation, in accordance with their role. The baselines of reference and the allocation of responsibilities shall be clear and duly documented.

**Risk management**

Identifies the Company's risks and their nature and determines the extent of the Company's exposure to the risks it intends to take in relation to its long-term strategic objectives. Ensures the existence of policies to identify, prevent and address conflicts of interest among its Members or between its Members and/or persons to whom the Board of Directors has delegated its powers, with the interests of the Company. The policy is based on clear procedures, which define how to promptly and fully disclose to the Board of Directors any interests in transactions between related parties or other potential conflict of interest with the Company or its subsidiaries. Measures and procedures shall be evaluated and renewed with a view to ensuring their effectiveness.

**Regulatory compliance**

- Ensures that a regulatory compliance policy is in place.
- Ensures the Company's compliance with the applicable institutional and supervisory framework, as well as the internal regulations governing the Company's operation.

**Internal audit**

- Ensures the effective organization and operation of the Internal Audit Unit.
- Appoints the head of the Internal Audit Unit upon proposal of the Audit Committee.
- Approves the Rules of Operation of the Internal Audit Unit.

The Board of Directors of the Company was elected by the Annual General Assembly on 01.07.2021. At the same Assembly, the term of office of the members of the Board of Directors became four years.

It was constituted into body corporate on 01.07.2021 as a 13-member Board of Directors and on 19.07.2021, in accordance with the approved amendment of article 16 of the Company's Articles of Association which increased the maximum number of members of the Board of Directors to 15 members, it was reconstituted into body as a 15-member Board of Directors (and was further reconstituted into body corporate on 30.11.2022) as follows:

**2.1. Composition of the Board of Directors**

|    | <b>FULL NAME</b>     | <b>POSITION</b>                                                              | <b>BEGINNING OF TERM OF OFFICE</b> | <b>END OF TERM OF OFFICE</b> |
|----|----------------------|------------------------------------------------------------------------------|------------------------------------|------------------------------|
| 1  | Peristeris Georgios  | Chairman and CEO                                                             | 1.7.2021                           | 1.7.2025                     |
| 2  | Tamvakakis Apostolos | Vice-Chairman, Independent Non-Executive Member, Senior Independent Director | 1.7.2021                           | 1.7.2025                     |
| 3  | Gourzis Michael      | Vice-Chairman, Executive Member                                              | 1.7.2021                           | 1.7.2025                     |
| 4  | Lazaridou Penelope   | Executive Director, Executive Member                                         | 1.7.2021                           | 1.7.2025                     |
| 5  | Benopoulos Angelos   | Executive Director, Executive Member                                         | 1.7.2021                           | 1.7.2025                     |
| 6  | Antonakos Dimitrios  | Executive Member                                                             | 1.7.2021                           | 1.7.2025                     |
| 7  | Lambrou Konstantinos | Executive Member                                                             | 19.7.2021                          | 1.7.2025                     |
| 8  | Moustakas Emmanouil  | Executive Member                                                             | 1.7.2021                           | 1.7.2025                     |
| 9  | Souretis Petros *    | Executive Member                                                             | 30.11.2022                         | 1.7.2025                     |
| 10 | Afentoulis Dimitrios | Non-Executive Member                                                         | 1.7.2021                           | 1.7.2025                     |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

|    | <b>FULL NAME</b>     | <b>POSITION</b>                  | <b>BEGINNING OF<br/>TERM OF OFFICE</b> | <b>END OF TERM<br/>OF OFFICE</b> |
|----|----------------------|----------------------------------|----------------------------------------|----------------------------------|
| 11 | Apkarian Gagik       | Independent Non-Executive Member | 1.7.2021                               | 1.7.2025                         |
| 12 | Delikoura Aikaterini | Independent Non-Executive Member | 1.7.2021                               | 1.7.2025                         |
| 13 | Capralos Spyridon    | Independent Non-Executive Member | 1.7.2021                               | 1.7.2025                         |
| 14 | Skordas Athanasios   | Independent Non-Executive Member | 19.7.2021                              | 1.7.2025                         |
| 15 | Staikou Sofia        | Independent Non-Executive Member | 1.7.2021                               | 1.7.2025                         |

*\* replaced Mr. Perdikaris Georgios (term of office 01.07.2021-30.11.2022).*

During the exercise of their duties and their meetings in 2022, the Members of the Board of Directors demonstrated "prudent business diligence", devoted all the time required for the effective management of the Company and acted with integrity, responsibility and good judgment, avoiding actions that could jeopardize the Company's competitiveness or conflict with its interests. They also safeguarded the confidentiality of the information they held and ensured the timely and simultaneous provision of information to all shareholders and interested investors on issues that could affect their decision to carry out any transaction on the Company's shares.

The Board of Directors held eighteen (18) meetings in 2022.

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

The members of the Board of Directors participated in the meetings as follows:

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| FULL NAME             | NUMBER OF MEETINGS DURING THE HIS/HER TERM OF OFFICE | NUMBER OF MEETINGS ATTENDED | NUMBER OF MEETINGS REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED | ATTENDANCE AT MEETINGS |
|-----------------------|------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------------|
| Peristeris Georgios   | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Tamvakakis Apostolos  | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Gourzis Michael       | 18                                                   | 17                          | 1                              | -                                             | 100%                   |
| Lazaridou Penelope    | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Benopoulos Angelos    | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Antonakos Dimitrios   | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Lambrou Konstantinos  | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Moustakas Emmanouil   | 18                                                   | 17                          | 1                              | -                                             | 100%                   |
| Perdikaris Georgios** | 17                                                   | 17                          | -                              | 1                                             | 100%                   |
| Afentoulis Dimitrios  | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Apkarian Gagik        | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Delikoura Aikaterini  | 18                                                   | 17                          | 1                              | -                                             | 100%                   |
| Capralos Spyridon     | 18                                                   | 17                          | 1                              | -                                             | 100%                   |
| Skordas Athanasios    | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Staikou Sofia         | 18                                                   | 18                          | -                              | -                                             | 100%                   |
| Souretis Petros*      | 1                                                    | 1                           | -                              | -                                             | 100%                   |

\* Member of the Board of Directors of GEK TERNA since 30.11.2022

\*\* Member of the Board of Directors of GEK TERNA until 30.11.2022

During the meetings and works of the Board of Directors, the Members were supported by the Corporate Secretary Mrs. Dimitra Chatziarseniou.



**Chairman of the Board of Directors**

The Chairman is the main contributor to the implementation of the Corporate Governance Principles in the Company, being responsible, inter alia, for the effective operation of the Board of Directors and the active participation of all its members in decision making and supervising the implementation of business decisions, as well as for the smooth communication of the Company with its shareholders.

The responsibilities of the Chairman of the Board include:

- The coordination and direction of the meetings and the operation of the Board of Directors in general. The Chairman presides over the meetings of the Board, directs its works, is responsible for convening the meetings, ensuring the good organization of the works of the Board, but also the effective conduct of its meetings.
- The preparation of the agenda of the meetings of the Board of Directors with the support of the Corporate Secretary, based on the needs of the Company and relevant requests from the other Members of the Board of Directors.
- Ensuring effective coordination and unhindered communication among all members of the Board of Directors, as well as between the Company and shareholders – investors so that all Board Members are fully informed about both the internal evaluation of its operation and effectiveness, as well as its image in its directly related and wider external environment.
- Ensuring that the above communication is based on timely, clear and reliable information to the members of the Board of Directors on all activities and operations of the Company.
- Ensuring the smooth integration of other members into the Board of Directors and motivating them to have active and meaningful participation in corporate affairs and business decision-making.
- The diligence and responsibility for evaluating the effectiveness of the Board of Directors as well as the Committees that support its work and the proposal of improvement measures in case of identified weaknesses.

**Chief Executive Officer**

The Chief Executive Officer is the main contributor to the implementation of the Company's policies and strategy. He is responsible for the elaboration and submission of the relevant recommendations to the Board of Directors and the decision-making on issues for which he has been authorized by the Board.

His duties include:

- The supervision of the Company's business and financial policy.
- The proposal to the Board of Directors for the development of the Company's actions in new sectors of activity and markets.
- The participation, as a Member of the Board of Directors, in the strategic decisions of the Company and the suggestion of the guidelines of the strategic and operational planning of the Company.

- The review of the Company's annual budget and the submission of a relevant proposal to the Board of Directors.
- The review of new business plans and investment plans of the Group's companies with the cooperation of the heads of business units and the General Division of Business Development.
- The review of the implementation of the business plans, investment plans and budgets of the Group's companies.
- The establishment and termination of Managing Committees that assist its work.
- The management and coordination of the Company's personnel having the main responsibility for the selection, appointment and periodic evaluation of its general managers and executive managers based on meritocratic criteria and the degree of effectiveness in their duties and the objectives they undertake to achieve. Optionally and at his discretion, he may also recommend to the Board of Directors hiring of executive managers for important positions, the selection and recruitment of whom will be decided by the Board.
- Ensuring the implementation of uniform policies on issues concerning all Group companies.
- Regular communication with the Heads of business units, executive, central and other support functions to provide guidelines, coordinate actions, resolve issues and review the implementation of their business plans and action plans.
- The constant communication with the Company's executives and the responsibility for the management of corporate affairs, in accordance with the Legislation, the Articles of Association, the Corporate Governance Code, the Code of Conduct, the Internal Rules of Operation and the decisions of the Company's Board of Directors.
- The assignment of all or part of the organizational and operational responsibilities of executive or central and support services provided by the Law and the Articles of Association and/or activities to bodies or managers of the Company or its affiliated companies of the Group.
- The control of the day-to-day operations of the Company and the supervision of how each unit performs its duties.
- The specific responsibilities defined in the Internal Rules of Operation.
- The monitoring and answering to the General Assembly of shareholders about the financial results and profitability of the Company as a whole and per activity.
- The responsibility of representing the Company at the General Assembly of the shareholders of each affiliated company by himself or through a representative.
- The representation of the Company in its relations with Government and other Public Authorities.

Chairman of the Board of Directors and CEO of the Company is Mr. George Peristeris.

**Vice-Chairman of the Board of Directors (Lead Independent Director)**

The Independent Non-Executive Vice-Chairman of the Board of Directors stands in for the Chairman when he is absent or unavailable. He also chairs the meetings of the non-executive members of the

Board of Directors and monitors and ensures smooth and effective communication between the Committees of the Board of Directors and the Board of Directors itself. He coordinates the non-executive members of the Board of Directors, including independent members, in fulfilling their obligations. He is available and attends the General Assemblies of the Company's Shareholders in order to discuss with them corporate governance issues, if they arise.

Independent non-executive Vice-Chairman of the Board of Directors and Head of the Independent and Non-Executive Members is Mr. Apostolos Tamvakakis.

### **Executive Vice-Chairman of the Board of Directors**

The Executive Vice-Chairman of the Board of Directors may exercise administrative responsibilities, as assigned by the Board of Directors.

Executive Vice Chairman of the Board of Directors is Mr. Michael Gourzis.

### **Executive Directors**

The Executive Directors are Members of the Board of Directors, appointed by the Board of Directors and their status is not incompatible with any other managerial position. They are senior managers of the Company, with distinguished responsibilities and report to the CEO.

The Executive Directors, within the framework of their administrative responsibilities following a relevant decision of the Board of Directors, may undertake any specific responsibility and to the extent of responsibilities assigned to them by the BoD.

Executive Directors are Mrs. Penelope Lazaridou and Mr. Angelos Benopoulos, who jointly represent and bind the company towards any person or legal entity, Private or Public, the Greek State, the Banks as well as generally towards any person and any Authority, domestic or foreign, throughout its activity.

### **Independent non-executive members of the Board of Directors**

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

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

| <b>Name</b>          | <b>Independence criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tamvakakis Apostolos | The other members meet (a) the independence criteria of para. 1 of article 9 of Law 4706/2020, i.e. they do not hold shares in more than 0.5% of the Company's share capital and (b) they do not have any relationship of dependence with the Company or related persons, as these conditions of independence are described in particular on the one hand in article 4 par. 1 of Law 3016/2002 (Government Gazette A' 110/17.05.2002), which remains in force until 17.07.2021, and on the other hand in article 9 par. 2 of Law 4706/2020 (Government Gazette A' 136/17.07.2020). Moreover, members also meet the criteria of the Suitability Policy. |
| Apkarian Gagik       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Delikoura Aikaterini |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Capralos Spyridon    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Skordas Athanasios   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Staikou Sofia        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

The Board of Directors at its meeting on 26.04.2023, following the recommendation of the Nominations Committee, reviewed the fulfilment of the independence criteria provided for in article 9 of Law 4706/2020, in accordance with the specific provisions of the relevant Minutes of the meeting. During this process, it was found that Mr. Apostolos Tamvakakis, Independent Non-Executive Vice Chairman of the BoD and Lead Independent Director, Chairman of the Audit Committee and the Nominations Committee, as well as Member of the Remuneration Committee and the Strategic Planning Committee, has ceased to meet the independence criteria as defined in article 9 par. 1 of Law 4706/2020, as he has served as a member of the Board of Directors of the Company for more than nine (9) financial years.

As the remaining independent members of the Board of Directors are five (5), it was confirmed that the current composition of the Board of Directors continues to meet the relevant requirements of the legislation regarding the minimum number of independent members and the Board of Directors was reconstituted into a body with Mr. Tamvakakis becoming non-executive Vice Chairman and Mr. Spyridon Capralos being appointed as Head of the independent members (Lead Independent Director).

Regarding the composition of the Audit Committee, in which Mr. Tamvakakis participates, it was found that it meets the requirements of legal composition in accordance with law 4706/2020 and its approved Rules of Procedure, which provide for at least a three-member committee, in which the majority of members are independent, but does not have the composition with which this committee was elected by the General Assembly of 01.07.2021 (mixed four-member committee with members of the Board of Directors and third parties). Due to the fact that the term of office of the Audit Committee expires on 30.06.2023, it was decided that the Audit Committee will continue its work with the remaining three (3) members, chaired by the independent non-executive member of the BoD, Mr. Spyridon Capralos, until the next Annual General Assembly of the Company, which will elect a new Audit Committee, for the composition of which the Nomination Committee will duly make a recommendation to the BoD.

## 2.2. Number of shares held by the members of the Board of Directors and the Company's Managers

| FULL NAME            | NUMBER OF SHARES HELD IN GEK TERNA AS AT 31.12.2022 | PERCENTAGE OF SHARES HELD IN GEK TERNA AS AT 31.12.2022 |
|----------------------|-----------------------------------------------------|---------------------------------------------------------|
| Peristeris Georgios  | 31,493,515*                                         | 30.451 %*                                               |
| Tamvakakis Apostolos | -                                                   | -                                                       |
| Gourzis Michail      | 643,892                                             | 0.623 %                                                 |
| Lazaridou Penelope   | 121,683                                             | 0.118 %                                                 |
| Benopoulos Angelos   | 352,609                                             | 0.341 %                                                 |
| Antonakos Dimitrios  | 447,405                                             | 0.433 %                                                 |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>FULL NAME</b>       | <b>NUMBER OF SHARES HELD IN GEK TERNA AS AT 31.12.2022</b> | <b>PERCENTAGE OF SHARES HELD IN GEK TERNA AS AT 31.12.2022</b> |
|------------------------|------------------------------------------------------------|----------------------------------------------------------------|
| Lambrou Konstantinos   | 51,346                                                     | 0.05 %                                                         |
| Moustakas Emmanouil    | 191,297                                                    | 0.185 %                                                        |
| Afentoulis Dimitrios   | -                                                          | -                                                              |
| Apkarian Gagik         | 56,500                                                     | 0.055%                                                         |
| Delikoura Aikaterini   | -                                                          | -                                                              |
| Capralos Spyridon      | 2,000                                                      | 0.002 %                                                        |
| Skordas Athanasios     | 3,000                                                      | 0.003 %                                                        |
| Staikou Sofia          | -                                                          | -                                                              |
| Zaribas Christos       | 2,400                                                      | 0.002 %                                                        |
| Chatziarseniou Dimitra | -                                                          | -                                                              |
| Nika Angeliki          | -                                                          | -                                                              |
| Tagmatarchis Angelos   | -                                                          | -                                                              |

\* *It concerns direct and indirect participation in the Company.*

### **2.3. Evaluation of the Board of Directors – findings and corrective actions**

The Board of Directors and its Committees collectively, as well as the Chairman and the members of the Board individually, are evaluated annually for the effective fulfillment of their duties. The evaluation process is headed by the Independent Non-Executive Vice Chairman in collaboration with the Nominations Committee. The results are discussed in the Board of Directors, where areas for improvement are identified and response measures are proposed. At least every three years, this evaluation may be facilitated by an external consultant.

The members of the Board of Directors were asked during the period 11.2022 - 03.2023 to complete evaluation questionnaires of the BoD, its members, as well as of the Corporate Secretary, on a specialized electronic platform. Accordingly, the members of each Committee answered questionnaires concerning the Committee in which they participate. The Nomination Committee identified the evaluation parameters and confirmed the questionnaires. Each questionnaire included closed-ended questions, while at the end there were also open-ended questions or a box recording additional comments in order for each participant to express their thoughts/comments.

The questionnaires of the overall evaluation of the Board of Directors and its Committees consisted of three main evaluation sections which included: i) the composition of the Board of Directors (size-composition-structure), ii) the role and responsibilities of the Board of Directors and iii) the organization and operation of the BoD. The Board of Directors was evaluated by the 15 members of the Board of Directors and each Committee by its members (BoD members and non-BoD members). The individual evaluation questionnaires were developed into four main evaluation modules: i) technical knowledge and experience, ii) participation, contribution and independence of judgment, iii) corporate governance and iv) strategy monitoring, expression of opinions and good reputation. The Chairman of the Board of Directors and CEO, the Independent Non-Executive Vice Chairman and the other BoD members were self-evaluated and evaluated by the remaining 14 BoD members, while the Corporate Secretary was evaluated by the 15 BoD members.

The overall conclusions of the evaluation were that the Board of Directors is composed of members who have the necessary knowledge, skills and experience, as well as the necessary diversity, as required, to exercise its duties. Also, that it has the necessary organization of its operation in terms of the annual number of meetings, the time and resources available and the appropriateness of the composition of its Committees. It was also noted that the relationship between the members of the Board, the CEO, the Chief Financial Officer, the CFO and the other members of the top executive management is characterized by the right balance between challenge and reciprocity. Finally, the Board of Directors ensures the independence of the Internal Audit Unit as well as the integrity of financial and non-financial information.

The proposals for improving the functioning of the Board of Directors as a whole are the following:

- Aligning the Company's vision, mission, values and corporate culture with the Company's approved strategic orientation, including ESG issues
- Emphasis on the risk management.
- Annual presentations of significant subsidiaries to the Board of Directors
- Preparation of an annual training program for the members of the Board of Directors

The results of the Board of Directors's evaluation were presented at the Board meeting on 29.03.2023.

### **3. BoD Committees**

The Board of Directors is supported by advisory Committees, but which are of particular importance in 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 fulfilling its supervisory duties regarding (i) the Financial Reporting process, (ii) the internal audit system, (iii) the internal audit, (iv) the external audit process, (v) the GEK TERNA Group's procedures for monitoring compliance with laws, regulations and the Code of Conduct and (vi) the Corporate Governance System. The Committee is established and operates in accordance with all applicable laws and regulations.

**Composition**

The General Assembly of July 1, 2021, elected a new four-member Audit Committee for a two-year term, which was constituted into body as follows:

1. Apostolos Tamvakakis, Independent non-executive member of the BoD, Chairman of the Committee,
2. Spyridon Capralos, Independent non-executive member of the BoD
3. Dimitrios Afentoulis, non-executive member of the BoD and
4. Angelos Tagmatarchis, who is a third independent person, non-member of the Board of Directors

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. Tamvakakis and Mr. Tagmatarchis have sufficient knowledge in the field of auditing and accounting.

**Terms of operation**

The Audit Committee meets at least four times a year, with the authority to convene additional meetings if circumstances require it in compliance with its action plan to perform the duties and responsibilities assigned to it.

The Secretary of the Audit Committee, after communicating with the Chairman and the other members of the Committee, the Head of the Internal Audit Unit and other executives or third parties if required, sends (himself or another authorized executive) to the members of the Committee, the items on the agenda and a relevant invitation via e-mail to those expected to attend or an electronic invitation via videoconference platform if the meeting is held via teleconference.

All members of the Audit Committee are expected to participate in the meetings, either in person or via teleconference or video-conference. Decisions shall be made 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 any other person (employee, partner, etc.) to participate in meetings and provide relevant information, when necessary.

The Committee organizes meetings with external auditors and with executive directors. If required, joint meetings may be held with the Audit Committees of subsidiaries of the Group. Agendas shall be prepared and provided to members in advance, together with appropriate supporting materials. Minutes are kept with a full record of decisions and actions on the items discussed.

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

The Audit Committee will be evaluated periodically every 3 years. During 2022, the Audit Committee was self-evaluated through the self-evaluation of the Board of Directors and its Committees and in addition, an evaluation of the Audit Committee was carried out by an external evaluator (coming from

the BIG4 companies). The results of the self-evaluation and evaluation were considered satisfactory.

The Audit Committee's Rules of Operation, approved by the Board of Directors of the Company, are posted at the following link: [https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA\\_Audit\\_Committee\\_Charter\\_July\\_2021\\_EN.pdf](https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA_Audit_Committee_Charter_July_2021_EN.pdf)

### **Responsibilities of the Committee**

The Audit Committee has the following, per section, basic responsibilities:

- Oversees the drafting process of the Company's financial statements and other financial reporting and examines their reliability. It shall inform the Board of Directors of the outcome of the statutory audit. It monitors the financial reporting process and submits recommendations or proposals to ensure its integrity.
- Ensures the smooth conduct of internal audit work by providing its support to the competent Internal Audit Unit and periodically evaluating the adequacy and reliability of the methods and procedures used to carry out its work. Its main objective is the early diagnosis and analysis of business risks so that the Board of Directors can react quickly to address them.
- The Audit Committee receives the reports of the Internal Audit Unit, evaluates their content, proposes to the Board of Directors the head of the Unit, evaluates its efficiency and effectiveness and based on these recommends the continuation or termination of its duties.
- Monitors the conduct of the regular auditor's work and assesses whether it complies with the relevant legal – regulatory framework, international standards and best practices. It also investigates and evaluates the adequacy of knowledge, professional consistency, independence and effectiveness of the regular auditor, and based on these recommends to the Board of Directors the continuation or termination of the performance of his duties.

### **Method of Evaluation**

The Committee shall evaluate its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire relating to this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation. The Committee conducts an annual review of its work, a brief report of which is submitted to the Board of Directors, including proposals for improving its operation and efficiency.

| <b>FULL NAME</b>     | <b>NUMBER OF MEETINGS HELD DURING HIS TERM OF OFFICE</b> | <b>NUMBER OF MEETINGS ATTENDED</b> | <b>ATTENDANCE AT MEETINGS</b> |
|----------------------|----------------------------------------------------------|------------------------------------|-------------------------------|
| Tamvakakis Apostolos | 16                                                       | 16                                 | 100%                          |
| Afentoulis Dimitrios | 16                                                       | 16                                 | 100%                          |
| Capralos Spyridon    | 16                                                       | 16                                 | 100%                          |
| Tagmatarchis Angelos | 16                                                       | 16                                 | 100%                          |



**Activities of the Audit Committee in 2022**

The Audit Committee met sixteen (16) times in 2022.

The works included meetings with the Internal Audit Unit, the Head of the Financial, Administrative Services and other Divisions, the Risk Officer, the Compliance Officer, the Chartered Auditors of Grant Thornton, directors of the parent and subsidiary companies. The Chairman of the Audit Committee informs the Board of Directors at the majority of its meetings about the works of the Committee or important issues that arise.

More specifically, the activities of the Audit Committee are summarized in the following points:

**Financial reporting**

- The Committee examined and evaluated the adequacy and effectiveness of all policies, procedures and safeguards of the Company regarding, on the one hand, the internal audit system and, on the other hand, risk assessment and management, in relation to financial reporting.
- The Committee proposed to the Board of Directors the renewal of the appointment of the audit firm Grant Thornton and the amount of their remuneration, taking into account a) the existing good cooperation with the audit firm for 4 consecutive years, b) the contribution of this audit firm to the upgrading of the quality and integrity of financial information and c) the absence of threats that would alter the independence of judgment of the specific audit firm in relation to the Company.
- The Committee contacted regularly the Certified Auditors who participated in four (4) meetings of the Audit Committee in 2022 - in order to inform it about the planning, the development of the statutory audit of the Company's and the Group's financial statements and received the supplementary audit report of article 11 of Regulation 537/2014. The Committee was informed about the findings (Key Audit Matters) and the results of the audits and discussed them with the Certified Auditors.
- The Committee was informed about the following sections, during the planning of the audit of the Financial Statements of the year 2022 by the Certified Auditors Accountants of the company:
  - Areas of audit interest
  - Audit Risks
  - Highlights
  - Audit Plan
  - Audit approach
  - Independence
  - Use of expert work
- More specifically, the areas of audit interest for the financial year 2022 that were discussed and analyzed are a) the Management override of Controls, b) the acquisition of a stake in HERON Energy by GEK TERNA, c) the recognition of revenues from construction contracts, d) the impairment of non-current assets, e) bad debt provisions, (f) hedge accounting;

- The Committee held meetings with the Chief Financial Officer of GEK TERNA and was informed about the significant amounts of the annual and interim half-yearly Financial Statements of the year 2022, the significant changes compared to the previous period and about the following issues:
  - The evaluation of the use of the ongoing concern assumption;
  - The significant judgments, assumptions and estimations during the preparation of financial statements;
  - The valuation of assets at fair value;
  - The assessment of the recoverability of assets,
  - The accounting treatment of acquisitions,
  - The adequacy of disclosures about the material risks faced by the company;
  - The significant transactions with related parties;
  - The significant unusual transactions
  - The important accounting policies.
- The Committee monitored the drafting process by the Group's Financial Management of the interim and annual financial statements of the Company and the Group, which were prepared in accordance with the applicable accounting standards.
- The Committee reviewed the annual and interim half-yearly financial statements of the Group and the Company, as well as the content of the Audit Report of the Certified Auditors prior to their recommendation for approval by the Board of Directors and received the necessary assurances regarding the completeness and consistency of these statements, in relation to the information that has been brought to its attention.
- The Committee pre-approved all non-audit services provided by Grant Thornton in 2022 and monitored the total remuneration of non-audit services provided for the year 2022. The Committee considered that the work carried out and the remuneration of the commissioned non-audit services did not jeopardize the independence or objectivity of the Certified Auditors.

The Committee examined the independent status of the Certified Auditors in the following ways: 1. Completion of a predetermined list of questions based on Law 4449/2017 – Article 21, 2. The monitoring of non-audit work and 3. The supplementary report received by the Statutory Auditor (pursuant to Article 11 of EU Regulation 537/2014).

**Internal Audit Unit**

- The Committee collaborated constantly throughout the year with the Company's Internal Audit Unit, providing the proper instructions for carrying out the internal audit work by subject and priority. The Internal Audit Unit participated in 15 of the 16 meetings of the Audit Committee in 2022.
- The Committee received from the Internal Audit Unit all audit reports produced during 2022. The Audit Committee reviewed and commented on all audit reports during its meetings. In addition,

during 2022, the Internal Audit Unit carried out additional important works and other works for the organization of the Internal Audit Unit, the assessment of the readiness of the Internal Audit System and the evaluation of the Internal Audit System. Regarding the Internal Audit System of GEK TERNA, the Internal Audit Unit supported the works of the consultant and the evaluator.

- The Committee discussed the findings as well as the conclusions and relevant recommendations with the Head of the Internal Audit Unit of the Company. Where necessary, a meeting was set up in which the Audit Committee, the head of the Internal Audit Unit, the head of the department/project that was audited and, where applicable, the heads of other departments involved in the audit participated.
- Throughout the year, the Committee monitored the progress of the audit activities of the Internal Audit Unit and the operation of the Unit in general.
- The Committee received the annual report of the work of the Internal Audit Unit for the year 2022.
- The Committee reviewed and approved the audit plan for 2023 by the Internal Audit Unit.
- The Committee carried out the annual evaluation of the Head of the Internal Audit Unit and the Internal Audit Unit.
- The Committee received the evaluation of the Internal Audit Unit in the year 2022 in accordance with the International Standards for the Conduct of Internal Audit and the expression of an opinion on compliance. The opinion was that the Internal Audit Unit (complies) operates in accordance with International Standards for the Conduct of Internal Audit.
- The Committee made decisions regarding the staffing of the Internal Audit Unit of GEK TERNA. The Committee monitored the selection and recruitment process of the two new members of the Internal Audit Unit, which now numbers 3 persons. The Committee decided and recommended to the Board of Directors the strengthening of the Internal Audit Unit with an additional member.
- Based on the above, the Committee considered the adequacy and performance of the Head and the Internal Audit Unit as satisfactory.

The Committee reviewed the Internal Audit Unit's Report for 2022 and the 2023 audit plan of TERNA ENERGY.

### **Risk Management Unit**

The RMU maintains regular communication with the IAU on risk management issues, among which is the provision of information in the context of the preparation of the annual audit plan by the IAU based on the risk assessment approach (risk based approach), with the aim of ensuring the limitation of overlap of work between them.

In addition, the IAU notifies the RMU of the internal audit reports, through which weaknesses of the Company's Internal Audit System are highlighted, and are therefore a key factor in the update/revision of the risk registry.

**Regulatory Compliance Unit**

The RCU informed the Internal Audit Unit (IAU) regarding the findings of the internal audit that fall within the area of responsibility of the RCU in order to operate in a targeted manner to eliminate the identified weaknesses and to further inform the IAU of any corrective actions. In addition, the IAU received the inspection schedule as well as the Regulatory Compliance Plan.

**Internal Audit System**

- The Audit Committee received the evaluation of the readiness of the Internal Audit System of GEK TERNA and its report. Where necessary, they monitored the corrective actions carried out by the company's Management.
- The Audit Committee selected the Independent Evaluator for the evaluation of the Internal Audit System that is to take place in 2023 with respect to Law 4706/2020.
- The Audit Committee received the detailed and concise evaluation report of the Internal Audit System of GEK TERNA (see section 6.4 below).
- The Chairman of the Audit Committee sent the brief evaluation report of the Internal Audit System of GEK TERNA to the Hellenic Capital Market Commission, within the deadline provided by the Regulatory Framework.
- The Audit Committee discussed and monitored the compliance with Law 4706/2020 on Corporate Governance and the relevant circulars by the Hellenic Capital Market Commission (Internal Audit System).
- The Audit Committee revised and approved the new Rules of Operation of the Audit Committee which entered into force with the decision of the Audit Committee dated 29.09.2022.
- The Audit Committee reviewed and approved the Revised Rules of Operation of the Internal Audit Unit.
- The Audit Committee monitored the implementation of the Group's commitments to sustainable development and corporate responsibility, as the latter promote social welfare, protect the environment and constitute the only sustainable business practice.
- The Audit Committee was informed on the work carried out by the ESG Committee on ESG issues.

The Audit Committee constantly informed the Board of Directors of the Company about its activities.

**Sustainable development**

The Group's approach to Sustainable Development is based on dialogue between the interested parties, as well as the identification and regular evaluation of the most important economic, social and environmental impacts of its activities. It aims to enhance positive impacts and reduce negative ones, through best practices, sustainable initiatives and reliable partnerships, aiming at the continuous improvement for the benefit of shareholders, investors, employees and society.

The Unit responsible for the improvement and the revision of this policy is the Division of Strategic Communication, Press Office, CSR and Sustainable Development.

**Other important issues**

- The Audit Committee drafted and presented to the Board of Directors and the General Assembly of shareholders the activities for the first semester of 2022 and for the whole year 2022.
- The Audit Committee was informed about IT Systems issues.
- The Audit Committee was informed of a letter sent by the Hellenic Capital Market Commission to the Internal Auditor requesting information on certain persons of the Company. The Committee followed up the matter and the Company's response.
- The Audit Committee invited the relevant directors to provide further information on the results of important internal audits (e.g. progress of projects, companies HERON I and HERON II).
- The Audit Committee met with other executives of the Company and its subsidiaries to discuss important issues of the group. (Chairman of the Audit Committee of TERNA ENERGY, Head of Internal Audit Unit of TERNA ENERGY, Head of Corporate Governance of GEK TERNA, Head of Financial Planning and Analysis).

**3.2. Remuneration Committee**

The main purpose of the Remuneration Committee is to formulate a proposal for the preparation and the periodic review of the Remuneration Policy, to examine the information in the Company's Remuneration Report, to provide a relevant opinion and to formulate proposals regarding the remuneration range of persons falling under the Remuneration Policy. The above proposals/opinions of the Committee are submitted to the Board of Directors, which decides on these issues or makes propositions to the General Assembly, where required.

The Committee shall be established by 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: [https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA\\_Regulation\\_of\\_Remuneration\\_Committee\\_July\\_2021\\_EN.pdf](https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA_Regulation_of_Remuneration_Committee_July_2021_EN.pdf)

**Committee composition**

The Remuneration Committee consists of:

1. Spyridon Capralos, Independent Non-Executive Member of the Board of Directors Chairman of the Committee
2. Apostolos Tamvakakis, Independent Non-Executive Member of the BoD
3. Sofia Staikou, Independent Non-Executive Member of the BoD
4. Athanasios Skordas, Independent Non-Executive Member of the BoD

**Terms of operation**

According to its Rules of Operation, the Committee meets at least two (2) times a year and whenever required by the circumstances.

The Chairman of the Committee is responsible for convening and for planning and conducting its meetings. However, any member of the Committee shall have the right to ask the Chairman to convene a meeting of the Committee. Meetings are held either in person or remotely, through any technology that enables discussion and/or written exchange of views.

In order for a decision to be made, all members of the Committee are required to be present or represented, either in person at the meeting venue or in another place using technology. Committee decisions shall be taken by a majority of at least 75% of the members of the Committee. In case a member of the Committee is absent without justification and without being represented by another member as above, at two (2) meetings within the same year, that member shall be deemed to have resigned.

The minutes of the meetings are kept by a person appointed by the Chairman of the Committee as secretary/technical advisor, who, in addition to keeping the minutes of the meetings, undertakes the role of technical support and coordination of the work of the Committee, as well as the organization, assignment and preparation of studies carried out either internally or by assignment to external consultants. Legal support in the works of the Committee may be provided either by the Corporate Secretary, who as provided by the Company's Internal Rules of Operation is a lawyer, or by another lawyer of the Group.

The Committee may receive scientific or technical support from executives of the Company or the Group, either by selecting and appointing them as Technical Advisors of the Committee or by inviting them to prepare a specific project. The secretary/technical advisor of the Committee, the technical or scientific advisor and the legal advisor are appointed by a Decision of the Committee which is recorded in the minutes of the relevant meeting.

The Chairman of the Committee informs the Board of Directors about the works of the Committee, reports important findings and submits proposals to the Board. The Committee conducts an annual review of its works, a summary report of which it submits to the Board. This includes proposals to the Board for improving its operation and efficiency.

### **Responsibilities of the Committee**

The Committee shall make proposals to the Board of Directors regarding the Remuneration Policy or its revision. It ensures that the Company has a clear, objective, well-documented and transparent Remuneration Policy in accordance with applicable legislation and is consistent with the Company's business strategy, market conditions, profile and the willingness to take risks and does not encourage excessive and short-term risk-taking. In this context, it 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 managers, and in particular the head of the internal audit unit, and makes a relevant proposal to the Board of Directors, which decides thereupon or makes a proposition to the General Assembly, where required.

The Committee monitors the implementation of the Remuneration Policy. It examines the information included in the final draft of the annual remuneration report, providing an indication to the Board of Directors before its submission to the General Assembly.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

Examines and submits proposals to the Board of Directors regarding stock option plans, share awards, additional retirement benefit programs and any other long-term reward programs.

**Method of Evaluation**

The Committee shall evaluate its work annually. During the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation. The Committee submits annually a summary report of the review of its work to the Board.

**Activities of the Remuneration Committee for the year 2022**

During 2022, the Committee met a total of seven (7) times.

| FULL NAME            | NUMBER OF MEETINGS DURING EACH MEMBER'S TERM OF OFFICE | NUMBER OF MEETINGS ATTENDED | NUMBER OF MEETINGS REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED JV | ATTENDANCE AT MEETINGS |
|----------------------|--------------------------------------------------------|-----------------------------|--------------------------------|--------------------------------------------------|------------------------|
| Capralos Spyridon    | 7                                                      | 7                           | -                              | -                                                | 100%                   |
| Tamvakakis Apostolos | 7                                                      | 7                           | -                              | -                                                | 100%                   |
| Sofia Staikou        | 7                                                      | 7                           | -                              | -                                                | 100%                   |
| Skordas Athanasios   | 7                                                      | 7                           | -                              | -                                                | 100%                   |

**Stock Option Plan**

The Committee monitors the approved Stock Option Plan. In this context, in cooperation with the General Division of Financial Services and the Financial Services Division of the Company, the relevant documentation was collected for the safeguarding of rights corresponding to the target criteria achieved within the year 2022. Taking into account the approved distribution of the options within Sub-programs I, II, III, by virtue of the decision of the Board of Directors dated 26.02.2020, it proceeded to propose its amendment and vesting of the achieved rights of 2022.

Taking into account the study on the range of wage market levels carried out last year (2021), in cooperation with the expert advisor Willis Towers Watson, the Committee recommended on 23.02.2022 to the Board of Directors the upper limit of the annual fixed remuneration of the CEO.

In addition, the Committee reviewed the remuneration of the Responsible Internal Audit Unit and made a relevant recommendation to the Board of Directors on 23.02.2022.

**Remuneration Report**

The Remuneration Report for the year 2021, which was part of the Corporate Governance Statement in the Annual Financial Report for the year 2021, was examined and was discussed at the Annual General Assembly.

**Remuneration Policy**

The Remuneration Policy, valid until 2025, determines all types of remuneration (fixed, variable, additional benefits) in a comprehensible, clear and understandable way and applies to the members of the BoD, the members of the Committees and the respective General Managers - senior managers as provided for in article 110 par. 1 of Law 4548/2018, contributing to transparency, meritocracy, justice and proportionality. The Remuneration Policy was assessed by the Remuneration Committee as adequate and without need for revision. The Committee's Rules of Operation were approved by the Board of Directors of the Company are posted at the following link: [https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA\\_Regulation\\_of\\_Remuneration\\_Committee\\_July\\_2021\\_EN.pdf](https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA_Regulation_of_Remuneration_Committee_July_2021_EN.pdf)

**3.3. Nomination Committee**

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

**Composition**

The Nomination Committee consists of:

1. Apostolos Tamvakakis, Independent Non-Executive Member of the BoD, Chairman of the Committee
2. Spyridon Capralos, Independent Non-Executive Member of the BoD
3. Katerina Delikoura, Independent Non-Executive Member of the BoD
4. Gagik Apkarian, Independent Non-Executive Member of the BoD

**Terms of operation**

The term of office of the members of the Nomination Committee coincides with the term of office of the Board of Directors, with the possibility of renewal. In any case, their term of office in the committee shall not exceed nine (9) years in total. The Committee meets at least three (3) times a year and whenever circumstances require.

The Chairman of the Committee is responsible for convening and for planning and conducting its meetings. However, any member of the Committee shall have the right to ask the Chairman to convene the meeting of the Committee or to add items to the agenda.

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

The Committee meets at least once a year to check the self-evaluation of the members of the Board of Directors and to nominate new candidate members if required. At least every three years, the collective evaluation of the Board of Directors, as well as of the Chairman, the CEO and the other members of the Board of Directors shall be facilitated by an external director. It also meets when it is



decided to evaluate the members of the Board of Directors for the effective fulfillment of their duties. In the latter case, the evaluation process is headed by the Chairman of the Board of Directors 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.

In order for a decision to be made, all members of the Committee are required to be present or represented, either in person at the meeting venue or in another place using technology. Committee decisions shall be made by a majority of at least 75% of the members of the Committee. In case a member of the Committee is absent without justification and without being represented by another member as above, at two (2) meetings within the same year, provided that the meetings were convened on time, that member shall be deemed to have resigned.

### **Responsibilities of the Committee**

The main role of the Nomination Committee is to investigate and highlight the appropriate candidates for election to the Board of Directors of the Company. The Committee determines the eligibility criteria of the members of the Board of Directors, in order to ensure individual and collective suitability. It prepares and updates the Suitability Policy, which it submits to the Board of Directors for approval, and which is then approved by the General Assembly when required.

It investigates, highlights and proposes suitable candidates for election in the Board of Directors in accordance with the criteria set by the Company in its Suitability Policy, following the process of recruitment/selection of senior managers and the process of appointment of senior managers and provision of authorizations.

It conducts periodic reassessment 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 members of the Board of Directors on an individual and collective level and submits proposals for improvements, when deemed necessary.

### **Method of Evaluation**

The Committee evaluates its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation.

The Committee submits annually a summary report of the review of its works to the Board.

**Activities of the Nomination Committee in 2022**

During 2022 the Committee met six (6) times.

| FULL NAME            | NUMBER OF MEETINGS DURING EACH MEMBER'S TERM OF OFFICE | NUMBER OF MEETINGS ATTENDED | NUMBER OF MEETINGS REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED | ATTENDANCE AT MEETINGS |
|----------------------|--------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------------|
| Tamvakakis Apostolos | 6                                                      | 6                           | -                              | -                                             | 100%                   |
| Capralos Spyridon    | 6                                                      | 6                           | -                              | -                                             | 100%                   |
| Katerina Delikoura   | 6                                                      | 6                           | -                              | -                                             | 100%                   |
| Gagik Apkarian       | 6                                                      | 6                           | -                              | -                                             | 100%                   |

**Composition of the Board of Directors**

In the context of Law 4706/2020 on Corporate Governance and in accordance with article 3 of the above Law, the Company has a Suitability Policy for the members of the Board of Directors, which sets out the principles regarding the selection or replacement of its members, the criteria for assessing the suitability of members, the provision of diversity criteria, in accordance with the guidelines published on 18.09.2020 with a relevant circular by the Hellenic Capital Market Commission.

The Committee proceeded, based on its responsibilities, as they arise from the legal and regulatory framework, to an evaluation of the existing composition of the Board of Directors, based on Law 4706/20.

During the evaluation, the following were recorded:

a) six (6) independent non-executive members participate in the BoD, i.e. more than 1/3 of the total number of members, covering the requirement arising from article 5 of Law 4706/20, as well as one (1) non-executive. For the independent non-executive members, the Committee has checked once again whether the conditions/criteria for independence of para. 1 of article 9 of Law 4706/20, from which no findings emerged.

b) regarding the representation by gender defined by law not to be less than 25% of the total members of the Board. 3 women participate in the Board of Directors, meeting the requirements of article 3 of Law 4706/2020. It was also confirmed that until the date of the audit all members of the BoD met the individual criteria set by the Suitability Policy, i.e. adequacy of knowledge and skills, good reputation and reputation, absence of conflict of interest, independence of judgment, availability of sufficient time, and that the independent non-executive members met the independence criteria, as referred to in paragraphs 1 and 2 of article 9 of Law 4706/2020.

Furthermore, the Committee, within the framework of its responsibilities to identify needs for filling positions and/or replacing Senior Management, and taking into account the collective suitability needs of the Company's Board of Directors, conducted in November 2022 a suitability analysis on a candidate member (interview, conflict of interest check, etc.) in order to propose a new executive member, with

the appropriate criteria of individual suitability set by the Policy Suitability and with the required qualifications and experience.

### **EVALUATION OF THE BOARD OF DIRECTORS**

According to the Hellenic Corporate Governance Code adopted by the Company, the Board of Directors must annually evaluate its effectiveness, as well as its Committees and the Chairman. In addition to the above, in the context of best practices, the Committee has chosen to broaden the scope of evaluation to include the Independent Non-Executive Vice Chairman and the Corporate Secretary.

On 30.03.2022, the detailed presentation of the evaluation results for the year 2021 took place at the Board of Directors, in the presence of the consultants of KPMG, a company that had been selected to assist in the project.

The Nomination Committee, in order to conduct the annual evaluation of the Board of Directors for the year 2022, reconfirmed the evaluation restrictions that had been used in the previous year (year 2021) at its meeting on 16.11.2022 as well as the corresponding questionnaires.

The questionnaires were distributed on 28.11.2022. The results were collected on a digital platform and then the respective Evaluation Results Reports were prepared for the Board of Directors, the Committees, the Chairman, the Vice-Chairman, the Members and the Corporate Secretary of GEK TERNA.

### **TRAINING OF BOARD MEMBERS**

The Committee attributes great importance to the continuous information and training of the members of the Board of Directors. For this reason, it offers to the members of the Board of Directors informative seminars of specialized bodies on topics such as corporate governance (internal audit, regulatory compliance and risk management) or specialization seminars (financial-tax, ESG, safety and health, labor), skills (leadership, innovation, strategic thinking), information security, etc. In addition, the reports of the Cyber Information Security Officer (CISO) and the Data Protection Officer (DPO) forwarded to the members of the Board of Directors contain useful information on the relevant issues.

### **REGULATIONS, POLICIES, PROCEDURES of the Nomination Committee**

Within the framework of its responsibilities, the Committee reviewed all the Policies and Procedures falling within its competence as well as its Regulation of Operation and updated:

- A. the "Training Policy for BoD Members and Managers" with clarifications on the scope and those responsible for its implementation, and
- B. the "Process for the Recruitment/Selection of Senior Management (IAS 24)", where clarification additions were made and annexed to the process for a more complete depiction of the process updated Succession Plan, which the Committee elaborated in cooperation with an external consultant and approved at its meeting on 14.12.2022.

The above were approved by the Board of Directors at its meeting on 28.12.2022.

The Regulation of Operation of the Nomination Committee, approved by the Board of Directors, are posted at the following link: [https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA\\_Regulation\\_of\\_Nominations\\_Committee\\_July\\_2021\\_EN.pdf](https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f-a34d00d4050d/GEKTERNA_Regulation_of_Nominations_Committee_July_2021_EN.pdf)

The Committee at its meeting on 25.04.2023, reviewed the fulfillment of the independence criteria provided for in article 9 of Law 4706/2020. During this procedure, the Committee received a letter from Mr. Apostolos Tamvakakis, Independent Non-Executive Vice Chairman of the BoD and Lead Independent Director, Chairman of the Audit Committee and the Nomination Committee, as well as Member of the Remuneration Committee and the Strategic Planning Committee, with which Mr. Tamvakakis informed them that the conditions of independence that an independent non-executive member of the Board of Directors of the Company must meet have ceased to be met, as, as defined in Article 9 para. 1 of Law 4706/2020, as in force, he has served as a member of the Board of Directors of the Company for more than nine (9) financial years.

Following the above finding that Mr. Tamvakakis does not meet the independence criteria, he acquires the status of non-executive member of the BoD.

As mentioned above, as the remaining independent members of the Board of Directors are five (5), the Committee found that the current composition of the Board of Directors continues to meet the relevant requirements of the legislation regarding the minimum number of independent members.

Regarding the composition of the Audit Committee, in which Mr. Tamvakakis participates, it was found that it meets the requirements of legal composition in accordance with law 4706/2020 and its approved Rules of Operation, which provide for at least a three-member committee, in which the majority of members are independent, but does not have the composition with which this committee was elected by the General Assembly of 01.07.2021 (mixed four-member committee with members of the Board of Directors and third parties). Due to the fact that the term of office of the Audit Committee expires on 30.06.2023, it was proposed to the Board of Directors that the Audit Committee continues its works with the remaining three (3) members, chaired by the independent non-executive member of the BoD, Mr. Spyridon Capralos, until the next Annual General Assembly of the Company, which will elect a new Audit Committee, for the composition of which the Nomination Committee will make a recommendation to the BoD.

### **3.4. Investment Committee**

The Investment Committee is established by the Board of Directors. Its main role is to help ensure that new investments are aligned with the Company's objectives and have a benefit to the Company.

#### **Composition**

The Board of Directors of the Company at its meeting of July 1, 2021 established the Investment Committee, which after the replacement of Mr. George Perdikaris by Mr. Petros Souretis, was constituted on 01.12.2022 into body corporate as follows:

1. Emmanouil Moustakas, Executive member, Chairman of the Committee
2. Penelope Lazaridou, Executive Member of the Board of Directors
3. Petros Souretis, Executive member of the BoD

#### **Terms of operation**

The Committee meets following recommendations for investment proposals following an invitation of its Chairman. The invitation shall set the agenda, place, and time of the meeting. Meetings shall be held either in person or remotely by means of any technology enabling discussion or written exchange

of views.

In order for a decision to be made, a quorum of 80% of the members of the Committee is required to be present in person either at the meeting venue or elsewhere using conference technologies. Decisions of the Committee shall be taken by unanimity of its members present in person 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.

**Responsibilities of the Committee**

- It ensures that new investments are in line with the Company's approved strategy or that they constitute new decisions that the Board of Directors approves. Specifically, all Commission decisions for investments over €10 million are forwarded to the Board of Directors for approval, as well as strategic investment decisions that are not included in the approved strategy of the Company, regardless of the amount. For investments approved by the Commission up to an amount of €10 million and are not classified as strategic, the Committee recommends their approval to the CEO, who takes the final decision.
- Evaluation of the return on implemented investments.
- Monitoring the Company's performance per business activity in achieving goals.
- Examination of new investments and submission of a relevant proposal to 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,
  - assessing the business risks associated with implementation of every investment proposal,
  - the documentation of its feasibility and confirmation that the implementation is part of the approved strategy of the Company or leads to the development of new market segments
- The Committee examines partnerships of subsidiaries aimed at establishing new companies or joint ventures of strategic importance with third parties, mergers and acquisitions of companies.

**Method of Evaluation**

The Committee shall evaluate its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation.

**Activities of the Investment Committee for the year 2022**

During 2022, the Committee met once in full quorum.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

| FULL NAME                                       | NUMBER OF MEETINGS DURING EACH MEMBER'S TERM OF OFFICE | NUMBER OF MEETINGS ATTENDED | NUMBER OF MEETINGS REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED | ATTENDANCE AT MEETINGS |
|-------------------------------------------------|--------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------------|
| Perdikaris Georgios ( <i>until 30.11.2022</i> ) | 1                                                      | 1                           | -                              | -                                             | 100%                   |
| Lazaridou Penelope                              | 1                                                      | 1                           | -                              | -                                             | 100%                   |
| Moustakas Emmanouil                             | 1                                                      | 1                           | -                              | -                                             | 100%                   |
| Souretis Petros ( <i>from 30.11.2022</i> )      |                                                        |                             | -                              | -                                             |                        |

**3.5. Regulatory Compliance Committee**

The Regulatory Compliance Committee consists of at least three (3) members.

- The following members of the Compliance Committee participate therein:
- Up to two (2) independent non-executive members of the Company's Board of Directors
- Up to one (1) executive member of the Company's Board of Directors
- A lawyer (the Corporate Secretary provided for in the Regulation must be a lawyer or another lawyer of the Group)
- The Regulatory Compliance Officer (R.C.O)

**Composition**

The Regulatory Compliance Committee consists of:

1. Athanasios Skordas, Independent non-executive member of the BoD, Chairman of the Committee.
2. Aikaterini Delikoura, Independent non-executive member of the BoD
3. Dimitrios Antonakos, Executive member of the BoD
4. Dimitra Chatziarseniou, Head of the Legal Department

**Terms of operation**

It meets at least four (4) times a year and whenever necessary.

The Committee shall meet when convened by its chairman, who shall determine the agenda, place and time of the meeting. Meetings shall be held either physically or remotely by means of any technology enabling discussion or written exchange of views.

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

**Duties and Responsibilities of the Committee**

- Ensuring the compliance of the Company and the Group with regulatory provisions and approved Policies and Procedures related to compliance.
- Evaluation of inspections by regulatory authorities and important findings by the Regulatory Compliance Unit, with the aim of optimally dealing with them.
- Update on the reports/complaints made by employees, suppliers and customers on matters of the Code of Ethics and the applied management system through the Regulatory Compliance Officer.
- Information on issues of named or anonymous complaints from employees, suppliers, customers and the result of their management.
- Information on matters of mediation or amicable settlements and out-of-court settlements with employees, suppliers and customers.
- Recommending actions to deal with complaints where necessary and monitoring the implementation and effectiveness of the actions
- Protection against retaliation against employees, suppliers and customers who make complaints.
- Informing Executive Management about incidents of complaints.
- Preparation of reports to the Top Management on a systematic basis.
- Participation in risk assessment regarding issues of regulatory compliance, corruption and bribery in existing and new activities of the Company.
- Evaluation of results of internal inspections by the Regulatory Compliance Officer.
- Assessing the effectiveness of audits for regulatory compliance, corruption, bribery, fraud, collusion and obstruction of investigation.
- Providing clarifications on issues related to the Code of Ethics.
- Participation in the updating of the Code of Ethics and Conduct and the relevant Policies.
- Participation in the training and monitoring of the staff training program on issues of regulatory compliance, corruption and bribery, fraud, collusion and obstruction of investigation.
- Participation in the planning of actions to raise awareness and inform staff about issues related to the Code of Ethics and Conduct.
- Recommending actions to the Senior Management that are going to improve the Company's performance in matters of regulatory compliance, corruption and bribery, fraud, collusion and obstruction of investigation.
- Information on Regulatory Compliance issues of the Group's subsidiaries

**Method of Evaluation**

The Committee evaluates its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

The Commission shall submit annually a summary report of the review of its work to the Board of Directors.

**Activities of the Regulatory Compliance Committee for the year 2022**

During 2022, the Committee met four (4) times.

| FULL NAME              | NUMBER OF MEETINGS DURING EACH MEMBER'S TERM OF OFFICE | NUMBER OF MEETINGS ATTENDED | NUMBER OF MEETINGS REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED | ATTENDANCE AT MEETINGS |
|------------------------|--------------------------------------------------------|-----------------------------|--------------------------------|-----------------------------------------------|------------------------|
| Skordas Athanasios     | 4                                                      | 4                           | -                              | -                                             | 100%                   |
| Delikoura Aikaterini   | 4                                                      | 4                           | -                              | -                                             | 100%                   |
| Antonakos Dimitrios    | 4                                                      | 4                           | -                              | -                                             | 100%                   |
| Chatziarseniou Dimitra | 4                                                      | 4                           | -                              | -                                             | 100%                   |

The issues discussed by the Regulatory Compliance Committee are as follows:

- Presentation of the plan of internal inspections and their results.
- Planning of the Company's certification inspection.
- Update of the Code of Ethics
- Update of Regulatory Compliance and Anti-Bribery Policy
- Drafting of a Reporting Policy
- Start of operation and implementation of a platform for managing reports
- Planning and implementation of meetings with Regulatory Compliance Officers of HERON and NEA ODOS/CENTRAL STREET
- Company Certification with ISO 37301:2021
- Planning trainings and staff information on the revision of the Code of Ethics and Conduct, anti-Corruption and Bribery management system issues, as well as the new and revised procedures and policies of the Company.
- Sending a letter regarding the submission of the companies ODOS KENTRIKIS ELLADAS S.A., NEA ODOS S.A., and TERNA LEUKOLITHI S.A. to the Regulatory Compliance Unit.
- Approval of the updated Operating Regulations of the Committee
- Rewarding those who achieve 100% success in the thematic sections with self-assessment questions
- Examination and decisions on issues of complaints from employees, customers, suppliers or other third parties, on issues of the Code of Ethics and Conduct.
- Staff awareness during the Corporate Compliance and Ethics celebration week



### **3.6. Strategic Planning Committee**

The Strategic Planning Committee is established by decision of the Board of Directors. Its primary role is, inter alia, to assist the Board of Directors and Management in reviewing the competitive field, designing the Strategic Plan, as well as the Company's capabilities and structure in this context, and exploring possible new areas of growth.

#### **Committee Composition**

The Strategic Planning Committee consists of:

1. Georgios Peristeris, Chairman and CEO, Chairman of the Committee
2. Dimitrios Afentoulis, Non-executive member of the BoD
3. Gagik Apkarian, Independent non-executive member of the BoD
4. Spyridon Capralos, Independent non-executive member of the BoD
5. Apostolos Tamvakakis, Independent non-executive member of the BoD

#### **Terms of operation**

The Strategic Planning Committee meets whenever necessary, upon invitation of its Chairman, with or without an agenda, for a process and exchange of views.

Meetings shall be held either physically or remotely by means of any technology enabling discussion or written exchange of views.

Company executives may participate in the meeting of the Committee, provided that, depending on the field of their duties, their participation is deemed necessary for the effective operation of the Committee. The role of these persons is to carry out studies, make suggestions or provide clarifications on matters discussed in the Committee and they do not have voting rights in decision-making.

#### **Responsibilities of the Committee**

- Evaluation / analysis on issues of strategic selections of the Company (e.g. strategic partnerships, share capital increases, acquisitions, mergers, formation of joint ventures, creation of special purpose vehicles) and formulation of relevant recommendations to the Board of Directors.
- Formulation of the Company's Strategic Planning, which includes the strategic axes and proposal to the Company's Board of Directors for approval.
- Overview of the Company's business plans and investment plans, which are prepared by the Heads of Business Activities and the General Division of Business Development, in terms of their alignment with the Company's Strategic Planning, before submitting them to the Board of Directors for approval.

#### **Method of Evaluation**

The Commission shall evaluate its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee replied to a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation.

**Activities of the Strategic Planning Committee for the year 2022**

During 2022, the Committee met four (4) times with all members present, except for one. During the meetings, the Company's performance, the general environment and the markets in which it operates were reviewed. There was a broad exchange of views on the prospects therefore. The meetings of the Committee are considered particularly useful for the course and medium to long-term goals of the Company.

**3.7. ESG Committee**

The Sustainability Committee (Environmental, Social and Governance –ESG, hereinafter referred to as the "Sustainability Committee" or the "ESG Committee" or the "Committee") is established by the Board of Directors to monitor the Company's performance and recommend environmental, social and corporate governance improvements that can affect the Group's ability to generate value in the long term. The Committee's work includes monitoring integration of non-financial factors in business strategy and decision-making, with the aim of keeping the Company resilient and ready to manage changes in the environment in which it operates.

**Committee Composition**

By decision of the Board of Directors dated 26.11.2021, the Committee was constituted into a body on 27.10.2021 with the following composition:

1. Sofia Staikou, Independent non-executive member of the BoD, Chairman of the Committee.
2. Aikaterini Delikoura, Independent non-executive member of the BoD
3. Konstantinos Lambrou, Executive member of the BoD
4. Angelos Benopoulos, Executive Member of the Board of Directors
5. Penelope Lazaridou, Executive Member of the Board of Directors

Then with the decision of the Board of Directors dated 30.11.2022 the Committee was reconstituted with the following composition:

1. Sofia Staikou, Independent non-executive member of the BoD, Chairman of the Committee.
2. Aikaterini Delikoura, Independent non-executive member of the BoD
3. Konstantinos Lambrou, Executive member of the BoD
4. Penelope Lazaridou, Executive Member of the Board of Directors
5. Dimitra Chatziarseniou, Corporate Secretary, Head of the Legal Department

**Terms of operation**

The Sustainability Committee meets whenever necessary, with or without an agenda, for a process and exchange of views, upon invitation of its Chairman.

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

Any member of the Committee may request in writing that it be convened to discuss specific issues.

Meetings shall be held either physically or remotely by means of any technology enabling discussion

or written exchange of views.

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

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

### **Responsibilities of the Committee**

The ESG Committee separately considers the following:

**E: The environmental criteria**, i.e. the way in which the Company acts as a participant in the natural environment, showing practical respect for the Environment, biodiversity, tackling Climate change, CO2 emissions, air / water pollution, energy efficiency, etc.

**S : Social criteria**, i.e. managing relationships with employees, suppliers, customers and the communities in which it operates. Monitors social issues such as employee health and safety, labor and human rights, animal rights, gender equality, diversity, GDPR compliance, etc.

**G: Corporate governance**, i.e. with the Company's leadership, the composition of the BoD, the structure of the Audit Committee, the supervision of sustainable development by the BoD and the adoption of the Committee's recommendations, business ethics, executive remuneration, labor relations, variable remuneration, internal audits, transparency, corruption and shareholder rights, etc.

The Committee has, inter alia, the following responsibilities:

- Promotes and monitors the integration of ESG criteria into business strategy and decision-making.
- Examines the Sustainable Development Policy and other policies related to issues within its competence, as well as their revisions, and proposes them to the Board of Directors for approval.
- Monitors the implementation of the Sustainable Development Policy and other ESG policies.
- Monitors the materiality analysis process.
- Examines the content of the Company's annual report on ESG issues included in the annual and CSR reports and proposes them to the Board of Directors for approval.
- Approves the Company's strategic goals for carbon dioxide (CO2) emission reduction, water management, and other ESG issues and proposes them to the Board of Directors for approval. At the same time, the Committee is informed of the implementation plan for the achievement of these objectives and informs the Board.
- The Committee is informed about the Company's participation in ESG management programs e.g. TCFD, SBTi, CBT.
- The Committee informs the Board of Directors on matters falling within the Committee's competence and proposes measures for improvement if necessary.
- Monitors new developments on ESG issues in Greece and internationally and promotes their incorporation into the Company's policies.
- The Committee is informed, examines and, where appropriate, gives opinions or approves

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

relevant issues promoted by the management.

- Reviews in an annual basis its work with any suggestions for improving its operation and efficiency, submitting a relevant summary report to the BoD.
- The ESG Committee may appoint working groups as follows:
  1. Economic Development and Corporate Governance.
  2. Occupational Health & Safety.
  3. Environment.
  4. Social Responsibility.

**Method of Evaluation**

The Committee shall evaluate its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire concerning this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation.

The Committee shall submit annually a summary report of the review of its work to the Board.

**Activities of the ESG Committee for the year of 2022**

During 2022, the Committee met four (4) times.

| FULL NAME                             | NUMBER OF MEETINGS DURING EACH MEMBER'S TERM OF OFFICE | NUMBER OF MEETINGS | MEETING NUMBER N WHO PARTICIPATED | MEETING NUMBER N REPRESENTED | NUMBER OF MEETINGS ABSENT AND NOT REPRESENTED | ATTENDANCE AT MEETINGS |
|---------------------------------------|--------------------------------------------------------|--------------------|-----------------------------------|------------------------------|-----------------------------------------------|------------------------|
| Staikou Sofia                         | 4                                                      | 4                  | 4                                 | -                            | -                                             | 100%                   |
| Delikoura Aikaterini                  | 4                                                      | 4                  | 4                                 | -                            | -                                             | 100%                   |
| Lambrou Konstantinos                  | 4                                                      | 4                  | 4                                 | -                            | -                                             | 100%                   |
| Benopoulos Angelos (until 30.11.2022) | 4                                                      | 4                  | 3                                 | -                            | -                                             | 75%                    |
| Lazaridou Penelope                    | 4                                                      | 4                  | 4                                 | -                            | -                                             | 100%                   |

In 2022, the Committee:

- Approved the implementation of the Group's "decarbonization" project, which began at the beginning of the year in cooperation with EY and related to:
  - Non-Financial ESG Indicators Report and Taxonomy Report
  - Recording and disclosure of the Group's carbon footprint (Scope 1 (direct emissions from

production activity (HERON, TERNA LEUKOLITHI), Scope 2 (electricity and fuel consumption, privately owned vehicles and mechanical equipment), Scope 3 (indirect emissions from the organization's value chain (suppliers, transport, travel, etc.)

- Identification of climate risks and opportunities separately for our different industries
- Participation in CDP (climate disclosure project) in the climate change category
- "Exercise" for a decarbonization strategy until 2030 – target for emission reduction based on the SBTi methodology (Science Based Target Initiative: methodology for calculating emission reduction per sector of activity: construction, concessions, energy production, industry (TERNA LEUKOLITHI) based on the Paris Goals

Part of the overall work of the Group's ESG team (in collaboration with the consultant) was also:

- The 2021 Sustainability Report as well as
- The Group's socio-economic footprint study for 2021 in Greece

During the year the Committee:

- Approved non-financial ESG report as well as the taxonomy report published together with the financial statements (April 2022)
- Attended the materiality assessment process carried out in preparation for the sustainability report,
- Approved the Sustainability Report 2021 published on 30.06.2022
- Monitored the progress of the decarbonization project's workstreams.
- The Committee was informed about the new climate law and the obligations arising from it for the Group
- It approved the results of the socio-economic footprint study and gave the best for their publication.

Moreover

- It approved the Human Rights Policy made public in June 2022

#### **4. Detailed CVs of BoD members, BoD committee members, BoD Secretary and senior management**

##### **Georgios Peristeris**

In 1980 he received his degree in Civil Engineering from NTUA. His activity with TERNA S.A. began in 1981. From 1982-1984 he was Director of Construction of major Hydraulic and Railway projects. Since 1984 he assumed the duties of Chairman and CEO of TERNA S.A.

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 S.A. where he serves as a Chairman and from 2000 until today he is also the Chairman of the Hellenic Association of Renewable Energy Producers (ESIAPE). The Association is a founding member and is represented in the Board of Directors of the respective European Renewable Energies Federation (EREF). He is also a member of the Board

of Directors of Business and Industry Association.

**Apostolos Tamvakakis**

He is a graduate of the Athens University of Economics and Business, with postgraduate degrees in Econometrics and Financial Mathematics in Canada. He is the founder, Chairman & CEO of EOS Capital Partners, managing company of EOS Hellenic Renaissance Fund, the largest Greek private equity fund. He has served as CEO of National Bank of Greece, Independent Non-Executive Vice Chairman of the Board of Directors of Piraeus Bank, Chairman also CEO of LAMDA DEVELOPMENT, responsible for the strategic and business development of the Latsis Group in Geneva, Deputy Governor at the National Mortgage Bank and the National Bank of Greece. He has also worked at Mobil Oil Hellas, Investment Bank and ABN-AMRO Bank as Deputy General Manager. He has served on many boards and committees. He is Vice-Chairman of the Board of Directors of Plaisio Computers, member of the Board of Directors of QUEST Holdings, member of the Board of Directors of EUROSEAS LTD, member of the Board of Directors of EURODRY LTD, member of the Board of Directors of MINERVA S.A., member of the Board of Directors of EUROCATERING S.A., member of the Board of Directors of ERGO Insurance, Chairman of the Regulatory and Liquidation Committee of PQH Single Special Liquidation S.A. and member of the Marketing Committee of the Hellenic Olympic Committee.

**Michael Gourzis**

He holds a degree in Public Works Degree of D' class, graduate of the School of Sub-Engineering of Athens. He worked as a freelance contractor – constructor of Public Works from 1969 to 1976. Since 1977 he joined the construction company TERNA, participating since then in a number of large infrastructure projects as head of the construction industry, while since 2002 he is a Senior Executive and Executive Member of the Boards of Directors of TERNA SA and GEK TERNA SA. Since 2011 he is the Executive Vice Chairman of GEK TERNA Group and since 2019 he holds the position of Chairman of the Board of Directors at TERNA. He also holds the position of non-executive member of TERNA ENERGY and the position of Vice Chairman of TERNA LEFKOLITHI, a company active in the mining sector. He has participated in a number of Corporate Social Responsibility actions throughout Greece, covering needs for the benefit of local communities in the geographical areas where large infrastructure projects are being implemented.

**Penelope Lazaridou**

She is a graduate of the Athens University of Economics and Business (ASOE Department of Business Administration) and holds a M.Sc. in Finance from the University of Strathclyde (UK).

She has more than 25 years of experience in the banking industry, holding for over 10 years the position of General Manager in the areas of Corporate and Investment Banking. At the same time – and in the context of the above responsibilities – she has served as (i) Chairman of the Board of Directors in subsidiaries and (ii) as an Executive Member in Supreme Banking Committees. Through the above roles, she has contributed dynamically to the rapid development of the country's infrastructure and renewable energy sources.

In 2017 she joined GEK TERNA Group holding the position of General Manager of Financial Services with main objective (i) the definition of financial strategy and (ii) the management of financial risks.

In December 2019 she was appointed Executive Member of the Board of Directors of GEK TERNA and

since July 2021 she has been an Executive Member and Executive Director of GEK TERNA. She participates in the Boards of Directors of subsidiaries of GEK TERNA Group.

She actively participates in the promotion of issues related to diversity and inclusion both within the group through her participation in the ESG Committee of the Board of Directors of GEKTERNA S.A., and outside the group through her participation in international for a (member of WOMEN ON BOARD (WOB) Harvard Business School and member of ICC Women Hellas -International Chamber of Commerce)

**Benopoulos Angelos**

He has been active in the fields of construction, Real Estate, RES and business parks. He has experience in company management and corporate affairs management. With studies at NTUA, he started his career at ARCHIRODON. In 1995 he was the founder of the Group DOMIKI ANAPTYXI (DOMIKI ANAPTYXI SA, ILIOCHORA SA, DIKEVE SA, ERGODYNAMIKI SA), companies that merged with GEK and TERNA Groups in 2002. As a result of the merger, he has since been a member of the Group's leading management. He was a member of the Board of Directors and Executive Director of TERNA. At GEK TERNA Group he has served as Executive Vice Chairman, corporate secretary, member of the Nominations and Remuneration Committee and has currently been appointed as an Executive Director. He oversees organizational structure, corporate governance, human resources, information technology and technology, personal data, digital transformation.

Since 2018 he is Vice Chairman of the Hellenic Association of Business Parks. Since 2020 he has been an elected Member of the General Council of Business and Industry Association, while during the last decade he has been a member of several Steering Committees and Business and Industry Association Committees focusing on spatial planning, networks - infrastructure, business parks, supply chain, licensing, corporate governance. For a decade, he served as a member of the Board of Directors of the Centre for European Constitutional Law. He has been honored with distinctions by the Ministry of Education, the Ministry of National Defence and the Municipality of Athens.

**Antonakos Dimitrios**

He graduated from Varvakeios School and holds a degree in Surveying Engineering from the Polytechnic School of the Aristotle University of Thessaloniki and a Civil Engineer from the National Technical University of Athens, while he holds a degree of the highest (D) class according to the Register of Greek Manufacturers.

His professional activity started at GEK S.A. in 1979 of which he was a member of the Board of Directors since 1981, from 2000 to 2019 he was a member of the Board of Directors of TERNA S.A. (Chairman BoD between 2011-2016), while since 2005 he was in charge of the Group's activities in the MENA area. From 2011 to 2015 he served as Executive Vice-Chairman of the BoD, while from 2015 until today he was an Executive Member of the BoD of GEK TERNA.

From 2017 until today he is the Regulatory Compliance Officer, while since 2019 he has also assumed the position of Risk Manager of GEK TERNA Group. At the same time, he has been a director and/or member of the Board of Directors of subsidiaries and affiliated companies of GEK TERNA Group in Greece and abroad.

**Lambrou Konstantinos**

He holds a Master's degree in Business Administration (Ms in Business Administration), while he has also studied Journalism and Mass Media, as well as Communication, Public Relations and Management. He has been working at GEK TERNA Group since 2008 as Director of Strategic Communication, CSR and Sustainable Development of the Group and its subsidiaries TERNA and TERNA ENERGY. At the same time, he is a communication consultant to subsidiaries and affiliated companies of the Group (e.g. HERON, Nea Odos, Kentriki Odos). He has also served as Executive Director of GEK TERNA Group in Bulgaria (2009 – 2018) and member of the Board of Directors of its subsidiaries. During the period 2012 – 2014 he held the position of Vice Chairman of the Greek Business Council of Bulgaria.

In the past he has worked as a communication consultant with the Greek Government, while for many years he worked as a journalist and executive in various media.

**Moustakas Emmanouil**

He graduated from the School of Civil Engineering of NTUA in 1998. He worked as a freelancer in the design, supervision and construction of private projects until 2003, when he began his collaboration with the Group (TERNA S.A.), initially as a construction engineer and then in project management positions. Since 2005 he has been active mainly in the energy and concessions sectors. He is a member of the Board of Directors of affiliated companies of GEK TERNA Group.

**Souretis Petros**

He studied Civil Engineering at the Aristotle University of Thessaloniki. He did postgraduate studies MSc at City University of London in 1994 and since 2004 he holds an MBA degree from the Athens University of Economics and Business. Until 2003 he was a manager of the Group ELLINIKI TECHNODOMIKI-TEB. He served as CEO of INTRAKAT from 2003 to July 2022. Member of the Board of Directors of INTRALOT SA Group from 2008 to 2019. Since 2010 he holds the position of CEO of KEKROPS SA and from 2019-2022 he served as Vice Chairman of the BoD of ATHENS RESORT CASINO HOLDINGS SA and HELLENIC CASINO SA. At the same time, until 2022, he held executive positions in subsidiaries of the INTRACOM HOLDINGS Group, while from 2014 to 2020 he served as Chairman of the Ecclesiastical Property Development Fund of the Archdiocese of Athens. In 2022 he was elected Executive Member of the Board of Directors of GEK TERNA.

**Afentoulis Dimitrios**

He joined the Latsis Group in 1993. From November 2005 until today he is a member of the Executive Board of the John S. Latsis Public Benefit Foundation, where he served as Secretary until March 2019. From February 2012 to November 2016 he served as a member of the Board of Directors of the National Bank of Greece and chaired the Bank's Corporate Governance and Nominations Committee, while he was a member of the Audit, Strategy and Human Resources and Remuneration Committees. From the beginning of 2018 until July 2020 he has served as a non-executive member of the Board of Directors of Lamda Development as well as a member of the Audit Committee of the company. In July 2021 he was elected non-executive member of the Board of Directors of GEK TERNA as well as member of the Audit Committee of the company. Also, since 2020 he is a non-executive member of the Board of Directors of VIVA Bank. He participates, in various capacities, in the Boards of Directors of companies and institutions in Greece and abroad. He holds the position of CEO of LATSCO Family Office, interests of



the family of Mrs. Marianna I. Latsis. He studied Business Administration and Accounting at the Athens University of Economics and Business and holds a Master's degree in Business Administration (MBA) from the Athens University of Economics and Business.

**Apkarian Gagik**

He has more than 20 years of experience in private equity, investment banking and business consulting in the U.S., Europe, Australia and the Middle East. He is a judge on Harvard University's "Innovation Challenge" and a guest speaker at business schools and conferences internationally on issues related to businesses in transition and direct investment.

He is the founder and managing director of Tetrad Capital Partners, a London-based investment and specialist holding consulting firm with international activity. The company currently focuses on telecommunications, media, technology, engineering and procurement, oil and gas, alternative energy, credit institutions and general industries. Prior to Tetrad Capital, Mr. Apkarian was co-founder and General Partner in Vulcan Capital – the investment office of Paul Allen (co-founder of Microsoft). He developed the team and established the procedures for developing and implementing a dual mandate: to optimize a complex investment portfolio of more than USD 10 billion in listed and unlisted companies and to pursue a range of investments in private companies, listed securities and infrastructure.

Prior to joining Vulcan Capital, he worked in investment banking at Morgan Stanley in London. During his career in New York and London, he managed more than \$100 billion in M&A. DoI. US, restructurings, financing and equity investments. Previously, he worked at McKinsey in New York and Australia with a focus on strategy, restructuring and operational consolidation following mergers in various business areas.

He holds a bachelor's degree in mathematics and physics, a bachelor's degree in electrical engineering with honors and a master's degree in Business Administration from Harvard Business School.

**Delikoura Aikaterini**

She is a C-level Banking Risk and Compliance Executive, with more than 20 years of experience in the markets of Central and Southeastern Europe, UK, USA, Turkey and Egypt. She is General Manager at the Bank of the Council of Europe, specializing in the financing of large state projects. She is a member of the Executive, Risk Management, Major Project Credit and ESG Criteria Committees. She is the Central Investigator of Financial Crime, Fraud, Corruption, Business Ethics and Chairman of the Personal Data Protection Commission.

She has served as Group International Risk Head, at EFG EUROBANK Group, at the External Network of Central and Eastern Europe, United Kingdom and Luxembourg, Representative of EFG at the EBCI Vienna Initiative, Member of the Board of Directors of EUROBANK TEKFEN AS, Secretary General of the EFG Group Risk Committee and Chairman of the Risk Committees of the subsidiaries of Bulgaria, Serbia, Cyprus and Turkey. She has served as Head of Group International Risk at Piraeus Bank Group, in the International Network, member of the Mergers and Acquisitions team and member of the Board of Directors of TIRANA LEASING SA. He has worked at ALPHA BANK, as a Senior Risk Officer at ABN AMRO BANK in the Corporate Risk Department.

She holds an MBA from ALBA Graduate Business School and a Law Degree from the National and Kapodistrian University of Athens. She is also a Certified Financial Investigator and a Certified Data

Protection Officer. In 2019 she received the international award "Woman Chief Compliance Officer 2019, IFIs and Private Sector". She speaks English, French, Spanish and Italian.

**Capralos Spyridon**

He studied Economics at the University of Athens, and received a Master of Business Administration (MBA) at INSEAD University in France. He is fluent in English, French and Italian. He is Chairman of Star Bulk Carriers and Chairman of the Board of Directors of Euroclinic.

He has served as Chairman of the Athens Exchange and CEO of the companies of the HELEX Group, Chairman of the Association of European Stock Exchanges, Deputy Governor of the National Bank of Greece, Vice Chairman of Bankers Trust Company, President of E.T.E.V.A., Astir Insurance Company, CEO of OceanBulk Containers, EPIRUS S.A., and Bank of Athens.

As an athlete he participated with the National Water Polo Team in the Olympic Games of Moscow in 1980 and Los Angeles in 1984, while he was Greek and Balkan champion in swimming from 1969 to 1975.

In 2021 he was elected Chairman of the European Olympic Committees and in 2019 a member of the International Olympic Committee. He has been Chairman of the Hellenic Olympic Committee (HOC) since 2009.

He was Chairman of the Coordinating Committee for the European Games in Baku (2015) and Minsk (2019), participated in the HOC Plenary Session (1992-1996) and served as Head of the Greek Delegation to the Atlanta Olympic Games. In addition, he served as a Member of the Board of Directors and Executive Director of the Organizing Committee of the Olympic Games "Athens 2004", while he also held the position of Deputy Head of Games Business Administration. In March 2004 he was appointed Secretary General of the Olympic Games of the Ministry of Culture by decision of the Prime Minister and was appointed City Manager during the Olympic Games.

**Skordas Athanasios**

He is a graduate of the Athens University of Economics and Business (ASOEE) specializing in International Economic Relations. He was active in the field of private insurance and in the financial sector. General Manager of the Hellenic Association of Tugboat, Lifeguard, Antifouling and Offshore Vessel Owners and independent non-executive member of the Board of Directors "EPILEKTOS TEXTILES SA".

From 2015 to December 2019, he was Chairman and CEO of Selonda SA, listed on the Athens Stock Exchange, in which he successfully contributed to the achievement of the company's resolution objectives, the absorption of third-party companies as well as the completion of the procedures for its sale by the systemic banks to the joint venture Amerra Capital Management (US) – Mubadala Private Equity (UAE). He has served for two years as Deputy Minister of Development, Competitiveness, Infrastructure, Transport and Networks with responsibility for Trade and Industry, Secretary General of the Ministries of Development, Economy and Finance with responsibility for tax and customs issues, while he was also Secretary General of the Region of Central Greece.

He has been a seminar instructor at the Hellenic Institute of Insurance Studies, as well as at the Institute of Financial Studies.

He has been distinguished for his social action and Corporate Social Responsibility actions by actively participating in the Boards of Directors of recognized associations, while, among others, he has been honored in 2019 with the gold award "Health & Safety Awards" and the award "Top Industrial Export Company".

**Staikou Sofia**

She studied Political Science at Panteion University and Industrial Psychology at the University of Sussex in England.

She worked at Citibank, the Bank of Greece, the Minister of Finance in the Government of National Unity (1974) and then in the office of the then Prime Minister Konstantinos Karamanlis.

Since 1981 she has worked at IONIKI BANK, at the Marketing and Public Relations Department, at the Press Office of the Ministry of Environment, Spatial Planning and Public Works and at the Solid Advertising Company.

From 1992 to 2000 she undertook Piraeus Bank's Personnel, Promotion and Communication Division as General Manager and from 2002 to 2018 she was Chairman of the Piraeus Bank Group Cultural Foundation and Head of Corporate Responsibility of the Bank, implementing pioneering actions with a strong environmental and social footprint that later became the basis for compliance with ESG criteria.

Since 2019 she has been Vice Chairman of the Board of Directors of LYKTOS HOLDING and is involved in the Group's business activities simultaneously with her appointment in 2020 as Chairman of SEMELI WINERY. Since 2021 she holds the position of Chairman and CEO of the same company.

**Tagmatarchis Angelos, Member of the Audit Committee**

He is a graduate of the Athens University of Economics and Business – Department of Business Administration with training in Tax and Auditing issues. From 1971 to 1991 he worked as Financial Director in Multinational Commercial and Industrial Companies and in the meantime, from 1973 to 1977, as an Auditor – Accountant at the auditing firm ARTHUR ANDERSEN. Then, from 1992 to 2004, he worked in the construction industry as Financial Director and Internal Auditor of the ATHENS METRO PROJECT (AEGEK 1992 - 1996) and the RIO ANTIRIO BRIDGE J/V (J&P 1997 - 2004). In 2005 he collaborated with HSBC Bank as a Loan Consultant for Construction Companies and until today he continues to offer his services as a Bank Consultant for financing Technical Companies. He is a member of the Audit Committee of GEK TERNA.

**Zaribas Christos**

He is a graduate of the Athens School of Economic & Business Sciences (ASOEE), now Athens University of Economics and Business (AUEB), with many years of professional experience in various companies. He has served as Chief Financial Officer in large technical construction Joint Ventures (1980 – 2000) and from 2002 to 2005 he served as Chief Financial Officer in the listed company ATHENA SA.

Since 2006 he has joined the financial services of GEK TERNA Group and from 2008 until today, he holds the position of Chief Financial Officer of GEK TERNA Group, with main responsibilities the compliance with tax and commercial legislation and any other related to the company's activities, as well as the preparation of individual and consolidated financial reports of budgets and reports, audited

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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by external accountants.

In addition, he represents GEK TERNA before any person or legal entity, Private or Public, the Greek State, the Banks as well as generally against any person and any Authority, domestic or foreign, throughout its activity, by jointly signing with another authorized member of the BoD.

In the context of his duties he is a Member of the Board of Directors of the Group's subsidiaries: NEA ODOS S.A., ODOS KENTRIKTIS ELLADOS S.A., ILIOCHORA S.A. and GEK TERNA FTHIOTIDA MAE.

**Dimitra Chatziarseniou**, Corporate Secretary, Head of the Group's Legal Department

Ms. Dimitra Chatziarseniou is a lawyer, member of the Athens Bar Association, since 1998. She holds the position of Head of the Legal Department of GEK TERNA Group and has been appointed Corporate Secretary of GEK TERNA S.A. and TERNA ENERGY SA. She joined GEK TERNA Group in 2002. During her career she has organized the legal department of the Group and currently manages a team of four esteemed lawyers. She has successfully handled large real estate transactions, mergers and acquisitions, listings, 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. She is a graduate of the Law School of Athens and holds a master's degree in Commercial Law from the same school. She is fluent in English and French.

**Nika Angeliki**, Head of Internal Audit Unit GEK TERNA

She is a graduate of the Athens University of Economics and Business (ASOEE) – Department of Accounting and Finance, holds a degree in Auditing and Accounting from the Training Institute of the Institute of Certified Public Accountants (2007-2011). She is a Certified Public Accountant. From 2006 to 2014 she worked as an external auditor at Ernst Young Greece with the object of regular audit of financial statements, audit for tax certificate and participation audits on the issuance of bond loans. In 2014 she joined GEK TERNA Group.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***5. External professional commitments of BoD members**

| FULL NAME            | EXTERNAL PROFESSIONAL COMMITMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PERISTERIS GEORGIOS  | <ul style="list-style-type: none"> <li>Chairman TERNA ENERGY S.A.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| TAMVAKAKIS APOSTOLOS | <ul style="list-style-type: none"> <li>Chairman &amp; CEO EOS CAPITAL PARTNERS ALTERNATIVE INVESTMENT FUNDS MANAGEMENT SOCIETE ANONYME</li> <li>Vice-Chairman of the Board Plaisio Computers S.A.</li> <li>Member of the Board of Directors of EUROSEAS L.T.D.</li> <li>Member of the Board of Directors of EURODRY L.T.D.</li> <li>Member of the Board of Directors of EOS Hellenic Renaissance Fund GP, Sarl</li> <li>Member of the Board of Directors of ERGO ASFALISTIKI S.M.S.A.</li> <li>Member of the Board of Directors of MINERVA OLIVE OIL &amp; FOOD ENTERPRISES SOCIETE ANONYME</li> <li>Member of the Board of Directors of EUROCATERING S.A.</li> <li>Vice-Chairman of the Board of Directors of HELLENIC JUICES S.A.</li> <li>Member of the Board of Directors of Latsco Shipping Limited</li> <li>Member of the Board of Directors of Latsco Marine Management</li> <li>Member of the Board of Directors of EOS Hellenic Renaissance Fund GP, Sarl</li> <li>Member of the Board of Directors of EOS Hellenic Renaissance CIV GP</li> </ul> |
| GOURZIS MICHAEL      | <ul style="list-style-type: none"> <li>GEK TERNA Group companies               <ul style="list-style-type: none"> <li>Member of the Board of Directors of TERNA ENERGY S.A.</li> <li>Chairman TERNA S.A.</li> <li>Vice-Chairman TERNA MAGNESITE S.A.</li> </ul> </li> <li>Member of the Board of Directors of Heraklion International Airport S.A.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| LAZARIDOU PENELOPE   | <ul style="list-style-type: none"> <li>GEK TERNA Group companies               <ul style="list-style-type: none"> <li>Member of the Board of Directors NEA ODOS CONCESSION SOCIETE ANONYME</li> <li>Member of the Board of Directors CENTRAL GREECE MOTORWAY CONCESSION SOCIETE ANONYME</li> <li>Vice Chairman &amp; CEO GEK TERNA MOTORWAYS S.M.S.A.</li> <li>Vice Chairman &amp; CEO Vice Chairman GEK TERNA KASTELI S.M.S.A.</li> <li>Chairman THERMOILEKTRIKI KOMOTINIS S.A.</li> <li>Chairman GEK TERNA CONCESSIONS S.M.S.A.</li> <li>Vice Chairman &amp; CEO INTEGRATED RESORT COMPLEX ELLINIKOU S.A.</li> </ul> </li> <li>Member of the Board of Directors of THESEUS RECOVERY AND REHABILITATION CENTER S.A.</li> </ul>                                                                                                                                                                                                                                                                                                                            |
| BENOPOULOS ANGELOS   | <ul style="list-style-type: none"> <li>GEK TERNA Group companies               <ul style="list-style-type: none"> <li>Chairman VIPATHE S.A.</li> <li>Chairman CAR PARK PLATANOS KIFISSIAS SQUARE S.A.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ANTONAKOS DIMITRIOS  | <ul style="list-style-type: none"> <li>GEK TERNA Group companies               <ul style="list-style-type: none"> <li>Member of the Board of Directors of TERNA S.A.</li> <li>Member of the Board of Directors of TERNA OVERSEAS L.T.D.</li> <li>Chairman CHIRON CONCESSIONS S.A.</li> <li>Chairman CAR PARK PL. SAROKOU CORFU S.A.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| FULL NAME            | EXTERNAL PROFESSIONAL COMMITMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <ul style="list-style-type: none"> <li>• Vice-Chairman of KEKROPS S.A.</li> <li>• Member of the Board of Directors of MACEM CONSTRUCTION MATERIALS L.T.D.</li> <li>• Joint ventures               <ul style="list-style-type: none"> <li>- AVAX SA - BIOTER S.A. - ILIOCHORA S.A.</li> <li>- ETETH – TERNA – AVAX PANTECHNIKI</li> <li>- TERNA SA – PANTECHNIKI S.A.</li> <li>- AVAX S.A.-TERNA S.A.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| LAMBROU KONSTANTINOS | <ul style="list-style-type: none"> <li>• MANAGER OF K.V. LAMBROU LIMITED LIABILITY PARTNERSHIP</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| MOUSTAKAS EMMANOUIL  | <ul style="list-style-type: none"> <li>• GEK TERNA Group companies               <ul style="list-style-type: none"> <li>- Vice Chairman NEA ODOS CONCESSION SOCIETE ANONYME (NEA ODOS S.A.)</li> <li>- Vice-Chairman CENTRAL GREECE MOTORWAY CONCESSION SOCIETE ANONYME (ODOS KENTRIKIS ELLADAS S.A.)</li> <li>- Chairman GEK TERNA MOTORWAYS S.A.</li> <li>- Chairman GEK TERNA KASTELLI S.A.</li> <li>- Member of the Board of Directors of OLYMPIA ODOS CONCESSION SOCIETE ANONYME</li> <li>- Member of the Board of Directors of OLYMPIA ODOS OPERATION SOCIETE ANONYME</li> <li>- Chairman GEK TERNA MOTORWAYS S.M.S.A.</li> <li>- Chairman &amp; CEO GEK TERNA CONCESSIONS S.M.S.A.</li> <li>- Member of the Board of Directors of HERON ENERGY SOCIETE ANONYME</li> <li>- Member of the Board of Directors of GEK TERNA S.A.</li> <li>- Member of the Board of Directors of TERNA LEUKOLITHI S.A.</li> <li>- Vice Chairman &amp; CEO MANTOUDI BUSINESS PARK SINGLE MEMBER S.A.</li> </ul> </li> <li>• Member of the Board of Directors of Heraklion International Airport Crete S.A.</li> <li>• Chairman Green Ocean Solutions A.G.</li> <li>• Member of the Board of Directors Civil Non-Profit Company "Greek Infrastructure and Toll Roads"</li> <li>• GEK TERNA-TERNA S.A. - JV Hellas Tolls</li> <li>• Member of the Board of Directors HERON THERMOELECTRIC COMPANY S.A.</li> <li>• Director MGE Hellinikon BV</li> <li>• Director MGGR LLC</li> <li>• Director MOHAVE VALLEY LLC</li> <li>• CEO TERNA HOLDCO INC</li> <li>• Chairman of the Board of Directors IRC HELLENIC S.A.</li> <li>• Vice Chairman of the Board of Directors NKGEKTERNA Limited</li> <li>• Member of the Board of Directors SARISA, YPO-CONCESSION PORT OF KAVALAS PHILIPPOS II S.A.</li> </ul> |
| SOURETIS PETROS      | <ul style="list-style-type: none"> <li>- HOTEL - TOURIST - BUILDING &amp; QUARRYING ENTERPRISES KEKROPS S.A.: Managing Director</li> <li>- EDISUN HOLDING LTD: Managing Director</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

| FULL NAME            | EXTERNAL PROFESSIONAL COMMITMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <ul style="list-style-type: none"> <li>- EDICON REAL ESTATE DEVELOPMENT AND CONSTRUCTION SOCIÉTÉ ANONYME (EDICON): President Board of Directors and CEO.</li> <li>- ESARUS &amp; CO LTD: Managing Director</li> <li>• 4 HS NEPA: Chairman of the Board of Directors</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| AFENTOULIS DIMITRIOS | <ul style="list-style-type: none"> <li>• In companies of the Latsis Group               <ul style="list-style-type: none"> <li>- CEO LATSCO Family Office Services Greece S.M.S.A.</li> <li>- Member of the Board of Directors of LATSCO DIRECT INVESTMENTS S.À R.L.</li> <li>- Member of the Executive Board JOHN S. LATSIS PUBLIC BENEFIT FOUNDATION</li> </ul> </li> <li>• CEO PALLAS ATHINA MAE</li> <li>• Chairman BoD 3L DOTS REAL ESTATE S.A.</li> <li>• Member of the Board of Directors of VIVABANK SINGLE MEMBER BANKING SOCIÉTÉ ANONYME</li> <li>• Chairman BOARD OF DIRECTORS PHANOS RURAL PARK SOCIÉTÉ ANONYME</li> <li>• Member of the Board of Directors of THESEUS RECOVERY AND REHABILITATION CENTER S.A.</li> <li>• Chairman BOARD OF DIRECTORS KALLISTI VOULIAGMENI S.A.</li> <li>• Vice-Chairman MATILDA Foundation</li> <li>• Member of the Board of Directors of the Foundation for the Support of the Ecumenical Patriarchate</li> </ul> |
| APKARIAN GAGIK       | <ul style="list-style-type: none"> <li>• CEO TETRAD CAPITAL PARTNERS Ltd</li> <li>• Member of the Board of Directors of TETRAD Capital Partners Ltd (Cayman)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| DELIKOURA AIKATERINI | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| CAPRALOS SPYRIDON    | <ul style="list-style-type: none"> <li>• Chairman Hellenic Olympic Committee</li> <li>• Chairman STAR BULK CARRIERS</li> <li>• Chairman ATHENS EUROCLINIC</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SKORDAS ATHANASIOS   | <ul style="list-style-type: none"> <li>• Member of the Board of Directors "Epilectos Textiles S.A."</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| STAIKOU SOFIA        | <ul style="list-style-type: none"> <li>• Vice-Chairman of the BoD LYKTOS HOLDING</li> <li>• Chairman and CEO SEMELI WINERY</li> <li>• LYKTOS MANAGEMENT S.A.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

**6. Internal Audit System (internal audit, risk management, regulatory compliance)**

The Internal Audit System (IAS) is defined as the set of rules and procedures applied by the Company aiming at the preventive and ex-post audit of operations and procedures at all levels of the Group's hierarchy and organizational structure, in order to ensure: the leality and security of management and transactions, the accuracy and reliability of published financial statements and any other financial information and announcement, as well as the efficiency of the Company's operating systems and operations.

The Board of Directors utilizes the IAS in order to protect the Company's assets, assess the emerging risks from all its operations and provide accurate and comprehensive information to shareholders on the actual situation and prospects of the Company, as well as on ways to address the identified risks.

For the implementation of the above, the Board of Directors determines the operating framework of internal audit, approves the procedures for conducting and evaluating its results and decides on its staffing, in compliance with the requirements of the applicable legal and institutional framework as well as the Greek Corporate Governance Code. It establishes a special Internal Audit Unit, which is independent, does not belong hierarchically to any other organizational unit and is supervised by the Company's Audit Committee, ensuring its independence and effective operation and allocating appropriate financial and human resources.

With the contribution of the Audit Committee, it evaluates the adequacy and efficiency of the internal audit unit and the degree of utilization of its reports by the Board of Directors for the continuous improvement of the Company's operation at all levels and the effective management of business risks.

**The Internal Audit Unit carries out audits in all Group activities, in all geographical areas except those of the listed subsidiary. The work of the Internal Audit Unit includes:**

- Internal Audits of Head Office Divisions ,
- Internal Project Audits (project audits also check procedures of other divisions such as procurement, staff recruitment, mechanical equipment, regulatory compliance, etc.),
- Audits (correctness, completeness, existence of accounting entries), reconciliation of accounts, etc
- Audits on compliance with company procedures,
- Internal Audits of subsidiaries of GEK TERNA Group,
- Audits in the procedures for the preparation of Financial Statements,
- Corporate governance audits,
- Information Systems,
- Provision of Consulting Services

The results of the audits are regularly presented to the Audit Committee and the Board of Directors is also informed, while quarterly and annual reports are sent.

#### **Budgets / Reports / Transactions / Preparation of Financial Statements**

The Company uses budgets and reports as an important internal audit tool. More specifically, budgets are prepared, monitored and updated per company / sector / activity / project and at Group Level. Budgets and reports are a key tool of Management for making both case-by-case and strategic decisions.

The safeguards used throughout the Group's activities include both preventive and repressive measures to ensure the legality / correctness of transactions, the correctness of accounting entries, the protection of assets taking into account the basic principles of an internal audit system such as segregation of duties, audit of operations by at least two people (four eye principle).

More specifically:

For the implementation of transactions, signing contracts, making other decisions, there are relevant authorizations, procedures, bodies on the basis of which the above actions are implemented.

For the formulation of budgets and reports there are relevant procedures or departments per company



where they contribute to the implementation of work.

For the accounting of transactions and other entries in the accounting records, there are relevant procedures that are followed preventively.

Ex post audits are carried out by the financial management such as audits of accounts, periodic reconciliations of accounts and periodic reviews of the correctness of account balances (customers, suppliers, banks, taxes, payroll, etc.). Finally, there are specific procedures for closing financial statements as described below.

The levels of audit and risk management in the process of preparing individual and consolidated Financial Statements are recorded in the process of preparing Group financial (and non-financial) statements, in the Group's Financial Services Obligations Calendar and in other procedures.

Initially, the Group's Financial Management communicates to the Group's companies the instructions and deadlines for the preparation of financial statements.

Specifically, for the individual financial statements of the parent company, the profit and loss statement and balance sheet (ledgers) are recorded in the information system and the Financial Statements (verbal) are prepared by the competent accountant. Subsequently, an audit of the recorded financial results and a review of the accounts of the profit and loss statement and balance sheet are carried out by the financial management and, if discrepancies are identified, the cause of the discrepancy is investigated, the adjustment of the entry is approved and the correctness of the financial statements is checked by the Chief Financial Officer.

Data are then collected from all subsidiaries and affiliated companies consolidated into the Group. The certificates of the chartered accountants of the subsidiary companies are received and the receipt of responses to the chartered officers of the Parent Company is monitored. Consolidation records are performed. The correctness of consolidated financial statements is checked. The audits and work are then carried out by the Group's certified public accountants.

The Audit Committee oversees the process of preparing the Company's financial statements and other financial reporting and examines their reliability. Holds regular meetings with the Chief Financial Officer and the Certified Public Auditors Accountants. Following examination and confirmation of the correctness of the process of preparing the corporate and consolidated financial statements (interim and annual) following and information by the Chief Financial Officer, recommends to the Board of Directors their approval and their signature and publication.

The purpose of the Risk Management Unit (RMU) is to identify, evaluate and manage the risks faced by the Company.

The RMU ensures the establishment of an effective risk management framework, with the aim of developing, implementing and continuously improving risk management practices (including safeguards) at the level of processes, systems and the Company.

The RMU ensures that the risks assumed by the Company's units are in line with the willingness to take risks and the tolerance limits that the top management determines and forms.

The RMU provides analyzes and reports on the adequacy and effectiveness of risk management (including safeguards).

The RMU provides guidance and support services to Group companies to ensure adequate and effective risk management, with the exception of companies that have values listed on the stock exchange and have independent Risk Management Units, for which they are informed by their Management or their Manager Risk Management Unit of the listed company.

The main categories of risks recognized are the following:

- Strategy and Planning
- Financial
- Business environment
- Functional
- Governance
- Social
- Regulatory compliance and legal risks

The Risk Management Officer in collaboration with the Managing Director and Unit Managers assess each risk based on the following criteria:

- Likelihood of occurrence,
- Severity of impact.

This assessment is based on predetermined criteria resulting from the degree of risk appetite.

The purpose of the Regulatory Compliance Unit (hereinafter "RCU") is to ensure the Company's compliance with the applicable institutional and supervisory framework that governs its business activities and operation. RCU protects the integrity and reputation of the Company through the creation and implementation of a comprehensive compliance program that includes prevention, suppression and response measures regarding compliance issues.

The RCU provides guidance and support services to Group companies to ensure their adequate and effective compliance with the applicable institutional and supervisory framework and the Company's internal policies, with the exception of companies that have securities listed on the stock exchange and have independent Regulatory Compliance Units, for which he is informed by their Management or the Head of the Regulatory Compliance Unit of the listed company.

The main axes of the RCU are the following:

- Business ethics
- Transparency of work
- Integrity of actions
- Safeguarding the interests of shareholders
- Customer/consumer protection
- Social integrity/sensitivity

The Company has a certified regulatory compliance system (ISO 37301:2021).

During 2022, the Management System was adapted to the new requirements arising from the new version of the ISO 37301:2021 standard. At the same time, individual relevant Policies, Procedures and the Company's Code of Ethics and Conduct were updated to harmonize them with Law 4706/2020.

### **6.1. Assessment of corporate strategy, key business risks and Internal Audit System**

The annual review of the corporate strategy is made with reference to the update of business risks and the review of internal audit systems.

During the fiscal year 2022, the Audit Committee monitored:

- (a) the Internal Audit, Risk Management and Compliance functions to ensure the soundness of their operation and their independence,
- (b) the adequacy and effectiveness of the Internal Audit System and taking into account the content of the audit reports of the Internal Audit Unit, submitted relevant recommendations to the Board of Directors for its further improvement and reinforcement,
- (c) the Risk Management process and taking into account the Risk Management reports, submitted recommendations to the Board of Directors regarding the identification, assessment and management of risks;
- (d) 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 Group's operation and strategy and the Internal Audit Unit regarding the audit mechanisms and the Internal Audit System, submitted relevant recommendations to the Management and the Board of Directors
- (e) the procedures for compliance of the Company and the Group with the laws and regulations regulating its organization, operation and activities and taking into account the reports of the Compliance Unit, submitted recommendations to the Board of Directors regarding the revision of the Company's internal regulatory framework.

During 2021, the company carried out a project to comply with the requirements of Law 4706/2020 with the establishment of a relevant committee.

In addition, a self-evaluation of the Board of Directors, evaluation of the Audit Committee and the Internal Audit Unit (by an external consultant) has been carried out. The Internal Audit Unit received a report on its compliance with the International Standards for the Conduct of Internal Auditing. The opinion was that the Internal Audit Unit (complies) operates in accordance with International Standards for the Conduct of Internal Auditing.

According to Article 14 para. 3 approx. j' of Law 4706/2020 and the sub. No. 1/891/30.09.2020 decision of the Board of Directors of the Hellenic Capital Market Commission, as amended by no. EC 2/917/17.06.2021 decision of the Board of Directors of the Hellenic Capital Market Commission, the first evaluation of the Internal Audit System should be completed by 31.03.2023, with reference date 31.12.2022 and reference period from the entry into force of article 14 of Law 4706/2020 (17.07.2021). The relevant evaluation report was received by the company on 24.03.2023 for detailed details see paragraph 6.4.

### **6.2. Provision of non-audit services to the Company by its statutory auditors and assessment of the impact this may have on the objectivity and effectiveness of the statutory audit, taking into account the provisions of Law 4449/2017**

The statutory auditors of the Company for the fiscal year 2022, "Grant Thornton" (AM SOEL 127), who have been elected by the Annual General Assembly of the Company's Shareholders on 28.06.2022.

The Audit Committee 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 audit and risk management systems, as well as the correctness and reliability of financial information. Finally, the Audit Committee pre-approves the non-audit services provided by the statutory auditor to the Group and monitors all of them, to ensure that the independence or objectivity of the statutory auditors is not compromised. The Audit Committee examined the independence of the Certified Auditors in the following ways: 1. Completion of a predetermined list of questions based on Law 4449/2017 – Article 21, 2. The monitoring of non-audit tasks and 3. The supplementary report received by the Certified Auditor (according to Article 11 of EU Regulation 537/2014).

### **6.3. Assessment of the readiness of the Internal Audit System**

Following the recommendation of the Audit Committee, it was decided by the company to carry out an assessment of the readiness of the Internal Audit System. The evaluation took place during 2022. The results of the evaluation were communicated to the Audit Committee and the Management of the company. The Audit Committee, where necessary, monitored the corrective actions carried out by the company's Management.

### **6.4. Evaluation of the Internal Audit System taking into account the provisions of Law 4706/2020**

The Company, by decision of its Board of Directors, assigned to "Grant Thornton Societe Anonyme of Certified Auditors and Business Consultants" the project "Provision of Internal Audit System Evaluation Services", aiming at the evaluation of the adequacy and effectiveness of the Internal Audit System ("SEE") of the Company "GEK TERNA Holdings, Real Estate, Construction Societe Anonyme" and its significant subsidiaries, "HERON ENERGY S.A.", "HERON II VIOTIAS S.A.", "NEA ODOS S.A.", "ODOS KENTRIKIS ELLADAS S.A.", "TERNA S.A.", with reference date 31.12.2022, in accordance with the provisions of per. I of para. 3 and para. 4 of article 14 of Law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as in force (the "Regulatory Framework").

This evaluation of the Internal Audit System was successfully completed in March 2023 and covered the following subjects: the Audit Environment, Risk Management, Audit Mechanisms and Audits, the Information and Communication System as well as the Monitoring of the Company's Internal Audit System.

The Conclusion of the Independent Auditor, namely Ms. Athina Moustaki, Certified Public Accountant with AM 28871 and Partner of Grant Thornton, which is included in the final evaluation report of the adequacy and effectiveness of the IAS dated 24.03.2023, concludes that from the work carried out and the evidence obtained regarding the assessment of the adequacy and effectiveness of the IAS of the Company and its significant subsidiaries, no weaknesses were identified that could be considered as

material weaknesses in the IAS of the Company and its significant subsidiaries, in accordance with the Regulatory Framework.

This result is yet another confirmation that the Company is in constant compliance with the legislative and regulatory framework governing the Internal Audit System and adopts best practices for the lawful and smooth operation of the Group's IAS.

## **7. Remuneration of BoD members**

### **7.1. Remuneration Policy**

Initially, the Remuneration Policy was prepared by the competent Remuneration Committee of the Company "GEK TERNA S.A.", parent company of the GEK TERNA Group of Companies in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 on shareholder rights, as incorporated into Greek law by Law 4548/2018 and in particular in accordance with article 110 of the said law and approved by the Extraordinary General Assembly of 09.12.2019. Its revision was adopted from 01.07.2021 Annual General Assembly of the Company's shareholders.

The Remuneration Policy takes into account best practices for listed companies, the provisions of the Company's Articles of Association and the Company's Corporate Governance Code, while reflecting the applicable agreements regarding the remuneration of the members of the Board of Directors, including the respective General Managers-Senior Management. At the same time, it takes into account the salary and working conditions of all employees of the Company, which are fully harmonized with the principle of remuneration payment based on the reasonable and fair measure to the persons selected as the most suitable, taking into account the needs and nature of each position or functional role as well as the corporate interest.

The Remuneration Policy specifies the scales of annual fixed remuneration for the Group's senior management / management, BoD members or not of levels A, B, C, for the CEO, for independent non-executive members and non-executive members as well as the members of the mandatory statutory BoD Committees, in order to meet the salary levels of the market and the complexity of the sectors represented by the Company, such as construction, energy production, building materials, infrastructure management and operation, concessions, mining and mining activities. In addition, the variable remuneration components and the benefits that executive members of the Board of Directors and senior management / management of the Group may receive are determined. Thus, the Remuneration Policy shapes remuneration levels through the principle of meritocracy, while responding to the need to engage existing senior executives of the Group as well as attract new competent ones, in order to implement the Group's strategic objectives.

### **7.2. Annual Remuneration Report**

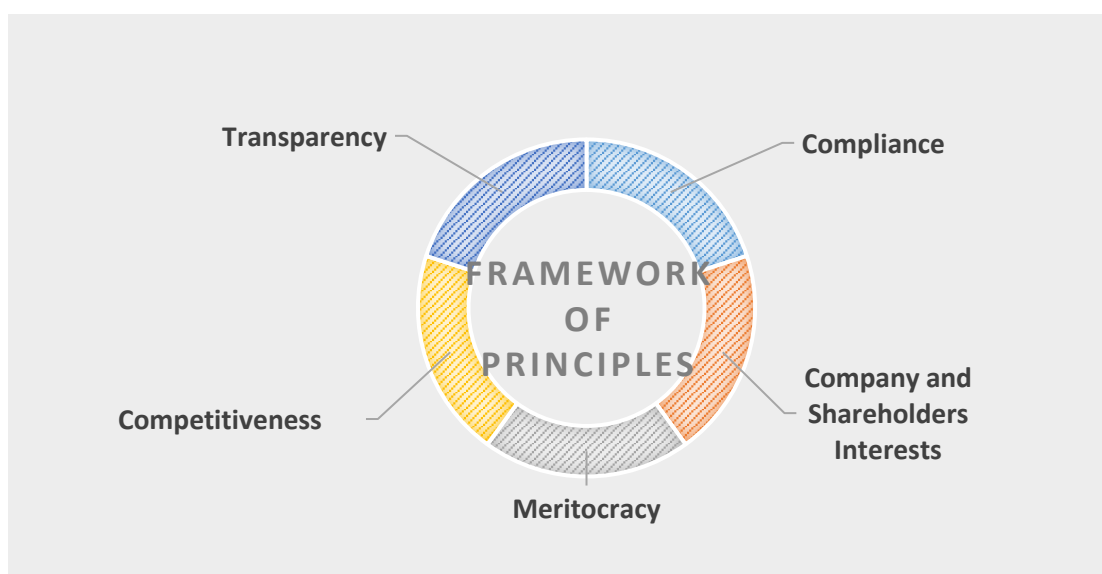
According to article 112 of Law 4548/2018, the Board of Directors of the Company is obliged to prepare a clear and comprehensible Remuneration Report, which contains a comprehensive overview of the total remuneration regulated in the Company's Remuneration Policy for the year 2022 and the information required at least by the above article 112 of Law 4548/2018, as applicable from time to time.

The Report also includes all kinds of allowances granted or due to persons whose remuneration has been included in the remuneration policy, during the year 2022, for persons falling within the scope of the Remuneration Policy, both newly elected members of the Board of Directors and older ones.

The remuneration report for the year 2022 is submitted for discussion to the Annual General Assembly of shareholders, as an item on the agenda. The vote of the shareholders on the remuneration report shall be advisory.

### 7.3. Purpose of the Remuneration Report

The guiding principles of the Remuneration Policy governing Remuneration are outlined as follows:



This Remuneration Report aims to review compliance with the approved Remuneration Policy, the current legislative framework and to enhance transparency regarding the payment of all types of remuneration in a comprehensible, clear and understandable way.

In particular, this Remuneration Report:

- It presents in a transparent manner the structure of all kinds of remuneration covered or not by the Remuneration Policy.
- It contributes to the dissemination and consolidation of the principles of transparency, meritocracy, justice, proportionality in the implementation of the remuneration framework from the top to the bottom of the Company's organization, taking into account for the type and level of remuneration the importance and weight of the responsibilities of each position and the performance of each executive.
- It demonstrates the Company's ability to formulate and implement competitive remuneration packages, which are in line with market practices and at the same time are capable of attracting or retaining effective and valuable executives within corporate structures.
- It notes the reasonable and fair level of remuneration that should aim to create goodwill both in the long term and through the achievement of shorter-term objectives with a view to preventing

decisions with excessive business risk and maintaining viability and profitability.

- It provides information on the total remuneration that has been granted or paid, broken down into their individual components, the distinct recording of fixed and any variable remuneration, including the audit of any remuneration referred to in paragraph 2 of article 109 of Law 4548/18 and how the total remuneration complies with the approved remuneration policy.
- It monitors the general implementation of the basic guidelines for the management and payment of remuneration to the members of the Board of Directors, the CEO and the General Managers – senior managers in accordance with the Company's Organizational Chart and the approved Remuneration Policy.

#### **7.4. Remuneration (Remuneration/Benefits) Components**

The remuneration presented in this Report covers all types of remuneration, i.e. remuneration and benefits that may include monetary emoluments, stock options, expenses for attendance at Board meetings, provision of benefits (e.g. company car, insurance policies, etc.) both constant and variable. The report reflects the remuneration of any company belonging to the group, as defined in article 32 of Law 4308/2014.

The monetary amounts of both fixed and any variable remuneration are recorded in gross (gross) prices as defined in paragraph 4 of the European Commission Guidelines of 1 March 2019.

#### **7.5. Approved remuneration based on remuneration policy**

According to the Remuneration Policy, the Executive Members of the Board of Directors who are paid as Senior Management (CEOs) in Group companies, may receive annual fixed remuneration falling under the ranges from C (from 120,000 euros to 180,000 euros), B (from 150,000 euros to 215,000 euros), A (180,000 euros to 350,000 euros) to A + (over 350,000 euros) to which the CEO belongs.

In particular, the CEO, as a member of the BoD, may receive annually fixed remuneration that will not exceed the maximum limit of one million four hundred thousand euros (1,400,000 euros).

The components of variable remuneration that may be paid to beneficiaries falling within the scope of the Remuneration Policy are the following:

- Short-term variable remuneration (bonus)
- Stock option plan pursuant to article 113 of Law 4548/2018
- Free share distribution plan according to article 114 of Law 4548/2018

In addition, additional benefits may be granted, such as:

- Company car
- Group Life and Health Insurance Policy, as well as Civil Liability Policy
- Pension Plan

#### **7.6. Total Remuneration**

The total remuneration for the financial year 2022 (Table 1) refers to the sum of a) the fixed remuneration, consisting of the remuneration of the Board of Directors and Committees of the Company and Group companies (1,150,000 euros and 750,000 euros respectively), b) the remuneration from the Company and Group companies to which senior managers provide services as employees or under contracts of indefinite duration in accordance with paragraph 9 art.39 of Law

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

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

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4387/16 (total 1,632,711 euros), c) other benefits and d) variable remuneration deriving from i) short-term remuneration of the Company and Group companies and amounted to a total of 630,000 euros and ii) long-term remuneration, i.e. the Company's stock option plan (Table 2).



## GEK TERNA GROUP

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**Table 1: Detailed Table of annual Remuneration and other benefits rendered to members of the Board of Directors and Senior Managers of the Company, fiscal year 2021 (according to the European Commission Guidelines, as of March 1, 2019)**

| A/A | NAME          | POSITION<br>INPOSITION<br>ON THE<br>BOARD         | CAPACITY IN<br>GROUP<br>COMPANIES                                                    | PARTICIPATIO<br>N IN<br>COMMITTEES<br>OF THE BOARD                       | GEK TERNA FIXED REMUNERATION                                                                                   |                                                                                   |          |       |   | GEK TERNA<br>VARIABLE<br>REMUNERATI<br>ON ** | ΣΤΑΘΕΡΕΣ ΑΠΟΔΟΧΕΣ ΑΠΟ ΘΥΓΑΤΡΙΚΕΣ<br>ΕΤΑΙΡΕΙΕΣ |                                                     |                              | SUBSIDIARIE<br>S VARIABLE<br>REMUNERATI<br>ON | TOTAL<br>VARIABLE<br>REMUNERATI<br>ON<br>(10)+ (14) | TOTAL FIXED<br>REMUNERATI<br>ON<br>(5)+(6)+(11)+<br>(12) | TOTAL<br>REMUNERATI<br>ON<br>(15)+ (16) | VARIABLE<br>(15)TO FIXED<br>(16) RATIO | COMMENTS                       |
|-----|---------------|---------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------|-------|---|----------------------------------------------|-----------------------------------------------|-----------------------------------------------------|------------------------------|-----------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|-----------------------------------------|----------------------------------------|--------------------------------|
|     |               |                                                   |                                                                                      |                                                                          | FIXED<br>REMUNERATI<br>ON                                                                                      | BOARD OF<br>DIRECTORS<br>&<br>COMMITTEES<br>OF THE<br>COMPANY<br>REMUNERATI<br>ON | BENEFITS |       |   |                                              | FIXED<br>REMUNERATI<br>ON                     | GROUP<br>BOARDS OF<br>DIRECTORS<br>REMUNERATI<br>ON | BENEFITS<br>(COMPANY<br>CAR) |                                               |                                                     |                                                          |                                         |                                        |                                |
|     |               |                                                   |                                                                                      |                                                                          |                                                                                                                |                                                                                   |          |       |   |                                              |                                               |                                                     |                              |                                               |                                                     |                                                          |                                         |                                        |                                |
| 1   | PERISTERIS G. | CHAIRMAN                                          | CHIEF<br>EXECUTIVE<br>OFFICER                                                        | Strategi c<br>Planni ng (C)                                              | 0                                                                                                              | 700.000                                                                           | 34.072   | 1.088 | 0 | 0                                            | 0                                             | 700.000                                             | 0                            | 0                                             | 0                                                   | 1.400.000                                                | 1.400.000                               | 0%                                     |                                |
| 2   | GOURZIS E.    | VICE-<br>CHAIRMAN,<br>EXECUTIVE<br>MEMBER         | SENIOR<br>MANAGER, GEK<br>TERNA SA                                                   |                                                                          | 0                                                                                                              | 0                                                                                 | 0        | 950   | 0 | 0                                            | 300.000                                       | 50.000                                              | 587                          | 150.000                                       | 150.000                                             | 350.000                                                  | 500.000                                 | 43%                                    |                                |
| 3   | LAZARIDOU P.  | EXECUTIVE<br>DIRECTOR,<br>EXECUTIVE BoD<br>MEMBER | GENERAL<br>DIRECTOR OF<br>FINANCE                                                    | Investment, ESG                                                          | 0                                                                                                              | 0                                                                                 | 0        | 1.088 | 0 | 0                                            | 250.000                                       | 0                                                   | 8.175                        | 0                                             | 0                                                   | 250.000                                                  | 250.000                                 | 0%                                     |                                |
| 4   | BENOPOULOS A. | EXECUTIVE<br>DIRECTOR,<br>EXECUTIVE BoD<br>MEMBER | GENERAL<br>DIRECTOR OF<br>ADMINISTRATI<br>VE SERVICES                                | ESG                                                                      | 0                                                                                                              | 0                                                                                 | 0        | 1.088 | 0 | 0                                            | 230.000                                       | 0                                                   | 0                            | 120.000                                       | 120.000                                             | 230.000                                                  | 350.000                                 | 52%                                    |                                |
| 5   | ANTONAKOS D.  | EXECUTIVE BoD<br>MEMBER                           | CCO, CRO                                                                             | Compliance                                                               | 0                                                                                                              | 0                                                                                 | 0        | 1.088 | 0 | 0                                            | 150.000                                       | 0                                                   | 0                            | 0                                             | 0                                                   | 150.000                                                  | 150.000                                 | 0%                                     |                                |
| 6   | MOUSTAKAS E.  | EXECUTIVE BoD<br>MEMBER                           | GENERAL<br>DIRECTOR OF<br>BUSINESS<br>DEVELOPMENT                                    | Investment                                                               | 76.000                                                                                                         | 0                                                                                 | 0        | 1.088 | 0 | 150.000                                      | 174.000                                       | 0                                                   | 0                            | 0                                             | 150.000                                             | 250.000                                                  | 400.000                                 | 60%                                    |                                |
| 7   | PERDIKARIS G. | EXECUTIVE BoD<br>MEMBER                           | SENIOR<br>MANAGER, GEK<br>TERNA SA                                                   | Investment (C)                                                           | 216.000                                                                                                        | 0                                                                                 | 0        | 1.088 | 0 | 150.000                                      | 34.000                                        | 0                                                   | 0                            | 0                                             | 150.000                                             | 250.000                                                  | 400.000                                 | 60%                                    | BoD member up to<br>30/11/2022 |
| 8   | LAMPROU K.*   | EXECUTIVE BoD<br>MEMBER                           | STRATEGIC<br>COMMUNICATI<br>ON, PRESS<br>OFFICE, CSR &<br>SUSTAINABILITY<br>DIRECTOR | ESG                                                                      | 46.000                                                                                                         | 0                                                                                 | 0        | 1.088 | 0 | 0                                            | 135.000                                       | 0                                                   | 0                            | 60.000                                        | 60.000                                              | 181.000                                                  | 241.000                                 | 33%                                    |                                |
| 9   | SOURETIS P.   | EXECUTIVE BoD<br>MEMBER                           |                                                                                      | Investment                                                               | 21.711                                                                                                         | 0                                                                                 | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 21.711                                                   | 21.711                                  | 0%                                     | BoD member since<br>30/11/2022 |
| 10  | AFENTOULIS D. | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | Ελέγχου,<br>Στρατηγικού<br>Σχεδιασμού                                    | 0                                                                                                              | 65.000                                                                            | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 65.000                                                   | 65.000                                  | N/A                                    |                                |
| 11  | TAMVAKAKIS A. | VICE-CHAIRMAN,<br>NON-EXECUTIVE<br>BoD MEMBER     | -                                                                                    | Audit (C),<br>Nominations (C),<br>Remuneration,<br>Strategic<br>Planning | 0                                                                                                              | 107.000                                                                           | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 107.000                                                  | 107.000                                 | N/A                                    |                                |
| 12  | CAPRALOS S.   | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | Audit,<br>Nominations,<br>Remuneration (C),<br>Strategic<br>Planning     | 0                                                                                                              | 92.000                                                                            | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 92.000                                                   | 92.000                                  | N/A                                    |                                |
| 13  | APKARIAN G.   | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | Remuneration,<br>Strategic<br>Planning                                   | 0                                                                                                              | 62.000                                                                            | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 62.000                                                   | 62.000                                  | N/A                                    |                                |
| 14  | SKORDAS A.    | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | Compliance (C),<br>Remuneration                                          | 0                                                                                                              | 62.000                                                                            | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 62.000                                                   | 62.000                                  | N/A                                    |                                |
| 15  | DELIKOURA K.  | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | Nominations, ESG,<br>Compliance                                          | Does not receive remuneration for her participation in the Board of Directors of GEK TERNA and its Committees. |                                                                                   |          |       |   |                                              |                                               |                                                     |                              |                                               |                                                     |                                                          |                                         |                                        |                                |
| 16  | STAIKOU S.    | NON-EXECUTIVE<br>BoD MEMBER                       | -                                                                                    | ESG (C),<br>Remuneration                                                 | 0                                                                                                              | 62.000                                                                            | 0        | 0     | 0 | 0                                            | 0                                             | 0                                                   | 0                            | 0                                             | 0                                                   | 62.000                                                   | 62.000                                  | N/A                                    |                                |

\*According to the Remuneration Report of TERNA ENERGY S.A. which will be put to an advisory vote during the relevant Annual General Assembly.

\*\*The variable remuneration deriving from the Company's Stock Option Plan is detailed in Table 2.

***Fixed remuneration***

Fixed Remuneration consists of remuneration through employment contracts or provision of services and the Annual Remuneration of the Board of Directors and Committees. The fixed remuneration for the members of the Board of Directors who received remuneration as members of the Board of Directors and Committees of the Company and its subsidiaries for the year 2022 amounts to a total of three million two hundred twenty-one thousand eight hundred sixty one euros (3,532,711 euros) and is broken down for each member into the individual components in **Table 1**. Of the above amount, an amount of four hundred and fifty thousand euros (450,000 euros) concerns fixed remuneration of non-executive members. Remuneration is within the approved limits of the Remuneration Policy and there is no deviation.

***Variable Remuneration and Benefits: Short-term variable remuneration***

According to the approved program for measuring and evaluating the individual performance of executives, the possibility of providing short-term variable remuneration (Bonus) up to the approved maximum total limit of one million eight hundred thousand euros (1,800,000 euros) is foreseen. The objectives associated with the provision of short-term variable remuneration arise through the establishment of specific Performance Metrics (KPIs). For executives who have a group role, the weighing takes into account the Group's total activity based on specific metrics that are evaluated in total up to 80%. When the evaluation concerns executives who do not have a group role, these criteria are limited to a maximum of 40% and additional metrics are set concerning the specific characteristics of Business Units with a maximum participation of 40%. Finally, with a maximum weighing limit of 20%, the individual role of each executive involved is evaluated, according to the responsibilities he/she has at Group and/or business unit level. Remuneration is within the approved limits of the Remuneration Policy and there is no deviation.

***Stock Option Plan according to article 113 of Law 4548/2018:***

According to the Stock Option Plan for the period 2019-2023, target criteria (KPIs) have been defined that are established a) once the target is achieved, either b) annually, or c) at the end of the plan, or d) proportionally in the first three years and at the end of the plan. The performance date and the exercise period are set by the Board of Directors, each time criteria are established due to the achievement of the corporate goal. The plan is addressed to up to 20 managers. The issue price of the shares of the plan has been set by decision of the General Assembly at 2 euros per share and there is an obligation to hold for two years.

For the year 2022, the achievement of targets related to the construction, energy, concessions and debt service ratio sectors was confirmed, demonstrating the competence of the Company's executives as well as the Company's resilience and reliability.

Specifically, according to the decision of the Board of Directors dated 28.04.2022, the options were vested in 17 beneficiaries appointed by decision of the Board of Directors, to whom a total of 528,034 own shares were allocated, for a total consideration of 1,056,068 euros. The exercise of the rights took place through an over-the-counter transaction on 01.07.2022, when the market capitalization of the share was 9.38 euros. More specifically, 453,040 shares were allocated to senior executives and members of the Board of Directors of GEK TERNA (Table 2) and 74,994 shares to the other beneficiaries of the plan, executives of subsidiaries of the Group.

**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Stock Option Plan                                                                                                                                                                                                                  |               |                                          |                                                                      |                                          |            |                                                                                                                                                                                                                                            |                |                                                |                              |                                                       |                                                                      |                       |          |         |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------------------------|----------------------------------------------------------------------|------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------|------------------------------|-------------------------------------------------------|----------------------------------------------------------------------|-----------------------|----------|---------|----------|
| Table 2: Detailed Table of Shares that have been allocated to members of the Board of Directors and Senior Managers of the Company for the financial year 2022 (according to the European Commission Guidelines, of March 1, 2019) |               |                                          |                                                                      |                                          |            |                                                                                                                                                                                                                                            |                |                                                |                              |                                                       |                                                                      |                       |          |         |          |
| A/A                                                                                                                                                                                                                                | NAME          | POSITION ON THE BOARD                    | CAPACITY IN GROUP COMPANIES                                          | MAIN CONDITIONS OF THE STOCK OPTION PLAN |            |                                                                                                                                                                                                                                            |                |                                                |                              |                                                       | INFORMATION REGARDING THE REPORTED FINANCIAL YEAR 2022               |                       |          |         |          |
|                                                                                                                                                                                                                                    |               |                                          |                                                                      | PERFORMANC E PERIOD                      | AWARD DATE | VESTING DATE                                                                                                                                                                                                                               | HOLDING PERIOD | EXERCISE PERIOD                                | ΤΙΜΗ ΑΣΚΗΣΗΣ/ ΑΓΟΡΑΣ ΜΕΤΟΧΗΣ | SHARE PRICE ON THE DATE OF OPTION EXERCISE (1/7/2022) | SHARES THAT HAVE BEEN ALREADY EXERCISED AT THE BEGINNING OF THE YEAR | DURING THE YEAR       |          |         |          |
|                                                                                                                                                                                                                                    |               |                                          |                                                                      |                                          |            |                                                                                                                                                                                                                                            |                |                                                |                              |                                                       |                                                                      | STOCK OPTIONS AWARDED |          |         |          |
|                                                                                                                                                                                                                                    |               |                                          |                                                                      |                                          |            |                                                                                                                                                                                                                                            |                |                                                |                              |                                                       |                                                                      |                       |          |         |          |
| 1                                                                                                                                                                                                                                  | PERISTERIS G. | CHAIRMAN                                 | CHIEF EXECUTIVE OFFICER                                              | 2019-2023                                | 27/2/2020  | Depending on the target (KPI) (a) as soon as the target is reached, (b) annually at the end of each year, (c) at the end of the performance period, (d) end of 2021 and at the end of the plan proportionally to what it has been achieved | 2 years        | as defined by the Board of Directors each time | 2 €                          | 9,38 €                                                | 950.000                                                              | 28/4/2022             | 1/7/2022 | 233.224 | 1/7/2024 |
| 2                                                                                                                                                                                                                                  | GOURZIS E.    | VICE-CHAIRMAN, EXECUTIVE MEMBER          | SENIOR MANAGER, GEK TERNA SA                                         | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 150.000                                                              | 28/4/2022             | 1/7/2022 | 50.183  | 1/7/2024 |
| 3                                                                                                                                                                                                                                  | LAZARIDOU P.  | EXECUTIVE DIRECTOR, EXECUTIVE BoD MEMBER | GENERAL DIRECTOR OF FINANCE                                          | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 90.000                                                               | 28/4/2022             | 1/7/2022 | 30.109  | 1/7/2024 |
| 4                                                                                                                                                                                                                                  | BENOPOULOS A. | EXECUTIVE DIRECTOR, EXECUTIVE BoD MEMBER | GENERAL DIRECTOR OF ADMINISTRATIVE SERVICES                          | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 90.000                                                               | 28/4/2022             | 1/7/2022 | 30.109  | 1/7/2024 |
| 5                                                                                                                                                                                                                                  | ANTONAKOS D.  | EXECUTIVE BoD MEMBER                     | CCO, CRO                                                             | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 22.000                                                               | 28/4/2022             | 1/7/2022 | 6.094   | 1/7/2024 |
| 6                                                                                                                                                                                                                                  | MOUSTAKAS E.  | EXECUTIVE BoD MEMBER                     | GENERAL DIRECTOR OF BUSINESS DEVELOPMENT                             | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 110.000                                                              | 28/4/2022             | 1/7/2022 | 40.468  | 1/7/2024 |
| 7                                                                                                                                                                                                                                  | PERDIKARIS G. | EXECUTIVE BoD MEMBER                     | SENIOR MANAGER, GEK TERNA SA                                         | 2019-2023                                | 27/2/2020  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | 105.000                                                              | 28/4/2022             | 1/7/2022 | 20.269  | 1/7/2024 |
| 8                                                                                                                                                                                                                                  | LAMPROU K.*   | EXECUTIVE BoD MEMBER                     | STRATEGIC COMMUNICATION, PRESS OFFICE, CSR & SUSTAINABILITY DIRECTOR | 2019-2023                                | 27/4/2021  |                                                                                                                                                                                                                                            | 2 years        |                                                | 2 €                          | 9,38 €                                                | -                                                                    | 28/4/2022             | 1/7/2022 | 42.584  | 1/7/2024 |

There is no approved Free Share Award Plan according to article 114 of Law 4548/2018.

**Facilities**

In accordance with the benefits possibilities set out in the Remuneration Policy, a group life and health insurance policy is provided. The amounts listed in Table 1 refer to the premiums paid by the Company for group life and health for each member of the Board of Directors. The car benefit (benefit in kind) has been granted to three (3) of the eight (8) active executive members, i.e. 37.5%. The amounts indicated refer to the payment of the leasing installments of the company car. Corporate credit cards issued to BoD members relate solely to the coverage of corporate expenses, such as travel and overnight expenses and do not constitute a benefit but cover corporate expenses.

Independent non-executive members are not provided with variable remuneration or benefit in kind, except for payments relating exclusively to the coverage of travel expenses from their place of residence to the Company's headquarters for their participation in the meetings of the Board of Directors and the General Assembly of the Company.

No pension plan has been implemented at present.

**Comparative Table of Information**

The Comparative Table of Total Annual Changes in Remuneration of Members of the Board of Directors of the Company, Fixed, Variable (bonus) and benefits for the years 2019-2020-2021-2022 is presented below in accordance with article 187 of Law 4548/2018 (table 3).

It is noted that the stock option plan, in accordance with its approved terms, does not assign rights proportionally annually to the beneficiaries, except on the vesting / maturity dates as defined, in which case the vesting and performance of shares takes place cumulatively, as shown in Table 2.

**Table 3 : Comparative Table of Annual Change of total remuneration of BoD members and senior executives (fixed and variable)**

| α/α | NAME             | POSITION ON BoD                          | CAPACITY IN GROUP COMPANIES                  | Total Remuneration change 2019 vs 2020 | Total Remuneration change 2020 vs 2021 | Total Remuneration change 2021 vs 2022 |
|-----|------------------|------------------------------------------|----------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|     |                  |                                          |                                              | %                                      | %                                      | %                                      |
| 1   | PERISTERIS G.    | CHAIRMAN                                 | CHIEF EXECUTIVE OFFICER                      | 0%                                     | 38%                                    | 26%                                    |
| 2   | GOURZIS E.       | VICE-CHAIRMAN, EXECUTIVE MEMBER          | SENIOR MANAGER, GEK TERNA SA                 | 238%                                   | 14%                                    | 7%                                     |
| 3   | LAZARIDOU P.     | EXECUTIVE DIRECTOR, EXECUTIVE BoD MEMBER | GENERAL DIRECTOR OF FINANCE                  | 66%                                    | -39%                                   | -2%                                    |
| 4   | BENOPOULOS A.    | EXECUTIVE DIRECTOR, EXECUTIVE BoD MEMBER | GENERAL DIRECTOR OF ADMINISTRATIVE SERVICES  | 82%                                    | 5%                                     | 8%                                     |
| 5   | ANTONAKOS D.     | EXECUTIVE BoD MEMBER                     | CCO, CRO                                     | -8%                                    | -2%                                    | -3%                                    |
| 6   | MOUSTAKAS E.*    | EXECUTIVE BoD MEMBER                     | GENERAL DIRECTOR OF BUSINESS DEVELOPMENT     | 27%                                    | -1%                                    | 7%                                     |
| 7   | PERDIKARIS G.    | EXECUTIVE BoD MEMBER                     | SENIOR MANAGER, GEK TERNA SA                 | 161%                                   | -1%                                    | 10%                                    |
| 8   | LAMPROU K.**     | EXECUTIVE BoD MEMBER                     | STRATEGIC COMMUNICATION, PRESS OFFICE, CSR & | N/A                                    | N/A                                    | N/A                                    |
| 9   | SOURETIS P.***   | EXECUTIVE BoD MEMBER                     | -                                            | N/A                                    | N/A                                    | N/A                                    |
| 10  | AFENTOULIS D.    | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | N/A                                    | N/A                                    | 100%                                   |
| 11  | TAMVAKAKIS A.    | VICE-CHAIRMAN, NON-EXECUTIVE BoD MEMBER  | N/A                                          | 0%                                     | 9%                                     | 9%                                     |
| 12  | CAPRALOS S.      | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | 0%                                     | 27%                                    | 21%                                    |
| 13  | APKARIAN G.      | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | 0%                                     | 1%                                     | -49%                                   |
| 14  | SKORDAS A.       | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | N/A                                    | 12%                                    | 11%                                    |
| 15  | DELIKOURA K.**** | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | N/A                                    | N/A                                    | N/A                                    |
| 16  | STAIKOU S.       | NON-EXECUTIVE BoD MEMBER                 | N/A                                          | N/A                                    | N/A                                    | 100%                                   |

\* For the calculation of the 2021-2022 change, the comparative size of the total remuneration for 2021 has been reduced by €45,000 in application of the 22/06/2022 decision of the General Assembly of TERNA ENERGY

\*\*It is not possible to compare the remuneration of the years 2021 and 2022 due to his election to the Board of Directors on July 2022 and therefore different length of periods

\*\*\* New BoD member

\*\*\*\*Does not receive remuneration for her participation in the Board of Directors of GEK TERNA and its Committees.

Below are presented the changes in a) the performance of the Company and the Group and b) the average annual remuneration of employees for the years 2019-2020-2021-2022 according to par. 7 of article 187 of Law 4548/2018.

| <b>a. PERFORMANCE CHANGES</b> |                     |                |                     |                |                     |                |
|-------------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|
|                               | Change 2019 vs 2020 |                | Change 2020 vs 2021 |                | Change 2021 vs 2022 |                |
|                               | Change to<br>€      | Change in<br>% | Change to €         | Change in<br>% | Change to €         | Change in<br>% |
| <b>a1. COMPANY</b>            |                     |                |                     |                |                     |                |
| TURNOVER<br>(€)               | 545,000             | 8.70%          | 52,028,000          | 89.25%         | 40,790,722          | 72.68%         |
| <b>a2. GROUP</b>              |                     |                |                     |                |                     |                |
| EBITDA (€)                    | 6,292,221           | 2.26%          | 15,988,778          | 5.44%          | 250,357,000         | 85.12%         |

\*No interest and dividends receivable

| <b>b. AVERAGE REMUNERATION OF FULL-TIME EMPLOYEES</b> |                                       |                |          |
|-------------------------------------------------------|---------------------------------------|----------------|----------|
| YEAR                                                  | NUMBER OF EMPLOYEES<br>IN THE COMPANY | MIDDLE SEASONS | CHANGE   |
| 2019                                                  | 25                                    | 51,055.81      | N/A      |
| 2020                                                  | 26                                    | 51,555.66      | 0.97%    |
| 2021                                                  | 717                                   | 16,819.57      | -206.52% |
| 2022                                                  | 728                                   | 19,338.24      | 14.97%   |

\*In 2019 and 2020, mostly specialized senior executives with many years of experience used to work at GEK TERNA. In 2021, a new Business Unit for the Operation of Concession Projects was organized in the Company, which employs a large number of employees, mainly non-specialized craftsmen and toll employees. This activity of the Company is responsible for the large change in average earnings.

The above information is provided within the framework of the provisions of para. 7 of article 187 of Law 4548/2018.

### 7.7. Remuneration Derogations

According to Art. 112 para. 3 of Law 4548/18, no deviations from the approved remuneration policy were found pursuant to paragraph 7 of article 110. Therefore, explanations are not required for exceptional circumstances in respect of which a deviation of the remuneration policy has occurred.

### 7.8. Application audit

The audit of the implementation of the Remuneration Policy and the preparation of the Remuneration Report is the responsibility of the Remuneration Committee and the Board of Directors.

The Report was reviewed by the auditor, Grant Thornton.

### 7.9. Approval of the Remuneration Report financial year of Year 2021

According to Art. 112 para. 3 of Law 4548/18, the remuneration report for the year 2021 was submitted for discussion at the Annual General Assembly of 28.06.2022, as an item on the agenda.

The General Assembly with 49,478,896 votes in favor (91.42%), 4,600,475 against (8.50%) and abstention of 46,000 (0.08%) approved of the proposal of the Board of Directors for the approval of the Remuneration Report, pursuant to article 112 of Law 4548/2018, for persons falling within the scope of the approved Remuneration Policy for the year 2021.

The vote of the shareholders regarding the Remuneration Report is advisory.

### **7.10. Information on the use of the variable remuneration recovery feature**

There is no case dictating the use of the right to recover variable remuneration during the financial year 2022.

### **7.11. Publication of remuneration report**

According to Art. 112 para. 4 of Law 4548/18, this Remuneration Report together with the date and results of the advisory vote of the General Assembly is submitted to publicity formalities and remains available on the Company's website for a period of ten (10) years as provided by the aforementioned provision. The Remuneration Report does not include special categories of personal data within the meaning of Article 9 para. 1 of Regulation (EU) 2016/679 of the European Parliament and of the Council (L 119/1) or personal data concerning the marital status of the members of the Company's Board of Directors. The company shall process personal data of board members included in the remuneration report pursuant to Article 112 for the purpose of increasing corporate transparency regarding the remuneration of board members, with a view to enhancing members' accountability and shareholder oversight of such remuneration. Without prejudice to any longer disclosure period provided for by a special provision, the Company shall not disclose personal data included in the remuneration report, after ten (10) years from the publication of this remuneration report. According to Art. 112 para. 6 of the aforementioned law, the members of the Board of Directors have ensured that the remuneration report has been prepared and is planned to be published, in accordance with the requirements of the provisions of this article.

## **8. Eligibility Policy**

The Company has a Suitability Policy for the Members of the Board of Directors, which was 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 Assembly of the Company's shareholders dated 01.07.2021 following the approval of the Board of Directors on 09.06.2021 and entered into force from the date of its approval by the General Assembly.

For its compilation, the increased monitoring needs of the framework of Corporate Governance, of Risk Management, of Regulatory Compliance, were taken into account as well as the operation of Company Sectors, such as Human Resources, Information Technology and Technology, Information Security Management, Health, Safety and Environment, by assigning management or supervision responsibilities to executive members of the Board of Directors. Moreover, the possibility of contributing to areas such as delegation to authorities and/or technical support of the BoD Committees was also taken into account.

The Suitability Policy aims to ensure quality staffing, effective operation and fulfillment of the role of the Board of Directors based on the overall strategy and medium to long-term business objectives of the Company, with the aim of promoting the corporate interest.

The aim of this policy is to have a highly effective Board of Directors. As such, it is considered a Board of Directors with a structured team, working together with a shared commitment to protecting and enhancing shareholder value, rather than a typical gathering of executives who manage corporate affairs without the capacity for constructive cooperation and development prospects.

The Policy takes into account best practices and is harmonized with the corporate culture and what is

provided for in the Articles of Association, the Internal Rules of Operation and the Greek Corporate Governance Code to which the Company is subject, is clear and adequately documented and is governed by the principle of transparency and proportionality while promoting diversity, meritocracy and efficiency in the selection and during the term of office of the members of the BoD.

Furthermore, the formulation of the Policy took into account, inter alia, the size, internal organization, risk appetite, nature, scale and complexity of activities of the Company which include, but are not limited to, the sectors of construction, concessions, energy, real estate management and development, mining, waste management, provision of services, PPP projects, operation of large infrastructure projects.

The guiding principles governing this policy are as follows:

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

## **9. Diversity Policy**

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

The Board can perform well if it consists of a wide range of members with diverse but complementary groups of skills or knowledge. Its culture is positively shaped by different approaches and views and will certainly be rather representative of the Group's values. In this way, the Board of Directors ultimately forms a progressive and thoughtful view of its affairs, while promoting prudent risk-taking.

Through the concentration of a wide range of qualifications and skills during the selection of Board members, the diversity of views and experiences is ensured, in order to make sound decisions.

In this context, adequate representation per gender is provided, at least as defined by the relevant legislation, as a percentage of the total members of the Board of Directors. At the same time, all necessary measures are taken so that there is no exclusion whatsoever due to discrimination based on sex, age, race, color, ethnic or social origin, religion or belief, birth, disability, age or sexual orientation, property and sole role of choice to have the criteria of individual suitability identified in this Policy.

The following table presents the profile of the Board of Directors:



**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| n/a | Name                 | Position on the Board of Directors                                           | Committees                                                   | Age | Sex | Total time of participation in the Board of Directors | GENERAL EXPERIENCE |                  |                      |                      |     |                 |                    |                | EXPERIENCE IN GROUP ACTIVITIES |                   |                                    |               |                         |                      |
|-----|----------------------|------------------------------------------------------------------------------|--------------------------------------------------------------|-----|-----|-------------------------------------------------------|--------------------|------------------|----------------------|----------------------|-----|-----------------|--------------------|----------------|--------------------------------|-------------------|------------------------------------|---------------|-------------------------|----------------------|
|     |                      |                                                                              |                                                              |     |     |                                                       | CAPITAL MARKETS    | FINANCIAL SECTOR | REGULATORY FRAMEWORK | CORPORATE GOVERNANCE | ESG | RISK MANAGEMENT | STRATEGIC PLANNING | ADMINISTRATION | PORTFOLIO MANAGEMENT           | ACQUISITIONS/PPPs | PRODUCTION, SUPPLY, ENERGY TRADING | CONSTRUCTIONS | REAL ESTATE DEVELOPMENT | MINING MINING SECTOR |
| 1   | Peristeris Georgios  | Chairman and CEO                                                             | Strategic Planning (P)                                       | 65  | A   | 10 YEARS + 4 MONTHS                                   | ✓                  | ✓                | ✓                    | ✓                    | ✓   | ✓               | ✓                  | ✓              | ✓                              | ✓                 | ✓                                  | ✓             | ✓                       | ✓                    |
| 2   | Tamvakakis Apostolos | Vice-Chairman, Independent Non-Executive Member, Senior Independent Director | Audit (P), Nominations (P), Remuneration, Strategic Planning | 65  | A   | 10 YEARS + 4 MONTHS                                   | ✓                  | ✓                | ✓                    | ✓                    |     | ✓               | ✓                  | ✓              | ✓                              |                   |                                    |               | ✓                       |                      |
| 3   | Gourzis Michalis     | Vice-Chairman, Executive Member                                              | -                                                            | 82  | A   | 10 YEARS + 4 MONTHS                                   |                    |                  |                      |                      | ✓   |                 | ✓                  | ✓              |                                | ✓                 |                                    | ✓             |                         | ✓                    |
| 4   | Lazaridou Penelope   | Executive Director, Executive Member                                         | Investment, ESG                                              | 60  | F   | 12 YEARS + 4 MONTHS                                   | ✓                  | ✓                | ✓                    | ✓                    | ✓   | ✓               | ✓                  | ✓              | ✓                              | ✓                 |                                    |               |                         |                      |
| 5   | Benopoulos Angelos   | Executive Director, Executive Member                                         | ESG                                                          | 64  | A   | 10 YEARS + 10 MONTHS                                  | ✓                  |                  | ✓                    | ✓                    | ✓   | ✓               |                    | ✓              |                                |                   |                                    | ✓             | ✓                       |                      |
| 6   | Antonakos Dimitrios  | Executive Member                                                             | Regulatory Compliance                                        | 70  | A   | 10 YEARS + 10 MONTHS                                  |                    |                  | ✓                    | ✓                    |     | ✓               |                    |                |                                |                   |                                    | ✓             |                         |                      |
| 7   | Lambrou Konstantinos | Executive Member                                                             | ESG                                                          | 48  | A   | 9 MONTHS                                              |                    |                  |                      |                      | ✓   | ✓               |                    |                |                                |                   |                                    |               |                         |                      |
| 8   | Moustakas Emmanouil  | Executive Member                                                             | Investment                                                   | 48  | A   | 10 YEARS + 10 MONTHS                                  | ✓                  | ✓                |                      |                      |     | ✓               | ✓                  | ✓              |                                | ✓                 | ✓                                  | ✓             |                         | ✓                    |
| 9   | Perdikaris Georgios  | Executive Member                                                             | Investment (P),                                              | 63  | A   | 16 YEARS                                              |                    |                  |                      | ✓                    |     |                 | ✓                  | ✓              |                                | ✓                 | ✓                                  | ✓             |                         |                      |
| 10  | Afentoulis Dimitrios | Non-Executive Member                                                         | Strategic Planning                                           | 56  | A   | 9 MONTHS                                              | ✓                  | ✓                | ✓                    | ✓                    | ✓   | ✓               | ✓                  | ✓              | ✓                              |                   |                                    |               | ✓                       |                      |
| 11  | Apkarian Gagik       | Independent Non-Executive Member                                             | Nominations, Strategic Planning                              | 55  | A   | 15 YEARS                                              | ✓                  | ✓                |                      |                      |     | ✓               | ✓                  | ✓              | ✓                              |                   | ✓                                  |               |                         |                      |
| 12  | Delikoura Aikaterini | Independent Non-Executive Member                                             | Nominations, ESG, Compliance                                 | 54  | F   | 9 MONTHS                                              |                    | ✓                | ✓                    | ✓                    | ✓   | ✓               |                    |                |                                |                   |                                    |               |                         |                      |
| 13  | Capralos Spyridon    | Independent Non-Executive Member                                             | Audit Nominations, Remuneration (P), Strategic Planning      | 67  | A   | 14 YEARS + 10 MONTHS                                  | ✓                  | ✓                | ✓                    | ✓                    |     | ✓               | ✓                  | ✓              | ✓                              |                   |                                    |               |                         |                      |
| 14  | Skordas Athanasios   | Independent Non-Executive Member                                             | Regulatory Compliance (P), Remuneration,                     | 57  | A   | 12 YEARS + 4 MONTHS                                   | ✓                  |                  | ✓                    | ✓                    |     | ✓               |                    | ✓              |                                |                   |                                    |               |                         | ✓                    |
| 15  | Staikou Sofia        | Independent Non-Executive Member                                             | ESG (P), Remuneration                                        | 70  | F   | 9 MONTHS                                              |                    | ✓                | ✓                    |                      | ✓   |                 |                    | ✓              |                                |                   |                                    |               |                         |                      |

The accomplishment of substantial and not only formal diversity within the Boards of Directors is an important guarantee for their overall effectiveness. The above table shows the diversity in gender representation (12A/3I) in the Board of Directors, with the corresponding ratio among the Company's top managers standing at 6A/3I. In addition, the table in combination with the CVs of the members reveals the breadth of knowledge and skills of the members of the Board of Directors, as well as the international experience that many of them transfer. The Board of Directors consists of a mixture of competences, skills and diversity of personalities, knowledge and experience that strengthens its role and contributes to its success.

#### **Transactions with related parties and relevant information of the Board of Directors**

The Company has developed a procedure for identifying related party transactions and complying with applicable law. The process was drafted aiming at 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 transactions of the Company, in which persons or legal entities participate, falling under the concept of related parties and to comply with the applicable legislation. The procedure provides for the recording and maintenance of a register of related parties and the recognition of related party transactions through the checking and cross-checking of data on the counterparty in accordance with articles 99-101 of Law 4548/2018.

#### **10. Sustainable development policy**

Sustainable Development for GEK TERNA Group is not only a practice of alignment with international good practices but a holistic strategic approach based on the regular assessment of the most important social, economic and environmental impacts of the Group's activities and their review and/or modification if necessary, through a process of dialogue and consultation with stakeholders.

Furthermore, GEK TERNA Group acts in accordance with 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, since 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 it is committed.

The responsible operational way of the Group is reflected in the practices and procedures developed in the Group aiming at integrating the principles of Sustainable Development into its daily operation. At the same time, it is based on the strategic corporate values established by the Management, namely 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 material issues that are regularly identified through the materiality analysis process in order for the Group to constantly listen to the needs of stakeholders (internal and external) but also to take into account the current socio-economic trends in relation to its effects (positive or negative).

In this context, the Group's corporate responsibility is aligned with the ESG (Environmental-Social-Governance) criteria/principles, in relation to four (4) axes of activity and is developed in eight (8) strategic directions/individual areas that incorporate the Group's specific approach-policy regarding the identified material issues:

**Axis 1: Environmental Protection****Strategic Direction/ Area of Activity: Environmental protection and climate change**

The achievement of 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 implementation of the principles of Circular Economy in combination with the investment in innovative services and technologies and the faithful adherence to the existing environmental management system.

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

**Axis 2: Promotion of Human Value****Strategic Direction / Area of Activity: Health & Safety at Work**

The recognition of the value of human health and life and the assurance of a working environment without risks of accidents.

Safeguarding Health and Safety is a priority for the Group, which is constantly improving the strategic framework within which issues related to the protection of Health and Safety of all its stakeholders are managed.

**Strategic Direction / Area of Activity: Personnel development and protection of human rights**

The recognition that surplus value is created by human capital. The aim is to develop a balanced and safe working environment of meritocracy, transparency, equal opportunities-benefits, which enhances diversity, ensures human - labor rights and at the same time invests in the continuous improvement of employees' skills, the development and retention of talents and the strengthening of youth entrepreneurship.

The Group applies and respects international principles and standards of Human Rights and has developed its framework of principles and values based on fundamental Human Rights.

Respecting all its employees and partners, it ensures the prevention of incidents of violation of their rights, through the adoption of policies, actions and audit 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 a top priority the investment in its people by providing the necessary resources to promote the continuous improvement of the working environment.

**Axis 3: Strengthening the Social Footprint****Strategic Direction / Area of Activity: Care for local communities**

The continuous consultation with the social partners and the preparation of social impact studies with the ultimate goal of maximizing direct and indirect social benefits, the support of solidarity actions such as donations and sponsorships and the constant cooperation with local suppliers to build long-term relationships of trust.

Through the adoption of responsible policies aimed at creating shared value to all its stakeholders, the Group supports the development of the local communities in which it operates and with which it interacts, through continuous consultation and efforts to identify and respond to the real needs that exist, but also through its own activity.

**Strategic Direction/Area of Activity: Emergency response**

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 realization of periodic internal and external audits.

**Axis 4: Shaping a Responsible Market****Strategic Direction / Area of Activity: Creation and distribution of economic value**

The creation of economic value - the main objective of the Group is to generate and distribute income for its stakeholders through the payment of salaries to employees, payments to suppliers and partners, direct and indirect taxes in the states of operation, the distribution of dividends to shareholders and investments in local communities while avoiding uncertainties and risks, financial and non-financial, with the aim of safeguarding economic activity, sustainable development and improving living standards.

**Strategic Direction / Area of Activity: Business ethics and regulatory compliance**

The Group ensures the safeguarding of business ethics and regulatory compliance of all its operations and activities, having as a priority the detection and combating of potential corruption incidents, faithfully applying the procedures and policies incorporated into the corporate operation (Code of Ethics and Ethics, Anti-Bribery 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 showing zero tolerance to such incidents, through the promotion of transparency, ensuring business ethics and regulatory compliance, which are diffused across the spectrum of activities and affect the professional behavior of its people. To this end, the Group acts through the establishment of policies and procedures, but also through the establishment of audit mechanisms and compliance with these policies.

**Strategic Direction / Area of Activity: Responsible supply chain management**

Responsible supply chain management requires responsible partnerships. Therefore, it is mandatory for all suppliers and partners to fully comply with the Group's Regulatory Framework of Principles and Values, both in matters of corruption and respect for human rights, as well as in matters of Environmental Management and Social Corporate Policy.

Above all, the proper management of the supply chain starts from the responsible attitude of the Group towards all its stakeholders. The Group's business activities throughout its supply chain are carried out once the potential environmental, social and economic impacts have been assessed in order to maximize the positive impact. In order to address the new challenges brought by supply chain issues, the Group makes sure to incorporate new criteria in the management procedures of supply chain issues, such as the new terms of cooperation with suppliers and the preference it gives to domestic suppliers.

For the above issues, the Group sets individual Sustainable Development goals, which it evaluates on

an annual basis in terms of their progress and revises them appropriately when necessary.

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

The mandated corporate responsibility team is responsible for the effective management of Sustainable Development and corporate responsibility issues. The team consists of specialized executives coming from all key Group Divisions. The Division for Strategic Communication, Press Office, CSR and Sustainable Development has undertaken the task of coordination.

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

With a view to transparency and regular information to stakeholders, the results of the Group's performance on Sustainable Development issues are announced to the general public through the annual Sustainable Development Report.

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**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ACCORDING TO ARTICLE 4 OF L. 3556/2007**

The present Explanatory Report of the Board of Directors is submitted to the Regular General Meeting of Shareholders, according to paragraph 8 article 4 of L. 3556/2007 and has been prepared according to the provisions of paragraph 7, article 4 of the aforementioned Law.

**a) Structure of Share Capital**

The Company's Share Capital amounts to fifty-eight million, nine hundred fifty-one thousand, two hundred seventy five euro and eighty seven cents (58,951,275.87 euros), is fully paid and is divided into one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares of a nominal value of fifty seven cents (0.57 euros) each.

The Company's shares are listed and traded on the Securities Main Market of the Athens Exchange.

All the rights and obligations stipulated by Law and the Company's Articles of Association emanate from each share.

**b) Limitations on transfer of Company shares**

Transfer of Company shares takes place according to Law and there is no limitation on their transfer according to the Articles of Association.

**c) Significant direct or indirect participations according to the provisions of L. 3556/2007**

The following Table of Shareholders holding a percentage over 5% as at 31.12.2022 is presented below as follows:

| NAME/TITLE                    | No of Shares | %       |
|-------------------------------|--------------|---------|
| GEORGE PERISTERIS             | 31,493,515   | 30.451% |
| LATSCO HELLENIC HOLDINGS SARL | 7,858,571    | 7.598%  |
| GEK TERNA S.A.                | 5,843,244    | 5.650%  |

**d) Shares providing special control rights**

According to the Company's Articles of Association, there are no shares that provide special control rights.

**e) Limitations on voting rights**

According to the Company's Articles of Association, there are no limitations on voting rights emanating from its shares.

**f) Agreements between Shareholders**

The Company is not aware of any agreements between its Shareholders, which imply limitations on transfer of its shares or exercise of voting rights emanating from its shares.

**g) Rules for appointment and replacement of BoD Members and amendments to the Articles of Association**

The Company's Articles of Association are in compliance with the provisions of L. 3604/2007 and their provisions do not differ from those stipulated by L. 4548/2018 as in effect, both as regards appointment and replacement of Board Members and amendments to its articles.

**h) Board of Directors authority issuing new shares or acquiring treasury shares**

According to the provisions of par. 2 article 5 of the Articles of Association, the General Meeting may - through its decision - assign authority to the Board of Directors to increase - through its decision - the share capital in compliance with the provisions of L. 4548/2018.

According to the provisions of article 113 of L. 4548/2018, as in effect, the Board of Directors may increase the share capital by issuing new shares in the context of implementing the Stock Option Plan, approved by the General Meeting, for acquisition of Company shares by the beneficiaries.

According to the provisions of article 49 of L. 4548/2018, as in effect, following approval of the General Meeting, the Company's Board of Directors may decide to acquire, through ATHEX, its treasury shares provided that the nominal value of the acquired shares, including the shares acquired previously and maintained by the Company, does not exceed 10% of its paid-up share capital.

The Extraordinary General Meeting as of October 20, 2022 decided to renew the share buyback program by the Company through ATHEX until the completion of 10% of the paid up share capital of the Company, for the purpose, established in article 49, L.4548/2018 as amended and effective, Regulation (EU)596/2014 of the European Parliament and authorised Regulation (EU) 2016/1052 of the European Committee, until October 19, 2024, at a minimum purchase price of thirty cents (0.30 euro) and a maximum price of thirty (30 euro) per share and authorized the Board of Directors to implement the aforementioned decision.

**i) Significant agreements put into effect, amended, or terminated in case of change in control following a takeover bid.**

There are no agreements, which are put into effect, amended, or terminated in case of change in the Company's control following a takeover bid.

**j) Agreements with the Members of the Board of Directors or the Company's Employees**

There are no agreements of the Company with members of its Board of Directors or its employees, which include payment of indemnity, specifically in case of resignation or termination without reasonable cause or termination of term or employment due to a takeover bid.



**GEK TERNA GROUP**

Annual Financial Report of the fiscal year 1 January 2022- 31 December 2022

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

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Dear Shareholders,

2022 was a year during which the Group continued its stable trend of development. Moreover, the Group carefully continues implementing its investment plan, simultaneously maintaining adequate liquidity.

We would like to express our thanks to the Board or Directors, our Staff, Executives and Partners for their contribution to our work.

We also thank our Customers, Suppliers, and cooperating Banks and of course you, our Shareholders, for your trust in us.

The Board of Directors unanimously approves the above Management Report to be submitted to the Annual Ordinary General Meeting of Shareholders.

Athens, 26th April 2023

On behalf of the Board of Directors,

Georgios Peristeris

Chairman of the Board of Directors & Chief Executive Officer

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### **III. Independent Auditor's Report**

(This report has been translated from Greek original version)

To the Shareholders of the company "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS"

#### **Report on Separate and Consolidated Financial Statements**

##### **Opinion**

We have audited the accompanying separate and consolidated financial statements of "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS" ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2022, 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 "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS" and its subsidiaries (the Group) as at 31 December 2022, 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**
**Revenue recognition**

The Group's and the Company's revenues are derived from diversified operating segments. Their recognition has been identified as an area of particular audit interest as they involve complexity related to the volume of transactions, the nature of contracts, the use of information systems and management judgements and estimates, which involve a degree of uncertainty.

In particular, the Group's revenues relating to the segments of Concessions and Thermal Energy Trading are determined through information systems and involve judgements and estimates in areas such as unbilled customer revenues. In addition, the Group's revenue relating to construction projects is determined based on the percentage of completion as determined by the ratio of costs incurred to the total estimated costs to completion of the project.

Taking into consideration the above and the significance of this financial statement item we assessed revenue recognition as a Key Audit Matter.

The Group's and the Company's disclosures regarding revenue recognition accounting policy, judgments and estimates used in respect of revenue recognition, as well as an assessment of the impact of applying IFRS 15, are included in notes 3.2(i), 3.2(ii), 4.21, 6 and 35 to the financial statements.

The key audit procedures we carried out included, among others:

- Evaluation of the information systems environment supporting the major revenue sources, including the internal processes and security controls associated with them.
- Examination of the operational effectiveness of the key controls relating to the revenue recognition processes, particularly in the segments of Concessions and Thermal Energy Trading.
- Evaluation of the assumptions for the recognition of unbilled revenue at the end of the financial year 2022 in the Thermal Energy Trading segment.
- Evaluation of the revenue recognition assumptions, contract terms and budgetary elements used in the revenue recognition calculations, and recalculation of the percentage of completion of performance obligations from construction projects in the Construction segment.
- Verification, on a sample basis, of the construction costs incurred and recognized in the current fiscal year in the Construction segment, with the corresponding supporting documents / invoices.
- For all segments, check, on a sample basis, the correctness of revenue recognition in accordance with the relevant terms of the respective contracts and IFRS requirements, performing recalculations and referring to supporting documentation.
- Assessment whether the policy and methodology applied by management is appropriate and consistent with IFRS 15 and IFRIC 12.
- Assessment of the adequacy of related disclosures in the accompanying financial statements, in relation to this matter.

**Assessment of impairment of non-current assets**

As at 31 December 2022, the Group recognized goodwill of € 6.4 million, intangible assets with indefinite useful life of € 5.1 million and with definite useful life of € 724.2 million and Property, Plant and Equipment of € 1,423.8 million. Also, as at 31st December 2022, the Company has investments in subsidiaries of € 373.8

The key audit procedures we carried out included, among others:

- Evaluation of procedures used by the Management to identify indications of impairment of non-current assets.

million and investments in associates and joint ventures amounting to € 4.8 million and € 18.6 million respectively.

In accordance with the requirements of IFRS, intangible assets with definite useful life, property, plant and equipment and investments in subsidiaries, associates and joint ventures are tested for impairment by the Management whenever there are relevant indications. The abovementioned assessment requires significant level of judgement. Non-depreciable intangible assets are tested for impairment at least on an annual basis.

The impairment test requires the determination of the recoverable amount of each Cash Generating Unit (CGU) as the higher of the fair value less costs on disposal and value in use. Fair value calculation is based on acceptable valuation methods while the assessment of value in use is derived from the discounted cash flow method based on business plans which include key assumptions and Management estimates such as revenue growth, capital and operating costs and discount rates used.

Due to the significance of these financial statement items and management's use of assumptions and estimates, we consider the impairment assessment of the abovementioned financial statement items as a Key Audit Matters. .

The Group's and Company's disclosures regarding the accounting policy and assumptions and estimates used in assessing any impairment of these assets are included in Notes 3.1(ii), 3.2 (vii), 4.1, 4.6, 4.7, 4.8, 4.10, 8, 10, 12, 13 and 14 of the financial statements.

- Evaluation of the procedures used by the Management in order to prepare reliable business plans.
- For those CGUs that impairment indications existed, evaluation of: (i) the appropriateness of the methods applied for the determination of recoverable amount and (ii) the reasonableness of the key assumptions and estimates of Management.
- Review of the mathematical accuracy of discounted cash flow models.
- For the abovementioned procedures where it was deemed appropriate, we used Grant Thornton's specialist contribution.
- Assessment of adequacy of the disclosures included in the notes to financial statements regarding this matter.

### Acquisition of 50% of HERON ENERGY S.A.

On 14.02.2022, the Company acquired 50% of "HERON ENERGY SA" (hereinafter referred to as "HERON I"). Following this acquisition, the Company's total shareholding in the company amounted to 100%, as it previously held a direct 50% stake in this company. The total acquisition price of this transaction was determined to be € 63.7 million (fair value of existing 50% stake of € 35.7 million and contingent consideration of € 28 million). A gain of € 21.5 million was recognised on the above transaction by measuring the fair value of the existing interest in the consolidated income statement. At the same time, Customer base of € 58.3 million and Brand name of € 5.1 million were recognised as intangible assets.

The key audit procedures, we carried out included, among others:

- Evaluation of the legal documents of the acquisition and assessment of the correctness of the accounting for the acquisition as a business combination in accordance with the requirements of IFRS 3 and the correctness of the consolidation of the acquired company in the consolidated financial statements of the Company in accordance with IFRS 10.
- Evaluation of the methodology and the key assumptions used to determine the fair value of the Company's existing pre-acquisition interest in HERON ENERGY SA, as well as the fair value of the assets and liabilities acquired (purchase cost allocation), as

In accordance with IFRS 3 "Business Combinations", in a business combination achieved in stages, the acquirer initially shall measure its previously held equity interest in the acquiree as its acquisition-date fair value and recognize the resulting gain or loss, in profit or loss or other comprehensive income as appropriate. Subsequently the acquirer shall measure in its financial statements the identifiable assets acquired and the liabilities assumed at their fair value at the acquisition date. These measurements require the use of complex techniques of valuation, assumptions and estimates of Management.

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 and Company's disclosures regarding accounting policy, judgments and estimates used in respect of the abovementioned transaction is included in Notes 3.1 (iii), 3.2 (v), 3.2 (xiv), 4.1, 4.2 and 7.1 of the financial statements.

determined by an independent external expert of the Group.

- Understanding and analysis of the valuation techniques adopted for determining the fair values and compared them with generally accepted practices.
- Assessment of the reasonableness of the key assumptions used, including discount rates.
- For the abovementioned procedures where it was deemed appropriate, we used Grant Thornton's specialist.
- Assessment of the adequacy of related disclosures in the accompanying financial statements according to IFRS requirements, in relation to these matters.

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## 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 consolidated 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 31/12/2022.
- 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 "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS" 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 at December 31, 2022 are disclosed in Note 37 to the accompanying separate and consolidated financial statements.

### 4. Auditor's Appointment

We were first appointed the Company's Chartered Accountants following as of 28/06/2017 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 6 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 "GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS" ("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 of the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2022, in XHTML format "2138003TO2MTRHWVP686-2022-12-31-en.xhtml", as well as the provided XBRL file "2138003TO2MTRHWVP686-2022-12-31-en.zip" with the appropriate mark-up, on the aforementioned consolidated financial statements, including other explanatory information (Notes to the financial statements).



## **Regulatory Framework**

The digital records 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, as well as the financial information included in the other explanatory information, shall be marked-up with XBRL tags (XBRL “tags” and “block tag”), 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 and the Group for the year ended December 31, 2022, in accordance with the requirements of ESEF Regulatory Framework, and for such internal controls as management determines necessary to enable the preparation of digital records 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 and the Group, 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 and the Group for the year ended December 31, 2022, in XHTML format "2138003TO2MTRHWVP686-2022-12-31-en.xhtml", as well as the provided XBRL file "2138003TO2MTRHWVP686-2022-12-31-en.zip" with the appropriate tagging on the above consolidated financial statements including the other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, April 26, 2023

The Certified Public Accountant

The Certified Public Accountant

George Panagopoulos

Panagiotis Noulas

SOEL Reg. No 36471

SOEL Reg. No 40711

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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**IV. ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED AS AT DECEMBER 31 2022 (1 January - 31 December 2022)****Under the International Financial Reporting Standards (IFRS), as adopted by the European Union**

The attached Financial Statements were approved by the Board of Directors of GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS at its meeting held as at 26th April 2023 and have been posted on the internet at the website <http://www.gekterna.com> as well as on the Athens Stock Exchange's website.

The Annual Financial Statements of the consolidated subsidiaries, as provided by the Hellenic Capital Market Commission decision 8/754/14.04.2006, are available on the Internet at the website <http://www.gekterna.com>

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**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022**

|                                                          | Note | GROUP            |                  | COMPANY          |                  |
|----------------------------------------------------------|------|------------------|------------------|------------------|------------------|
|                                                          |      | 31.12.2022       | 31.12.2021       | 31.12.2022       | 31.12.2021       |
| <b>Non-current assets</b>                                |      |                  |                  |                  |                  |
| Intangible fixed assets                                  | 8.1  | 729,320          | 707,862          | 388              | 330              |
| Right of use assets                                      | 9    | 55,396           | 26,648           | 346              | 616              |
| Tangible fixed assets                                    | 10   | 1,423,774        | 1,251,374        | 12,437           | 11,790           |
| Goodwill                                                 | 8.2  | 6,375            | 6,375            | 0                | 0                |
| Investment property                                      | 11   | 60,845           | 34,699           | 6,615            | 7,653            |
| Participations in subsidiaries                           | 12   | 0                | 0                | 373,823          | 285,628          |
| Participations in associates                             | 13   | 4,711            | 838              | 4,800            | 4,800            |
| Participations in joint ventures                         | 14   | 159,566          | 67,318           | 18,559           | 5,119            |
| Financial Assets - Concessions                           | 15   | 70,873           | 61,353           | 0                | 0                |
| Investement in equity interests                          | 21   | 91,069           | 90,194           | 88,972           | 89,095           |
| Other long-term assets                                   | 16   | 47,318           | 50,039           | 162,170          | 310,305          |
| Receivables from derivatives                             | 31   | 124,639          | 140,119          | 0                | 0                |
| Deferred Tax Assets                                      | 34   | 100,537          | 75,856           | 0                | 0                |
| <b>Total non-current assets</b>                          |      | <b>2,874,423</b> | <b>2,512,675</b> | <b>668,110</b>   | <b>715,336</b>   |
| <b>Current assets</b>                                    |      |                  |                  |                  |                  |
| Inventories                                              | 17   | 66,427           | 63,379           | 3,736            | 3,800            |
| Trade receivables                                        | 18   | 535,924          | 222,166          | 13,277           | 8,794            |
| Receivables from contracts with customers                | 19   | 391,313          | 153,527          | 7,216            | 3,427            |
| Advances and other receivables                           | 20   | 522,620          | 448,840          | 189,332          | 38,736           |
| Income tax receivables                                   |      | 34,827           | 23,167           | 6,894            | 4,646            |
| Financial assets at fair value through profit and loss   | 22   | 23,758           | 5,386            | 9,436            | 3,625            |
| Short-term part of receivables from derivatives          | 31   | 36,516           | 18,947           | 0                | 0                |
| Cash and cash equivalents                                | 23   | 1,491,703        | 1,364,351        | 559,123          | 557,689          |
| <b>Total current assets</b>                              |      | <b>3,103,088</b> | <b>2,299,763</b> | <b>789,014</b>   | <b>620,717</b>   |
| <b>TOTAL ASSETS</b>                                      |      | <b>5,977,511</b> | <b>4,812,438</b> | <b>1,457,124</b> | <b>1,336,053</b> |
| <b>EQUITY AND LIABILITIES</b>                            |      |                  |                  |                  |                  |
| Share capital                                            | 32   | 58,951           | 58,951           | 58,951           | 58,951           |
| Share premium account                                    |      | 368,872          | 381,283          | 190,363          | 202,774          |
| Reserves                                                 | 33   | 707,855          | 553,946          | 61,321           | 64,010           |
| Retained earnings                                        |      | (280,361)        | (393,842)        | 146,745          | 36,690           |
| <b>Total equity attributable to the owners of parent</b> |      | <b>855,317</b>   | <b>600,338</b>   | <b>457,380</b>   | <b>362,425</b>   |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                              | Note | GROUP            |                  | COMPANY          |                  |
|--------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
|                                                              |      | 31.12.2022       | 31.12.2021       | 31.12.2022       | 31.12.2021       |
| Non-controlling interests                                    |      | 335,381          | 270,921          | 0                | 0                |
| <b>Total equity</b>                                          |      | <b>1,190,698</b> | <b>871,259</b>   | <b>457,380</b>   | <b>362,425</b>   |
| <b>Non-current liabilities</b>                               |      |                  |                  |                  |                  |
| Long-term loans                                              | 24   | 2,672,299        | 2,386,217        | 911,442          | 909,113          |
| Liabilities from leases                                      | 25   | 47,615           | 23,406           | 197              | 380              |
| Other long-term liabilities                                  | 30   | 276,192          | 227,518          | 16,378           | 15,511           |
| Other provisions                                             | 27   | 31,379           | 30,747           | 0                | 0                |
| Provisions for staff leaving indemnities                     | 26   | 2,917            | 2,387            | 293              | 247              |
| Grants                                                       | 28   | 176,232          | 87,431           | 0                | 0                |
| Liabilities from derivatives                                 | 31   | 59,305           | 157,657          | 0                | 0                |
| Deferred tax liabilities                                     | 34   | 114,209          | 74,589           | 6,489            | 6,671            |
| <b>Total non-current liabilities</b>                         |      | <b>3,380,148</b> | <b>2,989,952</b> | <b>934,799</b>   | <b>931,922</b>   |
| <b>Current liabilities</b>                                   |      |                  |                  |                  |                  |
| Suppliers                                                    | 29   | 335,326          | 296,786          | 23,128           | 20,662           |
| Short term loans                                             | 24   | 143,869          | 95,557           | 0                | 0                |
| Long term liabilities payable during the next financial year | 24   | 160,224          | 114,064          | 8,897            | 8,802            |
| Short-term part liabilities from leases                      | 25   | 7,648            | 4,040            | 153              | 258              |
| Liabilities from contracts with customers                    | 19   | 258,075          | 238,094          | 150              | 197              |
| Accrued and other short term liabilities                     | 30   | 385,950          | 162,746          | 32,617           | 11,473           |
| Short-term part of liabilities from derivatives              | 31   | 35,308           | 28,580           | 0                | 0                |
| Income tax payable                                           |      | 80,265           | 11,360           | 0                | 314              |
| <b>Total current Liabilities</b>                             |      | <b>1,406,665</b> | <b>951,227</b>   | <b>64,945</b>    | <b>41,706</b>    |
| <b>Total Liabilities</b>                                     |      | <b>4,786,813</b> | <b>3,941,179</b> | <b>999,744</b>   | <b>973,628</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                          |      | <b>5,977,511</b> | <b>4,812,438</b> | <b>1,457,124</b> | <b>1,336,053</b> |

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

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***CONSOLIDATED AND SEPARATE STATEMENT OF TOTAL COMPREHENSIVE INCOME 2022**

|                                                                                            |             | GROUP              |                    | COMPANY            |                    |
|--------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                            |             | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| <b>Profit and Loss</b>                                                                     | <b>Note</b> |                    |                    |                    |                    |
| <b>Continuing operations</b>                                                               |             |                    |                    |                    |                    |
| Turnover                                                                                   | 6,35        | 3,938,278          | 1,144,199          | 99,034             | 58,294             |
| Cost of sales                                                                              | 36          | (3,332,589)        | (889,571)          | (88,375)           | (48,673)           |
| <b>Gross profit/(loss)</b>                                                                 |             | <b>605,689</b>     | <b>254,628</b>     | <b>10,659</b>      | <b>9,621</b>       |
| Administrative and distribution expenses                                                   | 36          | (153,324)          | (80,964)           | (12,450)           | (17,303)           |
| Research and development expenses                                                          | 36          | (9,881)            | (6,687)            | (534)              | (147)              |
| Other income/(expenses)                                                                    | 38          | (32,903)           | 28,371             | 1,291              | 2,771              |
| <b>Results before taxes, financing and investing activities from continuing operations</b> |             | <b>409,581</b>     | <b>195,348</b>     | <b>(1,034)</b>     | <b>(5,058)</b>     |
| Net financial income/(expenses)                                                            | 42          | (192,604)          | (107,326)          | (14,937)           | (17,969)           |
| Profit / (loss) from sale of participations and securities                                 | 39          | (1)                | (501)              | 91,500             | (442)              |
| Profit / (loss) from valuation of participations and securities                            | 40          | 187                | (535)              | (11,324)           | (1,424)            |
| Profit from Acquisition of Control in subsidiaries                                         | 7.1         | 21,500             | 65,432             | 0                  | 0                  |
| Income / (losses) from participations and other securities                                 | 41          | 1,774              | 1,564              | 45,802             | 25,220             |
| Profit / (loss) from the consolidation of associates under the equity method               | 6,13        | 3,878              | (306)              | 0                  | 0                  |
| Profit / (loss) from the consolidation of joint ventures under the equity method           | 6,14        | (1,029)            | (8,052)            | 0                  | 0                  |
| <b>Earnings/(Losses) before taxes from continuing operations</b>                           | <b>6</b>    | <b>243,286</b>     | <b>145,624</b>     | <b>110,007</b>     | <b>327</b>         |
| Income tax                                                                                 | 34          | (65,938)           | (15,404)           | 109                | 125                |
| <b>Net Earnings/(losses) after taxes from continuing operations</b>                        | <b>6</b>    | <b>177,348</b>     | <b>130,220</b>     | <b>110,116</b>     | <b>452</b>         |
| <b>Discontinued operations</b>                                                             |             |                    |                    |                    |                    |
| Net Earnings/(losses) after taxes from discontinued operations                             |             | 0                  | (94,035)           | 0                  | 0                  |
| <b>Net Earnings/(losses) after taxes from continuing and discontinued operations</b>       | <b>6</b>    | <b>177,348</b>     | <b>36,185</b>      | <b>110,116</b>     | <b>452</b>         |
| <b>Other Comprehensive Income/(Expenses)</b>                                               |             |                    |                    |                    |                    |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                                                    |             | GROUP              |                    | COMPANY            |                    |
|--------------------------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                                    |             | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| <b>Profit and Loss</b>                                                                                             | <b>Note</b> |                    |                    |                    |                    |
| <i>a) Other Comprehensive Income/(expenses) that will be transferred to Income Statement in subsequent periods</i> |             |                    |                    |                    |                    |
| Cash flow hedges                                                                                                   |             |                    |                    |                    |                    |
| -Gain/(Losses) current period                                                                                      | 31          | 192,624            | 3,220              | 0                  | 0                  |
| -Reclassifications adjustments in Income Statement                                                                 |             | 0                  | 39,219             | 0                  | 0                  |
| Translation differences from incorporation of foreign entities                                                     |             |                    |                    |                    |                    |
| -Gain/(Losses) current period                                                                                      |             | (1,817)            | (229)              | 0                  | 0                  |
| -Reclassifications adjustments in Income Statement                                                                 |             | 0                  | 706                | 0                  | 0                  |
| Tax corresponding to the above results                                                                             | 34          | (42,553)           | (14,562)           | 0                  | (49)               |
| <b>Total</b>                                                                                                       |             | <b>148,254</b>     | <b>28,354</b>      | <b>0</b>           | <b>(49)</b>        |
| <i>b) Other Comprehensive Income/(expenses) that will be not transferred to Income</i>                             |             |                    |                    |                    |                    |
| Valuation of investments in equity interests                                                                       | 21          | (1,931)            | 23,438             | (1,823)            | 23,733             |
| Actuarial gains/(losses) on defined benefit pension plan                                                           | 26          | 70                 | (53)               | 20                 | 16                 |
| Proportion in Other comprehensive income of associates                                                             | 13          | (5)                | 19                 | 0                  | 0                  |
| Proportion in Other comprehensive income of joint ventures                                                         | 14          | (89)               | 141                | 0                  | 0                  |
| Tax corresponding to the above results                                                                             | 34          | 409                | (4,243)            | 397                | (4,317)            |
| <b>Total</b>                                                                                                       |             | <b>(1,546)</b>     | <b>19,302</b>      | <b>(1,406)</b>     | <b>19,432</b>      |
| <b>Net Other Comprehensive Income</b>                                                                              |             | <b>146,708</b>     | <b>47,656</b>      | <b>(1,406)</b>     | <b>19,383</b>      |
| <b>Total comprehensive income</b>                                                                                  |             | <b>324,056</b>     | <b>83,841</b>      | <b>108,710</b>     | <b>19,835</b>      |
| <b>Net earnings/(losses) attributed to:</b>                                                                        |             |                    |                    |                    |                    |
| <b>Shareholders of the parent</b>                                                                                  |             |                    |                    |                    |                    |
| -from continuing operations                                                                                        |             | 136,523            | 85,087             |                    |                    |
| -from discontinued operations                                                                                      |             | 0                  | (35,140)           |                    |                    |
| <b>Total</b>                                                                                                       |             | <b>136,523</b>     | <b>49,947</b>      |                    |                    |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                             | Note | GROUP              |                    | COMPANY            |                    |
|---------------------------------------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
|                                                                                             |      | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| <b>Profit and Loss</b>                                                                      |      |                    |                    |                    |                    |
| <b>Non-controlling interests</b>                                                            |      |                    |                    |                    |                    |
| -from continuing operations                                                                 |      | 40,825             | 45,133             |                    |                    |
| -from discontinued operations                                                               |      | 0                  | (58,895)           |                    |                    |
| <b>Total</b>                                                                                |      | <b>40,825</b>      | <b>(13,762)</b>    |                    |                    |
| <b>Net Earnings/(losses) after taxes from continuing and discontinued operations</b>        |      | <b>177,348</b>     | <b>36,185</b>      |                    |                    |
| <b>Total comprehensive income/(losses) attributed to:</b>                                   |      |                    |                    |                    |                    |
| <b>Shareholders of the parent</b>                                                           |      |                    |                    |                    |                    |
| -from continuing operations                                                                 |      | 273,477            | 132,643            |                    |                    |
| -from discontinued operations                                                               |      | 0                  | (35,140)           |                    |                    |
| <b>Total</b>                                                                                |      | <b>273,477</b>     | <b>97,503</b>      |                    |                    |
| <b>Non-controlling interests</b>                                                            |      |                    |                    |                    |                    |
| -from continuing operations                                                                 |      | 50,579             | 45,233             |                    |                    |
| -from discontinued operations                                                               |      | 0                  | (58,895)           |                    |                    |
| <b>Total</b>                                                                                |      | <b>50,579</b>      | <b>(13,662)</b>    |                    |                    |
| <b>Total comprehensive income</b>                                                           |      | <b>324,056</b>     | <b>83,841</b>      |                    |                    |
| <b>Basic Earnings/(losses) per share (in Euro) attributed to shareholders of the parent</b> | 32   |                    |                    |                    |                    |
| -from continuing operations                                                                 |      | 1.42421            | 0.88411            |                    |                    |
| -from discontinued operations                                                               |      | 0                  | (0.36513)          |                    |                    |
| <b>Total</b>                                                                                |      | <b>1.42421</b>     | <b>0.51898</b>     |                    |                    |

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

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS 2022**

|                                                                                     | Note     | GROUP              |                    | COMPANY            |                    |
|-------------------------------------------------------------------------------------|----------|--------------------|--------------------|--------------------|--------------------|
|                                                                                     |          | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| <b>Cash flows from operating activities</b>                                         |          |                    |                    |                    |                    |
| <b>Profit/(loss) before tax from continued operations</b>                           | 6        | <b>243,286</b>     | <b>145,624</b>     | <b>110,007</b>     | <b>327</b>         |
| <i>Adjustments for the agreement of the net flows from the operating activities</i> |          |                    |                    |                    |                    |
| Depreciation                                                                        | 8.1,9,10 | 134,362            | 107,183            | 1,382              | 816                |
| Fixed assets grants amortization                                                    | 38       | (5,687)            | (5,586)            | 0                  | 0                  |
| Provisions                                                                          |          | 23,175             | 28,399             | 102                | 327                |
| Impairments                                                                         | 38       | 51,161             | (6,391)            | 11,520             | 878                |
| Other non-cash expenses/(revenue)                                                   |          | (139)              | (4,406)            | 0                  | (65)               |
| Interest and related revenue                                                        | 42       | (13,530)           | (11,641)           | (15,867)           | (5,697)            |
| Interest and other financial expenses                                               | 42       | 129,790            | 106,993            | 30,804             | 23,666             |
| Results from derivatives                                                            | 42       | 76,344             | 11,974             | 0                  | 0                  |
| Results from associates and joint ventures                                          |          | (2,849)            | 8,358              | 0                  | 0                  |
| Results from participations and securities                                          |          | (23,459)           | (65,959)           | (137,487)          | (24,243)           |
| Results from investment property                                                    |          | 378                | 53                 | 10                 | 70                 |
| Results from fixed assets                                                           |          | (119)              | (664)              | 0                  | 0                  |
| Foreign exchange differences                                                        |          | (5,537)            | (3,814)            | 0                  | 0                  |
| Cost of stock options                                                               | 33       | 50,724             | 8,041              | 1,296              | 6,433              |
| <b>Operating profit/(loss) before changes in working capital</b>                    |          | <b>657,900</b>     | <b>318,164</b>     | <b>1,767</b>       | <b>2,512</b>       |
| <b>(Increase)/Decrease in:</b>                                                      |          |                    |                    |                    |                    |
| Inventories                                                                         |          | (333)              | (11,087)           | 64                 | (1,029)            |
| Investment property as main activity                                                |          | 1,275              | 1,566              | 1,028              | 624                |
| Trade receivables                                                                   |          | (196,620)          | 6,299              | (8,271)            | (7,853)            |
| Blocked bank deposit accounts                                                       |          | (11,430)           | (21,617)           | 0                  | (6,996)            |
| Prepayments and other receivables                                                   |          | 49,570             | (55,940)           | (10,748)           | (1,348)            |
| <b>Increase/(Decrease) in:</b>                                                      |          |                    |                    |                    |                    |
| Suppliers                                                                           |          | (138,768)          | 39,451             | 2,466              | 17,363             |
| Accruals and other liabilities                                                      |          | (86,203)           | 86,453             | (6,637)            | 7,862              |
| Income tax (Payments)/Receipts                                                      |          | (31,379)           | (21,137)           | (2,274)            | (451)              |
| <b>Cash flows from operating activities of continuing operations</b>                |          | <b>244,012</b>     | <b>342,152</b>     | <b>(22,605)</b>    | <b>10,684</b>      |
| Cash flows from operating activities of discontinued operations                     |          | 0                  | (28,234)           | 0                  | 0                  |
| <b>Net cash flows from operating activities</b>                                     |          | <b>244,012</b>     | <b>313,918</b>     | <b>(22,605)</b>    | <b>10,684</b>      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                                       |      | GROUP              |                    | COMPANY            |                    |
|-------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                       | Note | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| <b>Cash flows from investing activities</b>                                                           |      |                    |                    |                    |                    |
| Proceeds from disposals of fixed assets                                                               |      | 2,621              | 2,033              | 154                | 0                  |
| Payments for purchases of fixed assets                                                                |      | (255,134)          | (203,085)          | (1,990)            | (2,980)            |
| Proceeds from disposals of investment property                                                        |      | 0                  | 3,688              | 0                  | 0                  |
| Payments for purchases of investment property                                                         |      | (27,474)           | 0                  | 0                  | 0                  |
| Proceeds from grants                                                                                  | 28   | 100,000            | 1,260              | 0                  | 0                  |
| Refunds of grants                                                                                     |      | (1,258)            | 0                  | 0                  | 0                  |
| Interest and related income received                                                                  |      | 3,572              | 2,842              | 12,038             | 4,286              |
| Proceeds from loss of control of subsidiaries                                                         |      | 0                  | 0                  | 200                | 0                  |
| Payments for acquisition of subsidiaries                                                              | 7.1  | (2,368)            | (5,944)            | (735)              | (5,680)            |
| Cash and cash equivalent of the companies acquired or whose consolidation was discontinued            | 7.1  | 90,293             | 69,218             | 0                  | 0                  |
| Proceeds from sale or decrease in participating interest in associates and ioint ventures (JVs)       |      | 0                  | 40                 | 0                  | 40                 |
| Payments for acquisition or increase in participating interest in associates and joint ventures (JVs) | 14   | (99,668)           | (443)              | (14,648)           | (263)              |
| Proceeds from sale of shares, bonds and other securities                                              |      | 0                  | 1,853              | 0                  | 995                |
| Payments for acquisition of shares, bonds and other securities                                        |      | (20,914)           | (374)              | (7,325)            | 0                  |
| Receipts of Dividends                                                                                 |      | 1,710              | 1,592              | 46,245             | 25,186             |
| Proceeds from issued loans                                                                            |      | 5,046              | 12,637             | 322,249            | 15,959             |
| Issued loans                                                                                          |      | (62,250)           | (103,938)          | (229,140)          | (210,962)          |
| Proceeds from lease receivables                                                                       |      | 1,626              | 0                  | 0                  | 0                  |
| Payments for acquisition of assets for issued leases                                                  |      | (27,292)           | 0                  | 0                  | 0                  |
| <b>Cash flows from investing activities of continuing operations</b>                                  |      | <b>(291,490)</b>   | <b>(218,621)</b>   | <b>127,048</b>     | <b>(173,419)</b>   |
| <b>Net cash flows for investing activities</b>                                                        |      | <b>(291,490)</b>   | <b>(218,621)</b>   | <b>127,048</b>     | <b>(173,419)</b>   |
| <b>Cash flows from financing activities</b>                                                           |      |                    |                    |                    |                    |
| Receipts from changes in subsidiaries without                                                         |      | 0                  | 0                  | 33,545             | 3,063              |
| Payments from changes in subsidiaries without loss of control                                         | 12   | 0                  | 0                  | (93,187)           | (860)              |
| Payments for share capital refund                                                                     | 32   | (12,411)           | 0                  | (12,411)           | 0                  |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                          | Note | GROUP              |                    | COMPANY            |                    |
|------------------------------------------------------------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
|                                                                                          |      | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Receipts from increase of share capital in subsidiaries from non-controlling interests   |      | 0                  | 39                 | 0                  | 0                  |
| Payments for share capital refund of                                                     |      | (193)              | 0                  | 0                  | 0                  |
| Proceeds from sale or issue of treasury shares                                           |      | 680                | 3,752              | 680                | 3,752              |
| Payments to acquire treasury shares                                                      | 33   | (10,512)           | (23,226)           | (4,928)            | (23,032)           |
| Payments to acquire treasury shares of subsidiaries                                      |      | (6,609)            | (2,709)            | 0                  | 0                  |
| Proceeds from exercise of options                                                        |      | 1,056              | 0                  | 1,056              | 0                  |
| Proceeds for short term loans                                                            | 24   | 125,522            | 32,009             | 0                  | 0                  |
| Payments for short term loans                                                            | 24   | (90,251)           | (46,366)           | 0                  | 0                  |
| Proceeds for long term loans                                                             | 24   | 485,590            | 463,320            | 33,000             | 300,000            |
| Payments for long term loans                                                             | 24   | (168,892)          | (153,771)          | (33,416)           | (438)              |
| Payments for leases                                                                      |      | (8,097)            | (5,195)            | (270)              | (182)              |
| Dividends paid to non controlling interest                                               |      | (26,799)           | (25,908)           | 0                  | 0                  |
| Interest and other financial expenses paid                                               |      | (95,119)           | (85,677)           | (27,078)           | (27,973)           |
| Payments for hedging derivatives                                                         |      | (20,932)           | (22,767)           | 0                  | 0                  |
| <b>Cash flows from financing activities of continuing operations</b>                     |      | <b>173,033</b>     | <b>133,501</b>     | <b>(103,009)</b>   | <b>254,330</b>     |
| Cash flows from financing activities of discontinued operations                          |      | 0                  | 26,313             | 0                  | 0                  |
| <b>Net cash flows from financing activities</b>                                          |      | <b>173,033</b>     | <b>159,814</b>     | <b>(103,009)</b>   | <b>254,330</b>     |
| <b>Net (decrease)/increase in cash and cash equivalents from continuing operations</b>   |      | <b>125,555</b>     | <b>257,032</b>     | <b>1,434</b>       | <b>91,595</b>      |
| <b>Net (decrease)/increase in cash and cash equivalents from discontinued operations</b> |      | <b>0</b>           | <b>(1,921)</b>     | <b>0</b>           | <b>0</b>           |
| <b>Net increase /(decrease) of cash and cash equivalents</b>                             |      | <b>125,555</b>     | <b>255,111</b>     | <b>1,434</b>       | <b>91,595</b>      |
| Effect of foreign exchange rate differences in cash                                      |      | 1,797              | 823                | 0                  | 0                  |
| <b>Cash and cash equivalents at the beginning of the period</b>                          | 6,23 | <b>1,364,351</b>   | <b>1,108,417</b>   | <b>557,689</b>     | <b>466,094</b>     |
| <b>Cash and cash equivalents at the end of the period</b>                                | 6,23 | <b>1,491,703</b>   | <b>1,364,351</b>   | <b>559,123</b>     | <b>557,689</b>     |

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

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY 2022**

| COMPANY                        | Note | Share capital | Share premium  | Reserves      | Retained earnings | Total           |
|--------------------------------|------|---------------|----------------|---------------|-------------------|-----------------|
| <b>1st January 2022</b>        |      | <b>58,951</b> | <b>202,774</b> | <b>64,010</b> | <b>36,690</b>     | <b>362,425</b>  |
| Total comprehensive income     |      | 0             | 0              | (1,406)       | 110,116           | <b>108,710</b>  |
| Issue of Share Capital         | 32   | 12,411        | (12,411)       | 0             | 0                 | <b>0</b>        |
| Refund of Share Capital        | 32   | (12,411)      | 0              | 680           | (61)              | <b>(11,792)</b> |
| Acquisition of treasury shares | 33   | 0             | 0              | (4,928)       | 0                 | <b>(4,928)</b>  |
| Disposal of treasury shares    | 33   | 0             | 0              | 3,023         | 0                 | <b>3,023</b>    |
| Stock options                  | 33   | 0             | 0              | (57)          | 0                 | <b>(57)</b>     |
| <b>31st December 2022</b>      |      | <b>58,951</b> | <b>190,363</b> | <b>61,321</b> | <b>146,745</b>    | <b>457,380</b>  |

| COMPANY                        | Note | Share capital | Share premium  | Reserves      | Retained earnings | Total           |
|--------------------------------|------|---------------|----------------|---------------|-------------------|-----------------|
| <b>1st January 2021</b>        |      | <b>58,951</b> | <b>202,774</b> | <b>55,866</b> | <b>36,238</b>     | <b>353,829</b>  |
| Total comprehensive income     |      | 0             | 0              | 19,383        | 452               | <b>19,835</b>   |
| Acquisition of treasury shares |      | 0             | 0              | (23,032)      | 0                 | <b>(23,032)</b> |
| Disposal of treasury shares    |      | 0             | 0              | 9,814         | 0                 | <b>9,814</b>    |
| Stock options                  |      | 0             | 0              | 1,979         | 0                 | <b>1,979</b>    |
| <b>31st December 2021</b>      |      | <b>58,951</b> | <b>202,774</b> | <b>64,010</b> | <b>36,690</b>     | <b>362,425</b>  |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| GROUP                                         | Note | Share capital | Share premium  | Reserves       | Retained earnings | Sub-Total       | Non-Controlling Interest | Total            |
|-----------------------------------------------|------|---------------|----------------|----------------|-------------------|-----------------|--------------------------|------------------|
| <b>1st January 2022</b>                       |      | <b>58,951</b> | <b>381,283</b> | <b>553,946</b> | <b>(393,842)</b>  | <b>600,338</b>  | <b>270,921</b>           | <b>871,259</b>   |
| Total comprehensive income                    |      | 0             | 0              | 136,954        | 136,523           | <b>273,477</b>  | 50,579                   | <b>324,056</b>   |
| Issue of Share Capital                        | 32   | 12,411        | (12,411)       | 0              | 0                 | <b>0</b>        | 0                        | <b>0</b>         |
| Refund of Share Capital                       | 32   | (12,411)      | 0              | 826            | 0                 | <b>(11,585)</b> | 0                        | <b>(11,585)</b>  |
| Share capital increase of subsidiaries        |      | 0             | 0              | 0              | 0                 | <b>0</b>        | 100                      | <b>100</b>       |
| Dividends to non-controlling interests        |      | 0             | 0              | 0              | 0                 | <b>0</b>        | (26,799)                 | <b>(26,799)</b>  |
| Acquisition of treasury shares                | 33   | 0             | 0              | (10,512)       | 0                 | <b>(10,512)</b> | 0                        | <b>(10,512)</b>  |
| Disposal of treasury shares                   | 33   | 0             | 0              | 3,023          | 0                 | <b>3,023</b>    | 0                        | <b>3,023</b>     |
| Stock options                                 | 33   | 0             | 0              | 18,261         | 0                 | <b>18,261</b>   | 30,502                   | <b>48,763</b>    |
| Change in interest of consolidated subsidiary |      | 0             | 0              | (3,565)        | (14,120)          | <b>(17,685)</b> | 10,281                   | <b>(7,404)</b>   |
| Termination in consolidation of joint entity  |      | 0             | 0              | 0              | 0                 | <b>0</b>        | (203)                    | <b>(203)</b>     |
| Formation of reserves                         | 33   | 0             | 0              | 24,235         | (24,235)          | <b>0</b>        | 0                        | <b>0</b>         |
| Transfers/Other                               | 33   | 0             | 0              | (15,313)       | 15,313            | <b>0</b>        | 0                        | <b>0</b>         |
| <b>31st December 2022</b>                     |      | <b>58,951</b> | <b>368,872</b> | <b>707,855</b> | <b>(280,361)</b>  | <b>855,317</b>  | <b>335,381</b>           | <b>1,190,698</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>GROUP</b>                                  | <b>Note</b> | <b>Share capital</b> | <b>Share premium</b> | <b>Reserves</b> | <b>Retained earnings</b> | <b>Sub-Total</b> | <b>Non-Controlling Interest</b> | <b>Total</b>    |
|-----------------------------------------------|-------------|----------------------|----------------------|-----------------|--------------------------|------------------|---------------------------------|-----------------|
| <b>1st January 2021</b>                       |             | <b>58,951</b>        | <b>381,283</b>       | <b>474,712</b>  | <b>(399,765)</b>         | <b>515,181</b>   | <b>311,628</b>                  | <b>826,809</b>  |
| Total comprehensive income                    |             | 0                    | 0                    | 47,556          | 49,947                   | <b>97,503</b>    | (13,662)                        | <b>83,841</b>   |
| Share capital increase of subsidiaries        |             | 0                    | 0                    | 0               | 150                      | <b>150</b>       | (245)                           | <b>(95)</b>     |
| Dividends to non-controlling interests        |             | 0                    | 0                    | 0               | 0                        | <b>0</b>         | (25,924)                        | <b>(25,924)</b> |
| Acquisition of treasury shares                |             | 0                    | 0                    | (23,225)        | 0                        | <b>(23,225)</b>  | 0                               | <b>(23,225)</b> |
| Disposal of treasury shares                   |             | 0                    | 0                    | 9,814           | 0                        | <b>9,814</b>     | 0                               | <b>9,814</b>    |
| Stock options                                 |             | 0                    | 0                    | 1,979           | 0                        | <b>1,979</b>     | 0                               | <b>1,979</b>    |
| Change in interest of consolidated subsidiary |             | 0                    | 0                    | (1,065)         | 0                        | <b>(1,065)</b>   | (1,643)                         | <b>(2,708)</b>  |
| Termination in consolidation of joint entity  |             | 0                    | 0                    | 0               | 0                        | <b>0</b>         | 768                             | <b>768</b>      |
| Formation of reserves                         |             | 0                    | 0                    | 44,156          | (44,156)                 | <b>0</b>         | 0                               | <b>0</b>        |
| Transfers/Other                               |             | 0                    | 0                    | 19              | (18)                     | <b>1</b>         | (1)                             | <b>0</b>        |
| <b>31st December 2021</b>                     |             | <b>58,951</b>        | <b>381,283</b>       | <b>553,946</b>  | <b>(393,842)</b>         | <b>600,338</b>   | <b>270,921</b>                  | <b>871,259</b>  |

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

**NOTES ON THE FINANCIAL STATEMENTS****1 GENERAL INFORMATION ABOUT THE GROUP AND THE COMPANY**

«**GEK TERNA Société Anonyme, Holdings, Real Estate, Construction**» (the “Company” or «GEK TERNA») as the company GEK TERNA Holdings, Real Estate, Construction S.A., was renamed according to the decision of the Extraordinary General Shareholders’ Meeting on 18.11.2008 and approved by the No. K2- 15459/23.12.2008 decision of the Ministry of Development published in the Government Gazette with No. 14045/23.12.2008 (S.A. and L.T.D. Companies Issue), is registered in the General Commercial Register of the Ministry of Development under Reg. No. 253001000 and in the Société Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The duration of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders’ Meeting on 26.03.1990 the duration of the company is extended up to the 31st of December 2030.

The company is based in the municipality of Athens and its head offices are located in 85, Mesogeion Avenue, Postal Code 11526 Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

The company was founded in 1960 under the title ERMIS HOTELS AND ENTERPRISES S.A. In the middle of the 1960s it was renamed to ERMIS REAL ESTATE CONSTRUCTIONS ENTERPRISES S.A. with its main activity being building constructions (ERMIS mansion, apartment buildings and maisonettes in various areas across the country). In 1969, the company listed its shares in the Athens Stock Exchange (28.08.1969). Following the Extraordinary General Shareholders’ Meeting on the 4th of August 1999 the company’s ownership status is altered. On 16.10.2000, the decision No. K2- 10469/16.10.2000 of the Ministry of Development is registered in the Société Anonyme Registry. This decision approved the amendment, by changing the numbering and the provisions of the Articles, and the codification of the company’s Articles of Association in accordance with the decision of the Extraordinary General Shareholders’ Meeting on 17.07.2000. On the same date, the completely new text of the Articles of Association, with the amendments, is registered in the Société Anonyme registry. On 10.02.2004 the Board of Directors decided that the company should merge with the company “General Construction Company S.A.” by absorbing it. The Extraordinary General Shareholders’ Meetings of both the acquiring and the absorbed company, that took place on 15.10.2004, approved the Merger Contract Plan. The merger was completed on 03.12.2004 with decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/03.12.2004. At the same time, the change of the company’s title and the amendment to its corporate objective were approved.

On 23.12.2008 the merger through absorption of part of the other activities of the company TERNA SOCIETE ANONYME TOURISM TECHNICAL AND SHIPPING COMPANY, was approved by means of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 and at the same time the share capital increase by 25,386,322.56 euros. Thus, the share capital amounted to 48,953,132.16 euros divided into 85,882,688 common registered shares, with a nominal value of 0.57 euros each.

By the decision on 06.12.2013 of the A’ Repetitive Extraordinary General Meeting it has been decided the increase of the Company’s Share Capital by the amount of 4,890,417.60 euros with cash deposits,



through the issuance of 8,579,680 common ordinary shares on nominal value 0.57 euros and offer price of 2.5 euros each. The derived difference from the share premium amounting to 16,558,782.40 euros was credited to the share premium account.

The specific share capital increase has been completed through the abdication of the existing shareholders' preference right over the company YORK GLOBAL FINANCE OFFSHORE BDH (Luxembourg) S.a.r.l. As a result of the above, the share capital of the company stood at the amount 53,843,549.76 euros, is fully paid up and divided into 94,462,368 common registered shares with a nominal value of 0.57 each. On 23.12.2013 it was recorded to the General Commercial Registry the N. K2 -7312 decision of the Ministry of Development and Competitiveness by which it has been approved the aforementioned increase of the Share Capital.

Following the decision on 06.12.2013 of the A' Repetitive Extraordinary General Meeting of the Company's shareholders and the decision of the Board of Directors on 27.03.2015, the Company's share capital increased by the amount of Euro three million two hundred eighty six thousand one hundred sixteen and sixty nine cents (3,286,116.69 euros) via the issuance of five million seven hundred sixty five thousand one hundred and seventeen (5,765,117 euros) new shares, with nominal value of Euro fifty seven cents (0.57 euros) per share and offering price of Euro two and forty three cents (2.43 euros) per share, due to the conversion of one hundred forty (140) bond securities with nominal value of Euro one hundred thousand (100,000.00 euros) per security of the Company's Convertible Bond Loan increased with the contractual interest. Following and pursuant to the above decision of the General Meeting of the Company's shareholders, the share capital of the Company, based on the Board of Directors' decision on 29.06.2015, increased by the amount of Euro one million six hundred sixty two thousand, seven hundred twenty five and ninety one cents (1,662,725.91 euros) with the issuance of Euro two millions nine hundred seventeen thousand and sixty three (2,917,063 euros) new shares, with nominal value of Euro fifty seven cents (0.57 euros) and with offering price Euro two and forty seven cents (2.47 euros) per share, due to the conversion of seventy (70) bonds, with nominal value of Euro one hundred thousand each (100,000.00 euros) of the Convertible Bond Loan of the Company, increased with the contractual interest.

Following the decision of 29.03.2016, the Board of Directors approved the increase of the Company's share capital by Euro one hundred fifty eight thousand, eight hundred eighty three and fifty one cents (158,883.51 euros), via the issuance of two hundred seventy eight thousand, seven hundred forty three (278,743) common registered shares with nominal value of Euro fifty seven cents (0.57 euros) per share and with offering price of Euro two and forty three cents (2.43 euros) per share, due to conversion of convertible bonds (in the context of the Company's Convertible Bond), of nominal value of Euro six hundred thousand (650,000.00 euros), increased with the interest of the holding period, in shares. Following the aforementioned decision, the convertible Bond Loan signed between the Company and the company YORK GLOBAL FINANCE OFFSHORE BDH (Luxembourg) S.a.r.l. was fully repaid.

Following the above changes, the Company's share capital amounts to Euro fifty eight million, nine hundred fifty one thousand, two hundred seventy five and eighty seven cents (58,951,275.87 euros), and is divided to one hundred and three million, four hundred twenty three thousand and two hundred and ninety one (103,423,291) common registered shares with a nominal value of Euro fifty seven cents (0.57 euros) each.

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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The main activity of the Company is the development and management of investment property, the construction of any kind of projects, the management of self-financed or co-financed projects, the construction and operation of energy projects, as well as its participation in companies having similar activities.

The Group has a significant and specialized presence in construction, the production and trading of energy as well as in the development, management and exploitation of investment property having a strong capital base.

The activities of the Group mainly take place in Greece, while at the same time it has significant presence in the Balkans, the Middle East, the Eastern Europe, and the North America. The Group's operations focus on the following operating segments:

- **Constructions:** almost exclusively, technical construction contracts.
- **Electric energy from RES:** production of electric energy arising from wind parks, solar and hydropower and biomass.
- **Thermal energy trading in electric energy and natural gas:** production of electric energy through fuels and natural gas and trading in electric energy and natural gas.
- **Industry:** refers to the production of quarry products and the exploitation of magnesite quarries.
- **Real Estate:** acquisition, development, and exploitation of real estate as well as investments for the purposes of acquisition of surplus value from the increase in the real estate items prices.
- **Concessions:** construction and operation of infrastructure (e.g. motorways), other public interest projects (Unified Automatic Collection System and municipal waste treatment plant) and other facilities (e.g. parking stations, etc.) in exchange for provision of long-term exploitation services to the public.
- **Holdings:** supporting the Group's operating segments and trial operation of new operating segments.

At the end of the closing year, the total number of the Group's personnel worldwide was 4,337 and of the Company's 736. Respectively, at the end of the previous year, Group's personnel worldwide was 3,700 and the Company's 724.

The consolidated companies included in the consolidated Financial Statements and their unaudited FYs are analytically recorded in Note 5 to the Financial Statements.

The attached separate and consolidated Financial Statements as of 31st December 2022 were approved by the Board of Directors on 26th April 2023 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.) and the Company's website on the Internet.

## **2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS**

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

The Company's separate and consolidated Financial Statements as of 31<sup>st</sup> December 2022 covering the annual period starting on January 1st until December 31st 2022 have been prepared according to the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and according to their interpretations, published by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union until 31st December 2022.

The Group applies all the International Accounting Standards, International Financial Reporting Standards, and their Interpretations, which apply to the Group's activities. The relevant accounting policies, a summary of which is presented below in Note 4, have been applied consistently in all the periods presented.

### **2.2 Going concern**

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

The decision of the Management to use the going concern principle is based on the estimates related to potential effects of the war conflict between Russia and Ukraine, the impact of which is evident in the electricity market, which is one of the main sectors of the Group.

The Management has estimated that there is no material uncertainty regarding the continuation of the activity of the Group and the Company, thus implementing the framework for preparing the financial statements for the financial year ended on 31.12.2022.

### **2.3 Basis of measurement**

The accompanying separate and consolidated Financial Statements as of December 31st, 2022, have been prepared according to the principle of historical cost, apart from the cases of investment property, investments in equity securities, derivative financial instruments, financial assets recorded at fair value through profit or loss, and contingent consideration liabilities, which are measured at fair value.

### **2.4 Presentation currency**

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

### **2.5 Comparability**

The comparative items of the Financial Statements for the year ended 31.12.2022 have not been revised.

### **2.6 Use of estimates**

The preparation of the Financial Statements according to IFRS requires the use of estimates and

judgments on the application of the Company's accounting policies. Judgments, assumptions and estimates of the Management affect the amount of valuation of several asset and liability items, the amount recognized during the year regarding specific income and expenses as well as the presented estimates of contingent liabilities.

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

The areas that require the highest degree of judgment as well as the areas in which estimates and assumptions have a significant effect on the Consolidated Financial Statements are presented in Note 3 of the Financial Statements.

## **2.7 New Standards, Interpretations and Amendments to Standards**

The accounting principles applied for the preparation of the Financial Statements are the same as those applied for the preparation of the annual Financial Statements of the Group and the Company for FY ended as of 31 December 2021, apart from the adoption of several new accounting standards, whose application was mandatory in the European Union for FYs beginning as at January 1st, 2022 (see Notes 2.7.1 and 2.7.2).

### **2.7.1 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 01.01.2022.

#### **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 amendments do not affect the consolidated and separate Financial Statements.

## **2.7.2 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 31.12.2022**

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

### **Amendments to IAS 1 “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 been adopted by the European Union with effective date of 01.01.2023.

### **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 been adopted by the European Union with effective date of 01.01.2023.

### **Amendments to IAS 12 “Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (effective for annual periods starting on or after 01.01.2023)**

In May 2021, the IASB issued targeted amendments to IAS 12 to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations – transactions for which companies recognise both an asset and a liability. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. 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 01.01.2023.

**Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (effective for annual periods starting on or after 01.01.2024)**

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. However, in October 2022, the IASB issued an additional amendment that aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company’s ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. 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 IFRS 16 “Leases: Lease Liability in a Sale and Leaseback” (effective for annual periods starting on or after 01.01.2024)**

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 “Leases” which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

**3 SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS**

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.

In particular, the 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 past experience and other factors, including expectations for future events, judged to be reasonable in the circumstances. Estimates and judgments are continually reassessed on the basis of all the available data and information.

Key estimates and evaluations referring to the data whose development could affect the financial statements items in the upcoming 12 months are as follows:

### **3.1 Significant judgments of the Management**

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.

In order 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 and goodwill**

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 4.10. Goodwill, intangible assets with indefinite economic lives and intangible assets with finite economic lives for which amortization has not yet begun are tested for impairment at least annually.

#### **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 4.2, 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 4.3.

### **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, through 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 final 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. In particular, based on the input method under IFRS 15, the construction cost at every reporting date is compared to the total budgeted cost in order to determine the percentage of completion. The completion stage is measured on the basis of 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) Energy sector revenue recognition (non-invoiced revenue)**

The Group estimates the consumption of electricity and natural gas, which has not yet been invoiced for retail customers. In particular, the Group measures and records specific revenues from sales for which final clearances have not been received from ADMIE and the Natural Gas Distribution Administrators. Such revenues are calculated using historical data and forecasts for the consumption of electricity and natural gas for each energy consumption meter.

#### **iii) Useful lives of depreciated assets**

For the purpose of calculating depreciation, 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. In this context, in the financial year 2022 it was decided to reduce the economic life of the open-type thermoelectric power plant, from 25 to 20 years, based on new estimates which emerged during the evaluation of the conditions that have developed in the operation and technological development of the respective infrastructure in general (further analysis is provided in Note 10). As at 31.12.2022 the Management estimated that the economic life of the other depreciable assets represent their expected useful value.



**iv) Fair value measurement of investment property**

In order to measure the value of its investment property, in cases when active market prices are available, the Group determines the fair value based on the valuation reports prepared by independent valuers. If no objective data is available, in particular, due to economic conditions, the Management measures such values based on its past experience, taking into account the available data (further information is presented in Note 11).

**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 47).

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 31.

**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 when calculating value in use of Cash Generating Units (CGU)**

The Group conducts a related impairment test of investments in subsidiaries and associates whenever there is evidence of impairment in accordance with the provisions of IAS 36. 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 purpose 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 (further information is provided in Note 12).

**viii) 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 increase 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 26).

**ix) 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 in order 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).

**x) 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 4.20 and 27).

**xi) Provision for rehabilitation or maintenance obligation under the Motorways Concession Agreement**

The concession agreement with the Greek State includes the contractual obligation of the concessionaire to maintain the infrastructure at a defined level of service provision or to restore the infrastructure to a specific condition before delivering it to the grantor at the end of the concession period. Calculating the amount to be considered as a provision for rehabilitation or maintenance obligation is a complex procedure, relying on judgments that have to do with the cost and timing of such projects implementation as well as the actual costs that may differ from the projected costs (further information is presented in Note 27).

**xii) 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 operations. Determining contingent liabilities and receivables is a complex procedure that includes judgments regarding future events, laws, regulations, etc. Changes in judgements 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 49).

**xiii) 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 aforementioned 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 receivables in order to adequately cover the loss that can be reliably estimated and arises from these receivables. 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 16, 18, 19 and 20).

**xiv) Acquisition of a company or business**

At initial recognition, the assets as well as the liabilities of the acquired company are included in the consolidated financial statements at their fair values. In measuring fair values, Management uses estimates of future cash flows, however the actual results may differ. Any change in the measurement after initial recognition affects the measurement of goodwill (further information in Note 7).

**xv) Valuation of cash flow hedging agreements**

The Group uses financial derivatives and specifically it enters into interest rate swaps to hedge its risk linked to fluctuations of interest rates and into contracts to hedge the risks associated with volatile energy sale prices. The swap agreements are valued according to market estimations regarding the trend of relevant interest rates for periods up to thirty years and with regard to the course of energy prices accordingly in each case. Based on these estimates, the cash flows are discounted in order to determine the liability or asset at the reporting date of the financial statements (further information in Note 31).

**xvi) Support of operation and recognition of financial instruments receivables**

The subsidiary CENTRAL GREECE MOTORWAY S.A. regarded the contractual obligation of the Greek state to support operation as a hybrid financial instrument that includes an embedded derivative and a non-derivative host contract. Subsequently, the Group's subsidiary in question unbundled the embedded derivative from the host contract and, in accordance with IAS 39 (under the initial application) and IFRS 9, recognized a derivative financial item (receivables), i.e. the component of operating support that covers future payments of interest rate derivatives. Calculation of fair value of the receivable includes estimates of the credit risk of the counterparty (Greek State), an estimate of future outflows and the existence of a contingent time difference between the payments of the derivatives and the collection of operating support. The above estimates are re-evaluated on every reporting date. Further information is provided in Notes 4.15 and 31.

**xvii) Consolidation of subsidiaries in which the Group holds a non-majority percentage of voting rights (de facto control)**

The Group assesses in each reporting period the existence of control over subsidiaries in which it holds a participation percentage of voting rights of less than 50%, based on the conditions specified in IFRS 10. Specifically, the Group, based on its existing rights, assesses whether it has the possibility to direct any business activities that significantly affect the return of the subject companies, i.e. the relevant activities, assessing in addition any cases where the Group maintains significant participation / investment, has the right to receive variable returns from its participation in the subject companies

and has the ability to influence the level of their returns.

## **4 SUMMARY OF KEY ACCOUNTING PRINCIPLES**

### **4.1 Basis for consolidation**

The accompanying consolidated financial statements include the financial statements of GEK TERNA and its subsidiaries as at 31.12.2022. 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 every 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 the majority of the subsidiaries' voting rights. In order to define the control, the following conditions are examined, as recorded in IFRS 10:

- i) The parent company has authority over the investee, since it can direct the related (operational and financial) activities. This is achieved through appointing the majority of the members of the Board of Directors and the directors of the subsidiary by the Management of the parent.
- ii) 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.
- iii) 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) in the Company or the equity method (if it is a joint venture) in the Group.

**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) its share 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.

**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 takes into account 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. In particular, 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 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. The 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 acquire (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 acquire, less
- the net fair value of the acquired 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 (e.g. fees of consultants, lawyers, accountants, appraisers and other professionals and consultant's fees) are recognized as expenses and burden the income statement for the period when they are incurred.

Otherwise, when the acquire 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 an acquisition opportunity. Following the necessary reviews, the excess arising from the above balance is recognized as profit in the income statement for the period.

Any potential consideration paid by the Group is initially recognized at fair value on the date of acquisition. Changes in the fair value of the contingent consideration that meet the conditions for their classification as an asset or liability are recognized in accordance with IFRS 9 in the results. Any consideration recognized in equity is not revised and the subsequent settlement is accounted for within equity.

**4.3 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, i.e. 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 4.2 "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 (e.g. 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 (e.g. IAS 38)

#### **4.4 Foreign currency conversion**

##### **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 date. 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 foreign operations currency translation reserves differences, equity, and are 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.

**4.5 Operating segments**

The Company's BoD is the main corporate body responsible for business decision-making. The BoD reviews all of 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.

GEK TERNA's operating segments are defined as the segments in which the Group operates and on which the Group's management internal information system is based (please refer to Note 6).

**4.6 Goodwill**

Goodwill arises from acquisition of subsidiaries and associates or acquisition of control in a company.

Goodwill is recognized as the balance between acquisition cost and fair value of assets, liabilities and contingent liabilities of the acquired entity as at the acquisition date. In the case of a subsidiary's acquisition, goodwill is recorded as a separate asset, while in the case of an associate's acquisition, goodwill is included in the value of the Group's investments in associates.

As at the acquisition date (or at the date of the completion of the relative consideration allocation), acquired goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from that business combination. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that a potential impairment may have been incurred (see Note 4.10 regarding the procedures used to review goodwill impairment).

If a segment of a cash-generating unit, to which goodwill has been allocated, is disposed of, then the goodwill attributable to the disposed segment is included in the carrying amount of that segment to facilitate determination of gains or losses. The value of goodwill attributable to the disposed segment is determined based on the relative values of the disposed segment and the remaining segment of the cash-generating unit.

#### **4.7 Intangible assets**

The intangible assets of the Group concern

- i. Rights-of-use quarries and mines and operational development costs of land,
- ii. Rights-of-use land plots characterized as forestry, where Wind Parks are located,
- iii. licensees acquired for Wind Parks, the right acquired under the concession agreements concluded with the State
- iv. providers invoicing rights arising from concessions and PPPs (see note 4.16) and
- v. acquired software programs
- vi. the customer base
- vii. the trademark HERON

Upon initial recognition, the intangible assets acquired separately are recorded at cost. Intangible assets acquired as part of business combinations are recognized at fair value at 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, with the exception of the trademark HERON.

The period and method of amortization is redefined at least at the end of every 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:

| <b>Category</b>                                                  | <b>Methods of amortization</b> | <b>Useful life in years</b> |
|------------------------------------------------------------------|--------------------------------|-----------------------------|
| Software                                                         | Fixed                          | 3                           |
| Customers – customer base                                        | Fixed                          | 6                           |
| Generation and energy units' installation and operation licenses | Fixed                          | 25                          |
| Rights to use quarries and mines                                 | Fixed                          | 50                          |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| Category                                                                                                                                                                                                                   | Methods of amortization | Useful life in years                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------|
| Expenses incurred under Operational Development of Quarries – Mines Land Plots Exploitation                                                                                                                                | Fixed                   | 50                                       |
| Concessions (rights arising from concession arrangements)<br>NEA ODOS, CENTRAL GREECE MOTORWAY, HIRON<br>CONSESSIONS S.A., PARKING LOT AT PLATANOU SQUARE<br>KIFISIAS S.A., PARKING LOT AT SAROKOU SQUARE KERKYRAS<br>S.A. | Note 4.16               | Based on<br>concession period<br>(20-38) |

Amortization of concession arrangements rights obtained, is made based on the execution rate of the specific construction contracts.

Gains or losses arising from the write-off due to disposal of an intangible asset are calculated as the difference between the net proceeds of the disposal and the current value of the asset and are recognized in profit or loss for the period.

Intangible assets with indefinite economic life are recognized at their fair value when a business is acquired, and are subsequently monitored at cost less any impairment losses. These items are not amortized, but are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that a possible decrease in value may have occurred. The Group has only the trademark HERON in this category.

**(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 they can be measured reliably.

**(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. Regarding the impairment tests, please refer to Note 4.10.

**(d) Rights to use quarries and mines**

The value of the rights to use quarries and mines includes the acquisition cost of these assets less the accumulated depreciation and any potential impairment.

**(e) Concessions**

In the capacity of concessionary companies, the Group's companies recognize an intangible asset and revenue to the extent they acquire the right to charge the users of utilities. Revenue recognition is based on the percentage of completion method. Furthermore, the intangible asset in question is subject to depreciation based on the time of the concession and impairment test, while revenue from the users of the infrastructure are recognized on an accrual basis to the extent they cover the operating costs of the Company. The additional component is recorded as a reduction of the intangible asset.

**(f) Expenses incurred under Operational Development of Quarries – Mines Land Plots Exploitation**

Such expenses concern query-mining operation development costs and mainly include procedures in respect of galleries surfacing costs, galleries opening coats and extracting sterile soil costs. During the operational development phase (before production starts), galleries surfacing costs are usually capitalized as part of the amortized cost of queries development and construction. Amortization of operating expenses incurred for development of mineral-ore extraction areas is calculated using the percentage recovery method of commercially recoverable mine. Amortization – expenses of capitalized operating costs arising from development of mines- queries include the costs of minerals mining and extraction costs. Operating costs arising from development of mines - queries are capitalized if, and only if, the following conditions are met:

- the Group will receive future economic benefits (improvement of access to mines) associated with the galleries surfacing activity.
- the Group can utilize the segment of the mine, the access to which has been improved, and
- the cost of the galleries surfacing activity associated with this segment can be measured reliably.

The asset arising from the galleries surfacing activity is added to the cost of the mine and is therefore valued at cost less accumulated depreciation and potential impairment.

**(g) Clientele – Client base**

It refers to the value of the Customer base acquired during the acquisition of a subsidiary company and which is enhanced by the cost of maintaining this base (customer retention cost, agent commissions, etc.).

**(h) HERON Trademark**

HERON Trademark was recognized during the acquisition of control of HERON ENERGY.

At the date of acquisition (or at the date of completion of the relevant purchase price allocation), the trademark is recognized at fair value. After initial recognition, the trademark is valued at cost less accumulated impairment losses.

The trademark is not amortized but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that a possible decrease in value may have occurred (see Note 4.10 for the procedures followed for impairment testing).

#### **4.8 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:

| <b>Property, plant and equipment</b>  | <b>Useful life (in years)</b> |
|---------------------------------------|-------------------------------|
| Building and technical works          | 8 - 30                        |
| Machinery and technical installations | 3 - 25                        |
| Vehicles                              | 5 - 12                        |
| Furniture and fixtures                | 3 - 12                        |

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 (see Note 4.10). 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 assets construction period, provided that the recognition criteria are met (please refer to Note 4.9).

#### **4.9 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.

#### **4.10 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. 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.

Apart from Goodwill and the Trademark, the Group does not possess intangible assets with indefinite useful life that are not amortized.

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, in the asset in previous years.

#### **4.11 Investment property**

Investment property relates to investments in properties which are held (through acquisition) by the Group, either to generate rent from their lease or for the increase in their value (increased capital) or for both purposes and are not held: a) to be used for production or distribution of raw materials / services or for administrative purposes; and b) for the sale as part of the company's regular operations.

Investment property is initially measured at acquisition purchase cost including transaction expenses. Subsequently, it is recognized at fair value. Independent appraisers with adequate experience in the location and in the nature of investment properties define the fair value.

The book value recognized in the Group's Financial Statements reflects the market conditions on the Statement of Financial Position reporting date. Gains or losses, arising from changes in the fair value of investment property constitute results and are recognized in the Income Statement for the period in which it has been recognized. Repairs and maintenance are recognized as expenses in the period when incurred. Significant subsequent expenses are capitalized when they increase the useful life of the property and its production capacity or reduce its operating costs.

Property transfers from investment property to fixed assets take place only when there is a change in the use of the said property which is proven by the Group's own use of the property or by the Group's commencement to develop this property for sale.

Investment property is derecognized (eliminated from the Statement of Financial Position) when it is sold or when it is permanently withdrawn from use and is not expected to generate future economic benefits from its sale. Gains or losses from withdrawal or sale of investment property pertain to the balance between the net proceeds from the sale and the book value of the asset and are recognized in the Income Statement for the period in which the asset was sold or withdrawn.

Constructed or developed investment property items are monitored, as well as completed items, at fair value.

#### **4.12 Inventory**

Inventory items include constructed or real estate property items kept for sale, idle mines and quarries materials, building materials, spare parts and raw and auxiliary materials. Inventories are measured at the lower amount between the cost and net realizable value. The cost of raw materials, semi-finished and finished products is determined applying the weighted average cost method.

The cost of finished and semi-finished products includes all the costs incurred in order to bring the products to their current state, condition and processing stage and contains raw materials, labor, general industrial expenses and other costs directly affecting acquisition of materials.

The net realizable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale.

The net realizable value of raw materials is their estimated replacement cost during the normal course of business.

Appropriate provisions are formed for obsolete inventory, if necessary. Impairment of inventory in net realizable value and other losses from inventory are recognized in profit or loss for the period in which they are incurred.

#### **4.13 Cash and Cash Equivalents**

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 value change risk.

The Group considers term deposits and other highly liquid investments less than three months maturity as cash available, as well as time deposits over three months maturity for which it has the right to early liquidation without loss of capital.

For the purposes of preparing the consolidated 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 their commitment, are not included in the cash and cash equivalents but are classified in the item "Prepayments and other receivables" (please refer to Note 20).

#### **4.14 Financial instruments**

##### **4.14.1 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.

##### **4.14.2 Classification and initial recognition of financial assets**

With the exception of 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 and 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.



**4.14.3 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 Note 21).

**4.14.4 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, taking into account 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 16, 18, 19 and 20.

**4.14.5 Classification and measurement of financial liabilities**

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 4.14.6).

Financial liabilities are classified as short-term liabilities unless the Group has the unconditional right to transfer the settlement of the financial liability for at least 12 months after the financial statements

reporting date.

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 procedure.

**(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.

#### **4.14.6 Derivative financial instruments and hedge accounting**

The Group's risk management policies are in line with the provisions of the standard IAS 39 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 the comprehensive income in the item "Net financial Revenue/ (Expenses)". 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.

#### **4.14.7 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.

**4.15 Receivables on Embedded Derivatives**

In the context of the operation of the concession company CENTRAL GREECE MOTORWAY, the Group recognizes a receivable for an embedded derivative. Specifically, according to article 25 of the Concession Agreement, as of 1 January 2016, the State has undertaken the obligation to provide Operating Support to CENTRAL GREECE MOTORWAY (hereinafter referred to as "E-65") to cover its eligible costs in each Calculation Period, to the extent that these costs are not covered by own revenues. The Calculation Period is defined as every successive six-month period (starting January 1st and July 1st of each year) and the Operating Support for every Calculation Period is the difference between the aggregate of the eligible project costs and the distributable base performance less the net revenue of that period. At the latest twenty (20) days before the end of each calculation period, E-65 submits to the State the Support Notification for the same calculation period. Upon the submission of the Support Notification, the Company is entitled in each calculation period to undertake, unconditionally and without limitations, from the Recipient an Account, from the next business day, regarding the payments by the State, and hence, any amount corresponding to the amounts described in the Support Notification up to the amount of the Beneficiary's balance. Payments by the State will be deposited five (5) days before the end of each Calculation Period, as defined in the Concession Agreement.

The Support Notification includes the following three distinct parts: (a) a part corresponding to the eligible project costs; (b) a part corresponding to the distributable base performance; and (c) a part corresponding to the additional interest margin, if applicable. Eligible project costs include, but are not limited to, the following categories: debt servicing account reserve and heavy maintenance movements, operating costs, debt servicing, all of which are deducted from direct income in order to calculate the amount of support. Both the distributable base performance and the additional interest margin are included as additional support amounts.

Debt servicing includes, but is not limited to, payments resulting from the six-month clearing of the liabilities of hedging instruments (exchange rate swaps).

In accordance with paragraphs 4.3.1, 4.3.3 and 4.3.4 of IFRS 9, it is determined to be a synthetic component of a hybrid of a financial instrument that also includes a non-derivative master contract resulting in some of the cash flows of the synthetic instrument ranging in the same way as a stand-alone derivative. The embedded derivative affects some or all cash flows that would otherwise have to be adjusted based on a specified interest rate, financial instrument price, commodity price, exchange rate, price or interest rate index or other variables. A derivative that accompanies a financial instrument but which under the contract may be transferred independently of that instrument or that has a different counterparty from that instrument is not an embedded derivative but a separate financial instrument.

An embedded derivative will be separated from the master contract and treated as a derivative (receivable) only if the following conditions are met:

- i. The embedded derivative meets the definition of the derivative,
- ii. the economic characteristics and risks of the embedded derivative are not closely linked to the financial characteristics and risks of the main contract,

- iii. the hybrid (synthetic) instrument is not measured at fair value through recognition of changes in profit or loss (i.e. a derivative embedded in a financial asset or financial liability through profit or loss is not segregated). If an embedded derivative is segregated, the principal contract, if it is a financial instrument, shall be accounted for in accordance with this Standard and other appropriate IASs, if it is not a financial instrument.

The Group has assessed the above requirements of IFRS 9 and has considered the Greek State's contingent liability for Operating Support as a hybrid financial instrument that includes an embedded derivative (the Operating Support Part covering the payments of interest rate swaps) and a non-derivative contract (the remaining part of the Operating Support). It then separates the embedded derivative from the master contract and treats it as a derivative (receivable). See analytical information presented in Note 31 to the financial statements.

#### **4.16 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 8.1.

##### **Financial assets**

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 grantor 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 proportional completion rate method and the asset is measured at amortized cost less any impairment losses. More information is provided in Note 15.

#### **4.17 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 entitlement 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 of 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 2022 the selected interest rate follows the tendency of European Bonds of 10-year maturity as at December 31 2022, 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 as 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,
- iv. other changes including new disclosures, such as quantitative sensitivity analysis.

**(c) Share-based Payments (IFRS 2)**

The Company and the Group have implemented share-based payment agreements for their employees and executives. In particular, based on the existing agreements, the employees and executives of the Company and the Group are granted the right to receive equity securities (shares) of the parent company and its subsidiary, given that specific vesting conditions have been met. None of the existing equity-based payment agreements are cash-settled. Services received in exchange for granting equity-based payments are measured at their fair value. The fair value of the services of executives and employees, on the date the stock options' granting, is recognized in accordance with IFRS 2 as an expense in the income statement, with a corresponding increase in equity (in the account "Reserves for stock options") during the period when the services that correspond to the stock options are being received. The total expense of the stock options during the vesting period is calculated according to the fair value of the options on the date of granting. The expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to be granted. Non-market conditions are included in the assumptions for determining the number of options expected to be exercised. The fair value of options is measured by adopting an appropriate valuation model to reflect the number of options for which the performance conditions of each plan are expected to be met. Estimates of the number of options expected to be exercised are revised if there is any indication that the number of stock options expected to be granted differs from previous estimates. Any adjustment made to the cumulative share-based compensation resulting from a review is recognized in the current period.

The above Stock Option Plans take into account the following variables: Exercise Price, Share Price on the granting date, Granting Date, Maturity Date(s) of Options, Expected Volatility of Stock Price, Dividend Yield, and Risk Free Rate.

For transactions related to benefits based on the Company's equity securities towards executives of the subsidiaries, such transactions are recognized in the separate financial statements of the Company as an increase of the Company's participation in subsidiaries according to the cost of the benefits granted to the executives of subsidiary companies.



As of 31.12.2022, the following are in place: a) an active program for the allocation of the Company's Treasury Shares and b) an active program for the distribution of bonus Shares in a subsidiary of the Group (see Note 33).

#### **4.18 Leases**

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

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

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

- the amount of the initial measurement of the lease liability (see below),
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group 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.

##### ***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:

1. fixed payments less any lease incentives receivable,
2. 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
3. amounts expected to be payable by the Group under residual value guarantees,
4. the exercise price of a purchase option if the Group is reasonably certain to exercise that option and
5. payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

***Subsequent measurement******Subsequent measurement of the right-of-use asset***

After the 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

1. increasing the carrying amount to reflect financial cost on the lease liability,
2. reducing the carrying amount to reflect the lease payments made, and
3. re-measuring 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:

1. financial cost of the lease liability, and
2. 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.

***The Group as lessor***

The Group receives rentals from leases of its investment properties. Income from rentals is gradually recognized over the lease term.

The Group as a developer provides its customers with the option to lease an asset, in addition to option of purchasing the asset. The ultimate lessee has the right to purchase the leased asset at a price sufficiently below its fair value on the exercise date so that, at the commencement of the lease, it is reasonably certain that the right will be exercised.

The aforementioned transactions bear the characteristics of an alternative form of sale, where the Company acknowledges the following:

- Income from the sale, which is recognized at the beginning of the lease period at the lower value between the fair value and the present value of the receivables to which the Company is entitled, discounted at an interest rate deemed appropriate based on market standards.
- Financial income recognized throughout the lease period from the subsequent measurement of the receivable at amortized cost.

The receivables recognized, as a result of the above contracts, are included in their long-term part in the "Other long-term financial receivables" fund and in their short-term part in the "Advances and

other receivables" item. At the same time, the collections of the related receivables and of the corresponding interest income are presented as inflows from investment activities.

#### **4.19 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.

In particular, concerning the grant for concession contracts of motorways, the Group recognized the total of financial contribution, approved through the concession agreement, as financial asset reducing the value of intangible asset, that had been created based on the same agreement, and amortized at the same period and in a way similar to the transfer of the book value of the intangible asset to the income statement.

#### **4.20 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 every 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 motorways heavy maintenance**

Regarding provisions of the concessions, and, in particular, provision for the obligation to restore or maintain the motorway under the concession, the Group has contractual obligations it has to fulfill as a condition for obtaining the licenses to (a) maintain the infrastructure at a defined level or (b) restore the infrastructure to a defined condition before delivering it to the concessionaire upon termination

of the service concession agreement.

These contractual obligations that pertain to maintaining or restoring infrastructure are recognized and measured using the best possible estimates of the costs that would be required to settle the present obligation at the financial statements reporting date if obligation for maintenance and restoration arises within the year at the operational stage. Construction or upgrading services are charged to contractual revenue and expenses.

#### **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 liability 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.

Furthermore, these provisions include certain provisions of the Group's industrial entities in order to cover the costs of rehabilitation of the natural landscape where the power plants and quarry operators are installed at the end of the holding, which lasts 20- 30 years, according to the licenses received from the state.

#### **Emissions obligation**

Emissions are recognized based on the net obligation method according to which the Group recognizes an obligation from emissions when the actual emissions exceed the emission rights allocated by the European Union. The amount is measured at fair values to the extent that the Group has the obligation to cover the deficit through purchases. Rights purchased in excess of those required to cover deficits are recognized as intangible assets at cost.

### **4.21 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. Recognize 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 is 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 (e.g. 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. Subsidiaries and joint ventures that undertake the execution of constructions, recognize the revenue from the construction contracts in their tax records based on the invoices released to the customers, which result from relevant gradual certifications of the execution of projects issued by the pertinent engineers and correspond to the works performed until the respective closing date. 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 car stations

It relates to revenue from contracts with clients and results from execution commitments that are fulfilled over time. This revenue comes from the concessions for the operation of car stations. Amounts collected are recognized as revenue.

**iv. Revenue from sale of Electric Energy and Natural Gas**

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 LAGIE, ADMIE and the Energy Exchange (EXE) or another client not yet invoiced.

Regarding the Group's wind farms that sell the generated electricity on the energy market (Hellenic Energy Exchange) at market prices, revenue from the sale of electricity is recognized on the basis of the quantity 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 this markets, the Group uses the derivative instruments described in Note 4.14.6 above.

The proceeds from the liquidation of these derivatives are included in the proceeds from the sale of electricity.

Renewable Energy Credits ("RECs") and/or Green Certificates constitute an economic benefit achieved through the operation of a wind farm. RECs are generated by the wind power generation of wind farms and can be sold either through REC's organized markets or directly to individual buyers under contracts. As RECs are generated they are classified as inventories recognized at fair value and the related revenue deferred until sale. When RECs are sold, they are recognized as a component of revenue at fair market value. Gains and losses from the sale of RECs are recognized in the Turnover.

**Contract acquisition costs:** According to IFRS 15, contract acquisition costs are defined as those costs incurred by an entity to obtain a contract with a customer. Depending on the extent to which the entity expects to recover the above costs, then the entity may recognize an asset and amortize it in accordance with the rate at which it expects to recover the benefits of the contract with the customer. Otherwise, these costs are expensed in the subject financial year. In application of the above, the Group recognizes an asset for the commission cost of intermediaries, also known as "Agency costs". More specifically, the Group uses intermediaries to promote sales. The expenses of achieving a first connection fee from the intermediaries are recognized as an asset and amortized according to the annual customer turnover rate. This item is depicted in the "Other Long-Term Receivables" of the Statement of Financial Position.

**v. Revenue from Motorways Concession Arrangements**

Revenue is classified into two sub-categories, i.e.: (a) Revenue from construction of concession projects; and (b) Revenue from exploitation of concession projects.

According to the concession arrangements, the Group's companies have undertaken research, construction, financing, operation, maintenance and exploitation of the projects "Ionia Odos Motorway from Antirio to Ioannina, PATHE Athens (Metamorfosis Motorway) - Maliakos (Skarfia) PATHE Schimatari - Chalkida "and" Central Greece Motorway (E65)"

Under IFRIC 12 "Service Concession Arrangements", revenue from construction arrangements is recognized in accordance with the impute method of measurement as defined in IFRS 15 and analyzed in (i) above.

Revenue from exploitation of concession arrangements is recognized on the basis of intangible asset

and financial asset model and applies to:

- (a) Revenue from toll collection through manual or electronic toll payment systems, and
- (b) Revenue from rental of Car Service Stations (CSS) or other premises.

As defined in Note 15, under the intangible asset model, the Group recognizes revenue to the extent it acquires the right to charge the users of utilities. The Group recognizes the amount received or receivable option on the part of the operator at its fair value, which is considered to be the payments received from the infrastructure users, based on the accrual principle.

The relevant concession arrangements include all rights and obligations in relation to the infrastructure and rendered services.

vi. Revenue from construction and disposal of real estate

It pertains to revenue from contracts with clients and arises from implementation commitments settled over time. The Group's real estate property items under construction are recorded as inventory. From the amount of the performed sales, supported by a statutory document or a notarial sales agreement (as the relevant risks under the Company's guarantee liabilities are covered by insurance), the consideration attributable to the respective cost incurred by the end of the same year regarding the relative constriction of the sold building or part thereof, is recognized in every year revenue, based on the percentage of completion method.

vii. 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.

viii. Dividends

Dividends are accounted for when the right of recovery is finalized, it is possible that the financial benefits associated with the transaction will flow to the entity and the amount of revenue can be calculated reliably.

ix. Interest

Interest income is recognized on an accrual basis.

x. Revenue from other PPP concession agreements

At the construction stage, revenue is recognized based on the percentage of completion, in accordance with the Group's accounting policy for recognizing revenue from construction contracts.

During the operating phase, the revenue is recognized in the period in which the related services are provided by the Group. If 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.

## **4.22 Income tax**

Income tax burden for the year consists of current tax, deferred tax and tax differences from previous years.



**Current Income Tax**

Current tax is calculated on the basis of the 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 calculated 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 calculated 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.

**4.23 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.

In the periods presented, the Group has no conditional issuable ordinary shares, i.e. ordinary shares issuable for a minimum amount of cash or without cash after the fulfillment of certain conditions of a potential shareholder agreement and therefore does not report diluted earnings per share.

**4.24 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. Treasury shares held by the Company do not incorporate a right to receive a dividend.

On 31.12.2022 the Group held a total of 6.550.269 treasury shares (Note 32).

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.

**Reserves of 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

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

(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.

(3) Reserves formed based on the expenses recognized by the Company and the Group from services acquired in exchange for shares (equity settled transactions) or stock options. See more detailed Note 4.17(c).

## 5 GROUP AND COMPANY STRUCTURE

The following tables present the total participating, direct and indirect, interests of the parent company GEK TERNA SA in the economic entities as at 31.12.2022 per segment, which were included in the consolidation or incorporated as joint operations. In cases of indirect participation, the subsidiary, in which the participating interest is consolidated, is presented.

### 5.1 Company's Structure

| ECONOMIC ENTITY                                                   | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD  | SUBSIDIARY OF INDIRECT<br>PARTICIPATION | TAX<br>UNAUDITED<br>YEARS |
|-------------------------------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------------------------|---------------------------|
| <b>CONSTRUCTION SEGMENT - JOINT OPERATIONS</b>                    |          |                                   |                                  |                               |                               |                                         |                           |
| ALTE ATE - TERNA SA GP                                            | Greece   | 50.00                             | 0.00                             | 50.00                         | Proportional<br>consolidation | -                                       | 2017-2022                 |
| J/V GEK TERNA - TERNA ENERGY (INSTALLATION<br>AND OPERATION ASSK) | Greece   | 50.00                             | 50.00                            | 100.00                        | Proportional<br>consolidation | TERNA ENERGY SA                         | 2017-2022                 |

### 5.2 Group's Structure

| ECONOMIC ENTITY                            | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|--------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--------------------------------------------|------------------------|
| <b>CONSTRUCTION SEGMENT - SUBSIDIARIES</b> |          |                                   |                                  |                               |                              |                                            |                        |
| TERNA S.A.                                 | Greece   | 100.00                            | 0.00                             | 100.00                        | Full                         | -                                          | 2017-2022              |
| J/V EUROIONIA                              | Greece   | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | 2017-2022              |
| J/V CENTRAL GREECE MOTORWAY E-65           | Greece   | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | 2017-2022              |

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| ECONOMIC ENTITY                                                       | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|-----------------------------------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--------------------------------------------|------------------------|
| J/V HELLAS TOLLS                                                      | Greece   | 95.00                             | 5.00                             | 100.00                        | Full                         | TERNA SA                                   | 2017-2022              |
| ILIOHORA S.A.                                                         | Greece   | 70.55                             | 29.45                            | 100.00                        | Full                         | TERNA SA                                   | 2017-2022              |
| GEK SERVICES S.A.                                                     | Greece   | 100.00                            | 0.00                             | 100.00                        | Full                         | -                                          | 2017-2022              |
| TERNA OVERSEAS L.T.D.                                                 | Cyprus   | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | 2014-2022              |
| TERNA QATAR L.L.C.                                                    | Qatar    | 0.00                              | 35.00                            | 35.00                         | Full                         | TERNA SA                                   | 2013-2022              |
| TERNA BAHRAIN HOLDING W.L.L.                                          | Bahrain  | 0.00                              | 99.99                            | 99.99                         | Full                         | TERNA SA                                   | -                      |
| TERNA CONTRACTING CO W.L.L.                                           | Bahrain  | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | -                      |
| TERNA VENTURES W.L.L.                                                 | Bahrain  | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | -                      |
| J/V GEK TERNA - TERNA ENERGY (INSTALLATION<br>AND OPERATION A.S.S.K.) | Greece   | 50.00                             | 50.00                            | 100.00                        | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| J/V GEK TERNA - GEK SERVICES                                          | Greece   | 100.00                            | 0.00                             | 100.00                        | Full                         | -                                          | 2021-2022              |
| A.E.ROZEPHIROS L.T.D.                                                 | Cyprus   | 0.00                              | 100.00                           | 100.00                        | Full                         | TERNA SA                                   | 2019-2022              |

### CONSTRUCTIONS SEGMENT - JOINT OPERATIONS

|                                                                                  |        |      |       |       |                               |             |           |
|----------------------------------------------------------------------------------|--------|------|-------|-------|-------------------------------|-------------|-----------|
| J/V AVAX SA-VIOTER SA-ILIOHORA SA                                                | Greece | 0.00 | 37.50 | 37.50 | Proportional<br>consolidation | ILIOHORA SA | 2017-2022 |
| J/V TERNA - AKTOR - POWELL (CHAIDARI<br>METRO)                                   | Greece | 0.00 | 66.00 | 66.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA - IMPEGILOSPA (TRAM)                                                   | Greece | 0.00 | 55.00 | 55.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V ALPINE MAYREDER BAU GmbH-TERNA<br>(ANCIENT OLYMPIA BYPASS)                   | Greece | 0.00 | 50.00 | 50.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA - WAYSS (PERISTERI METRO)                                              | Greece | 0.00 | 50.00 | 50.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE<br>RIDING CENTRE                         | Greece | 0.00 | 35.00 | 35.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA - PANTECHNIKI (OAKA SUR. AREAS)                                        | Greece | 0.00 | 83.50 | 83.50 | Proportional                  | TERNA SA    | 2017-2022 |
| J/V TERNA-MICHANIKI AGRINIO BY-PASS                                              | Greece | 0.00 | 65.00 | 65.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V ALPINE MAYREDER BAU GmbH-TERNA SA<br>(CHAIDARI METRO STATION, PART A')       | Greece | 0.00 | 50.00 | 50.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V ALPINE MAYREDER BAU GmbH-TERNA SA<br>(PARADEISIA TSAKONA)                    | Greece | 0.00 | 49.00 | 49.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-<br>TERNA-ETETH (THESSAL. MEG. MUNICIPALITY) | Greece | 0.00 | 25.00 | 25.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA - AKTOR (SUBURBAN SKA)                                                 | Greece | 0.00 | 50.00 | 50.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA - AKTOR (R.C. LIANOKLADI -<br>DOMOKOS)                                 | Greece | 0.00 | 50.00 | 50.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM<br>PROCUREMENT)                        | Greece | 0.00 | 37.40 | 37.40 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V TERNA SA-AKTOR ATE - AVAX-TREIS<br>GEFYRES                                   | Greece | 0.00 | 33.33 | 33.33 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V METKA-TERNA                                                                  | Greece | 0.00 | 90.00 | 90.00 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |
| J/V APION KLEOS                                                                  | Greece | 0.00 | 28.60 | 28.60 | Proportional<br>consolidation | TERNA SA    | 2017-2022 |

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| ECONOMIC ENTITY                                                                       | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|---------------------------------------------------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--------------------------------------------|------------------------|
| J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)                                   | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)                                      | Greece   | 0.00                              | 33.33                            | 33.33                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR-TERNA (PATHE at Stylida road)                                               | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V TERNA - A.E.GEK Constructions (Promachonas road)                                  | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR-TERNA (Patras Port)                                                         | Greece   | 0.00                              | 70.00                            | 70.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR ATE-AVAX- TERNA SA (Koromilia-Kristalopigi project)                         | Greece   | 0.00                              | 33.33                            | 33.33                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)           | Greece   | 0.00                              | 49.00                            | 49.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR ATE - TERNA SA (Lignite works)                                              | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR ATE - TERNA SA (Thriasio B')                                                | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR SA - AVAX - TERNA SA (Tithorea Domokos)                                     | Greece   | 0.00                              | 33.33                            | 33.33                         | Proportional consolidation   | TERNA SA                                   | 2019-2022              |
| J/V AKTOR SA - AVAX - TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)                     | Greece   | 0.00                              | 44.56                            | 44.56                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR SA - TERNA SA (Thriasio B' ERGOSE)                                          | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AKTOR - TERNA (Joint Venture ERGOSE No. 751)                                      | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2018-2022              |
| J/V TERNA GCC WAC                                                                     | Qatar    | 0.00                              | 30.00                            | 30.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V RENCO TERNA (Construction of compression Station of TAP in Greece and in Albania) | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT (Mosque)                                      | Greece   | 0.00                              | 25.00                            | 25.00                         | Proportional consolidation   | TERNA SA                                   | 2017-2022              |
| J/V AVAX-TERNA INTRAKAT-MYTILINAIOS (Construction of an artificial barrier on the     | Greece   | 0.00                              | 25.00                            | 25.00                         | Proportional consolidation   | TERNA SA                                   | 2020-2022              |
| JV TERNA CC CHR D CONSTANTINIDIS                                                      | Greece   | 0.00                              | 55.00                            | 55.00                         | Proportional consolidation   | TERNA SA                                   | 2021-2022              |
| J/V TERNA-THEMELI (Extention of the tram station in Hellinikon)                       | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2022                   |
| J/V TERNA-MYTILINEOS (ELECTRICAL OPERATION OF RAILROAD KIATO-RODODAFNI)               | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2022                   |
| J/V TERNA-DAMCO                                                                       | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2022                   |
| J/V TERNA-MYTILINEOS (ELECTRICAL OPERATION OF RAILROAD RODODAFNI-RIO)                 | Greece   | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | 2022                   |
| J/V TERNA-CGCE JOINT VENTURE (AMAS 3)                                                 | Bahrain  | 0.00                              | 50.00                            | 50.00                         | Proportional consolidation   | TERNA SA                                   | -                      |
| J/V VINCI TERNA DOO                                                                   | Serbia   | 0.00                              | 49.00                            | 49.00                         | Proportional consolidation   | TERNA SA                                   | 2018-2022              |
| J/V AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS)                                         | Cyprus   | 0.00                              | 40.00                            | 40.00                         | Proportional consolidation   | TERNA SA                                   | 2019-2022              |
| <b>CONSTRUCTIONS SEGMENT - JOINT VENTURES</b>                                         |          |                                   |                                  |                               |                              |                                            |                        |
| J/V TENERGY - INDIGITAL -AMCO                                                         | Greece   | 0.00                              | 26.26                            | 26.26                         | Equity                       | TERNA ENERGY SA                            | 2020-2022              |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| ECONOMIC ENTITY                                              | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|--------------------------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--------------------------------------------|------------------------|
| <b>RES ENERGY SEGMENT - SUBSIDIARIES</b>                     |          |                                   |                                  |                               |                              |                                            |                        |
| TERNA ENERGY S.A.                                            | Greece   | 37.51                             | 0.00                             | 37.51                         | Full                         | -                                          | 2017-2022              |
| AIOLIKI PANORAMATOS DERVENOCHORION S.A.                      | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| PPC RENEWABLES - TERNA ENERGY S.A.                           | Greece   | 0.00                              | 19.13                            | 19.13                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI SERVOUNIOU S.A.                                    | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| IWECO HONOS CRETE S.A.                                       | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY EVROU S.A.                                      | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI RACHOULAS DERVENOCHORION S.A.                        | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI DERVENOCHORION S.A.                                | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI MARMARIOU EVIAS S.A.                                 | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI DYSTION EVIAS S.M.S.A.                             | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI KARYSTIAS EVOIA S.A.                                 | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI KAFIREOS EVIAS S.A.                                | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI STYRON EVIAS S.A.                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI NEAPOLEOS LAKONIAS S.A.                            | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI MALEA LAKONIAS S.A.                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY S.A. AND CO ENERGEIAKI VELANIDION LAKONIAS G.P. | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI EASTERN GREECE S.M.S.A.                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI PASTRA ATTICA S.A.                                   | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI PELOPONNISOU S.A.                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI PROVATA TRAIANOUPPOULEOS S.M.S.A.                    | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI DERVENI TRAIANOUPPOULEOS S.A.                        | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGIAKI FERRON EVROU S.M.S.A.                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY S.A. AND CO ENERGEIAKI ARI S.A.PPON G.P.        | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY S.A. AND Co AIOLIKI POLYKASTROU G.P.            | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ENERGEIAKI XIROVOUNIOU S.A.                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI ILIOKASTROU S.M.S.A.                                 | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EUROWIND S.A.                                                | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| ECONOMIC ENTITY                                                            | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|----------------------------------------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|------------------------------|--------------------------------------------|------------------------|
| DELTA AXIOU ENERGEIAKI S.A.                                                | Greece   | 0.00                              | 30.01                            | 30.01                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY S.A. AND VECTOR GREECE<br>WIND PARKS - TROULOS WIND PARK G.P. | Greece   | 0.00                              | 33.76                            | 33.76                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY SEA WIND PARKS S.A.                                           | Greece   | 0.00                              | 31.89                            | 31.89                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY WIND PARKS XIROKAMPOS<br>AKRATAS S.A.                         | Greece   | 0.00                              | 28.89                            | 28.89                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| VATHICHORI ENVIRONMENTAL S.A.                                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| VATHICHORI ONE PHOTOVOLTAIC S.A.                                           | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ALISTRATI ENERGY L.T.D.                                                    | Greece   | 0.00                              | 30.01                            | 30.01                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY AI-GIORGIS S.A.                                               | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA AIOLIKI XEROVOUNIOU S.A.                                             | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA AIOLIKI AITOLOAKARNANIAS S.A.                                        | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA AIOLIKI AMARINTHOU S.A.                                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ILIAKI PANORAMATOS S.A.                                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ILIAKI PELLOPONISSOU S.A.                                            | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ILIAKI VIOTIAS S.A.                                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AIOLIKI CENTRAL GREECE S.M.S.A.                                            | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| VATHICHORI TWO ENERGY S.A.                                                 | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| TERNA ENERGY OMALIES S.M.S.A.                                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EVOIKOS ANEMOS S.A.                                                        | Greece   | 0.00                              | 26.26                            | 26.26                         | Full                         | TERNA ENERGY SA                            | 2020-2022              |
| KEY ILIAKI ENERGIAKI P.C.                                                  | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2020-2022              |
| KASTRAKI ILIAKI ENERGIAKI P.C.                                             | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2020-2022              |
| TERNA ENERGY-PUMPED STORAGE I S.M.S.A.                                     | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2022                   |
| TERNA ENERGY FIVE TOWERS G.P.                                              | Greece   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| HAOS INVEST 1 E.A.D.                                                       | Bulgaria | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ECO ENERGY DOBRICH 2 E.O.O.D.                                              | Bulgaria | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ECO ENERGY DOBRICH 3 E.O.O.D.                                              | Bulgaria | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| ECO ENERGY DOBRICH 4 E.O.O.D.                                              | Bulgaria | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EOLOS NORTH sp.z.o.o.                                                      | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EOLOS NOWOGRODZEC sp.z.o.o.                                                | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EOLOS POLSKA sp.z.o.o.                                                     | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| EOLOS EAST sp.z.o.o.                                                       | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| JP GREEN sp.z.o.o.                                                         | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                         | TERNA ENERGY SA                            | 2017-2022              |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| ECONOMIC ENTITY                              | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION % | TOTAL<br>PARTI-<br>CIPATION % | CONSOLI-<br>DATION<br>METHOD  | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION        | TAX UNAUDITED<br>YEARS |
|----------------------------------------------|----------|-----------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------------------------------|------------------------|
| WIRON sp.z.o.o.                              | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2017-2022              |
| BALLADYNA sp.z.o.o.                          | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2017-2022              |
| EOLOS DEVELOPMENT SP. Z O.O.                 | Poland   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2021-2022              |
| AEGIS RENEWABLES, L.L.C.                     | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| MOUNTAIN AIR HOLDINGS L.L.C. *               | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| MOHAVE VALLEY ENERGY L.L.C. *                | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| TERNA RENEWABLE ENERGY PROJECTS L.L.C. *     | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| TERNA DEN L.L.C. *                           | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| FLUVANNA INVESTMENTS L.L.C. *                | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| FLUVANNA HOLDINGS L.L.C. *                   | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| FLUVANNA I INVESTOR, INC. *                  | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| FLUVANNA INVESTMENTS 2, L.L.C. *             | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| CI-II BEARKAT QPFP, L.L.C. *                 | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| CI-II BEARKAT HOLDING B, L.L.C. *            | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| SPONSOR BEARKAT I HOLDCO, L.L.C. *           | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2017-2022              |
| TERNA HOLDCO INC. *                          | U.S.A.   | 0.00                              | 37.51                            | 37.51                         | Full                          | TERNA ENERGY SA                                   | 2016-2022              |
| FIER HELIOS SH.P.K                           | Albania  | 0.00                              | 100.00                           | 100.00                        | Full                          | HERON II VIOTIA<br>THERMOELECTRIC<br>STATION S.A. | 2022                   |
| <b>RES ENERGY SEGMENT - JOINT OPERATIONS</b> |          |                                   |                                  |                               |                               |                                                   |                        |
| ILIAKI PIKROLIMNIS S.A.                      | Greece   | 0.00                              | 19.13                            | 19.13                         | Proportional<br>consolidation | TERNA ENERGY SA                                   | 2020-2022              |
| ILIAKA VAKOUFIA P.C.                         | Greece   | 0.00                              | 19.13                            | 19.13                         | Proportional<br>consolidation | TERNA ENERGY SA                                   | 2020-2022              |
| PHOTOVOLTAIC KILKIS P.C.                     | Greece   | 0.00                              | 19.13                            | 19.13                         | Proportional<br>consolidation | TERNA ENERGY SA                                   | 2020-2022              |
| <b>RES ENERGY SEGMENT - JOINT VENTURES</b>   |          |                                   |                                  |                               |                               |                                                   |                        |
| EN.ER.MEL S.A.                               | Greece   | 0.00                              | 18.76                            | 18.76                         | Equity                        | TERNA ENERGY SA                                   | 2017-2022              |
| <b>RES ENERGY SEGMENT - ASSOCIATES</b>       |          |                                   |                                  |                               |                               |                                                   |                        |
| CYCLADES RES ENERGY CENTER S.A.              | Greece   | 0.00                              | 16.88                            | 16.88                         | Equity                        | TERNA ENERGY SA                                   | 2017-2022              |
| ARMONIA ENERGY SOCIETY                       | Greece   | 0.00                              | 4.69                             | 4.69                          | Equity                        | TERNA ENERGY SA                                   | 2019-2022              |



## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| ECONOMIC ENTITY                                                                                            |  |  |  | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION<br>% | TOTAL<br>PARTI-<br>CIPATION<br>% | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION  | TAX UNAUDITED<br>YEARS |
|------------------------------------------------------------------------------------------------------------|--|--|--|----------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------|---------------------------------------------|------------------------|
| <b>TRADING ELECTRICITY SEGMENT - SUBSIDIARIES</b>                                                          |  |  |  |          |                                   |                                     |                                  |                              |                                             |                        |
| OPTIMUS ENERGY S.A.                                                                                        |  |  |  | Greece   | 0.00                              | 51.00                               | 51.00                            | Full                         | HERON II VIOTIA THERMOELECTRIC STATION S.A. | 2017-2022              |
| TERNA ENERGY TRADING E.O.O.D.                                                                              |  |  |  | Bulgaria | 0.00                              | 100.00                              | 100.00                           | Full                         | HERON II VIOTIA THERMOELECTRIC STATION S.A. | 2016-2022              |
| TETRA DOOEL SKOPJE                                                                                         |  |  |  | FYROM    | 0.00                              | 100.00                              | 100.00                           | Full                         | HERON II VIOTIA THERMOELECTRIC STATION S.A. | 2020-2022              |
| TERNA ENERGY TRADING D.O.O.                                                                                |  |  |  | Serbia   | 0.00                              | 100.00                              | 100.00                           | Full                         | HERON II VIOTIA THERMOELECTRIC STATION S.A. | 2015-2022              |
| TERNA ENERGY TRADING S.H.P.K.                                                                              |  |  |  | Albania  | 0.00                              | 100.00                              | 100.00                           | Full                         | HERON II VIOTIA THERMOELECTRIC STATION S.A. | 2018-2022              |
| <b>ELECTRICITY FROM THERMAL ENERGY, TRADING OF ELECTRIC POWER AND NATURAL GAS SEGMENT - SUBSIDIARIES</b>   |  |  |  |          |                                   |                                     |                                  |                              |                                             |                        |
| HERON II VIOTIA THERMOELECTRIC STATION S.A.                                                                |  |  |  | Greece   | 75.00                             | 25.00                               | 100.00                           | Full                         | TERNA SA                                    | 2017-2022              |
| GEK TERNA FTHIOTIDAS S.M.S.A.                                                                              |  |  |  | Greece   | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                           | 2021-2022              |
| HERON ENERGY S.M.S.A.                                                                                      |  |  |  | Greece   | 100.00                            | 0.00                                | 100.00                           | Equity                       | -                                           | 2017-2022              |
| FIER THERMOELECTRIC S.H.A.                                                                                 |  |  |  | Albania  | 70.00                             | 0.00                                | 70.00                            | Full                         | -                                           | 2022                   |
| <b>ELECTRICITY FROM THERMAL ENERGY, TRADING OF ELECTRIC POWER AND NATURAL GAS SEGMENT - JOINT VENTURES</b> |  |  |  |          |                                   |                                     |                                  |                              |                                             |                        |
| THERMOELECTRIC KOMOTINIS S.A.                                                                              |  |  |  | Greece   | 50.00                             | 0.00                                | 50.00                            | Equity                       | GEK TERNA                                   | 2021-2022              |
| NKGKTERNA L.T.D.                                                                                           |  |  |  | Cyprus   | 50.00                             | 0.00                                | 50.00                            | Equity                       | GEK TERNA CONCESSIONS SINGLE MEMBER SA      | -                      |
| <b>REAL ESTATE SEGMENT - SUBSIDIARIES</b>                                                                  |  |  |  |          |                                   |                                     |                                  |                              |                                             |                        |
| IOANNINON ENTERTAINMENT DEVELOPMENT S.A.                                                                   |  |  |  | Greece   | 84.65                             | 0.00                                | 84.65                            | Full                         | -                                           | 2017-2022              |
| MONASTIRIOU TECHNICAL DEVELOPMENT S.M.S.A.                                                                 |  |  |  | Greece   | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                           | 2017-2022              |
| VIPA THESSALONIKI S.A.                                                                                     |  |  |  | Greece   | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                           | 2017-2022              |
| ICON E.O.O.D.                                                                                              |  |  |  | Bulgaria | 83.62                             | 16.38                               | 100.00                           | Full                         | TERNA SA                                    | 2017-2022              |
| ICON BOROVEC E.O.O.D.                                                                                      |  |  |  | Bulgaria | 0.00                              | 100.00                              | 100.00                           | Full                         | ICON EOOD                                   | 2016-2022              |
| DOMUS DEVELOPMENT E.O.O.D.                                                                                 |  |  |  | Bulgaria | 0.00                              | 100.00                              | 100.00                           | Full                         | ICON EOOD                                   | 2016-2022              |
| SC GEK ROM S.R.L.                                                                                          |  |  |  | Romania  | 0.00                              | 100.00                              | 100.00                           | Full                         | ICON EOOD                                   | 2016-2022              |
| HIGHLIGHT S.R.L.                                                                                           |  |  |  | Romania  | 0.00                              | 100.00                              | 100.00                           | Full                         | ICON EOOD                                   | 2016-2022              |
| MANTOUDI BUSINESS PARK S.M.S.A.                                                                            |  |  |  | Greece   | 0.00                              | 100.00                              | 100.00                           | Full                         | TERNA SA                                    | 2017-2022              |

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| ECONOMIC ENTITY                                          | DOMICILE   | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION<br>% | TOTAL<br>PARTI-<br>CIPATION<br>% | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION | TAX UNAUDITED<br>YEARS |
|----------------------------------------------------------|------------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------|--------------------------------------------|------------------------|
| AVLAKI I B.V.                                            | Netherland | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2018-2022              |
| AVLAKI I B.V.                                            | Netherland | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2018-2022              |
| AVLAKI I B.V.                                            | Netherland | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2018-2022              |
| AVLAKI I B.V.                                            | Netherland | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2018-2022              |
| ARGOLIKI RIVIERA S.M.S.A.                                | Greece     | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | -                      |
| KASSIOPI REAL ESTATE S.M.S.A.                            | Greece     | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | -                      |
| <b>REAL ESTATE SEGMENT - ASSOCIATES</b>                  |            |                                   |                                     |                                  |                              |                                            |                        |
| KEKROPS S.A.                                             | Greece     | 37.48                             | 0.00                                | 37.48                            | Equity                       | -                                          | 2017-2022              |
| GEKA S.A.                                                | Greece     | 0.00                              | 33.34                               | 33.34                            | Equity                       | TERNA SA                                   | 2017-2022              |
| <b>CONCESSIONS SEGMENT - SUBSIDIARIES</b>                |            |                                   |                                     |                                  |                              |                                            |                        |
| MGGR L.L.C.                                              | U.S.A.     | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2021-2022              |
| HIRON CONCESSIONS S.A.                                   | Greece     | 99.56                             | 0.44                                | 100.00                           | Full                         | ILIOHORA SA                                | 2017-2022              |
| KIFISIA PLATANOU SQ. CAR PARK S.A.                       | Greece     | 90.64                             | 9.36                                | 100.00                           | Full                         | ILIOHORA SA                                | 2017-2022              |
| PARKING STATION SAROKOU SQUARE CORFU S.A.                | Greece     | 85.25                             | 14.75                               | 100.00                           | Full                         | ILIOHORA SA                                | 2017-2022              |
| HELLAS SMARTICKET S.A.                                   | Greece     | 35.00                             | 13.13                               | 48.13                            | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| PERIVALLONTIKI PELOPONNISOU S.M.S.A.                     | Greece     | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| AEIFORIKI EPIRUS S.M.S.A.S.P.                            | Greece     | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                            | 2017-2022              |
| NEA ODOS S.A.                                            | Greece     | 0.00                              | 100.00                              | 100.00                           | Full                         | GEK TERNA<br>MOTORWAYS SINGLE<br>MEMBER SA | 2017-2022              |
| CENTRAL GREECE MOTORWAY S.A.                             | Greece     | 0.00                              | 100.00                              | 100.00                           | Full                         | GEK TERNA<br>MOTORWAYS SINGLE<br>MEMBER SA | 2017-2022              |
| GEK TERNA MOTORWAYS S.M.S.A.                             | Greece     | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                          | 2021-2022              |
| GEK TERNA KASTELI S.M.S.A.                               | Greece     | 0.00                              | 100.00                              | 100.00                           | Full                         | GEK TERNA<br>CONCESSIONS S.M.S.A.          | 2021-2022              |
| <b>CONCESSIONS SEGMENT - JOINT VENTURES</b>              |            |                                   |                                     |                                  |                              |                                            |                        |
| PARKING OUIL S.A.                                        | Greece     | 50.00                             | 0.00                                | 50.00                            | Equity                       | -                                          | 2017-2022              |
| ATHENS CAR PARK S.A.                                     | Greece     | 29.00                             | 0.00                                | 29.00                            | Equity                       | -                                          | 2017-2022              |
| THESSALONIKI CAR PARK S.A.                               | Greece     | 24.70                             | 0.00                                | 24.70                            | Equity                       | -                                          | 2017-2022              |
| AG. NIKOLAOS PIRA.E.US CAR PARK S.A.                     | Greece     | 36.52                             | 0.00                                | 36.52                            | Equity                       | -                                          | 2017-2022              |
| POLIS PARK S.A.                                          | Greece     | 30.21                             | 0.00                                | 30.21                            | Equity                       | -                                          | 2017-2022              |
| METROPOLITAN ATHENS PARK S.A.                            | Greece     | 25.70                             | 0.00                                | 25.70                            | Equity                       | -                                          | 2017-2022              |
| INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. | Greece     | 0.00                              | 32.46                               | 32.46                            | Equity                       | GEK TERNA KASTELI<br>SINGLE MEMBER SA      | 2019-2022              |
| WASTE CYCLO S.A.                                         | Greece     | 0.00                              | 19.13                               | 19.13                            | Equity                       | TERNA ENERGY SA                            | 2017-2022              |
| SARISA YPO-PARACHORISI S.A.                              | Greece     | 35.00                             | 0.00                                | 35.00                            | Equity                       | -                                          | 2022                   |
| MGE HELLINIKON B.V.                                      | Netherland | 100.00                            | 0.00                                | 100.00                           | Equity                       | -                                          | 2021-2022              |
| IRC HELLINIKON S.A. **                                   | Greece     | 35.00                             | 65.00                               | 100.00                           | Equity                       | MGE HELLINIKON<br>BV/MGGR LLC              | -                      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| ECONOMIC ENTITY                                | DOMICILE | DIRECT<br>PARTI-<br>CIPATION<br>% | INDIRECT<br>PARTI-<br>CIPATION<br>% | TOTAL<br>PARTI-<br>CIPATION<br>% | CONSOLI-<br>DATION<br>METHOD | SUBSIDIARY OF<br>INDIRECT<br>PARTICIPATION        | TAX UNAUDITED<br>YEARS |
|------------------------------------------------|----------|-----------------------------------|-------------------------------------|----------------------------------|------------------------------|---------------------------------------------------|------------------------|
| <b>INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES</b> |          |                                   |                                     |                                  |                              |                                                   |                        |
| TERNA MAG S.A.                                 | Greece   | 51.02                             | 48.98                               | 100.00                           | Full                         | TERNA SA                                          | 2017-2022              |
| EUROMETALL AGENCIES S.A.                       | Greece   | 0.00                              | 100.00                              | 100.00                           | Full                         | TERNA SA                                          | 2017-2022              |
| VRONDIS QUARRY PRODUCTS S.A.                   | Greece   | 0.00                              | 100.00                              | 100.00                           | Full                         | TERNA SA                                          | 2017-2022              |
| CEMENT PRODUCTION AND EXPORT F.Z.C.            | Libya    | 0.00                              | 75.00                               | 75.00                            | Full                         | TERNA SA                                          | -                      |
| MALCEM CONSTRUCTION MATERIALS L.T.D.           | Malta    | 0.00                              | 75.00                               | 75.00                            | Full                         | TERNA SA                                          | 2013-2022              |
| <b>SEGMENT OF HOLDINGS - SUBSIDIARIES</b>      |          |                                   |                                     |                                  |                              |                                                   |                        |
| QE ENERGY EUROPE LTD                           | Cyprus   | 0.00                              | 100.00                              | 100.00                           | Full                         | TERNA SA                                          | 2014-2022              |
| TERNA ENERGY USA HOLDING CORPORATION           | U.S.A.   | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                                   | 2016-2022              |
| TERNA ENERGY TRANSATLANTIC sp.z.o.o.           | Poland   | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                                   | 2015-2022              |
| TERNA ENERGY TRADING L.T.D.                    | Cyprus   | 0.00                              | 100.00                              | 100.00                           | Full                         | HERON II VIOTIA<br>THERMOELECTRIC<br>STATION S.A. | 2015-2022              |
| TERNA ENERGY FINANCING S.M.S.A.                | Greece   | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                                   | 2016-2022              |
| GALLETTE L.T.D.                                | Cyprus   | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                                   | 2015-2022              |
| TERNA ENERGY OVERSEAS L.T.D.                   | Cyprus   | 0.00                              | 37.51                               | 37.51                            | Full                         | TERNA ENERGY SA                                   | 2016-2022              |
| GEK TERNA CONCESSIONS S.M.S.A.                 | Greece   | 100.00                            | 0.00                                | 100.00                           | Full                         | -                                                 | 2021-2022              |

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

\* The subject companies do not have any substantial activity.

\*\* Taking into account the signed contracts between MGE HELLINIKON and HR Atlantic City LLC, the Group consolidates EKAZ HELLINIKON SA via the equity method and according to the final percentage of participation which will be 49% following the imminent transfer of 51% to HR Atlantic City LLC. This has been based on contractual agreements approved by the competent authorities and in accordance with the provisions of IAS 28.

**Assessing the control**

The companies TERNA ENERGY and TERNA QATAR LLC are fully consolidated as subsidiaries as the Group exercises control over them in accordance with the requirements of IFRS 10. Within the current period, no changes were made to the above estimates, compared to 31.12.2021 (see analytically note 12.2).

The following table presents the joint ventures for the construction of technical projects and other companies, in which the Group participates. These joint ventures have already concluded the projects

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

they were established for, their guarantee period has expired, their relations with third parties have been settled and their final liquidation is pending.

Therefore, they are not included in the consolidated financial statements.

| COMPANY NAME                                                     | TOTAL PARTICIPATION %<br>(Indirect) |
|------------------------------------------------------------------|-------------------------------------|
| J/V MAIN ARROGATION CANAL D 1                                    | 75.00%                              |
| J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA             | 20.00%                              |
| J/V FRAGMATOS PRAMORITSA                                         | 33.33%                              |
| J/V AVAX SA – TERNA SA – EFKLEIDIS                               | 35.00%                              |
| J/V AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)             | 37.50%                              |
| J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO                       | 35.00%                              |
| J/V AVAX-TERNA-AKTOR PLATANOS TUNNEL                             | 33.33%                              |
| J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARAD. TSAKONA RING ROAD) | 49.00%                              |
| J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)                          | 51.00%                              |
| J/V EBEDOS-PANTECHNIKI-ENERGY                                    | 50.10%                              |
| J/V TERNA-AI OMAIER                                              | 60.00%                              |
| TERNA ENERGY AVETE AND SIA LP                                    | 26.94%                              |

Moreover, given that the consolidation has nullified the value of the associate, presented below, it has no effect on the Group's financial statements.

|                |        |       |      |       |        |
|----------------|--------|-------|------|-------|--------|
| ATTIKAT T.S.A. | Greece | 22.15 | 0.00 | 22.15 | Equity |
|----------------|--------|-------|------|-------|--------|

### 5.3 Changes in the Group structure within the Year 2022

During the financial year of 2022 the following changes were made in the structure of the Group compared to the year 2021:

- On 20.01.2022, the first phase of the corporate transformation was completed, i.e. the transfer to GEK TERNA KASTELI SMSA of the equity participations of the subsidiary TERNA SA in the company with the name "INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION COMPANY SA" and of the subordinated debt bonds issued by the above company which had been undertaken by the subsidiary TERNA SA.
- Within January 2022, the company ARGOLIKI RIVIERA SMSA was founded with the object of construction and exploitation of residential properties, being a 100% subsidiary of GEK TERNA SA.
- Within the fiscal year 2022, and in particular on 14.02.2022, in implementation of the agreement from 12.07.2021, the parent company of the Group acquired 50% of HERON ENERGY SA. After the above transaction, the Group's total percentage reached 100% (there

was previously another 50% participation through the parent company - i.e. until 14.02.2022 the Group's participation in the above company had settled at 50% and the particular company was consolidated in the Group as a jointly controlled entity through the equity method). As a result of the above transaction, the Group acquired control of HERON ENERGY SA (i.e. 100%) from 14.02.2022 and henceforth the Group now consolidates the above company in the consolidated financial statements via the full consolidation method (See note 7.1 for more details).

- On 16.02.2022, the liquidation of the subsidiary STROTIREs SA was completed, which was active in the industrial operating segment.
- On 22.03.2022 the fully owned by 100% subsidiary company GEK TERNA CONCESSIONS SMSA acquired 50.00% of the shares of the company NK GEKTERNA LTD based in Cyprus for an amount of 30,000,000.00 euros (an amount of 22,000,000.00 euros has been paid up until 31.12.2022). The company NK GEKTERNA LTD is going to deal with the development of international electricity, natural gas and data transmission networks and is a shareholder of the company EUROASIA INTERCONNECTOR L.T.D. which is going to build an interconnection pipeline for natural gas and electricity between Israel, Cyprus and Greece.
- On 30.03.2022, J/V TERNA-THEMELI (TRAM-STATION EXTENSION IN HELLINIKON) was founded with the purpose of the construction of a technical project. TERNA sub-group holds 50% of the respective joint venture.
- On 06.04.2022, a company under the name CASINO CORPORATION BROAD SPECTRUM OF ELLINIKO SA and with distinctive title EKAZ HELLINIKON SA was founded.
- On 14.04.2022 the subsidiary TERNA ENERGY SA acquired the entire share capital of the companies KEY ILIAKI ENERGEIAKI PC and KASTRAKI ILIAKI ENERGEIAKI PC (See note 7.2 for more details).
- On 15.04.2022, the Group, through the sub-Group TERNA ENERGY, acquired the minority interests in the subsidiary company TERNA ENERGY TRADING LTD for an amount of 1 euro, thus changing the percentage of participation from 33.63% to 37.42%. As a consequence of the above transaction, the Group now, through the sub-Group TERNA ENERGY, owns the entire share capital of the subsidiaries TERNA ENERGY TRADING EOOD, TETRA DOOEL SKOPJE, TERNA ENERGY TRADING D.O.O and TERNA ENERGY TRADING SHPK.
- On 20.05.2022, the liquidation of the subsidiary company VALE PLUS LTD of the sub-Group TERNA ENERGY was completed which was based in Cyprus and had no substantial production activity since it had completed its purpose.
- By May 2022, the liquidation of J/V TERNA - CGCE (AMAS 2) was completed, in which the TERNA sub-Group indirectly held 50%, without, however, a significant effect on the financial figures of the Group.
- On 01.07.2022, the company under the name TERNA ENERGY PUMPING-STORAGE I MEA was established, which is a special purpose vehicle for the construction and operation of pumped-storage projects in the Regional Unit of Aitolokarnania.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

- On 04.07.2022, the Joint Venture TERNA-MYTILINEOS (Construction of electrification on Kiato-Rododafni railway line) was founded with the purpose of the construction of a technical project. TERNA, the Group's subsidiary, owns 50% of the joint venture.
- On 15.07.2022, the parent company of the sub-Group TERNA ENERGY and the subsidiary IWECO CHONOS KRITIS S.A. proceeded to acquire all the share units of the company TEKAL AIOLIKI G.P., which was renamed to TERNA ENERGY WIND FARM FIVE TOWERS G.P. and is developing a 21.5 MW Wind Farm in the Regional Unit of Pieria, Greece (See note 7.2 for more details).
- On 06.09.2022, the subsidiary company KASSIOPI REAL ESTATE SINGLE PERSON SOCIETE ANONYME was founded with the purpose of building and operating residential properties. The Group owns 100% of the above company.
- On 01.10.2022, the subsidiary company FIER THERMOELECTRIC S.H.A. was founded based in Albania, with the business objective of production and trading of electricity. The Group owns 70% of the above company.
- On 27.10.2022, the joint venture SARISA SUB-CONCESSION S.A. was established, with the purpose of the multi-purpose operation of a part of Kavala Port, Greece. The Group participates with 35% in the above scheme.
- During the second half of the year under consideration, TERNA ENERGY sub-Group sold for a symbolic nominal price the companies DIRFIS ENERGY S.A., owned by 51%, and ENERGIAKI PETRION EVIAS G.P., fully owned by the Group. Also, the sub-Group no longer participates in AMALTHEIA ENERGY SOCIETY LIMITED LIABILITY COOPERATIVE. The subject companies had not developed any activity to date and did not hold significant assets.
- On 10.11.2022, J/V TERNA - DAMCO CONSTRUCTION OF AMBELIA NATURAL GAS COMPRESSION STATION was established with the purpose of the construction of a technical project. The subsidiary TERNA owns 50% of the above joint venture.
- On 11.11.2022, an authorization was granted by the Board of Directors of the subsidiary company TERNA ENERGY S.A., for the sale of 51% of shares of the societe anonyme company OPTIMUS ENERGY S.A. and for the sale of 100% of shares it holds through its subsidiary TERNA ENERGY OVERSEAS L.T.D. in TERNA ENERGY TRADING L.T.D.. This was granted in the context of the implementation of the decision of Board of Directors of TERNA ENERGY S.A. according to which TERNA ENERGY sub-Group was going to terminate its activity in the field of electricity trading. As a consequence of the above transaction, TERNA ENERGY sub-Group lost control over the subsidiary companies of TERNA ENERGY TRADING L.T.D., namely TERNA ENERGY TRADING E.O.O.D. (Bulgaria), TETRA DOOEL SKOPJE (North Macedonia), TERNA ENERGY TRADING D.O.O. (Serbia) and TERNA ENERGY TRADING SHPK (Albania). The buyer in the above transaction was the other subsidiary of GEK TERNA Group, namely HERON II VIOTIA THERMOELECTRIC STATION S.A.. The price was set at 24,100 for the acquisition of net assets of 20,907. From the transaction, no profit or loss arose in the consolidated financial statements of the Company as it concerns the sale of interests between subsidiaries consolidated by the Group.

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

- On 18.11.2022, J/V TERNA-MYTILINEOS (Construction of electrification on Rododafni-Rio railway line) was founded with the purpose of the construction of a technical project. The subsidiary TERNA owns 50% of the joint venture.
- Within the last quarter of 2022, the subsidiary company FIER HELIOS SH.P.K. was established based in Albania, with the purpose of producing and trading electricity from renewable energy sources. The Group owns 100% of the above company.

Also, within the year 2022 the following companies and joint ventures were liquidated, which until the date of liquidation were consolidated into the Group, without, however, a significant effect on the financial figures of the Group.

| COMPANY NAME             | TOTAL PARTICIPATION %<br>(Indirect) |
|--------------------------|-------------------------------------|
| J/V VIOTER SA – TERNA SA | 50.00%                              |

## 6 OPERATING SEGMENTS

An operating segment is a component of an economic entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that concern transactions with other components of the same economic entity) and, b) whose operating results are regularly reviewed by the chief operating decision maker of the entity to make decisions about resources to be allocated to the segment and assess of its performance.

The term “chief operating decision maker” defines the Board of Directors that is responsible for the allocation of resources and the assessment of the operating segments.

The Group presents separately the information on each operating segment that fulfils certain criteria of characteristics and exceeds certain quantitative limits.

The amount of each element of the segment is that presented to the “Chief operating decision maker” with regard to allocation of resources to the segment and evaluation of its performance.

The above information is presented in the attached statements of financial position, total comprehensive income and cash flows according to IFRS.

The Group recognizes the following operating reporting segments, whereas if less significant other segments exist are consolidated in the participations category (other segments).

Constructions: refers, almost exclusively, to contracts for the construction of technical projects.

Electricity from RES: refers to the electricity production from wind generators (wind farms), from hydroelectric projects and other renewable energy sources.

Electricity from thermal energy and HP trading: refers to the electricity production using natural gas as fuel, trading of electric energy and natural gas.

Real estate: refers to purchase, development, and management of real estate as well as to investments for value added from an increase of their price.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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Mining/Industry refers to the production of quarry products and the exploitation of magnesite quarries.

Concessions: concerns the construction and operation of infrastructure (e.g. motorways), other public interest projects (Unified Automatic Collection System and municipal waste treatment plant) and other facilities (e.g., car stations, etc.) in exchange for their long-term exploitation in relation to the services offered to the public.

Holdings: refers to the supporting operation of all of the segments of the Group.



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2022                                                               | Constructions    | Electricity from RES | Electricity from thermal energy and HP/NG trading | Real Estate  | Mining / Industry | Concessions    | Holdings        | Eliminations on consolidation | Consolidated Total |
|--------------------------------------------------------------------------------------------|------------------|----------------------|---------------------------------------------------|--------------|-------------------|----------------|-----------------|-------------------------------|--------------------|
| Sales of products and merchandise                                                          | 0                | 247,325              | 2,629,826                                         | 1,932        | 18,637            | 0              | 0               | 0                             | <b>2,897,719</b>   |
| Sales of services                                                                          | 19,102           | 0                    | 0                                                 | 892          | 0                 | 37,221         | 471             | 0                             | <b>57,687</b>      |
| Revenues from operation of motorways                                                       | 0                | 0                    | 0                                                 | 0            | 0                 | 162,078        | 0               | 0                             | <b>162,078</b>     |
| Revenues from construction services                                                        | 817,696          | (0)                  | 0                                                 | 0            | 0                 | 0              | (0)             | 0                             | <b>817,697</b>     |
| Income from leases                                                                         | 0                | 0                    | 0                                                 | 482          | 0                 | 2,615          | 0               | 0                             | <b>3,097</b>       |
| <b>Revenue from external customers</b>                                                     | <b>836,798</b>   | <b>247,325</b>       | <b>2,629,826</b>                                  | <b>3,306</b> | <b>18,637</b>     | <b>201,915</b> | <b>471</b>      | <b>0</b>                      | <b>3,938,278</b>   |
| Inter-segmental turnover                                                                   | 187,424          | (11,149)             | 31,239                                            | 625          | 28                | 113            | 2,334           | (210,614)                     | <b>0</b>           |
| <b>Revenue</b>                                                                             | <b>1,024,222</b> | <b>236,176</b>       | <b>2,661,065</b>                                  | <b>3,931</b> | <b>18,665</b>     | <b>202,028</b> | <b>2,805</b>    | <b>(210,614)</b>              | <b>3,938,278</b>   |
| Cost of sales                                                                              | (929,415)        | (93,811)             | (2,334,224)                                       | (4,359)      | (16,144)          | (146,345)      | (2,465)         | 194,174                       | (3,332,589)        |
| <b>Gross profit/(loss)</b>                                                                 | <b>94,807</b>    | <b>142,365</b>       | <b>326,841</b>                                    | <b>(428)</b> | <b>2,521</b>      | <b>55,683</b>  | <b>340</b>      | <b>(16,440)</b>               | <b>605,689</b>     |
| Administrative and distribution expenses                                                   | (27,261)         | (76,252)             | (23,493)                                          | (633)        | (5,772)           | (9,233)        | (14,183)        | 3,503                         | <b>(153,324)</b>   |
| Research and development expenses                                                          | (2,146)          | (6,982)              | 0                                                 | 0            | (257)             | 0              | (534)           | 38                            | <b>(9,881)</b>     |
| Other income/(expenses)                                                                    | (2,592)          | 12,570               | (27,367)                                          | 186          | 222               | (5,358)        | (1,293)         | (3,044)                       | <b>(26,676)</b>    |
| <b>Results (EBIT) from continuing operations</b>                                           | <b>62,808</b>    | <b>71,701</b>        | <b>275,981</b>                                    | <b>(875)</b> | <b>(3,286)</b>    | <b>41,092</b>  | <b>(15,670)</b> | <b>(15,943)</b>               | <b>415,808</b>     |
| Other income/(expenses)                                                                    | 4,658            | 945                  | (94)                                              | 122          | (11,890)          | 32             | 0               | 0                             | <b>(6,227)</b>     |
| <b>Results before taxes, financing and investing activities from continuing operations</b> | <b>67,466</b>    | <b>72,646</b>        | <b>275,887</b>                                    | <b>(753)</b> | <b>(15,176)</b>   | <b>41,124</b>  | <b>(15,670)</b> | <b>(15,943)</b>               | <b>409,581</b>     |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2022                                            | Constructions    | Electricity from<br>RES | Electricity from<br>thermal<br>energy and<br>HP/NG trading | Real Estate    | Mining /<br>Industry | Concessions      | Holdings       | Eliminations<br>on<br>consolidation | Consolidated<br>Total |
|-------------------------------------------------------------------------|------------------|-------------------------|------------------------------------------------------------|----------------|----------------------|------------------|----------------|-------------------------------------|-----------------------|
| Financial income                                                        | 5,798            | 856                     | 1,492                                                      | 48             | 0                    | 7,648            | 15,866         | (18,178)                            | <b>13,530</b>         |
| Financial expenses                                                      | (7,344)          | (39,504)                | (14,459)                                                   | (306)          | (2,010)              | (54,744)         | (29,981)       | 18,558                              | <b>(129,790)</b>      |
| Gains / (Losses) from financial instruments<br>measured at fair value   | 0                | 173                     | (1,769)                                                    | 0              | 0                    | (74,748)         | 0              | 0                                   | <b>(76,344)</b>       |
| Results from associates and Joint Ventures                              | (31)             | (89)                    | (856)                                                      | 3,903          | 0                    | (78)             | 0              | 0                                   | <b>2,849</b>          |
| Results from participations and securities                              | 549              | (1)                     | 0                                                          | 0              | 0                    | 0                | 23,186         | (274)                               | <b>23,460</b>         |
| <b>Earnings/(Losses) before taxes from<br/>continuing operations</b>    | <b>66,438</b>    | <b>34,081</b>           | <b>260,295</b>                                             | <b>2,892</b>   | <b>(17,186)</b>      | <b>(80,798)</b>  | <b>(6,599)</b> | <b>(15,837)</b>                     | <b>243,286</b>        |
| Income tax                                                              | (18,504)         | (16,102)                | (61,936)                                                   | (311)          | 862                  | 29,739           | 286            | 28                                  | <b>(65,938)</b>       |
| <b>Net Earnings/(losses) after taxes from<br/>continuing operations</b> | <b>47,934</b>    | <b>17,979</b>           | <b>198,359</b>                                             | <b>2,581</b>   | <b>(16,324)</b>      | <b>(51,059)</b>  | <b>(6,313)</b> | <b>(15,809)</b>                     | <b>177,348</b>        |
| Assets                                                                  | 1,014,544        | 1,860,149               | 1,076,047                                                  | 119,159        | 100,282              | 1,219,655        | 596,687        | (173,289)                           | <b>5,813,234</b>      |
| Investments in associates                                               | 0                | 34                      | 0                                                          | 4,677          | 0                    | 0                | 0              | 0                                   | <b>4,711</b>          |
| Investments in joint ventures                                           | 0                | 2,672                   | (27)                                                       | 0              | 2,716                | 154,205          | 0              | 0                                   | <b>159,566</b>        |
| <b>Total Assets</b>                                                     | <b>1,014,544</b> | <b>1,862,855</b>        | <b>1,076,020</b>                                           | <b>123,836</b> | <b>102,998</b>       | <b>1,373,860</b> | <b>596,687</b> | <b>(173,289)</b>                    | <b>5,977,511</b>      |
| <b>Liabilities</b>                                                      | <b>842,132</b>   | <b>1,344,754</b>        | <b>766,002</b>                                             | <b>95,957</b>  | <b>163,037</b>       | <b>934,712</b>   | <b>740,317</b> | <b>(100,098)</b>                    | <b>4,786,813</b>      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>Business segments 31.12.2022</b>                      | <b>Constructions</b> | <b>Electricity from<br/>RES</b> | <b>Electricity from<br/>thermal<br/>energy and<br/>HP/NG trading</b> | <b>Real Estate</b> | <b>Mining /<br/>Industry</b> | <b>Concessions</b> | <b>Holdings</b> | <b>Eliminations<br/>on<br/>consolidation</b> | <b>Consolidated<br/>Total</b> |
|----------------------------------------------------------|----------------------|---------------------------------|----------------------------------------------------------------------|--------------------|------------------------------|--------------------|-----------------|----------------------------------------------|-------------------------------|
| Loans                                                    | 79,989               | 1,030,806                       | 232,545                                                              | 89,012             | 108,192                      | 763,536            | 689,219         | 0                                            | <b>2,993,299</b>              |
| Cash and Cash Equivalents                                | 200,734              | 362,464                         | 238,699                                                              | 5,687              | 2,054                        | 144,695            | 537,370         | 0                                            | <b>1,491,703</b>              |
| <b>Net debt / (surplus)</b>                              | <b>(120,745)</b>     | <b>668,342</b>                  | <b>(6,154)</b>                                                       | <b>83,325</b>      | <b>106,138</b>               | <b>618,841</b>     | <b>151,849</b>  | <b>0</b>                                     | <b>1,501,596</b>              |
| <b>Capital expenditure for the period<br/>31.12.2022</b> | <b>7,929</b>         | <b>244,526</b>                  | <b>59,937</b>                                                        | <b>28,258</b>      | <b>6,414</b>                 | <b>4,907</b>       | <b>93</b>       | <b>(13,706)</b>                              | <b>338,358</b>                |

During the year ended 31 December 2022, an amount of 941.7 million (23.9%) (153.6 million euros – (13.4%) in the year 2021) of the Group's turnover comes from an external customer of the electricity sector from RES and the electricity sector from thermal energy and HP/NG trading (Customer A).

During the year ended 31 December 2022, an amount of 681 million (17.3%) (146.7 million euros – (12.8%) in the year 2021) of the Group's turnover comes from an external customer of the electricity sector from RES and the electricity sector from thermal energy and HP/NG trading (Customer B).

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2021                                                               | Constructions  | Electricity from RES | Electricity from thermal energy and HP trading | Real Estate  | Mining / Industry | Concessions    | Holdings        | Eliminations on consolidation | Consolidated Total |
|--------------------------------------------------------------------------------------------|----------------|----------------------|------------------------------------------------|--------------|-------------------|----------------|-----------------|-------------------------------|--------------------|
| Sales of products and merchandise                                                          | 0              | 224,428              | 252,599                                        | 3,218        | 9,987             | 0              | 0               | 0                             | <b>490,232</b>     |
| Sales of services                                                                          | 5,530          | 0                    | 0                                              | 204          | 0                 | 29,240         | 407             | 0                             | <b>35,381</b>      |
| Revenues from operation of motorways                                                       | 0              | 0                    | 0                                              | 0            | 0                 | 141,563        | 0               | 0                             | <b>141,563</b>     |
| Revenues from construction services                                                        | 474,639        | 0                    | 0                                              | 0            | 0                 | 0              | 0               | 0                             | <b>474,639</b>     |
| Income from leases                                                                         | 0              | 0                    | 0                                              | 446          | 0                 | 1,915          | 23              | 0                             | <b>2,384</b>       |
| <b>Revenue from external customers</b>                                                     | <b>480,169</b> | <b>224,428</b>       | <b>252,599</b>                                 | <b>3,868</b> | <b>9,987</b>      | <b>172,718</b> | <b>430</b>      | <b>0</b>                      | <b>1,144,199</b>   |
| Inter-segmental turnover                                                                   | 120,384        | 0                    | 0                                              | 635          | 60                | 298            | 1,352           | (122,729)                     | <b>0</b>           |
| <b>Revenue</b>                                                                             | <b>600,553</b> | <b>224,428</b>       | <b>252,599</b>                                 | <b>4,503</b> | <b>10,047</b>     | <b>173,016</b> | <b>1,782</b>    | <b>(122,729)</b>              | <b>1,144,199</b>   |
| Cost of sales                                                                              | (538,621)      | (87,623)             | (221,861)                                      | (4,214)      | (11,179)          | (136,835)      | (1,475)         | 112,237                       | <b>(889,571)</b>   |
| <b>Gross profit/(loss)</b>                                                                 | <b>61,932</b>  | <b>136,805</b>       | <b>30,738</b>                                  | <b>289</b>   | <b>(1,132)</b>    | <b>36,181</b>  | <b>307</b>      | <b>(10,492)</b>               | <b>254,628</b>     |
| Administrative and distribution expenses                                                   | (27,014)       | (22,308)             | (1,173)                                        | (593)        | (3,700)           | (10,270)       | (17,840)        | 1,934                         | <b>(80,964)</b>    |
| Research and development expenses                                                          | (1,433)        | (4,967)              | 0                                              | 0            | (140)             | 0              | -147            | 0                             | <b>(6,687)</b>     |
| Other income/(expenses) attributable to EBIT                                               | 8,944          | 9,114                | (1,627)                                        | (247)        | 1,239             | 7,726          | 1,809           | (1,409)                       | <b>25,549</b>      |
| <b>Results (EBIT) from continuing operations</b>                                           | <b>42,429</b>  | <b>118,644</b>       | <b>27,938</b>                                  | <b>(551)</b> | <b>(3,733)</b>    | <b>33,637</b>  | <b>(15,871)</b> | <b>(9,967)</b>                | <b>192,526</b>     |
| Other income/(expenses) non attributable to EBIT                                           | 1,809          | 739                  | (18)                                           | 292          | 6                 | (15)           | (1)             | 10                            | <b>2,822</b>       |
| <b>Results before taxes, financing and investing activities from continuing operations</b> | <b>44,238</b>  | <b>119,383</b>       | <b>27,920</b>                                  | <b>(259)</b> | <b>(3,727)</b>    | <b>33,622</b>  | <b>(15,872)</b> | <b>(9,957)</b>                | <b>195,348</b>     |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Business segments 31.12.2021                                                  | Constructions    | Electricity from RES | Electricity from thermal energy and HP trading | Real Estate   | Mining / Industry | Concessions      | Holdings       | Eliminations on consolidation | Consolidated Total |
|-------------------------------------------------------------------------------|------------------|----------------------|------------------------------------------------|---------------|-------------------|------------------|----------------|-------------------------------|--------------------|
| Financial income                                                              | 6,054            | 522                  | 0                                              | 49            | 0                 | 5,503            | 5,697          | (6,185)                       | <b>11,640</b>      |
| Financial expenses                                                            | (10,495)         | (30,026)             | (612)                                          | (301)         | (1,701)           | (47,281)         | (22,800)       | 6,224                         | <b>(106,992)</b>   |
| Gains / (Losses) from financial instruments measured at fair value            | 0                | (873)                | 0                                              | 0             | 0                 | (11,101)         | 0              | 0                             | <b>(11,974)</b>    |
| Results from associates and Joint Ventures                                    | 0                | 350                  | (8,515)                                        | (304)         | 0                 | 111              | 0              | 0                             | <b>(8,358)</b>     |
| Results from participations and securities                                    | (59)             | 735                  | 3,994                                          | 0             | 0                 | 0                | 62,444         | (1,154)                       | <b>65,960</b>      |
| <b>Earnings/(Losses) before taxes from continuing operations</b>              | <b>39,738</b>    | <b>90,091</b>        | <b>22,787</b>                                  | <b>(815)</b>  | <b>(5,428)</b>    | <b>(19,146)</b>  | <b>29,469</b>  | <b>(11,072)</b>               | <b>145,624</b>     |
| Income tax                                                                    | (11,197)         | (22,263)             | 265                                            | (29)          | (58)              | 17,066           | 780            | 32                            | <b>(15,404)</b>    |
| <b>Net Earnings/(losses) after taxes from continuing operations</b>           | <b>28,541</b>    | <b>67,828</b>        | <b>23,052</b>                                  | <b>(844)</b>  | <b>(5,486)</b>    | <b>(2,080)</b>   | <b>30,249</b>  | <b>(11,040)</b>               | <b>130,220</b>     |
| <b>Discontinued operations</b>                                                |                  |                      |                                                |               |                   |                  |                |                               |                    |
| Net Earnings/(losses) after taxes from discontinued operations                | 0                | (94,035)             | 0                                              | 0             | 0                 | 0                | 0              | 0                             | <b>(94,035)</b>    |
| Net Earnings/(losses) after taxes from continuing and discontinued operations | <b>28,541</b>    | <b>(26,207)</b>      | <b>23,052</b>                                  | <b>(844)</b>  | <b>(5,486)</b>    | <b>(2,080)</b>   | <b>30,249</b>  | <b>(11,040)</b>               | <b>36,185</b>      |
| Assets                                                                        | 870,717          | 1,543,897            | 378,559                                        | 95,028        | 105,527           | 1,289,214        | 578,529        | (117,189)                     | <b>4,744,282</b>   |
| Investments in associates                                                     | 0                | 59                   | 0                                              | 779           | 0                 | 0                | 0              | 0                             | <b>838</b>         |
| Investments in joint ventures                                                 | 0                | 2,766                | 15,032                                         | 0             | 2,716             | 46,747           | 139            | (82)                          | <b>67,318</b>      |
| <b>Total Assets</b>                                                           | <b>870,717</b>   | <b>1,546,722</b>     | <b>393,591</b>                                 | <b>95,807</b> | <b>108,243</b>    | <b>1,335,961</b> | <b>578,668</b> | <b>(117,271)</b>              | <b>4,812,438</b>   |
| <b>Liabilities</b>                                                            | <b>743,881</b>   | <b>1,104,646</b>     | <b>262,158</b>                                 | <b>69,588</b> | <b>150,586</b>    | <b>947,438</b>   | <b>722,344</b> | <b>(59,462)</b>               | <b>3,941,179</b>   |
| Loans                                                                         | 87,723           | 912,641              | 101,088                                        | 61,012        | 100,000           | 652,794          | 680,798        | 0                             | <b>2,596,056</b>   |
| Cash and Cash Equivalents                                                     | 334,875          | 312,169              | 53,299                                         | 5,102         | 1,261             | 123,287          | 534,358        | 0                             | <b>1,364,351</b>   |
| <b>Net debt / (surplus)</b>                                                   | <b>(247,152)</b> | <b>600,472</b>       | <b>47,789</b>                                  | <b>55,910</b> | <b>98,739</b>     | <b>529,507</b>   | <b>146,440</b> | <b>0</b>                      | <b>1,231,705</b>   |
| <b>Capital expenditure for the period 1.1-31.12.2021</b>                      | <b>7,058</b>     | <b>217,131</b>       | <b>4,851</b>                                   | <b>2,280</b>  | <b>5,447</b>      | <b>8,744</b>     | <b>105</b>     | <b>0</b>                      | <b>245,616</b>     |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>Geographical segments<br/>31.12.2022</b>                         | <b>Greece</b> | <b>Balkans</b> | <b>Middle East</b> | <b>Eastern Europe</b> | <b>USA</b> | <b>Other<br/>regions</b> | <b>Consolidated<br/>total</b> |
|---------------------------------------------------------------------|---------------|----------------|--------------------|-----------------------|------------|--------------------------|-------------------------------|
| Turnover from external customers                                    | 3,669,335     | 207,480        | 567                | 30,382                | 850        | 29,663                   | <b>3,938,278</b>              |
| Non-current Assets (excl. deferred tax assets and financial assets) | 2,321,384     | 29,229         | 69                 | 97,869                | 2,494      | 0                        | <b>2,451,046</b>              |
| Capital expenditure                                                 | 337,486       | 213            | 0                  | 0                     | 660        | 0                        | <b>338,358</b>                |

| <b>Geographical segments<br/>31.12.2021</b>                         | <b>Greece</b> | <b>Balkans</b> | <b>Middle East</b> | <b>Eastern Europe</b> | <b>USA</b> | <b>Other<br/>regions</b> | <b>Consolidated<br/>total</b> |
|---------------------------------------------------------------------|---------------|----------------|--------------------|-----------------------|------------|--------------------------|-------------------------------|
| Turnover from external customers                                    | 980,962       | 115,578        | 10,488             | 24,133                | 1,197      | 11,841                   | <b>1,144,199</b>              |
| Non-current Assets (excl. deferred tax assets and financial assets) | 1,940,109     | 41,734         | 226                | 110,208               | 2,942      | 0                        | <b>2,095,219</b>              |
| Capital expenditure                                                 | 243,790       | 1,299          | 255                | 19                    | 254        | 0                        | <b>245,616</b>                |

**7 SIGNIFICANT CHANGES IN GROUP STRUCTURE****7.1 Acquisition of control in HERON ENERGY S.A.****7.1.1 Agreement of the Group for the acquisition of control in HERON ENERGY S.A.**

On 12.07.2021, GEK TERNA announced that it had reached an agreement for the acquisition of 75% and 50% of the shares of the companies HERON II THERMOELECTRIC STATION VIOTIA SA and HERON ENERGY SA respectively. With the finalization of the agreement, which was initially under the approval of the competent authorities, the Group was going to acquire 100% of the above two companies. The total installed capacity of the above power plants utilizing natural gas accounts for about 600 MW.

On 11.10.2021 after the approval of the competent Authorities, the Group acquired 75% of HERON II THERMOELECTRIC VIOTIA SA (see details in note 7.1.2 of the annual financial statements of the Group for the fiscal year ended 31<sup>st</sup> December 2021) and at the same time awaited the approval by the competent authorities for the acquisition of a further 50% of HERON ENERGY SA.

On 14.02.2022, the process of acquiring the additional 50% of HERON ENERGY SA was completed (see note 7.1.2 below).

### **7.1.2 Description of the transaction and purchase price allocation**

Within the year 2022, and more specifically on 14.02.2022, in implementation of the agreement as of 12.07.2021, the parent company of the Group acquired 50% of HERON ENERGY SA. The main activity of the above company is the sale of Electricity to B2B and B2C consumers while secondary activities consist of the sale of Natural Gas to customers, as well as the production of electricity from the company's open cycle unit which is located in Thebes, Voiotia, Greece. After the above acquisition, the total percentage of the Company settled at 100% (there was an indirect participation of 50% of the Company – i.e. until 14.02.2022 the Company's participation in the above investment had settled at 50% and was consolidated as a joint venture using the equity method). As a result of the above transaction, the Company acquired full control of HERON ENERGY SA (i.e. 100%) and from 14.02.2022 onwards the above company is included in the consolidated financial statements via the full consolidation method.

More specifically, on 14.02.2022, GEK TERNA agreed to a contingent consideration estimated on the date of the acquisition at the amount of 33,108, which when discounted at present values based on a respective discount rate of 9.70% amounted to 27,992, offered towards the company ENGIE S.A. (50% shareholder) for the acquisition of 50% of the equity rights the latter held in HERON ENERGY SA. Part of the contingent consideration, i.e. the amount of 22,606 was to be paid by 31.12.2022, according to the terms of the agreement (see note 30). However, with the Company's letter dated 30.12.2022 towards ENGIE S.A., where it consents to the waiver of the obligation to comply with the financial ratios and to the modification of the agreement, a final agreement was reached on the amount of the consideration and the price was fully paid on 19.01.2023 to ENGIE via the payment of an amount of 27,827. For this reason, as of 31.12.2022 the entire discounted contingent consideration has been reclassified to the account "accrued and other short-term financial liabilities".

The above investment for the period from 01.01.2022 to 14.02.2022 was consolidated via the equity method and therefore, the Results of the Group for the annual period of 2022 include its share (50%) in the results of HERON ENERGY SA for the above period and more specifically they include a loss amounting to 792. This amount is included in the item "Profit / (loss) from the consolidation of joint ventures under the equity method" of the consolidated Income Statement based on the percentage held by the Group until 14.02.2022 (i.e. 50%). Respectively, the contribution to the total results of the Group for the period 01.01.-31.12.2021 had amounted to a loss of 12,035.

The total after tax results of the above company for the period 14.02.2022 – 31.12.2022 amounted to profit of 68,979. If the above company had been fully consolidated with the above percentage from 01.01.2022, then additional loss of 3,827 would have been recognized.

Furthermore, in accordance with the requirements of IFRS 3 "Business Combinations", at the date of acquisition of control, the Group estimated the existing pre-acquisition equity (50%) at fair value. The above estimate resulted in a profit of 21,500 which was recognized in favor of the consolidated results for the year 2022 and was included in the item "Profit from Acquisition of Control in subsidiaries" of the consolidated Income Statement for the year 2022. The determination of fair value is based on significant assumptions not observable in the market. The main estimates and assumptions are related

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

to the evolution of the company's future revenues which are expected to be formed based on the estimated representation that the company is expected to achieve in the total estimated electricity generation of the country as it is affected by national energy policy and gas prices. Estimated future cash flows are discounted at a discount rate of 9.70%.

**Acquired assets and undertaken liabilities**

The fair values of assets acquired, and liabilities assumed in February 2022 are as follows:

|                                                              | <b>Fair values as at the date<br/>of obtaining control<br/>14.02.2022</b> |
|--------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>ASSETS</b>                                                |                                                                           |
| Intangible fixed assets                                      | 60,816                                                                    |
| Right of use assets                                          | 1,652                                                                     |
| Tangible fixed assets                                        | 11,174                                                                    |
| Receivables from derivatives                                 | 101                                                                       |
| Other long-term assets                                       | 121                                                                       |
| Inventories                                                  | 2,254                                                                     |
| Trade receivables                                            | 181,262                                                                   |
| Receivables from contracts with customers                    | 202,477                                                                   |
| Prepayments and other receivables                            | 13,159                                                                    |
| Income tax receivables                                       | 838                                                                       |
| Short-term part of receivables from derivatives              | 4,078                                                                     |
| Cash and cash equivalents                                    | 90,400                                                                    |
| <b>Total assets</b>                                          | <b>568,332</b>                                                            |
| <b>LIABILITIES</b>                                           |                                                                           |
| Long-term loans                                              | 75,000                                                                    |
| Liabilities from leases                                      | 1,296                                                                     |
| Liabilities from derivatives                                 | 5,092                                                                     |
| Provisions for staff leaving indemnities                     | 54                                                                        |
| Other provisions                                             | 385                                                                       |
| Other long-term liabilities                                  | 892                                                                       |
| Deferred tax liabilities                                     | 810                                                                       |
| Suppliers                                                    | 165,368                                                                   |
| Short-term loans                                             | 12,059                                                                    |
| Long term liabilities payable during the next financial year | 231                                                                       |
| Short-term part liabilities from leases                      | 348                                                                       |
| Liabilities from contracts with customers                    | 133,132                                                                   |
| Accrued and other short term liabilities                     | 108,856                                                                   |
| Short-term part of liabilities from derivatives              | 5,029                                                                     |
| <b>Total liabilities</b>                                     | <b>508,552</b>                                                            |
| <b>Net assets</b>                                            | <b>59,780</b>                                                             |

The above table depicts the finalized fair values of the assets acquired and liabilities assumed on the date of acquisition of control. The valuation of the acquired business as well as the allocation of the



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

purchase price (Purchase Price Allocation) was performed by an independent expert on behalf of the Company.

The fair value of Trade Receivables amounts to 181,262 and is expected to be collected in full. The initial value of above receivables, before impairment, amounts to 218,231.

Intangible assets include the Customer Base amounting to 58,333. The multiple period excess earnings method was used to determine the fair value of the above accounting item. This method requires estimates about projected cash flows, asset contribution charges, based on a discount rate that was determined at 11.19%.

### **Previously held percentage (50%) and effect on the consolidated Statement of Comprehensive Income for the year 2022**

As mentioned above, at the date of acquisition of control, the Company owned 50% of HERON ENERGY SA. Upon the acquisition of control, the above percentage was estimated at fair value and the following result was derived for the Group:

#### **50% Investment at HERON ENERGY S.A. at 14.02.2022**

|            |          |
|------------|----------|
| Fair value | 35,742   |
| Book value | (14,242) |

|                                                                   |               |
|-------------------------------------------------------------------|---------------|
| <b>Valuation gain of 50% that Group held through GEK TERNA SA</b> | <b>21,500</b> |
|-------------------------------------------------------------------|---------------|

|                                                      |          |
|------------------------------------------------------|----------|
| Acquisition Cost for the 50% of shares               | 27,992   |
| Plus: Fair value of previously held percentage (50%) | 35,742   |
| Minus: Net assets at the acquisition date            | (59,780) |

|                                 |              |
|---------------------------------|--------------|
| <b>Total allocated Goodwill</b> | <b>3,954</b> |
|---------------------------------|--------------|

|                          |            |
|--------------------------|------------|
| Brand recognition        | 5,099      |
| Deffered tax recognition | (1,145)    |
| <b>Goodwill</b>          | <b>(0)</b> |

Upon completion of the measurement process and as a result of the finalization of fair values and the purchase price allocation, the initially recognized temporary Goodwill was derecognized, the fair value of the net acquired assets amounted to 59,780 (including the fair value of the customer base), while the Trademark was also recognized amounting to 5,099 (see note 8).

The estimation of the fair value of the Trademark was carried out based on the royalty relief method. This method requires estimates regarding the economic life of the intangible asset, projected sales during the economic life, the discount rate and the royalty rate (as a percentage of sales). The trademark HERON was estimated to have an indefinite life. As appropriate discount rate, the Weighted Average Cost of Capital was chosen, estimated at 9.70%, while the sales growth in perpetuity was assumed at 2.5%. The royalty rate used was estimated at 2.06%, taking into account the high market share of HERON ENERGY in the supply of electricity in the market of Greece, as well as the range of royalty rates of similar trademarks.

**Analysis of outflows as at the date of obtaining control of HERON ENERGY S.A.:**

|                                                                      |                 |
|----------------------------------------------------------------------|-----------------|
| Cash settled consideration                                           | 0               |
| Plus: Transaction costs                                              | 735             |
| Plus: Contingent consideration (discounted)                          | 27,992          |
| <b>Total Purchase Price</b>                                          | <b>28,727</b>   |
| Less: Contingent consideration                                       | (27,992)        |
| Less: Cash available acquired                                        | (90,400)        |
| <b>Total cash outflows/(inflows) as at date of obtaining control</b> | <b>(89,665)</b> |

The costs of the above transaction have been recognized in the Administrative Expenses of the Group's Income Statement.

In the context of all the above calculations, the Group finalized the allocation of the price and recognized two Intangible fixed assets, namely the Customer base amounting to 58,333 and the Trademark amounting to 5,099. The Group also recognized a profit amounting to 21,500 from the measurement at fair value of the previous percentage of 50%, which was recognized in the item "Gain from the acquisition of control in subsidiaries" of the consolidated Income Statement of the year 2022.

**7.2 Acquisition of control on the companies KEY ILIAKI ENERGEIAKI PC, KASTRAKI ILIAKI ENERGEIAKI PC and TEKAL AIOLIKI G.P. from the sub-Group TERNA ENERGY SA**

On 14.04.2022, the subsidiary company TERNA ENERGY SA acquired all the share units of the companies KEY ILIAKI ENERGEIAKI PC and KASTRAKI ENERGEIAKI PC. The above companies develop Photovoltaic Stations in the wider area of the Regional Unit of Thessaly, Greece. Specifically, among the acquired companies, KEY ILIAKI ENERGEIAKI PC (IKE) is in the licensing phase and is developing one (1) Photovoltaic Station with a capacity of 50 MW, while KASTRAKI ILIAKI ENERGEIAKI PC (IKE) is also in the licensing phase and is developing four (4) Photovoltaic Stations with a total capacity of 172.3 MW.

Furthermore, on 15.07.2022, the subsidiary company TERNA ENERGY S.A. and its subsidiary of IWECO CHONOS KRITIS S.A. proceeded to acquire all the share units of the company TEKAL AIOLIKI G.P., which was renamed to TERNA ENERGY WIND FARM FIVE TOWERS G.P. and is developing a 21.5 MW Wind Farm in the Regional Unit of Pieria, Greece.

The purpose of these acquisitions is the subsequent implementation of new investments by the Group in the production of energy from renewable sources. When examining the requirements of IFRS 3, it was found that the acquired assets and the assumed liabilities of the above companies do not constitute a "business" as defined in IFRS 3 and therefore do not fall within the scope of this Standard, but the specific transactions were accounted for as acquisition of assets. The accounting policy for the recognition of these transactions is described in explanatory Note 4.3 of the Annual Consolidated and Separate Financial Statements of 31.12.2022. The cost of acquisition was allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition, while no goodwill arose from this type of transactions.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The total price of the acquisition of the above companies, based on the terms of the Agreement for the Sale and transfer of the share units, will depend on the successful outcome of securing the required permits for the installation of the electricity generation units from photovoltaic panels or wind generators, and was estimated in total for all three companies in the amount of 8,737 using a discount rate of 8.31% for KEY ILIAKI ENERGEIAKI PC and KASTRAKI ILIAKI ENERGEIAKI PC (IKE) and 8.01% for TERNA ENERGY WIND FARM FIVE TOWERS G.P. respectively.

The fair value of the liability for the contingent considerations will be measured on each reporting date and until the estimated date of their final measurement and payment, i.e. until 31.12.2023 for the companies KEY ILIAKI ENERGEIAKI PC and KASTRAKI ILIAKI ENERGEIAKI PC (IKE) and until 31.03.2024 for the company TERNA ENERGY WIND FARM FIVE TOWERS G.P. respectively.

In detail, the data related to the acquisition of the above companies are presented as follows:

**KEY ILIAKI ENERGEIAKI PC****Fair Values at the date of  
obtained control****ASSETS**

Intangible assets and Right-of-use assets \*

1,530

Prepayments and other receivables

3

Cash and cash equivalents

10

**Total assets****1,543****LIABILITIES**

Suppliers and Liabilities from contracts with customers

7

**Total liabilities****7****Book Value of acquired net assets****1,536**

Cash paid up to 31 December 2022 (a)

79

**Less: Cash acquired (b)****(10)****Total cash outflow until December 31, 2022 (a) - (b)****69**

The estimated cash settled consideration excluding the cash of the acquired company amounted to 1,527 from which an amount of 69 was paid in cash and 1,458 is recognized as Contingent consideration liability (discounted value).

**KASTRAKI ILIAKI ENERGEIAKI PC****Fair Values at the date of  
obtained control****ASSETS**

Intangible assets and Right-of-use assets \*

4,943

Tangible fixed assets

29

Other long-term receivables

232

Prepayments and other receivables

56

Cash and cash equivalents

99

**Total assets****5,359****LIABILITIES**

Accrued and other short-term liabilities

3

**Total liabilities****3**

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***KASTRAKI ILIAKI ENERGIKI PC****Fair Values at the date of  
obtained control****Book Value of acquired net assets****5,356**

Cash paid up to 31 December 2022 (a)

753

**Less: Cash acquired (b)**

(99)

**Total cash outflow until December 31, 2022 (a) - (b)****654**

The estimated cash settled consideration including the cash of the acquired company amounted to 5,256 from which an amount of 654 was paid in cash and 4,602 has been recognized as Contingent consideration liability (discounted value).

**TERNA ENERGY FIVE TOWERS GP****Fair Values at the date of  
obtained control****ASSETS**

Intangible assets and Right-of-use assets \*

2,237

Tangible fixed assets

143

Prepayments and other receivables

20

**Total assets****2,400****LIABILITIES**

Lease liabilities

489

Accrued and other short-term liabilities

67

**Total liabilities****556****Book Value of acquired net assets****1,844**

Cash paid up to 31 December 2022 (a)

800

**Total cash outflow until December 31, 2022 (b)****800**

The estimated total consideration of the acquisition amounted to 1,845 of which 800 was settled in cash and 1,045 is a contingent consideration liability (at discounted value).

\* The total value of the Intangible assets and the Rights of Use assets acquired through the above transactions amounts to 8,710. This figure is broken down into intangible assets amounting to 8,221 and right of use assets amounting to 489 (see Note 8 and 9 respectively).

From the above acquisitions, the Group, through the sub-Group TERNA ENERGY, recognized intangible assets (production licenses of photovoltaic and wind farms), amounting to 7,921. The fair value of the intangible assets has been based on an independent appraiser's report. During the period from the date of acquisition of the subject companies until December 31, 2022, the total income after taxes of the acquired companies settled at a total loss of 449 which was included in the consolidated Statement of Comprehensive Income of the Group.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***8 INTANGIBLE ASSETS AND GOODWILL****8.1 Intangible assets**

Group's intangible assets presented in the attached financial statements and their movement for the periods from 1 January to 31 December 2022 and 2021, are analyzed as follows:

|                                                                | GROUP                              |                |                        |                 |                      |                 |                  |
|----------------------------------------------------------------|------------------------------------|----------------|------------------------|-----------------|----------------------|-----------------|------------------|
|                                                                | Concessions<br>and other<br>Rights | Clientele      | Brand<br>name<br>HERON | Software        | Development<br>Costs | Other           | Total            |
| <b><u>Acquisition Value</u></b>                                |                                    |                |                        |                 |                      |                 |                  |
| <b>1st January 2022</b>                                        | <b>1,113,617</b>                   | <b>0</b>       | <b>0</b>               | <b>13,020</b>   | <b>14,759</b>        | <b>88,021</b>   | <b>1,229,417</b> |
| Additions                                                      | 3,998                              | 0              | 0                      | 1,318           | 4,735                | 211             | 10,262           |
| Addition due to<br>acquisition of entity                       | 8,221                              | 58,333         | 5,099                  | 5,309           | 0                    | 0               | 76,962           |
| Sales                                                          | (103)                              | 0              | 0                      | (14)            | 0                    | 0               | (117)            |
| Write offs                                                     | (6,623)                            | 0              | 0                      | (149)           | 0                    | 0               | (6,772)          |
| Transfers                                                      | 0                                  | 0              | 0                      | 736             | 1,581                | 123             | 2,440            |
| Foreign exchange<br>differences                                | (1)                                | 0              | 0                      | 18              | 0                    | 0               | 17               |
| <b>31st December 2022</b>                                      | <b>1,119,109</b>                   | <b>58,333</b>  | <b>5,099</b>           | <b>20,238</b>   | <b>21,075</b>        | <b>88,355</b>   | <b>1,312,209</b> |
| <b><u>Accumulated<br/>amortization and<br/>impairments</u></b> |                                    |                |                        |                 |                      |                 |                  |
| <b>1st January 2022</b>                                        | <b>(424,554)</b>                   | <b>0</b>       | <b>0</b>               | <b>(8,145)</b>  | <b>(1,939)</b>       | <b>(86,917)</b> | <b>(521,555)</b> |
| Amortization                                                   | (41,688)                           | (8,523)        | 0                      | (2,355)         | (1,226)              | 0               | (53,792)         |
| Addition due to<br>acquisition of entity<br>(Note 7.1, 7.2)    | 0                                  | 0              | 0                      | (2,825)         | 0                    | 0               | (2,825)          |
| Sales                                                          | 20                                 | 0              | 0                      | 0               | 0                    | 0               | 20               |
| Write offs                                                     | 6308                               | 0              | 0                      | 127             | 0                    | 0               | 6,435            |
| Impairments                                                    | (11,139)                           | 0              | 0                      | 0               | 0                    | 0               | (11,139)         |
| Foreign exchange<br>differences                                | 0                                  | 0              | 0                      | (33)            | 0                    | 0               | (33)             |
| <b>31st December 2022</b>                                      | <b>(471,053)</b>                   | <b>(8,523)</b> | <b>0</b>               | <b>(13,231)</b> | <b>(3,165)</b>       | <b>(86,917)</b> | <b>(582,889)</b> |
| <b><u>Net book value</u></b>                                   |                                    |                |                        |                 |                      |                 |                  |
| <b>31st December 2022</b>                                      | <b>648,056</b>                     | <b>49,810</b>  | <b>5,099</b>           | <b>7,007</b>    | <b>17,910</b>        | <b>1,438</b>    | <b>729,320</b>   |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                         | GROUP                              |           |                        |                |                      |                 |                  |
|---------------------------------------------------------|------------------------------------|-----------|------------------------|----------------|----------------------|-----------------|------------------|
|                                                         | Concessions<br>and other<br>Rights | Clientele | Brand<br>name<br>HERON | Software       | Development<br>Costs | Other           | Total            |
| <b>Acquisition Value</b>                                |                                    |           |                        |                |                      |                 |                  |
| <b>1st January 2021</b>                                 | <b>1,112,670</b>                   | <b>0</b>  | <b>0</b>               | <b>10,434</b>  | <b>7,661</b>         | <b>88,021</b>   | <b>1,218,786</b> |
| Additions                                               | 795                                | 0         | 0                      | 2,644          | 283                  | 0               | 3,722            |
| Addition due to<br>acquisition of entity                | 202                                | 0         | 0                      | 414            | 0                    | 0               | 616              |
| Sales                                                   | (49)                               | 0         | 0                      | (242)          | 0                    | 0               | (291)            |
| Write offs                                              | 0                                  | 0         | 0                      | (106)          | (182)                | 0               | (288)            |
| Transfers                                               | 0                                  | 0         | 0                      | (142)          | 6,997                | 0               | 6,855            |
| Foreign exchange<br>differences                         | (1)                                | 0         | 0                      | 18             | 0                    | 0               | 17               |
| <b>31st December 2021</b>                               | <b>1,113,617</b>                   | <b>0</b>  | <b>0</b>               | <b>13,020</b>  | <b>14,759</b>        | <b>88,021</b>   | <b>1,229,417</b> |
| <b>Accumulated<br/>amortization and<br/>impairments</b> |                                    |           |                        |                |                      |                 |                  |
| <b>1st January 2021</b>                                 | <b>(382,885)</b>                   | <b>0</b>  | <b>0</b>               | <b>(7,235)</b> | <b>(1,118)</b>       | <b>(86,780)</b> | <b>(478,018)</b> |
| Amortization                                            | (41,633)                           | 0         | 0                      | (979)          | (924)                | (137)           | (43,673)         |
| Addition due to<br>acquisition of entity                | (44)                               | 0         | 0                      | (324)          | 0                    | 0               | (368)            |
| Sales                                                   | 8                                  | 0         | 0                      | 239            | 0                    | 0               | 247              |
| Write offs                                              | 0                                  | 0         | 0                      | 106            | 103                  | 0               | 209              |
| Transfers from/(to)<br>assets                           | 0                                  | 0         | 0                      | 66             | 0                    | 0               | 66               |
| Foreign exchange<br>differences                         | 0                                  | 0         | 0                      | (18)           | 0                    | 0               | (18)             |
| <b>31st December 2021</b>                               | <b>(424,554)</b>                   | <b>0</b>  | <b>0</b>               | <b>(8,145)</b> | <b>(1,939)</b>       | <b>(86,917)</b> | <b>(521,555)</b> |
| <b>Net book value</b>                                   |                                    |           |                        |                |                      |                 |                  |
| <b>31st December 2021</b>                               | <b>689,063</b>                     | <b>0</b>  | <b>0</b>               | <b>4,875</b>   | <b>12,820</b>        | <b>1,104</b>    | <b>707,862</b>   |

Amortization for years 2022 and 2021 has been recorded in the Cost of sales by 52,598(31.12.2021:42,731), in Administrative and distribution expenses by 767 (31.12.2021:551), in Research and development expenses by 99 (31.12.2021:31), in Other Income/(expenses) by 76 (31.12.2021:125) and in Inventory by 252 (31.12.2021:235).

The intangible assets of the Company, with a net book value of 388 (31.12.2021:330), concern software with an acquisition value of 990 (31.12.2021:813) and accumulated amortization of 602 (31.12.2021:483). The amortization of year 2022 amounting to 57 (31.12.2021:44), has been recorded in the Administrative and distribution expenses and in the Cost of sales by 62 (31.12.2021: 5)

The research and development expenses mainly refer to costs incurred in the Group's mining activities (magnesium).

The item "Concessions and other rights" includes: (a) rights from concession contracts which amount to 578,079 (31.12.2021:617,012), (b) purchased rights to exploit quarries and magnesium mines, with a net book value of 12,249(31.12.2021:24,272) and (c) paid installation rights for wind farms with net book value of 57,586(31.12.2021: 47,616).

The transfers amounting to 2,440 concern transfers from the Tangible assets item.

The item "Addition due to acquisition of entity" mainly includes: a) Customer base amounting to 58,333 and Trademark amounting to 5,099 recognized by GEK TERNA Group as a result of the finalization of fair values resulting from the acquisition of the control of subsidiary HERON ENERGY SA (see detailed note 7.1), the economic life was set at 6 years which concerns the Customer base, while the Trademark has indefinite life and b) intangible assets amounting to 7,921 recognized by TERNA ENERGY sub-Group, as a result of the acquisition of the subsidiary companies KEY ILIAKI ENERGEIAKI PC, KASTRAKI ILIAKI ENERGEIAKI PC (IKE) and TEKAL AIOLIKI G.P. which was renamed to TERNA ENERGY WIND FARM FIVE TOWERS G.P. (see detailed note 7.2), 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 every reporting period, the above intangible assets will be examined for impairment, in accordance with the relevant requirements of IAS 36 "Impairment of Assets". From the performance of the relevant test at the reporting date of the annual financial statements, i.e. on 31.12.2022, there was no need to recognize any impairment losses on these intangible assets.

The Group recognized the financial contribution of the State as a deduction to the value of the right recognized under the Concession Arrangements of Motorways, in accordance with the relevant provisions of IFRIC 12 "Service Concession Arrangements".

For the construction of the Deferred Department A '(ATA), the State will pay as a Financial Contribution to the subsidiary CENTRAL GREECE MOTORWAY SA a total amount of 305,735 in equal payments. For the construction of the Deferred Section B (ATB), signed in 2021, the State will pay as much as 442,142 in equal payments. In the year 2022, the Group through the subsidiary CENTRAL GREECE MOTORWAY SA received an amount of 64,362 (31.12.2021: 145.827) which concerns the financial contribution of the State, as a subsidy for the construction of the project of the two deferred sections (ATA and ATB) of the "Central Greece Motorway (E65)" which is in the form of a capital subsidy.

Based on the terms of the Concession Arrangement regarding the construction and operation of the Deferred Section A '(southern section E65 - connection of PATHE highway with Xiniada A / C) and the Deferred Section B (A / C Trikala - A / C Grevena and Grevena – Egnatia Section), the project is 100% financed by the State through European resources and no return is provided for the Concessionaire from the operation of these departments. Based on the above and the provisions of IFRIC 12, the Concessionaire does not recognize a profit during construction and the fair value of the concession from construction is equal to zero because the cost of construction services is fully covered by the financial contribution of the Greek State.

The unamortized value of the rights from the concession arrangements amounting to 578,079 (31.12.2021:617,012) and is analyzed as follows.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| COMPANY                                   | CONCESSION                                                                | COST<br>31.12.2022 | NET BOOK<br>VALUE<br>31.12.2022 | REMAINING<br>CONCESSION<br>PERIOD | NOTES                      |
|-------------------------------------------|---------------------------------------------------------------------------|--------------------|---------------------------------|-----------------------------------|----------------------------|
| NEA ODOS SA                               | Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida | 579,426            | 254,777                         | 15                                | In operation               |
| CENTRAL GREECE MOTORWAY SA                | Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches       | 421,248            | 315,879                         | 15                                | In operation               |
| HERON CONCESSIONS SA                      | Tsalapata preserved pottery Center in Volos                               | 6,672              | 312                             | 7                                 | In operation               |
| HERON CONCESSIONS SA                      | Car park station                                                          | 2,916              | 1,939                           | 32                                | In operation               |
| AEIFORIKI EPIRUS MAEES                    | Waste management in Ioannina                                              | 1,801              | 1,579                           | 21                                | In operation               |
| PARKING STATION PLATANOU SQ. KIFISIA S.A. | Parking station in Kifisia Square                                         | 8,020              | 3,492                           | 15                                | In operation               |
| PARKING STATION SAROKOU SQ. CORFU S.A.    | Parking station in Corfu                                                  | 101                | 101                             | -                                 | Termination of development |
| <b>TOTAL</b>                              |                                                                           | <b>1,020,184</b>   | <b>578,079</b>                  |                                   |                            |

The rights from concession arrangements on 31.12.2021, are as follows:

| COMPANY                                   | CONCESSION                                                                | COST<br>31.12.2021 | NET BOOK VALUE<br>31.12.2021 | REMAINING<br>CONCESSION<br>PERIOD | NOTES                      |
|-------------------------------------------|---------------------------------------------------------------------------|--------------------|------------------------------|-----------------------------------|----------------------------|
| NEA ODOS SA                               | Ionia Odos and PATHE, parts of Athens – Skarfeia and Shimatari - Chalkida | 578,279            | 272,171                      | 16                                | In operation               |
| CENTRAL GREECE MOTORWAY SA                | Central Greece Motorway (E-65) and PATHE, part of Skarfeia - Raches       | 421,248            | 336,937                      | 16                                | In operation               |
| HERON CONCESSIONS SA                      | Tsalapata preserved pottery Center in Volos                               | 6,672              | 319                          | 8                                 | In operation               |
| HERON CONCESSIONS SA                      | Car park station                                                          | 2,916              | 1,999                        | 33                                | In operation               |
| AEIFORIKI EPIRUS MAEES                    | Waste management in Ioannina                                              | 1,801              | 1,651                        | 22                                | In operation               |
| PARKING STATION PLATANOU SQ. KIFISIA S.A. | Parking station in Kifisia Square                                         | 8,020              | 3,834                        | 16                                | In operation               |
| PARKING STATION SAROKOU SQ. CORFU S.A.    | Parking station in Corfu                                                  | 101                | 101                          | -                                 | Termination of development |
| <b>TOTAL</b>                              |                                                                           | <b>1,019,037</b>   | <b>617,012</b>               |                                   |                            |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***Impairment test of non-amortizable intangible assets**

For non-amortizable intangible assets, the Group carries out impairment tests at each reporting date. With regard to the amortizable intangible assets, the Group's Management carries out relevant impairment tests in accordance with the requirements of IAS 36, only when and where relevant indications indicate potential need for impairment.

Within the financial year 2022, total impairment losses were recognized on the value of intangible assets amounting to 11,139 (31.12.2021:0) which burdened the Group's consolidated results and have been recognized in the "Other Income/(Expenses)" of the Income Statement of the year (Note 38). The above amount concerns impairment losses on exploitation rights for quarries and magnesium mines of the subsidiary company TERNA (operational segment "Industry"). The assumptions applied in determining the value in use and the factors that led to the recognition of the related loss are set out in section 12.3.

For the impairment test of the assets of RES energy parks of the Group, the recoverable amount is determined according to the value in use of the park. This calculation uses cash flow forecasts, based on financial budgets, which have been approved by the Group's management and cover the remaining useful life of the park.

Regarding the rights deriving from the Concession Agreements, the management assessed that there are no indications of impairment of their value, as there are no deviations to their business plan.

**8.2 Goodwill**

The movement of goodwill in the consolidated Financial Statements for the year ended 31.12.2022 and 31.12.2021 is as follows:

|                                       | <b>Constructio<br/>ns</b> | <b>Electricity from<br/>thermal energy<br/>and HP trading</b> | <b>Total</b> |
|---------------------------------------|---------------------------|---------------------------------------------------------------|--------------|
| <b>Net book value at 01.01.2021</b>   | 3,025                     | 0                                                             | 3,025        |
| Addition                              | 0                         | 3,994                                                         | 3,994        |
| Impairment of Goodwill                | (644)                     | 0                                                             | (644)        |
| <b>Net book value at 31.12.2021</b>   | <b>2,381</b>              | <b>3,994</b>                                                  | <b>6,375</b> |
| <b>Net book value at 01.01.2022</b>   | <b>2,381</b>              | <b>3,994</b>                                                  | <b>6,375</b> |
| Addition                              | 0                         | 0                                                             | 0            |
| Impairment of Goodwill                | 0                         | 0                                                             | 0            |
| <b>Net book value at 31.12.2022</b>   | <b>2,381</b>              | <b>3,994</b>                                                  | <b>6,375</b> |
| <b>Gross book value on 31.12.2022</b> | 9,759                     | 3,994                                                         | 13,753       |
| Accumulated impairment losses         | (7,378)                   | 0                                                             | (7,378)      |
| <b>Net book value at 31.12.2022</b>   | <b>2,381</b>              | <b>3,994</b>                                                  | <b>6,375</b> |

The goodwill that has been recognized in the "Construction" operating segment refers to an acquisition made by the Group in previous year. More specifically, the subsidiary company TERNA SA acquired 66.7% of the construction joint venture EUROIONIA and E-65, which would perform additional major construction project according to existing construction contracts.

The goodwill that has been recognized in the operating segment "Electricity from thermal energy and HP trading" refers to in an acquisition made by the sub-group of TERNA ENERGY. The subsidiary company TERNA ENERGY participated with 51% in the company OPTIMUS ENERGY SA. Despite the fact that it held 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 result of the terms included in a relevant shareholders' agreement. The subsidiary's Management had assessed that it exercises joint control in accordance with IFRS 11 "Joint Control Arrangements". In October 2021, a deed was signed to amend the terms of the above shareholders agreement, as a result of which there were changes in the way of exercising power in OPTIMUS ENERGY SA and an amendment to its existing articles of association. Following this change, certain rights of shareholders, which previously did not allow the company to exercise control, expired. Following a relative assessment of the requirements of IFRS 10, on 25.10.2021 the subsidiary TERNA ENERGY acquired control of the company OPTIMUS ENERGY SA and from 25.10.2021 onwards the company is included as a subsidiary in the consolidated financial statements using the full consolidation method.

Furthermore, in accordance with the requirements of IFRS 3 "Business Combinations", on the date of the acquisition of control, the Group measured at fair value the equity rights (51%) existing before the acquisition of control, which amounted to 4,794. The measurement of the net assets at fair values on the date of acquisition was determined at a total value of 800. The goodwill resulting from the above transaction and which is included in the corresponding item of the consolidated Statement of Financial Position amounts to 3,994.

### **Goodwill Impairment Test**

Management reviews goodwill for impairment annually (on December 31) or more frequently if events or changes in circumstances indicate that the carrying amount may have depreciated, in accordance with the accounting practice as described in note 4.6.

The Group reviewed the goodwill for impairment on 31.12.2022 and the key assumptions used to determine the recoverable amount are disclosed below. The audit did not reveal any impairment loss. The recoverable values of cash-generating units are determined according to value in use calculations using appropriate estimates regarding future cash flows and discount rates.

In particular, the goodwill that arises during the consolidation process of subsidiaries resulting from an acquisition has been divided into the following cash flow generation units (CFUs) per operating segment according to the above Table. The goodwill impairment test is carried out at the subsidiary company level.

The recoverable value of each Cash Flow Generating Unit is determined according to value in use calculations. The determination is made through the present value of the estimated future cash flows, as expected to be generated by each unit (discounted cash flow method – DCF). Cash flows are extracted from the most recent budgets approved by the management. Cash flow projections beyond the period covered by the most recent budgets are estimated by discounting the projections based on

the budgets, using a constant or declining growth rate for the following years, which does not exceed the long-term average growth rate for the broader business sectors in which the Group operates. The cash flow projections are based on reasonable and justified assumptions, which represent the best possible information available and most updated at the reporting date of the Financial Statements.

The management evaluates the rationality of the underlying assumptions with regard to the projected cash flows by examining the causes of differences between past projected cash flows and currently projected cash flows. Also, the management ensures that the assumptions underlying the currently projected cash flows are consistent with past actual results. From the carried out impairment test, no need to derecognize goodwill emerged (2021 :644).

**Assumptions used to determine value in use**

The Group, in order to determine the recoverable value of each Cash Flow Generating Unit, calculates the value in use, through the method of the present value of the estimated future cash flows. The main assumptions that the Group uses to determine the estimated future cash flows are as follows:

Construction Segment:

This methodology of determining value-in-use is based on the following key assumptions as adopted by the Management to determine future cash flows: (a) the projected revenue under the existing construction contracts of two joint ventures, b) the budgeted operating profit margins of construction projects, which are also calculated on the basis of the results of the last years. Estimated future cash flows are determined up to the completion of the construction projects of the joint ventures and have been discounted at a discount rate of 9.6%.

Segment of Electricity Generation from Thermal Energy Sources - Sale of electricity:

The determination of value-in-use 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 and Climate Plan. The estimated future cash flows have been discounted at a discount rate of 11.6%.

The Group analyzed the sensitivity of recoverable amounts per operating segment according to a 0.5% change in the basic assumption of the discount rate. From the relevant analysis, it does not appear that an impairment amount may arise.

**9 RIGHT OF USE ASSETS**

Right of use assets and changes for the periods 1 January to 31 December 2022 and 2021, presented in the accompanying financial statements, are analyzed as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***GROUP**

|                                                        | Land-<br>Plots | Buildings and<br>Installations | Technological<br>and mechanical<br>equipment | Vehicles       | Other        | Total           |
|--------------------------------------------------------|----------------|--------------------------------|----------------------------------------------|----------------|--------------|-----------------|
| <b><u>Acquisition Value</u></b>                        |                |                                |                                              |                |              |                 |
| <b>1st January 2022</b>                                | <b>18,802</b>  | <b>15,181</b>                  | <b>226</b>                                   | <b>2,653</b>   | <b>0</b>     | <b>36,863</b>   |
| Additions                                              | 9,347          | 4,099                          | 17,194                                       | 2,945          | 0            | <b>33,585</b>   |
| Addition due to acquisition of entity (Note 7.1, 7.2)  | 489            | 2,386                          | 0                                            | 552            | 339          | <b>3,766</b>    |
| Termination of contracts                               | (200)          | (1,175)                        | 0                                            | (184)          | 0            | <b>(1,559)</b>  |
| Foreign exchange differences                           | (58)           | 53                             | 0                                            | 0              | 0            | <b>(5)</b>      |
| <b>31st December 2022</b>                              | <b>28,380</b>  | <b>20,544</b>                  | <b>17,420</b>                                | <b>5,966</b>   | <b>339</b>   | <b>72,650</b>   |
| <b><u>Accumulated amortization and impairments</u></b> |                |                                |                                              |                |              |                 |
| <b>1st January 2022</b>                                | <b>(1,747)</b> | <b>(6,796)</b>                 | <b>(160)</b>                                 | <b>(1,512)</b> | <b>0</b>     | <b>(10,215)</b> |
| Amortization                                           | (1,144)        | (3,423)                        | (531)                                        | (1,134)        | (59)         | <b>(6,291)</b>  |
| Addition due to acquisition of entity (Note 7.1, 7.2)  | 0              | (974)                          | 0                                            | (420)          | (231)        | <b>(1,625)</b>  |
| Termination of contracts                               | 148            | 659                            | 0                                            | 105            | 0            | <b>912</b>      |
| Foreign exchange differences                           | 4              | (39)                           | 0                                            | 0              | 0            | <b>(35)</b>     |
| <b>31st December 2022</b>                              | <b>(2,739)</b> | <b>(10,573)</b>                | <b>(691)</b>                                 | <b>(2,961)</b> | <b>(290)</b> | <b>(17,254)</b> |
| <b><u>Net book value</u></b>                           |                |                                |                                              |                |              |                 |
| <b>31st December 2022</b>                              | <b>25,641</b>  | <b>9,971</b>                   | <b>16,729</b>                                | <b>3,005</b>   | <b>49</b>    | <b>55,396</b>   |

**GROUP**

|                                 | Land-<br>Plots | Buildings and<br>Installations | Technological<br>and mechanical<br>equipment | Vehicles     | Other    | Total         |
|---------------------------------|----------------|--------------------------------|----------------------------------------------|--------------|----------|---------------|
| <b><u>Acquisition Value</u></b> |                |                                |                                              |              |          |               |
| <b>1st January 2021</b>         | <b>12,331</b>  | <b>10,802</b>                  | <b>3,470</b>                                 | <b>2,954</b> | <b>0</b> | <b>29,558</b> |
| Additions                       | 9,460          | 5,630                          | 7                                            | 1,006        | 0        | <b>16,103</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                       |               |               |            |              |          |                |
|---------------------------------------|---------------|---------------|------------|--------------|----------|----------------|
| Addition due to acquisition of entity | 980           | 244           | 0          | 59           | 0        | <b>1,283</b>   |
| Transfers                             | 0             | 0             | (3,250)    | (530)        | 0        | <b>(3,780)</b> |
| Termination of contracts              | (3,967)       | (1,561)       | (1)        | (836)        | 0        | <b>(6,365)</b> |
| Foreign exchange differences          | (2)           | 66            | 0          | 0            | 0        | <b>64</b>      |
| <b>31st December 2021</b>             | <b>18,802</b> | <b>15,181</b> | <b>226</b> | <b>2,653</b> | <b>0</b> | <b>36,863</b>  |

**Accumulated amortization and impairments**

|                                       |                |                |              |                |          |                 |
|---------------------------------------|----------------|----------------|--------------|----------------|----------|-----------------|
| <b>1st January 2021</b>               | <b>(1,435)</b> | <b>(4,702)</b> | <b>(914)</b> | <b>(1,815)</b> | <b>0</b> | <b>(8,866)</b>  |
| Amortization                          | (846)          | (2,601)        | (129)        | (736)          | 0        | <b>(4,312)</b>  |
| Addition due to acquisition of entity | (69)           | (223)          | 0            | (41)           | 0        | <b>(333)</b>    |
| Transfers                             | 0              | 0              | 883          | 397            | 0        | <b>1,280</b>    |
| Termination of contracts              | 620            | 773            | 0            | 683            | 0        | <b>2,076</b>    |
| Foreign exchange differences          | (17)           | (43)           | 0            | 0              | 0        | <b>(60)</b>     |
| <b>31st December 2021</b>             | <b>(1,747)</b> | <b>(6,796)</b> | <b>(160)</b> | <b>(1,512)</b> | <b>0</b> | <b>(10,215)</b> |

**Net book value**

|                           |               |              |           |              |          |               |
|---------------------------|---------------|--------------|-----------|--------------|----------|---------------|
| <b>31st December 2021</b> | <b>17,055</b> | <b>8,385</b> | <b>66</b> | <b>1,141</b> | <b>0</b> | <b>26,648</b> |
|---------------------------|---------------|--------------|-----------|--------------|----------|---------------|

**COMPANY**

|                                                        | <b>Land-Plots</b> | <b>Buildings and Installations</b> | <b>Technological and mechanical equipment</b> | <b>Vehicles</b> | <b>Other</b> | <b>Total</b> |
|--------------------------------------------------------|-------------------|------------------------------------|-----------------------------------------------|-----------------|--------------|--------------|
| <b><u>Acquisition Value</u></b>                        |                   |                                    |                                               |                 |              |              |
| <b>1st January 2022</b>                                | <b>0</b>          | <b>529</b>                         | <b>0</b>                                      | <b>442</b>      | <b>0</b>     | <b>971</b>   |
| Additions                                              | 0                 | 2                                  | 0                                             | 9               | 0            | <b>11</b>    |
| Termination of contracts                               | 0                 | 0                                  | 0                                             | (35)            | 0            | <b>(35)</b>  |
| <b>31st December 2022</b>                              | <b>0</b>          | <b>531</b>                         | <b>0</b>                                      | <b>416</b>      | <b>0</b>     | <b>947</b>   |
| <b><u>Accumulated amortization and impairments</u></b> |                   |                                    |                                               |                 |              |              |
| <b>1st January 2022</b>                                | <b>0</b>          | <b>(254)</b>                       | <b>0</b>                                      | <b>(101)</b>    | <b>0</b>     | <b>(355)</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                           |          |              |          |              |          |              |
|---------------------------|----------|--------------|----------|--------------|----------|--------------|
| Amortization              | 0        | (91)         | 0        | (160)        | 0        | (251)        |
| Termination of contracts  | 0        | 0            | 0        | 5            | 0        | 5            |
| <b>31st December 2022</b> | <b>0</b> | <b>(345)</b> | <b>0</b> | <b>(256)</b> | <b>0</b> | <b>(601)</b> |
| <b>Net book value</b>     |          |              |          |              |          |              |
| <b>31st December 2022</b> | <b>0</b> | <b>186</b>   | <b>0</b> | <b>160</b>   | <b>0</b> | <b>346</b>   |

**COMPANY**

|                                                     | Land-<br>Plots | Buildings and<br>Installations | Technological<br>and mechanical<br>equipment | Vehicles     | Other    | Total        |
|-----------------------------------------------------|----------------|--------------------------------|----------------------------------------------|--------------|----------|--------------|
| <b>Acquisition Value</b>                            |                |                                |                                              |              |          |              |
| <b>1st January 2021</b>                             | <b>0</b>       | <b>529</b>                     | <b>0</b>                                     | <b>6</b>     | <b>0</b> | <b>535</b>   |
| Additions                                           | 0              | 0                              | 0                                            | 436          | 0        | 436          |
| <b>31st December 2021</b>                           | <b>0</b>       | <b>529</b>                     | <b>0</b>                                     | <b>442</b>   | <b>0</b> | <b>971</b>   |
| <b>Accumulated amortization<br/>and impairments</b> |                |                                |                                              |              |          |              |
| <b>1st January 2021</b>                             | <b>0</b>       | <b>(163)</b>                   | <b>0</b>                                     | <b>(2)</b>   | <b>0</b> | <b>(165)</b> |
| Amortization                                        | 0              | (91)                           | 0                                            | (99)         | 0        | (190)        |
| <b>31st December 2021</b>                           | <b>0</b>       | <b>(254)</b>                   | <b>0</b>                                     | <b>(101)</b> | <b>0</b> | <b>(355)</b> |
| <b>Net book value</b>                               |                |                                |                                              |              |          |              |
| <b>31st December 2021</b>                           | <b>0</b>       | <b>275</b>                     | <b>0</b>                                     | <b>341</b>   | <b>0</b> | <b>616</b>   |

The Group's depreciation for the financial year 2022 has been recorded in the cost of sales by 3,563 (31.12.2021:2,694 ), in the administrative and distribution expenses by 1,867 (31.12.2021:1,290), in research and development expenses by 142 (31.12.2021:157) in the other income/(expense) by 452 (31.12.2021:122) and in the inventory by 267 (31.12.2021:49).

The Company's depreciation for the financial year 2022 has been recorded in the cost of sales by 174 (31.12.2021:113), and in the administrative expenses by 77 (31.12.2021: 77).

The additions of the year mainly concern the commencement of new bank related lease contracts for machineries of the subsidiary company TERNA SA which are used in the construction projects carried out by the subsidiary company.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***10 TANGIBLE FIXED ASSETS**

The Group's and the Company's tangible fixed assets and their movements for the periods from 1 January to 31 December 2022 and 2021, in the accompanying financial statements, are analyzed as follows:

|                                                          | <b>GROUP</b>                    |                                     |                                                       |                 |               |                                                                                                 |                  |
|----------------------------------------------------------|---------------------------------|-------------------------------------|-------------------------------------------------------|-----------------|---------------|-------------------------------------------------------------------------------------------------|------------------|
|                                                          | <b>Quarries/Land-<br/>Plots</b> | <b>Buildings and<br/>Facilities</b> | <b>Technological<br/>and mechanical<br/>equipment</b> | <b>Vehicles</b> | <b>Other</b>  | <b>Assets under<br/>construction and<br/>prepayments for<br/>acquisition of fixed<br/>asset</b> | <b>Total</b>     |
| <b><u>Acquisition Value</u></b>                          |                                 |                                     |                                                       |                 |               |                                                                                                 |                  |
| <b>1st January 2022</b>                                  | <b>25,162</b>                   | <b>193,955</b>                      | <b>1,506,544</b>                                      | <b>48,642</b>   | <b>38,998</b> | <b>222,284</b>                                                                                  | <b>2,035,585</b> |
| Additions                                                | 2,796                           | 6,698                               | 11,558                                                | 2,055           | 4,383         | 206,273                                                                                         | <b>233,763</b>   |
| Addition due to acquisition of entity<br>(Note 7.1, 7.2) | 2,385                           | 16,889                              | 52,793                                                | 22              | 1,913         | 489                                                                                             | <b>74,491</b>    |
| Cost of borrowing                                        | 0                               | 0                                   | 194                                                   | 0               | 0             | 7,131                                                                                           | <b>7,325</b>     |
| Provisions for restoration                               | 0                               | 0                                   | 894                                                   | 0               | 0             | 0                                                                                               | <b>894</b>       |
| Sales                                                    | 0                               | 0                                   | (1,263)                                               | (494)           | (187)         | (1,113)                                                                                         | <b>(3,057)</b>   |
| Write offs                                               | 0                               | (1,309)                             | (69)                                                  | (82)            | (79)          | 0                                                                                               | <b>(1,539)</b>   |
| Transfers                                                | 0                               | 2,545                               | (537)                                                 | 67              | 305           | (4,821)                                                                                         | <b>(2,441)</b>   |
| Foreign exchange differences                             | 0                               | (91)                                | (2,060)                                               | 70              | 86            | 169                                                                                             | <b>(1,826)</b>   |
| <b>31st December 2022</b>                                | <b>30,343</b>                   | <b>218,687</b>                      | <b>1,568,054</b>                                      | <b>50,280</b>   | <b>45,419</b> | <b>430,412</b>                                                                                  | <b>2,343,195</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                          |                |                 |                  |                 |                 |                |                  |
|----------------------------------------------------------|----------------|-----------------|------------------|-----------------|-----------------|----------------|------------------|
| <b><u>Accumulated amortization and</u></b>               |                |                 |                  |                 |                 |                |                  |
| <b>1st January 2022</b>                                  | <b>(7,977)</b> | <b>(74,237)</b> | <b>(636,648)</b> | <b>(35,719)</b> | <b>(28,548)</b> | <b>(1,083)</b> | <b>(784,211)</b> |
| Depreciation                                             | (280)          | (7,589)         | (62,128)         | (2,078)         | (2,919)         | 0              | <b>(74,994)</b>  |
| Addition due to acquisition of entity<br>(Note 7.1, 7.2) | 0              | (15,464)        | (46,031)         | (22)            | (1,629)         | 0              | <b>(63,146)</b>  |
| Sales                                                    | 0              | 0               | 826              | 226             | 42              | 0              | <b>1,094</b>     |
| Write offs                                               | 0              | 1,178           | 36               | 78              | 67              | 0              | <b>1,359</b>     |
| Impairments                                              | (57)           | (270)           | 0                | 0               | 0               | 0              | <b>(327)</b>     |
| Reversal of Impairments                                  | 53             | 101             | 0                | 0               | 0               | 0              | <b>154</b>       |
| Foreign exchange differences                             | 0              | 37              | 752              | (55)            | (84)            | 0              | <b>650</b>       |
| <b>31st December 2022</b>                                | <b>(8,261)</b> | <b>(96,244)</b> | <b>(743,193)</b> | <b>(37,570)</b> | <b>(33,071)</b> | <b>(1,083)</b> | <b>(919,421)</b> |
| <b><u>Net book value</u></b>                             |                |                 |                  |                 |                 |                |                  |
| <b>31st December 2022</b>                                | <b>22,083</b>  | <b>122,444</b>  | <b>824,861</b>   | <b>12,710</b>   | <b>12,348</b>   | <b>429,329</b> | <b>1,423,774</b> |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                 | <b>GROUP</b>                    |                                     |                                                       |                 |               |                                                                                                 |                  |
|-------------------------------------------------|---------------------------------|-------------------------------------|-------------------------------------------------------|-----------------|---------------|-------------------------------------------------------------------------------------------------|------------------|
|                                                 | <b>Quarries/Land-<br/>Plots</b> | <b>Buildings and<br/>Facilities</b> | <b>Technological<br/>and mechanical<br/>equipment</b> | <b>Vehicles</b> | <b>Other</b>  | <b>Assets under<br/>construction and<br/>prepayments for<br/>acquisition of fixed<br/>asset</b> | <b>Total</b>     |
| <b><u>Acquisition Value</u></b>                 |                                 |                                     |                                                       |                 |               |                                                                                                 |                  |
| <b>1st January 2021</b>                         | <b>23,811</b>                   | <b>187,763</b>                      | <b>1,765,780</b>                                      | <b>49,861</b>   | <b>39,045</b> | <b>49,316</b>                                                                                   | <b>2,115,576</b> |
| Additions                                       | 1,325                           | 5,392                               | 32,026                                                | 2,628           | 3,562         | 190,368                                                                                         | <b>235,301</b>   |
| Addition due to acquisition of entity           | 240                             | 18,223                              | 273,730                                               | 0               | 626           | 1,188                                                                                           | <b>294,007</b>   |
| Reductions from lose of control of subsidiaries | 0                               | (18,358)                            | (589,477)                                             | 0               | (8)           | 118                                                                                             | <b>(607,725)</b> |
| Cost of borrowing                               | 0                               | 0                                   | 186                                                   | 0               | 0             | 529                                                                                             | <b>715</b>       |
| Provisions for restoration                      | 0                               | 0                                   | 258                                                   | 0               | 0             | 0                                                                                               | <b>258</b>       |
| Sales                                           | (214)                           | (600)                               | (6,947)                                               | (4,096)         | (1,327)       | 0                                                                                               | <b>(13,184)</b>  |
| Write offs                                      | 0                               | (68)                                | (1,060)                                               | (110)           | (2,507)       | (458)                                                                                           | <b>(4,203)</b>   |
| Transfers                                       | 0                               | 1,392                               | 14,907                                                | 530             | (464)         | (18,967)                                                                                        | <b>(2,602)</b>   |
| Foreign exchange differences                    | 0                               | 211                                 | 17,141                                                | (171)           | 71            | 190                                                                                             | <b>17,442</b>    |
| <b>31st December 2021</b>                       | <b>25,162</b>                   | <b>193,955</b>                      | <b>1,506,544</b>                                      | <b>48,642</b>   | <b>38,998</b> | <b>222,284</b>                                                                                  | <b>2,035,585</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***Accumulated depreciations and impairments**

| <b>1st January 2021</b>                   | <b>(7,773)</b> | <b>(62,397)</b> | <b>(487,314)</b> | <b>(35,771)</b> | <b>(28,673)</b> | <b>0</b>       | <b>(621,927)</b> |
|-------------------------------------------|----------------|-----------------|------------------|-----------------|-----------------|----------------|------------------|
| Depreciation                              | (280)          | (6,410)         | (48,096)         | (2,182)         | (2,723)         | 0              | (59,691)         |
| Depreciation from discontinued operations | 0              | (373)           | (11,769)         | 0               | (1)             | 0              | (12,143)         |
| Addition due to acquisition of entity     | 0              | (8,426)         | (161,119)        | 0               | (484)           | (1,083)        | (171,112)        |
| Reductions from lose of control of        | 0              | 2,614           | 68,550           | 0               | 1               | 0              | 71,165           |
| Sales                                     | 0              | 224             | 4,011            | 2,416           | 1,032           | 0              | 7,683            |
| Write offs                                | 0              | 68              | 1,050            | 105             | 2,304           | 0              | 3,527            |
| Impairments                               | (10)           | 0               | 0                | 0               | 0               | 0              | (10)             |
| Reversal of Impairments                   | 86             | 294             | 0                | 0               | 0               | 0              | 380              |
| Transfers                                 | 0              | 0               | (955)            | (397)           | 64              | 0              | (1,288)          |
| Foreign exchange differences              | 0              | 169             | (1,006)          | 110             | (68)            | 0              | (795)            |
| <b>31st December 2021</b>                 | <b>(7,977)</b> | <b>(74,237)</b> | <b>(636,648)</b> | <b>(35,719)</b> | <b>(28,548)</b> | <b>(1,083)</b> | <b>(784,211)</b> |

**Net book value**

|                           |               |                |                |               |               |                |                  |
|---------------------------|---------------|----------------|----------------|---------------|---------------|----------------|------------------|
| <b>31st December 2021</b> | <b>17,186</b> | <b>119,719</b> | <b>869,896</b> | <b>12,923</b> | <b>10,450</b> | <b>221,201</b> | <b>1,251,374</b> |
|---------------------------|---------------|----------------|----------------|---------------|---------------|----------------|------------------|

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                        | COMPANY             |                          |                                        |              |                |                                                                    |                 |
|--------------------------------------------------------|---------------------|--------------------------|----------------------------------------|--------------|----------------|--------------------------------------------------------------------|-----------------|
|                                                        | Quarries/Land-Plots | Buildings and Facilities | Technological and mechanical equipment | Vehicles     | Other          | Assets under construction and prepayments for acquisition of fixed | Total           |
| <b><u>Acquisition Value</u></b>                        |                     |                          |                                        |              |                |                                                                    |                 |
| <b>1st January 2022</b>                                | <b>3,083</b>        | <b>13,373</b>            | <b>10</b>                              | <b>2,215</b> | <b>2,358</b>   | <b>0</b>                                                           | <b>21,039</b>   |
| Additions                                              | 0                   | 223                      | 26                                     | 693          | 833            | 24                                                                 | <b>1,799</b>    |
| Sales                                                  | 0                   | 0                        | 0                                      | (8)          | (132)          | 0                                                                  | <b>(140)</b>    |
| <b>31st December 2022</b>                              | <b>3,083</b>        | <b>13,596</b>            | <b>36</b>                              | <b>2,900</b> | <b>3,059</b>   | <b>24</b>                                                          | <b>22,698</b>   |
| <b><u>Accumulated depreciation and impairments</u></b> |                     |                          |                                        |              |                |                                                                    |                 |
| <b>1st January 2022</b>                                | <b>0</b>            | <b>(7,258)</b>           | <b>(7)</b>                             | <b>(267)</b> | <b>(1,717)</b> | <b>0</b>                                                           | <b>(9,249)</b>  |
| Depreciation                                           | 0                   | (413)                    | (7)                                    | (235)        | (357)          | 0                                                                  | <b>(1,012)</b>  |
| <b>31st December 2022</b>                              | <b>0</b>            | <b>(7,671)</b>           | <b>(14)</b>                            | <b>(502)</b> | <b>(2,074)</b> | <b>0</b>                                                           | <b>(10,261)</b> |
| <b><u>Net book value</u></b>                           |                     |                          |                                        |              |                |                                                                    |                 |
| <b>31st December 2022</b>                              | <b>3,083</b>        | <b>5,926</b>             | <b>22</b>                              | <b>2,397</b> | <b>985</b>     | <b>24</b>                                                          | <b>12,437</b>   |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                            | COMPANY                 |                             |                                              |              |                |                                                                                      |                |
|------------------------------------------------------------|-------------------------|-----------------------------|----------------------------------------------|--------------|----------------|--------------------------------------------------------------------------------------|----------------|
|                                                            | Quarries/Land-<br>Plots | Buildings and<br>Facilities | Technological<br>and mechanical<br>equipment | Vehicles     | Other          | Assets under<br>construction and<br>prepayments for<br>acquisition of fixed<br>asset | Total          |
| <b><u>Acquisition Value</u></b>                            |                         |                             |                                              |              |                |                                                                                      |                |
| <b>1st January 2021</b>                                    | <b>2,113</b>            | <b>12,821</b>               | <b>126</b>                                   | <b>365</b>   | <b>1,705</b>   | <b>0</b>                                                                             | <b>17,130</b>  |
| Additions                                                  | 970                     | 552                         | 2                                            | 1,850        | 653            | 0                                                                                    | <b>4,027</b>   |
| Write offs                                                 | 0                       | 0                           | (118)                                        | 0            | 0              | 0                                                                                    | <b>(118)</b>   |
| <b>31st December 2021</b>                                  | <b>3,083</b>            | <b>13,373</b>               | <b>10</b>                                    | <b>2,215</b> | <b>2,358</b>   | <b>0</b>                                                                             | <b>21,039</b>  |
| <b><u>Accumulated depreciation and<br/>impairments</u></b> |                         |                             |                                              |              |                |                                                                                      |                |
| <b>1st January 2021</b>                                    | <b>0</b>                | <b>(6,868)</b>              | <b>(125)</b>                                 | <b>(132)</b> | <b>(1,666)</b> | <b>0</b>                                                                             | <b>(8,791)</b> |
| Depreciation                                               | 0                       | (390)                       | 0                                            | (135)        | (51)           | 0                                                                                    | <b>(576)</b>   |
| Write offs                                                 | 0                       | 0                           | 118                                          | 0            | 0              | 0                                                                                    | <b>118</b>     |
| <b>31st December 2021</b>                                  | <b>0</b>                | <b>(7,258)</b>              | <b>(7)</b>                                   | <b>(267)</b> | <b>(1,717)</b> | <b>0</b>                                                                             | <b>(9,249)</b> |
| <b><u>Net book value</u></b>                               |                         |                             |                                              |              |                |                                                                                      |                |
| <b>31st December 2021</b>                                  | <b>3,083</b>            | <b>6,116</b>                | <b>3</b>                                     | <b>1,947</b> | <b>641</b>     | <b>0</b>                                                                             | <b>11,790</b>  |

The additions for the year 2022 of the Group totaling 233,763 mainly relate to investments of the sub-group TERNA ENERGY, amounting to 220,122. Specifically, these investments include additions amounting to 9,435 in Technological and Mechanical equipment related to construction of wind farms in Greek subsidiaries, as well as investments under construction and advances for the acquisition of fixed assets amounting to 210,687 related to the construction of wind farms in Greece.

The amount of construction period interest capitalized by the Group in financial years 2022 and 2021 as part of the cost of qualifying assets amounts to 7,325 and 715 respectively. These amounts were calculated with an average capitalization rate, which amounts to 4.3% for the year 2022.

The line "Addition due to acquisition of entity" of a net book value of 11,435 mainly concerns the additions from the acquisition of control in the company HERON ENERGY S.M.S.A. (see detailed Note 7.1).

For the calculation of depreciation, the Group examines in each reporting period the economic life and the residual value of the tangible assets based on the respective technological, regulatory and financial developments, as well as the evidence from their exploitation. In this context, in the financial year 2022 the subsidiary company HERON II THERMOELECTRIC STATION VIOTIA SA, the Group decided to reduce the economic life of the open-type thermal power plant, from 25 to 20 years, based on new estimates that emerged during the evaluation of the general conditions that have developed in the operation and technological development of the particular infrastructure. The change in useful life led to an increase in depreciation of 3,038 which was recorded in Cost of sales and resulted in an equal charge to the income statement.

On 31.12.2022, the Management estimates that the economic lives of the other depreciable assets represent their expected value in use.

The depreciation of the Group for the year 2022 has been recorded in the Cost of Sales by 70,885 (31.12.2021:54,532), in the Administration and Distribution Expenses by 3,032 (31.12.2021:4,213), in the Research and Development Expenses 161 (31.12.2021:124) and in Other Income / (Expenses) by 722 (31.12.2021:609) as well as in Inventories by 194 (31.12.2021:213).

The depreciation charge of the Company is depicted in the Statement of total comprehensive income in the Cost of sales by 985 (31.12.2021:423) and in the Administration and Distribution Expenses by 27 (31.12.2021:153).

The negative value remaining from transfers between tangible assets concerns transfers of 2,440 to the Intangible assets.

The account "Technological and mechanical equipment" includes Wind Farm wind generators of the RES Segment, totaling 657,982. For their new project financing needs, a notional lien has been created on the movable equipment, as well as liens (usually a mortgage note) on privately owned property to secure the lenders.

The categories "Land-plots", "Buildings and installations" and "Technological and mechanical equipment", include fixed assets of a net book value of 68,093 in 2022 (2021: 72.228), respectively, which concern Installations of Distribution Networks constructed by TERNA ENERGY and as stipulated by contracts with D.E.D.D.I.E., are transferred to D.E.D.D.I.E., at no cost, during the initial operation of each Wind Farm. However, ever after their transfer, such installations continue to serve the purpose,

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

for which they had been constructed, namely the sale of the produced electric energy to D.E.D.D.I.E. and D.A.P.E.E.P., remaining at the exclusive use of the Company, and thus the net book value after the transfer date will continue to be depreciated, as previously, until the end of the 25-year period of depreciation of Wind Farms.

**11 INVESTMENT PROPERTY**

The Group's and the Company's investment property for years 2022 and 2021, is analyzed as follows:

|                              | GROUP         |               | COMPANY      |              |
|------------------------------|---------------|---------------|--------------|--------------|
|                              | 2022          | 2021          | 2022         | 2021         |
| <b>Balance 1st January</b>   | <b>34,699</b> | <b>36,043</b> | <b>7,653</b> | <b>8,347</b> |
| Additions                    | 27,476        | 247           | 2            | 247          |
| Fair value adjustments       | (378)         | (52)          | (10)         | (8)          |
| Sales                        | (1,277)       | (1,801)       | (1,030)      | (933)        |
| Transfers                    | 324           | 264           | 0            | 0            |
| Foreign exchange differences | 1             | (2)           | 0            | 0            |
| <b>Balance 31st December</b> | <b>60,845</b> | <b>34,699</b> | <b>6,615</b> | <b>7,653</b> |

Investment property is measured at fair value according to IAS 40. Measurement at fair value has been determined taking into account the Company's ability to achieve its maximum and best use by assessing the use of each item that is legally permissible and economically feasible. The Group made a revaluation of the fair value of its property portfolio in 2022 assigning its valuation projects to independent property appraisers. Revaluation of fair value of investment property resulted into a total loss of 378 (2021:total loss 52) (see Note 38).

The following table presents data regarding the key assumptions taken into consideration for the valuation of the investment property on 31.12.2022:

| Property                                    | Fair Value<br>31.12.2022 | Method                                  | Market value                                                       | Interest<br>rate | Inflation | Return | Cost of<br>development |
|---------------------------------------------|--------------------------|-----------------------------------------|--------------------------------------------------------------------|------------------|-----------|--------|------------------------|
| Port of<br>Thessaloniki -<br>Parking spaces | 900                      | Real estate<br>market                   | 7,200.00 per<br>parking lot                                        | -                | -         | -      | -                      |
| Metaxourgeio-<br>Apartments<br>and Stores   | 122                      | Real estate<br>market for<br>apartments | Prices are based on<br>offers as the whole<br>property is for sale | -                | -         | -      | -                      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Property                                                              | Fair Value<br>31.12.2022 | Method                                                                                 | Market value                                                                                                    | Interest<br>rate  | Inflation | Return          | Cost of<br>development              |
|-----------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------|-----------|-----------------|-------------------------------------|
| Palaia Volos -<br>Mall                                                | 4,280                    | Capitalization of<br>revenues with<br>cash flow<br>discounting and<br>replacement cost | 500-750 euro per<br>sqm                                                                                         | 12,25%-<br>12,50% | -         | 9,0% -<br>10,0% | -                                   |
| Oropos –Site<br>plot                                                  | 184                      | Real estate<br>market                                                                  | 15.00 euro per sqm                                                                                              | -                 | -         | -               | -                                   |
| Ipiros street<br>(Athens)-<br>transfer right<br>of building<br>factor | 140                      | Real estate<br>market                                                                  | 44 euro per sqm                                                                                                 | -                 | -         | -               | -                                   |
| Site plot, Agios<br>Stefanos,<br>Attica                               | 989                      | Real estate<br>market                                                                  | Sale 300-800 euro<br>per sqm                                                                                    | -                 | -         | -               | -                                   |
| Monastiriou<br>street,<br>(Thessaloniki) –<br>Site plot               | 7,954                    | Exploitation/Real<br>estate market                                                     | 260-700 euro per<br>sqm                                                                                         | 4.88%             | -         | 7,5%-8,5%       | 4,75-10,75<br>euro per<br>sqm/month |
| Lakeside<br>(Ioannina)-<br>Mall                                       | 5,660                    | Capitalization,<br>replacement cost                                                    | 2 - 10 euro per sqm<br>300 - 550 euro per<br>sqm for the<br>building and 50-200<br>euro per sqm for<br>the land | 11,40%-<br>12,40% | 1.90%     | 9,5% -<br>10,5% | -                                   |
| Kos - Land                                                            | 905                      | Real estate<br>market                                                                  | 33.0 euro per sqm                                                                                               | -                 | -         | -               | -                                   |
| Building and<br>Plot position of<br>Lezides Aliveri<br>Evoia          | 1,100                    | Income based on<br>Direct<br>Capitalization                                            | Building<br>122.00/sq.m. , plot<br>5.68 euros/sq.m.,<br>building rent 1.6<br>euros. /sq.m.                      | 12.00%            | -         | 12.00%          | -                                   |
| Plot in<br>Posidonia<br>position,<br>Laurio, Attica                   | 13                       | Real estate<br>market                                                                  | 1.87 euro per sqm                                                                                               | -                 | -         | -               | -                                   |
| Madoudi,<br>(Evoia) – Plots                                           | 624                      | Real estate<br>market                                                                  | 5.50 euro per sqm                                                                                               | -                 | -         | -               | -                                   |
| Argolida plots                                                        | 27,474                   | Real estate<br>market                                                                  | 161 euro per sqm                                                                                                | -                 | -         | -               | -                                   |
| Bulgaria-Plots<br>for Logistics                                       | 677                      | Real estate<br>market                                                                  | 15,44 euro per sqm                                                                                              | -                 | -         | -               | -                                   |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Property                                              | Fair Value<br>31.12.2022 | Method                                 | Market value                                 | Interest<br>rate | Inflation | Return | Cost of<br>development |
|-------------------------------------------------------|--------------------------|----------------------------------------|----------------------------------------------|------------------|-----------|--------|------------------------|
| Bulgaria-Plots<br>(Batac)                             | 590                      | Real estate<br>market<br>/Exploitation | 16-20 euro per<br>sqm, 35.94 euro<br>per sqm | -                | -         | -      | -                      |
| Bulgaria-Plots<br>for<br>Logistics/Bulga<br>ria-Plots | 248                      | Real estate<br>market<br>/Exploitation | 19-20 euro per sqm                           | -                | -         | -      | -                      |
| Bulgaria-Plots                                        | 5,421                    | Real estate<br>market                  | 34.85 euro per sqm                           | -                | -         | -      | -                      |
| Bulgaria-Sofia<br>-Plot                               | 263                      | Real estate<br>market                  | 31.53 euro per sqm                           | -                | -         | -      | -                      |
| Bulgaria-Sofia<br>-Plot                               | 534                      | Real estate<br>market /                | 2,158 euro per sqm                           | -                | -         | -      | -                      |
| Romania-Plot                                          | 457                      | Real estate<br>market                  | 7 euro per sqm                               | -                | -         | -      | -                      |
| Romania-Plot                                          | 2,310                    | Real estate                            | 404 euro per sqm                             | -                | -         | -      | -                      |
|                                                       | <b>60,845</b>            |                                        |                                              |                  |           |        |                        |

The relevant data regarding the key assumptions taken into consideration for the valuation of the investment property 31.12.2021, are as follows:

| Property                                                          | Fair Value<br>31.12.2021 | Method                                                                                 | Market value                                                       | Interest rate | Inflation | Return         | Cost of<br>development |
|-------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------|-----------|----------------|------------------------|
| Port of Thessaloniki -<br>Parking spaces                          | 900                      | Capitalization of<br>revenues with cash<br>flow discounting<br>and replacement<br>cost | 60 euro per sqm per<br>month                                       | -             | -         | 10%            | -                      |
| Metaxourgeio-<br>Apartments and<br>Stores                         | 1,152                    | Real estate market<br>for apartments                                                   | Prices are based on<br>offers as the whole<br>property is for sale | -             | -         | -              | -                      |
| Palaia Volos -Mall                                                | 4,220                    | Capitalization of<br>revenues with cash<br>flow discounting<br>and replacement<br>cost | 850-1,100 euro per<br>sqm                                          | 8,4%-11,06%   | -         | 8,5% -<br>9,5% | -                      |
| Oropos -Site plot                                                 | 252                      | Real estate market                                                                     | 20.50 euro per sqm                                                 | -             | -         | -              | -                      |
| Ipiros street<br>(Athens)-transfer<br>right of building<br>factor | 140                      | Real estate market                                                                     | 44 euro per sqm                                                    | -             | -         | -              | -                      |
| Site plot, Agios<br>Stefanos, Attica                              | 989                      | Real estate market                                                                     | Sale 350 euro per<br>sqm                                           | -             | -         | -              | -                      |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Property                                                   | Fair Value<br>31.12.2021 | Method                                                                                     | Market value                                                                                             | Interest rate    | Inflation  | Return          | Cost of<br>development          |
|------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------|------------|-----------------|---------------------------------|
| Monastiriou street,<br>(Thessaloniki) – Site<br>plot       | 7,765                    | Exploitation                                                                               | 550-1,150 euro per<br>sqm                                                                                | 3.95%            | -          | 7,5%-<br>8,0%   | 5-12 euro per<br>sqm, per month |
| Lakeside (Ioannina)-<br>Mall                               | 5,660                    | Capitalization,<br>replacement cost,<br>with weight factors<br>80% and 20%<br>respectively | 2 - 10 euro per sqm<br>310 - 776 euro per<br>sqm for the building<br>and 75 euro per sqm<br>for the land | 9,40%-<br>12,06% | -1,1%-1,6% | 9,5% -<br>10,5% | -                               |
| Kos - Land                                                 | 824                      | Real estate market                                                                         | 28 euro per sqm                                                                                          | -                | -          | -               | -                               |
| Building and Plot<br>position of Lezides<br>Aliveri Evoia  | 1,087                    | Real estate market<br>and capitalization<br>of revenues                                    | Building 1.50-4<br>euro/sqm, land 6-<br>10.5 euro/sqm, lease<br>of building 1.66<br>euro/sqm             | 12.25            | -          | 12.25%          | -                               |
| Plot in Posidonia<br>position, Laurio,<br>Attica           | 13                       | Real estate market                                                                         | 1.87 euro per sqm                                                                                        | -                | -          | -               | -                               |
| Madoudi, (Evoia) –<br>Plots                                | 624                      | Real estate market                                                                         | 5.50 euro per sqm                                                                                        | -                | -          | -               | -                               |
| Bulgaria-Plots for<br>Logistics                            | 677                      | Real estate market                                                                         | 15,44 euro per sqm                                                                                       | -                | -          | -               | -                               |
| Bulgaria-Plots (Batac)                                     | 590                      | Real estate market<br>/Exploitation                                                        | 16-20 euro per sqm,<br>35.94 euro per sqm                                                                | -                | -          | -               | -                               |
| Bulgaria-Plots for<br>Logistics/Bulgaria-<br>Plots (Batac) | 248                      | Real estate market<br>/Exploitation                                                        | 19-20 euro per sqm.                                                                                      | -                | -          | -               | -                               |
| Bulgaria-Plots                                             | 5,421                    | Real estate market<br>/Exploitation                                                        | 34.85 euro per sqm                                                                                       | -                | -          | -               | -                               |
| Bulgaria-Sofia –Plot                                       | 263                      | Real estate market                                                                         | 31,53 euro per sqm                                                                                       | -                | -          | -               | -                               |
| Bulgaria-Sofia –Plot                                       | 534                      | Real estate market<br>/                                                                    | 2,158 euro per sqm                                                                                       | -                | -          | -               | -                               |
| Romania-Plot                                               | 1,030                    | Real estate market                                                                         | 13 euro per sqm                                                                                          | -                | -          | -               | -                               |
| Romania-Plot                                               | 2,310                    | Real estate market                                                                         | 404 euro per sqm                                                                                         | -                | -          | -               | -                               |
|                                                            | <b>34,699</b>            |                                                                                            |                                                                                                          |                  |            |                 |                                 |

The Group recognized rental income from investment properties by 482 and 446 in the financial years 2022 and 2021 respectively.

Generally, a change in the assumptions about the estimated rental value of investment properties is accompanied by a similar commensurate change in the annual increase of the rent and in the discount rate, and by an opposite change in the long-term lease availability rate.

## 12 PARTICIPATIONS IN SUBSIDIARIES

### 12.1 Analysis of changes of investments in subsidiaries for the year 2022

The subsidiaries of the Company are presented in details in Note 5.

The change in the book value of investments in subsidiaries in the Company's financial statements is as follows:

|                                                     | COMPANY        |                |
|-----------------------------------------------------|----------------|----------------|
|                                                     | 2022           | 2021           |
| <b>Balance 1st January</b>                          | <b>285,628</b> | <b>282,767</b> |
| Additions                                           | 121,916        | 6,540          |
| Sales / Write Off                                   | (20,000)       | 0              |
| Capital return                                      | (3,744)        | (3,063)        |
| Impairment loss                                     | (11,510)       | (889)          |
| Transfer from/(to) participations in joint ventures | 1,208          | 0              |
| Other movements                                     | 325            | 272            |
| <b>Balance 31st December</b>                        | <b>373,823</b> | <b>285,628</b> |

The additions of the item within the year 2022 are analyzed in:

- amount of 28,727 (contingent consideration of 27,992 plus transaction costs) for the acquisition of control in the company HERON ENERGY S.M.S.A. (See Detailed Note 7.1)
- an amount of 93,190 for share capital increases in the subsidiaries VIPA THESSALONIKI S.A., GEK TERNA CONCESSIONS S.M.S.A., ARGOLIKI RIVIERA S.M.S.A., MGGR L.L.C., KASSIOPI REAL ESTATE S.M.S.A., FIER THERMOELECTRIC S.H.A. .

Within the fiscal year 2022 the parent company collected in the form of a return of capital an amount of 3,744 from the subsidiary companies GEK TERNA MOTORWAYS S.A., STROTIRE S.A., CHIRON CONCESSIONS S.A. and KIFISIA PLATANOU SQ. CAR PARK S.A.

On 01.12.2022, the Group's management implemented the following stages of the Corporate Transformation, the transfer of 100% of the shares of GEK TERNA KASTELI S.A. worth 20,000 held by the Company, to the subsidiary company of the Group, GEK TERNA CONCESSIONS SA. The above actions were taken as result of specific commitments regarding the continuation of the corporate transformation that were undertaken with relevant references to the Prospectuses issued by the Company, in context of the issuance of its corporate Bonds. According to the existing decisions of the competent bodies, the Management of the Group intends to aggregate in GEK TERNA CONCESSIONS SA all the activities related to Concessions, PPPs and private initiative investments, in order to attain the following in the particular operating segment: (a ) optimization of the operational performance (b) efficient investment decisions, and (c) optimization of the control and supervision of the financing capacity of the company.

Impairment losses recognized during the year amounted to 11,510 and are further analyzed in Note 12.3 below.

**12.2 Assessment of control under IFRS 10**

- As at 31.12.2022, the Group holds 37.51% (31.12.2021: 37.37%) in the issued share capital of TERNA ENERGY SA. According to the requirements of IFRS 10, the parent company has power over TERNA ENERGY as it has the ability to direct the respective activities through appointing the members of the Board of Directors. The parent company also holds rights with variable returns from its participation in the subsidiary. GEK TERNA holds the largest share among the shareholders. The remaining percentage of shares not owned by the Company and/or its affiliated parties is highly dispersed and therefore cannot materially influence decision-making.

Furthermore, the parent company can use the power over the subsidiary to influence the amount of its returns. This is the result of the decision-making on subsidiary's matters through the control of the decision-making bodies.

- The company TERNA QATAR LLC, in the share capital of which the Group participates by 35% (through the wholly owned subsidiary TERNA), is consolidated as a subsidiary, as a control is documented in accordance with the requirements of IFRS 10 "Consolidated Financial Statements". More specifically, due to contract, the Group has the control over the management and operation of the company.

Within the current reporting period, no changes were made in the estimates versus 31.12.2021.

**12.3 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. In addition, the Company, in the case of participations that have already been impaired and when there is evidence of reversal, compares the book value with their recoverable amount and evaluates the possibility of reversing part or all of the impairment recognized in prior periods.

**Assumptions used to determine the value in use**

- a. For subsidiaries that are a separate and distinct Cash Flow Generating Unit (CFGU), the determination of recoverable amount was based on value in use. The value in use was calculated using the discounted cash flow method, i.e. cash flow projections based on Management's budgets and forecasts. The determination is made through the present value of the estimated future cash flows, as expected to be produced by each CFGU (discounted cash flow method). The specific method for determining the value in use is affected by (is sensitive to) the following basic assumptions, as these were adopted by the Management to determine the future cash flows: a) Preparation of business plans per CFGU: The calculations to determine the recoverable value of the CFGU were based on business plans approved by the Management, which are based on recently prepared budgets and estimates made by the Management from which budgeted operating profit and EBITDA margins are being extracted and applied, as well as future estimates using reasonable assumptions. b) Weighted average cost of capital (WACC): WACC reflects the discount rate of future cash flows of each CFGU, according to which the cost of equity and the cost of long-term borrowing are weighted, in order to calculate the

company's total cost of capital. The discount rate used for the purpose of determining the value in use for the impairment test of the subsidiary TERNA LEYKOLITHOI was 10.6%.

b. For the subsidiaries that are principally engaged in holding one or more investment properties, from which no income from leases arises (ex. Land plots), the recoverable amount was based on the fair value of the net assets, as determined by a study of independent valuers. Consequently, their impairment losses and/or reversals resulted in changes in the fair value of the investment property. In particular, the fair value of investment property is based solely on reports of independent valuers and is determined on a case-by-case basis, either individually or in combination, based on the method of depreciated replacement cost, the replacement cost method, the revenue capitalization method, the valuation method and the comparative data method. The assumptions used for fair value measurement are analytically recorded above, in Note 11.

### **Impairment test results**

Within the year ended 31.12.2022 there was an impairment of the value of the participations in subsidiaries totaling 11,150 (31.12.2021: 889).

This amount is included in the account "Profits / (Losses) from valuation of participations and securities" of the separate Income Statement (see Note 40) and is further analyzed in losses as follows: of TERNA LEFKOLITHI SA for amount 10,883 (31.12.2021: 0), ICON E.O.O.D. for amount 96 (31.12.2021: 181), VIPA THESALLONIKI SA for amount 394 (31.12.2021: 186), MONASTIRIOU TECHNICAL DEVELOPMENT S.M.S.A. for amount 80 (31.12.2021: 472), IOANNINON ENTERTAINMENT DEVELOPMENT S.A. for amount 57 (31.12.2021: 0).

Within the current year, the indications that led the Management to perform a test for any impairments of these subsidiaries were the recorded losses from the measurement at fair values of the investment properties of the subsidiaries of the real estate sector. With regard to the subsidiary company TERNA LEFKOLITHI, the Management within the financial year 2022 considered that there were indications of impairment on its assets and for this reason it carried out a relevant impairment test in accordance with the requirements of IAS 36 (the company as a whole is a separate and individual Cash Flow Generating Unit - CFGU). The main reason of indication for impairment is the rise in interest rates in the financial year and their projected upward trend, which implies an increase in the discount rate.

### **Sensitivity analysis of recoverable amounts**

The Management is not currently aware of any other events or conditions that would reasonably and likely cause a change in any of the key assumptions on which the determination of the recoverable amount of CFGU was based. Despite the above, on 31.12.2022, the Company analyzed the sensitivity of the recoverable amounts per CFGU in relation to a change in some of the basic assumptions presented previously. For example, a change of (i) 0.25 percentage point in the Weighted Average Cost of Capital (WACC), (ii) 25 percentage in the EBITDA margin to perpetuity, or (iii) 0.25 percentage point in the growth rate in perpetuity may affect the valuation by an amount of impairment for the Company between 0.6 million euros to a maximum of 5.6 million euros.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***12.4 Subsidiaries with significant percentage of non-controlling interest**

The data and the accounts of the financial statements of the significant subsidiary, in which there are minority interests concern TERNA ENERGY S.A., in which as at 31.12.2022 GEK TERNA holds participating interest of 37.51% (31.12.2021: 37.37 %). The scope of this subsidiary's operations is production of electricity from wind, hydroelectric power and other renewable sources and construction services.

The financial data of the consolidated sub-group TERNA ENERGY, in which the minority interest hold significant percentage are as follows:

|                                                                | <b>31.12.2022</b> | <b>31.12.2021</b> |
|----------------------------------------------------------------|-------------------|-------------------|
| Percentage of non-controlling interests                        | 62.49%            | 62.63%            |
| Capital return and dividends paid to non-controlling interests | 26,799            | 25,908            |
| <b><u>Statement of Financial Position</u></b>                  |                   |                   |
| Non-current assets                                             | 1,386,804         | 1,140,496         |
| Current assets                                                 | 648,612           | 629,422           |
| (Long-term liabilities)                                        | (1,236,443)       | (1,036,407)       |
| (Short-term liabilities)                                       | (307,797)         | (301,868)         |
| <b>Net fixed assets</b>                                        | <b>491,176</b>    | <b>431,643</b>    |
| <b>Total equity attributable in non-controlling interests</b>  | <b>(310,700)</b>  | <b>(274,359)</b>  |
| <b>Total equity attributable to the owners of the parent</b>   | <b>180,476</b>    | <b>157,284</b>    |
| <b><u>Statement of Comprehensive Income</u></b>                |                   |                   |
| Turnover                                                       | 298,045           | 405,406           |
| Shareholders of the parent from continuing operations          | 7,040             | (8,297)           |
| Non-controlling interests from continuing operations           | 14,604            | (12,820)          |
| <b>Net Earnings</b>                                            | <b>21,644</b>     | <b>(21,117)</b>   |
| Shareholders of the parent from continuing operations          | 12,863            | (8,238)           |
| Non-controlling interests from continuing operations           | 24,318            | (12,713)          |
| <b>TOTAL COMPREHENSIVE INCOME</b>                              | <b>37,181</b>     | <b>(20,951)</b>   |
| <b><u>Statement of Cash Flows</u></b>                          |                   |                   |
| Net cash flows from operating activities                       | 108,005           | 120,484           |
| Net cash flows from investing activities                       | (155,413)         | (160,984)         |
| Net cash (outflows) /inflows from financing activities         | 40,571            | 145,203           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>    | <b>(6,837)</b>    | <b>104,703</b>    |
| Opening cash and cash equivalents                              | 397,409           | 290,907           |
| Effect of exchange rate changes on cash and cash equivalents   | 1,324             | 1,799             |
| <b>Closing cash and cash equivalents</b>                       | <b>391,896</b>    | <b>397,409</b>    |

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

The above financial data of the subsidiary are prior to consolidation entries of the broader Group and concern amounts from continuing and discontinued operations.

### 13 PARTICIPATIONS 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 on the basis of 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        |              |
|----------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                              | 31.12.2022   | 31.12.2021   |
| Profit/(loss) after tax from continuing operations                                           | 3,878        | (306)        |
| Other comprehensive income                                                                   | (5)          | 19           |
| <b>Total comprehensive income</b>                                                            | <b>3,873</b> | <b>(288)</b> |
| <b>Total participating interest of the Group in the carrying amount of theses associates</b> | <b>4,711</b> | <b>838</b>   |

Change in investments in associates in 2022 and 2021 is as follows:

|                                                                 | GROUP        |              | COMPANY      |              |
|-----------------------------------------------------------------|--------------|--------------|--------------|--------------|
|                                                                 | 2022         | 2021         | 2022         | 2021         |
| <b>Balance 1st January</b>                                      | <b>838</b>   | <b>1,126</b> | <b>4,800</b> | <b>4,800</b> |
| Results from the application of the equity consolidation method | 3,873        | (288)        | 0            | 0            |
| <b>Balance 31st December</b>                                    | <b>4,711</b> | <b>838</b>   | <b>4,800</b> | <b>4,800</b> |

Investments in associates mainly include the investment in KEKROPS SA, a listed company on the Athens Exchange, Greece, with a book value recorded at 4,658 in the Group and 4,800 in the Company. The market capitalization of KEKROPS SA on 31.12.2022 according to the percentage held by the Group amounted to 7,051 (31.12.2021: 13,730).

### 14 INVESTMENTS IN JOINT ARRANGEMENTS

#### 14.1 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 to the Financial Statements.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Changes in investments in joint ventures in 2022 and 2021 are presented below as follows:

|                                                                                    | GROUP          |               | COMPANY       |              |
|------------------------------------------------------------------------------------|----------------|---------------|---------------|--------------|
|                                                                                    | 2022           | 2021          | 2022          | 2021         |
| <b>Balance 1st January</b>                                                         | <b>67,318</b>  | <b>90,131</b> | <b>5,119</b>  | <b>4,896</b> |
| Additions                                                                          | 107,668        | 442           | 14,648        | 263          |
| Capital return                                                                     | (60)           | (102)         | 0             | (40)         |
| Total Comprehensive Income from the application of the equity consolidation method | (1,118)        | (7,911)       | 0             | 0            |
| Transfer from/(to) investments in subsidiaries (Note 7.1)                          | (14,242)       | (15,243)      | (1,208)       | 0            |
| <b>Balance 31st December</b>                                                       | <b>159,566</b> | <b>67,318</b> | <b>18,559</b> | <b>5,119</b> |

The additions for the Group are broken down as follows: amount 60,780 as the Group's share in the share capital increase of the consortium INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A., in implementation of the binding investment obligations as arising from the relevant Concession Agreement, amount 30,000 for the acquisition of a 50% stake in the consortium NK GEK TERNA LTD (of which an amount of 22,000), a total amount of 16,010 for participation in the share capital increases of EKAZ HELLINIKOU S.A. and MGE HELLINIKON B.V. and an amount of 875 for participation in the establishment of SARISA YPO-PARACHORISI S.A. S.A. For the Company, the additions relate to the participation in the share capital increases of EKAZ HELLINIKOU S.A. and MGE HELLINIKON B.V. amounting to 13,770 and to the participation in the establishment of SARISA YPO-PARACHORISI S.A. S.A. amounting to 875.

The change in the account "Total Comprehensive Income from the application of the equity consolidation method " is mainly due to the recognition of 50% of the total losses of the company HERON ENERGY SA, ie (792) up until the acquisition date of 14.02.2022, the date on which the control was acquired (see detailed note 7.1), During the year 2021, the company was classified as joint venture and the resulting loss (12,306) was recorded for the entire year of 2021.

As of 31.12.2022, , the most significant joint ventures included in this account were THERMOELECTRIC KOMOTINIS S.A., INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. and EKAZ HELLINIKON S.A. (See note 5). The items by 100% of the financial statements of these joint ventures during the year 2022 were as follows:

|                           | THERMOELEKTRI<br>KI KOMOTINIS<br>S.A. | HERAKLION CRETE<br>INTERNATIONAL<br>AIRPORT SA<br>CONCESSION | IRC HELLINIKON SA |
|---------------------------|---------------------------------------|--------------------------------------------------------------|-------------------|
| <b>Participation</b>      | <b>50.00%</b>                         | <b>32.46%</b>                                                | <b>100.00%</b>    |
|                           | <b>31.12.2022</b>                     | <b>31.12.2022</b>                                            | <b>31.12.2022</b> |
| Non-current assets        | 195,736                               | 170,772                                                      | 364,319           |
| Cash and cash equivalents | 4,352                                 | 212,605                                                      | 178               |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

|                                                                                     | <b>THERMOELEKTRI<br/>KI KOMOTINIS<br/>S.A.</b> | <b>HERAKLION CRETE<br/>INTERNATIONAL<br/>AIRPORT SA<br/>CONCESSION</b> | <b>IRC HELLINIKON SA</b> |
|-------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------|--------------------------|
| <b>Participation</b>                                                                | <b>50.00%</b>                                  | <b>32.46%</b>                                                          | <b>100.00%</b>           |
|                                                                                     | <b>31.12.2022</b>                              | <b>31.12.2022</b>                                                      | <b>31.12.2022</b>        |
| Other current assets                                                                | 8,359                                          | 29,216                                                                 | 165                      |
| <b>Total assets</b>                                                                 | <b>208,447</b>                                 | <b>412,593</b>                                                         | <b>364,661</b>           |
| Long-term financial liabilities (less trade and other liabilities and provisions )  | 0                                              | 396                                                                    | 341,382                  |
| Other long-term liabilities                                                         | 0                                              | 235,879                                                                | 0                        |
| Short-term financial liabilities (less trade and other liabilities and provisions ) | 178,878                                        | 129                                                                    | 5,015                    |
| Other short-term liabilities                                                        | 29,622                                         | 1,937                                                                  | 2,808                    |
| <b>Total liabilities</b>                                                            | <b>208,500</b>                                 | <b>238,341</b>                                                         | <b>349,204</b>           |
| <b>Net assets</b>                                                                   | <b>(53)</b>                                    | <b>174,252</b>                                                         | <b>15,458</b>            |
| <b>Carrying amount of investments in financial statements</b>                       | <b>(26)</b>                                    | <b>104,482</b>                                                         | <b>7,298</b>             |
| Turnover                                                                            | 0                                              | 47,914                                                                 | 0                        |
| (Depreciation / Amort.)                                                             | (17)                                           | (158)                                                                  | (14)                     |
| (Financial expenses)                                                                | (58)                                           | (22)                                                                   | (1)                      |
| Financial income                                                                    | 0                                              | 21                                                                     | 0                        |
| Tax expenses                                                                        | 0                                              | (186)                                                                  | 0                        |
| <b>Results from continuing operations</b>                                           | <b>(128)</b>                                   | <b>375</b>                                                             | <b>(452)</b>             |
| Other comprehensive income                                                          | 0                                              | 3                                                                      | (90)                     |
| <b>Total Results</b>                                                                | <b>(128)</b>                                   | <b>378</b>                                                             | <b>(542)</b>             |
| Share in the results of the Group                                                   | (64)                                           | 122                                                                    | (452)                    |
| Share in the other comprehensive results of the Group                               | 0                                              | 1                                                                      | (90)                     |
| <b>Share in the total comprehensive results of the Group</b>                        | <b>(64)</b>                                    | <b>123</b>                                                             | <b>(542)</b>             |

**INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.:**

It is noted that after the starting date of the concession and in accordance with the provisions of the concession agreement, the participation percentages in the share capital were formed as following: GEK TERNA KASTELI SA 32.46%, GMR AIRPORTS LIMITED 21.64%, and Greek State 45.9%. The above equity stakes are in effect from 06.02.2020. However, according to the Concession Agreement, GEK TERNA KASTELI SA and GMR AIRPORTS LIMITED have undertaken the obligation to fully cover the amount of the Share Capital increase on a pro rata basis in line with their previous participation rates, i.e. percentages of 60% and 40% respectively. It is noted that on 20.01.2022 the first phase of the



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

corporate transformation was completed, i.e. the transfer to GEK TERNA KASTELI SA of the interests previously held by subsidiary TERNA SA in the company under the name INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION SA and the subordinated debt securities that were issued by the above company and had been undertaken by the subsidiary TERNA SA.

The respective data and items of the financial statements of these significant joint ventures during the year 2021 are as follows:

|                                                                                          | <b>THERMOELEKTRIKI<br/>KOMOTINIS S.A.</b> | <b>HERAKLION CRETE<br/>INTERNATIONAL<br/>AIRPORT SA<br/>CONCESSION</b> | <b>HERON ENERGY S.M.S.A.</b> |
|------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------|------------------------------|
| <b>Interest</b>                                                                          | <b>50.00%</b>                             | <b>32.46%</b>                                                          | <b>50.00%</b>                |
|                                                                                          | <b>31.12.2021</b>                         | <b>31.12.2021</b>                                                      | <b>31.12.2021</b>            |
| Non-current assets                                                                       | 78,451                                    | 135,808                                                                | 39,053                       |
| Cash and cash equivalents                                                                | 14,524                                    | 115,450                                                                | 49,707                       |
| Other current assets                                                                     | 5,786                                     | 29,568                                                                 | 366,086                      |
| <b>Total assets</b>                                                                      | <b>98,760</b>                             | <b>280,826</b>                                                         | <b>454,845</b>               |
| Long-term financial liabilities (apart from trade and other liabilities and provisions)  | 1                                         | 543                                                                    | 30,244                       |
| Other long-term liabilities                                                              | 0                                         | 204,878                                                                | 1,323                        |
| Short-term financial liabilities (apart from trade and other liabilities and provisions) | 73,146                                    | 129                                                                    | 12,212                       |
| Other short-term liabilities                                                             | 25,537                                    | 2,701                                                                  | 378,683                      |
| <b>Total liabilities</b>                                                                 | <b>98,685</b>                             | <b>208,251</b>                                                         | <b>422,462</b>               |
| <b>Net fixed assets</b>                                                                  | <b>75</b>                                 | <b>72,575</b>                                                          | <b>32,383</b>                |
| <b>Proportion in the net fixed assets</b>                                                | <b>38</b>                                 | <b>43,579</b>                                                          | <b>16,192</b>                |
| Turnover                                                                                 | 0                                         | 35,041                                                                 | 1,047,854                    |
| (Depreciation / Amort.)                                                                  | (1)                                       | (151)                                                                  | (4,153)                      |
| (Financial expenses)                                                                     | (0)                                       | (22)                                                                   | (1,653)                      |
| Financial income                                                                         | 0                                         | 8                                                                      | 0                            |
| (Expense)/Income from income tax                                                         | 0                                         | (163)                                                                  | 6,214                        |
| <b>Results from continuing operations</b>                                                | <b>(4)</b>                                | <b>(1,253)</b>                                                         | <b>(21,987)</b>              |
| Other comprehensive income                                                               |                                           | 0                                                                      | (4)                          |
| <b>Total Results</b>                                                                     | <b>(4)</b>                                | <b>(1,253)</b>                                                         | <b>(21,991)</b>              |
| Share in the results of the Group                                                        | (2)                                       | 13                                                                     | (12,115)                     |
| Share in the other comprehensive results of the Group                                    |                                           | 0                                                                      | 79                           |
| <b>Share in the total comprehensive results of the Group</b>                             | <b>(2)</b>                                | <b>13</b>                                                              | <b>(12,036)</b>              |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Regarding HERON ENERGY S.M.S.A., see details in Note 7.1.

During years 2022 and 2021 no dividends were collected from the above joint ventures.

The major items of the Other Joint Ventures (with credit net equity), and the proportion in their equity, are as follows:

|                                                              | <b>31.12.2022</b>     | <b>31.12.2021</b>     |
|--------------------------------------------------------------|-----------------------|-----------------------|
| Non-current assets                                           | 156,318               | 108,832               |
| Current assets                                               | 5,130                 | 23,419                |
| Long-term liabilities                                        | (11,732)              | (14,286)              |
| Short-term liabilities                                       | (6,637)               | (106,045)             |
| <b>Net fixed assets</b>                                      | <b>143,079</b>        | <b>11,919</b>         |
| <b>Proportion in the net fixed assets</b>                    | <b>47,812</b>         | <b>7,547</b>          |
|                                                              |                       |                       |
|                                                              | <b>1.1-31.12.2022</b> | <b>1.1-31.12.2021</b> |
| Turnover                                                     | 8,167                 | 6,526                 |
| Results from continuing operations                           | 683                   | 259                   |
| Other comprehensive income                                   | 119,990               | 0                     |
| <b>Total results</b>                                         | <b>120,673</b>        | <b>259</b>            |
| Share in the results of the Group                            | (634)                 | 96                    |
| Share in the other comprehensive results of the Group        | 0                     | 0                     |
| <b>Share in the total comprehensive results of the Group</b> | <b>(634)</b>          | <b>96</b>             |

Other joint ventures include NKGEKTERNA L.T.D. in which the Group, through its wholly owned subsidiary GEK TERNA PARACHORISIS M.A.E., holds a 50% stake. The item in other comprehensive income relates to the valuation of NKGEKTERNA L.T.D.'s 40% stake in Euroasia Interconnector Holdings Ltd, which has been categorised as a financial asset at fair value through other comprehensive income and has been adjusted in order to make the accounting treatment of this stake consistent with the Group's accounting policy for investments in associates.

**14.2 Investments in joint operations – Proportional consolidation**

The companies, accounted for using the proportionate consolidation method in the Company's consolidated and separate financial statements are analytically presented in Note 5. These companies pertain in schemes with joint operation with the other shareholders and in essence they are mainly tax construction consortiums that do not constitute a separate entity under IFRS. Their assets and liabilities are consolidated, in accordance with the proportion of the participating interest, in the Group and Company financial statements.

The following amounts are included in the consolidated and separate Financial Statements for FYs 2022 and 2021 and represent the Group's share in assets and liabilities and profit after tax of the jointly controlled entities.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                              | GROUP           |                | COMPANY      |              |
|------------------------------|-----------------|----------------|--------------|--------------|
|                              | 31.12.2022      | 31.12.2021     | 31.12.2022   | 31.12.2021   |
| Non-current assets           | 9,732           | 6,180          | 74           | 115          |
| Other current assets         | 108,348         | 114,123        | 1,792        | 3,307        |
| <b>Total assets</b>          | <b>118,079</b>  | <b>120,303</b> | <b>1,866</b> | <b>3,422</b> |
| Long-term liabilities        | 8,151           | 5,307          | 18           | 35           |
| Other short-term liabilities | 128,356         | 109,385        | 307          | 742          |
| <b>Total liabilities</b>     | <b>136,507</b>  | <b>114,692</b> | <b>324</b>   | <b>776</b>   |
| <b>Equity</b>                | <b>(18,428)</b> | <b>5,611</b>   | <b>1,542</b> | <b>2,646</b> |
| <b>Turnover</b>              | 97,332          | 120,394        | 2,126        | 2,176        |
| Total income after tax       | (16,907)        | 5,237          | 963          | 1,105        |
| Profit after tax             | <b>(15,321)</b> | <b>6,494</b>   | <b>646</b>   | <b>1,369</b> |

**15 FINANCIAL ASSETS - CONCESSIONS**

The Group, through its sub-group TERNA ENERGY, constructs and operates the following concession agreements:

**A. Unified Automatic Fare Collection System:** On 29.12.2014, a partnership agreement (PPP) for study, financing, installation, maintenance and technical management of a Unified Automatic Fare Collection System was signed between OASA (Athens Transport) Group and the Company's subsidiary HST SA for the companies of OASA Group. The total duration of the agreement is 12 years and 6 months. The construction and installation were completed in 2017, while during the first half of 2017, the operation started, which is expected to last 10 years and 4 months. During the term of the project, the company is performing additional construction works on the toll collection system on the OASA line extensions.

**B. Urban Waste Treatment Plant of the Region of Epirus:** On 21.07.2017 a partnership agreement (PPP) was signed between the EPIRUS REGION and the subsidiary company AEIFORIKI EPIRUS MONOPROSOPI SPECIAL PURPOSE SOCIETE ANONYME, for the implementation of the project for the urban waste treatment plant of the Region of Epirus. The agreement 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 service period started.

**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 "Integrated Urban Waste Treatment Plant of the Peloponnese Region" for construction and operation of waste management plants comprising 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 Corinthia 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 of the waste management plants/units is 24 months, and from the 10th month after the contract enters into force, and until the completion of the construction of the above Units, a transitional waste management process will start on a single date for all Waste Management Units that will be constructed, in order to alleviate the major problem of waste management in the Peloponnese Region.

The partnership agreement entered into force on 29.01.2021 and was amended on 31.01.2022 in order to contractually provide for the possibility of starting waste management at the time of completion of the construction of each Transitional Management Unit and respectively IWMS Unit. Therefore, on 18.03.2022 a relevant certificate was issued by the Independent Auditor of the project with which the operation of the Transitional Management Unit of Arcadia and the Waste Transfer Station of Argolis began, while on 25.08.2022, following the issuance of a relevant certificate by the Independent Auditor, the Waste Transfer Station of Corinthia was put into operation, while the construction of the Transitional Management Units of Messinia and Laconia and further the construction of the IWMS Units is in progress. This project is implemented with the main aim of providing modern waste management services targeting at protecting the environment, ensuring public health, and providing multiple benefits to local communities as development cells of the circular economy.

#### Financial Contribution of Peloponnese Region

During the financial year 2022, the Peloponnese Region paid the amount of 18,195 within the framework of the Partnership Agreement. This amount has reduced the item "Financial Assets - Concessions" and is specifically included in the line of the following table "Decreases in financial item".

Analytical information on the accounting policy followed and the concession agreements mentioned above is presented in Note 4.16.

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         |
|-----------------------------------------------|------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|---------------|
| <b>Opening balance 01.01.2021</b>             | <b>22,179</b>                                  | <b>17,652</b>                                        | <b>7,121</b>                                              | <b>46,952</b> |
| (Decreases)/Increases in financial item       | (2,381)                                        | (1,773)                                              | 13,418                                                    | 9,264         |
| Reversal of discount                          | 3,631                                          | 1,254                                                | 266                                                       | 5,151         |
| Impairment/Reverse of impairment under IFRS 9 | (1)                                            | (4)                                                  | (9)                                                       | (14)          |
| <b>Closing balance as of 31.12.2021</b>       | <b>23,428</b>                                  | <b>17,129</b>                                        | <b>20,796</b>                                             | <b>61,353</b> |
| <b>Opening balance 01.01.2022</b>             | <b>23,428</b>                                  | <b>17,129</b>                                        | <b>20,796</b>                                             | <b>61,353</b> |
| (Decreases)/Increases in financial item       | (6,488)                                        | (1,713)                                              | 17,827                                                    | 9,626         |
| Reversal of discount (note 42)                | 3,549                                          | 1,301                                                | 3,089                                                     | 7,939         |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>Financial Assets - Concessions</b>                     | <b>Unified Automated System for Ticket Collection</b> | <b>Installation of civil waste processing Epirus Region</b> | <b>Installation of civil waste processing Peloponnese Region</b> | <b>Total</b>  |
|-----------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------|---------------|
| Impairment/Reverse of impairment under IFRS 9             | 1                                                     | (2)                                                         | 9                                                                | 8             |
| <b>Closing balance as of 31.12.2022</b>                   | <b>20,490</b>                                         | <b>16,715</b>                                               | <b>41,721</b>                                                    | <b>78,926</b> |
| <b>Financial Assets - Concessions Non Current Portion</b> | <b>16,799</b>                                         | <b>16,304</b>                                               | <b>37,770</b>                                                    | <b>70,873</b> |
| <b>Financial Assets - Concessions Current Portion</b>     | <b>3,692</b>                                          | <b>410</b>                                                  | <b>3,951</b>                                                     | <b>8,053</b>  |

**Analysis of revenues per category  
1.1-31.12.2021**

|                                   |               |              |               |               |
|-----------------------------------|---------------|--------------|---------------|---------------|
| Income from construction services | 4,592         | 0            | 25,915        | 30,507        |
| Income from operation services    | 9,898         | 4,320        | 0             | 14,218        |
| Reversal of discount (note 42)    | 3,631         | 1,254        | 266           | 5,151         |
| <b>Total</b>                      | <b>18,121</b> | <b>5,574</b> | <b>26,181</b> | <b>49,876</b> |

**Analysis of revenues per category  
1.1-31.12.2022**

|                                   |               |              |               |               |
|-----------------------------------|---------------|--------------|---------------|---------------|
| Income from construction services | 217           | 0            | 38,278        | 38,495        |
| Income from operation services    | 10,339        | 4,945        | 4307          | 19,591        |
| Reversal of discount (note 42)    | 3,549         | 1,301        | 3,089         | 7,939         |
| <b>Total</b>                      | <b>14,105</b> | <b>6,246</b> | <b>45,674</b> | <b>66,025</b> |

**16 OTHER LONG-TERM ASSETS**

The account "Other long-term receivables" on 31.12.2022 and 31.12.2021 in the accompanying financial statements is analyzed as follows:

|                                                     | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|-----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                     | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| <b>Other long-term financial receivables</b>        |                   |                   |                   |                   |
| Loans to joint ventures and other related companies | 9,476             | 41,299            | 162,158           | 310,292           |
| Receivables from financial leasing                  | 12,422            | 0                 | 0                 | 0                 |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                        | GROUP         |               | COMPANY        |                |
|--------------------------------------------------------|---------------|---------------|----------------|----------------|
|                                                        | 31.12.2022    | 31.12.2021    | 31.12.2022     | 31.12.2021     |
| <b>Other long-term financial receivables</b>           |               |               |                |                |
| Given guarantees                                       | 8,920         | 3,168         | 20             | 14             |
| Withheld amounts of invoiced receivables               | 3,354         | 2,745         | 0              | 0              |
| Other long-term financial assets                       | 3,246         | 3,648         | 0              | 7              |
| Provision for impairment of long-term financial assets | (1,158)       | (821)         | (8)            | (8)            |
| <b>Total (a)</b>                                       | <b>36,260</b> | <b>50,039</b> | <b>162,170</b> | <b>310,305</b> |

|                                                  | GROUP         |               | COMPANY        |                |
|--------------------------------------------------|---------------|---------------|----------------|----------------|
|                                                  | 31.12.2022    | 31.12.2021    | 31.12.2022     | 31.12.2021     |
| <b>Other long-term non financial receivables</b> |               |               |                |                |
| Long-term advance payments to suppliers          | 3,353         | 0             | 0              | 0              |
| Agents' commissions cost                         | 6,870         | 0             | 0              | 0              |
| Other long-term non financial assets             | 835           | 0             | 0              | 0              |
| <b>Total (b)</b>                                 | <b>11,058</b> | <b>0</b>      | <b>0</b>       | <b>0</b>       |
| <b>Total Other long-term assets (a+b)</b>        | <b>47,318</b> | <b>50,039</b> | <b>162,170</b> | <b>310,305</b> |

The Company participates in the issuance of bond loans to subsidiaries and other affiliated companies, which will be repaid either by obtaining a bank loan or through early repayments or at their maturity. The change on the Company level in the account "Loans to joint ventures and other affiliated companies" concerns the disbursement of loans amounting to 229,140 mainly in the context of the allocation of the capital proceeds from the Common Bond Loan of 500 million euros and the respective Common Bond Loan of 300 million euros. The company collected loans of 322,249 which was mainly part of the temporary allocation of funds in the context of the capital proceeds raised from the above common bond loan. An additional amount of 55,264 was transferred to the "Advances and other Receivables" item.

The variation in the "Loans to joint ventures and other related companies" account in consolidated figures is due to the fact that the related company HERON ENERGY on 31.12.2021 was consolidated using the equity method, while on 31.12.2022 it was consolidated using the full consolidation method (see regarding note 7.1), with the consequence that the intra-company loan of the amount of 30,000 is now eliminated.

The account "Receivables from financial leasing" of the Group includes the recognition of a receivable from the financial lease of mechanical equipment from the subsidiary company TERNA SA where the entire amount of 14,422 is receivable within the year 2024. An amount concerning the "Short-term part of receivables from financial leases" amounting to 10,102 is included in "Advances and other receivables".

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The account "Agents' commissions cost" is related to the cost of commission of agents, also called "Agency costs" and concerns the subsidiary company HERON ENERGY SA. The change of the account "Agents' commissions cost" is analyzed below:

|                              | <b>GROUP</b> |             |
|------------------------------|--------------|-------------|
|                              | <b>2022</b>  | <b>2021</b> |
| <b>Agency costs</b>          |              |             |
| <b>Balance 1st January</b>   | <b>0</b>     | <b>0</b>    |
| Additions                    | 8,470        | 0           |
| Amortization                 | (1,600)      | 0           |
| <b>Balance 31st December</b> | <b>6,870</b> | <b>0</b>    |

Provisions for impairment of other long-term receivables under IFRS 9 are analyzed as follows:

|                                      | <b>GROUP</b>   |                |                |              |
|--------------------------------------|----------------|----------------|----------------|--------------|
|                                      | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2021</b>            | <b>0</b>       | <b>844</b>     | <b>0</b>       | <b>844</b>   |
| Recovery of provision of credit loss | 0              | (23)           | 0              | (23)         |
| <b>Balance 31.12.2021</b>            | <b>0</b>       | <b>821</b>     | <b>0</b>       | <b>821</b>   |

|                                      | <b>GROUP</b>   |                |                |              |
|--------------------------------------|----------------|----------------|----------------|--------------|
|                                      | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2022</b>            | <b>0</b>       | <b>821</b>     | <b>0</b>       | <b>821</b>   |
| Provision of credit loss             | 0              | 340            | 0              | 340          |
| Recovery of provision of credit loss | 0              | (3)            | 0              | (3)          |
| <b>Balance 31.12.2022</b>            | <b>0</b>       | <b>1,158</b>   | <b>0</b>       | <b>1,158</b> |

|                                      | <b>COMPANY</b> |                |                |              |
|--------------------------------------|----------------|----------------|----------------|--------------|
|                                      | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2021</b>            | <b>0</b>       | <b>20</b>      | <b>0</b>       | <b>20</b>    |
| Recovery of provision of credit loss | 0              | (12)           | 0              | (12)         |
| <b>Balance 31.12.2021</b>            | <b>0</b>       | <b>8</b>       | <b>0</b>       | <b>8</b>     |

|                           | <b>COMPANY</b> |                |                |              |
|---------------------------|----------------|----------------|----------------|--------------|
|                           | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2022</b> | <b>0</b>       | <b>8</b>       | <b>0</b>       | <b>8</b>     |
| <b>Balance 31.12.2022</b> | <b>0</b>       | <b>8</b>       | <b>0</b>       | <b>8</b>     |

**17 INVENTORIES**

The account "Inventories" on 31.12.2022 and 31.12.2021 in the accompanying financial statements is analyzed as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                     | GROUP         |               | COMPANY      |              |
|-----------------------------------------------------|---------------|---------------|--------------|--------------|
|                                                     | 31.12.2022    | 31.12.2021    | 31.12.2022   | 31.12.2021   |
| Raw-auxiliary materials                             | 9,811         | 12,145        | 471          | 304          |
| Spare parts of fixed assets                         | 15,790        | 10,304        | 669          | 927          |
| Merchandise and Finished and semi-finished products | 23,733        | 23,626        | 0            | 0            |
| Properties (Land-Buildings) as inventories          | 36,732        | 38,233        | 5,828        | 5,801        |
| Impairment                                          | (19,639)      | (20,929)      | (3,232)      | (3,232)      |
| <b>Total</b>                                        | <b>66,427</b> | <b>63,379</b> | <b>3,736</b> | <b>3,800</b> |

The account " Merchandise and Finished and semi-finished products" mainly pertains to mined magnesite ore (processed and unprocessed).

The account "Properties (Land-Buildings) as inventories" includes property for development intended for sale.

Overall, the Group recognized during the annual process of reviewing the net realizable value of inventory and real estate assets a gain 482 (31.12.2021: loss 342) in "Other income/(expenses)" of the Statement of comprehensive income (see note 38).

With the exception of the above cases, there was no need for impairment of inventories on 31.12.2022.

The inventories are not burdened with liens.

**18 TRADE RECEIVABLES**

Trade receivables of the Group and the Company on 31.12.2022 and 31.12.2021, in the accompanying financial statements are analyzed as follows:

|                                                  | GROUP          |                | COMPANY       |              |
|--------------------------------------------------|----------------|----------------|---------------|--------------|
|                                                  | 31.12.2022     | 31.12.2021     | 31.12.2022    | 31.12.2021   |
| Trade receivables                                | 610,200        | 244,545        | 13,645        | 9,326        |
| Customers – Doubtful and litigious               | 21,301         | 22,519         | 0             | 0            |
| Notes / Checks Receivable overdue                | 4,347          | 824            | 0             | 0            |
| Checks Receivable                                | 7,160          | 117            | 262           | 99           |
| Minus: Provisions for doubtful trade receivables | (107,084)      | (45,839)       | (630)         | (631)        |
| <b>Total</b>                                     | <b>535,924</b> | <b>222,166</b> | <b>13,277</b> | <b>8,794</b> |

The balance of the account derives by 202,678 (31.12.2021: 133,744) from the construction sector, by an amount of 298,196 (31.12.2021: 45,451) from the operating segment "Electricity from thermal energy sources, trading of electricity and natural gas" and by an amount of 35,050 (31.12.2021: 42,971) from the remaining operating segments of the Group.

The change in the segment of "Electricity from thermal energy sources, trading of electricity and natural gas" concerns the full consolidation of the subsidiary company HERON ENERGY (see note 7.1).



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The above trade receivables also include trade receivables in relation to customers of the Energy operating segment amounting to 4.835 (31.12.2021: 27,330), which are pledged to banks as security against long-term bond loans to finance the construction of Wind Farms.

The book values of trade receivables represent their fair value.

At every reporting date, the Group examines the need to recognize potentially arising impairment and 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. Provisions for impairment of trade receivables regarding 2022 and 2021 are analyzed as follows:

|                                                       | <b>GROUP</b>   |                |                |               |
|-------------------------------------------------------|----------------|----------------|----------------|---------------|
|                                                       | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
| <b>Balance 01.01.2021</b>                             | <b>0</b>       | <b>1,291</b>   | <b>34,991</b>  | <b>36,282</b> |
| Provision of credit loss                              | 0              | 1,217          | 2,986          | 4,203         |
| Provision of credit loss due to acquisition of entity | 0              | 60             | 7,463          | 7,523         |
| Recovery of provision of credit loss                  | 0              | (958)          | (344)          | (1,302)       |
| Eliminations                                          | 0              | (12)           | (850)          | (862)         |
| Change due to sale of existing entity                 | 0              | (82)           | 0              | (82)          |
| Foreign exchange differences                          | 0              | 31             | 46             | 77            |
| <b>Balance 31.12.2021</b>                             | <b>0</b>       | <b>1,547</b>   | <b>44,292</b>  | <b>45,839</b> |

|                                                       | <b>GROUP</b>   |                |                |                |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                       | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>   |
| <b>Balance 01.01.2022</b>                             | <b>0</b>       | <b>1,547</b>   | <b>44,292</b>  | <b>45,839</b>  |
| Provision of credit loss                              | 0              | 23,266         | 10,933         | 34,199         |
| Provision of credit loss due to acquisition of entity | 0              | 21,708         | 15,261         | 36,969         |
| Recovery of provision of credit loss                  | 0              | (304)          | (866)          | (1,170)        |
| Eliminations                                          | 0              | (7)            | (1,672)        | (1,679)        |
| Other transfers                                       | 0              | (7,159)        | 0              | (7,159)        |
| Foreign exchange differences                          | 0              | 43             | 42             | 85             |
| <b>Balance 31.12.2022</b>                             | <b>0</b>       | <b>39,094</b>  | <b>67,990</b>  | <b>107,084</b> |

|                                      | <b>COMPANY</b> |                |                |              |
|--------------------------------------|----------------|----------------|----------------|--------------|
|                                      | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2021</b>            | <b>0</b>       | <b>72</b>      | <b>876</b>     | <b>948</b>   |
| Provision of credit loss             | 0              | 5              | 0              | 5            |
| Recovery of provision of credit loss | 0              | (10)           | (6)            | (16)         |
| Eliminations                         | 0              | (8)            | (298)          | (306)        |
| <b>Balance 31.12.2021</b>            | <b>0</b>       | <b>59</b>      | <b>572</b>     | <b>631</b>   |

|                           | <b>COMPANY</b> |                |                |              |
|---------------------------|----------------|----------------|----------------|--------------|
|                           | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b> |
| <b>Balance 01.01.2022</b> | <b>0</b>       | <b>59</b>      | <b>572</b>     | <b>631</b>   |
| Eliminations              | 0              | (1)            | 0              | (1)          |
| <b>Balance 31.12.2022</b> | <b>0</b>       | <b>58</b>      | <b>572</b>     | <b>630</b>   |

The following table analyzes the total of trade receivables as well as the maturity of outstanding overdue trade receivables:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                | GROUP          |                | COMPANY       |              |
|--------------------------------|----------------|----------------|---------------|--------------|
|                                | 31.12.2022     | 31.12.2021     | 31.12.2022    | 31.12.2021   |
| Non outstanding balances       | 366,287        | 206,086        | 3,207         | 8,536        |
| Outstanding balances           | 276,721        | 61,919         | 10,700        | 889          |
| <b>Total trade receivables</b> | <b>643,008</b> | <b>268,005</b> | <b>13,907</b> | <b>9,425</b> |

The maturity of balances of the outstanding overdue trade receivables is analyzed as follows:

|                             | GROUP 2022                  |                         |                  |                   |                    |                |
|-----------------------------|-----------------------------|-------------------------|------------------|-------------------|--------------------|----------------|
|                             | Non outstanding<br>balances | less<br>than 6<br>month | 6 - 12<br>months | 12 - 24<br>months | up to 24<br>months | Total          |
| Total amount of receivables | 366,287                     | 144,87                  | 53,478           | 17,341            | 61,030             | 643,008        |
| Expected credit loss        | (9,597)                     | (15,93                  | (21,048)         | (12,185)          | (48,324)           | (107,084)      |
| <b>Total</b>                | <b>356,690</b>              | <b>128,94</b>           | <b>32,430</b>    | <b>5,156</b>      | <b>12,706</b>      | <b>535,924</b> |

|                             | GROUP 2021                  |                         |                  |                   |                    |                |
|-----------------------------|-----------------------------|-------------------------|------------------|-------------------|--------------------|----------------|
|                             | Non outstanding<br>balances | less<br>than 6<br>month | 6 - 12<br>months | 12 - 24<br>months | up to 24<br>months | Total          |
| Total amount of receivables | 206,086                     | 4,888                   | 10,472           | 6,453             | 40,106             | 268,005        |
| Expected credit loss        | (3,333)                     | (99)                    | (4,760)          | (3,753)           | (33,894)           | (45,839)       |
| <b>Total</b>                | <b>202,753</b>              | <b>4,789</b>            | <b>5,712</b>     | <b>2,700</b>      | <b>6,212</b>       | <b>222,166</b> |

|                             | COMPANY 2022                |                         |                  |                   |                    |               |
|-----------------------------|-----------------------------|-------------------------|------------------|-------------------|--------------------|---------------|
|                             | Non outstanding<br>balances | less<br>than 6<br>month | 6 - 12<br>months | 12 - 24<br>months | up to 24<br>months | Total         |
| Total amount of receivables | 3,207                       | 2,373                   | 4,692            | 2,997             | 638                | 13,907        |
| Expected credit loss        | 0                           | 0                       | 0                | 0                 | (630)              | (630)         |
| <b>Total</b>                | <b>3,207</b>                | <b>2,373</b>            | <b>4,692</b>     | <b>2,997</b>      | <b>8</b>           | <b>13,277</b> |

|                             | COMPANY 2021                |                         |                  |                   |                    |              |
|-----------------------------|-----------------------------|-------------------------|------------------|-------------------|--------------------|--------------|
|                             | Non outstanding<br>balances | less<br>than 6<br>month | 6 - 12<br>months | 12 - 24<br>months | up to 24<br>months | Total        |
| Total amount of receivables | 8,536                       | 47                      | 133              | 14                | 695                | 9,425        |
| Expected credit loss        | 0                           | 0                       | 0                | 0                 | (631)              | (631)        |
| <b>Total</b>                | <b>8,536</b>                | <b>47</b>               | <b>133</b>       | <b>14</b>         | <b>64</b>          | <b>8,794</b> |

Not overdue amounts include an amount of Euro 36.7 million (31.12.2021: 38.1 million euros) which relates to good performance retentions (withheld guarantees).

Impaired and post-dated receivables after impairments that are overdue for more than 12 months amount to 17,862 (8,912 for 2021) for the Group and 3,005 (78 for 2021) for the Company. These receivables relate to Public Bodies, Related Parties and Third Parties and are, according to the Management's estimates, recoverable.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

In the context of the Group's operations, necessary measures are taken on a case basis to ensure collectability of receivables.

Finally, the factor, ensuring collectability of balance, is the received prepayments concerning construction contracts, which on 31.12.2022 amounted to 296.0 million euros (31.12.2021: 288.3 million euro).

**19 RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS**

The receivables from contracts with customers are analyzed as follows:

|                                                                | GROUP          |                | COMPANY      |              |
|----------------------------------------------------------------|----------------|----------------|--------------|--------------|
|                                                                | 31.12.2022     | 31.12.2021     | 31.12.2022   | 31.12.2021   |
| Receivables from construction contracts with customers         | 217,725        | 145,401        | 0            | 0            |
| Receivables from other contracts with customers                | 172,931        | 8,295          | 7,216        | 3,427        |
| Financial Assets - Concessions Current Portion                 | 8,053          | 0              | 0            | 0            |
| Less: Impairments of receivables from contracts with customers | (7,396)        | (169)          | 0            | 0            |
| <b>Total</b>                                                   | <b>391,313</b> | <b>153,527</b> | <b>7,216</b> | <b>3,427</b> |

The account "Receivables from other contracts with customers" includes an amount of 143.3 million concerning unbilled receivables from the sector "Electricity from thermal energy sources, trading of electricity and natural gas" and is mainly due to the acquisition of the subsidiary company HERON ENERGY S.M.S.A. .

Provisions for impairment of receivables from contracts with customers in Group level are analyzed according to the IFRS 9 as following:

|                                      | GROUP    |               |           |               |
|--------------------------------------|----------|---------------|-----------|---------------|
|                                      | Stage 1  | Stage 2       | Stage 3   | Total         |
| <b>Balance 01.01.2021</b>            | <b>0</b> | <b>10,090</b> | <b>0</b>  | <b>10,090</b> |
| Provision of credit loss             | 0        | 0             | 76        | 76            |
| Recovery of provision of credit loss | 0        | (10,504)      | 0         | (10,504)      |
| Foreign exchange differences         | 0        | 507           | 0         | 507           |
| <b>Balance 31.12.2021</b>            | <b>0</b> | <b>93</b>     | <b>76</b> | <b>169</b>    |

|                                      | GROUP    |              |           |              |
|--------------------------------------|----------|--------------|-----------|--------------|
|                                      | Stage 1  | Stage 2      | Stage 3   | Total        |
| <b>Balance 01.01.2022</b>            | <b>0</b> | <b>93</b>    | <b>76</b> | <b>169</b>   |
| Provision of credit loss             | 0        | 144          | 0         | 144          |
| Recovery of provision of credit loss | 0        | 0            | (76)      | (76)         |
| Other transfers                      | 0        | 7,159        | 0         | 7,159        |
| <b>Balance 31.12.2022</b>            | <b>0</b> | <b>7,396</b> | <b>0</b>  | <b>7,396</b> |

The amount of 7,159 relates to a transfer from Trade receivables for correct presentation purposes.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

At the Company level there was no provision for impairment of receivables from contracts with customers in accordance with IFRS 9

Liabilities in relation to contracts with customers are analyzed as follows:

|                                                               | GROUP          |                | COMPANY    |            |
|---------------------------------------------------------------|----------------|----------------|------------|------------|
|                                                               | 31.12.2022     | 31.12.2021     | 31.12.2022 | 31.12.2021 |
| Customer advances                                             | 155,829        | 95,190         | 82         | 60         |
| Non-completed liabilities from construction contracts         | 101,881        | 142,121        | 68         | 137        |
| Non-completed liabilities from other contracts with customers | 365            | 783            | 0          | 0          |
| <b>Total</b>                                                  | <b>258,075</b> | <b>238,094</b> | <b>150</b> | <b>197</b> |

The change in the account "Customer advances" mainly concerns advances in the construction operating segment for the execution of projects undertaken by the subsidiary company TERNA SA.

Changes in Receivables and liabilities from Construction Contracts with customers (short-term and long-term) within the current fiscal year are due to the following factors:

**Receivables from construction contracts with customers****GROUP****Balance 01.01.2021****108,475**

Effect due to execution of existing contracts

29,521

Income for the period from new contracts

6,865

Foreign exchange differences

540

**Balance 31.12.2021****145,401****Balance 01.01.2022****145,401**

Effect due to execution of existing contracts

63,856

Income for the period from new contracts

8,449

Foreign exchange differences

20

**Balance 31.12.2022****217,725****Liabilities due to construction contracts with customers****GROUP****Balance 01.01.2021****84,448**

Effect due to execution of existing contracts

(22,411)

Income for the period from new contracts

80,075

Foreign exchange differences

9

**Balance 31.12.2021****142,121****Balance 01.01.2022****142,121**

Effect due to execution of existing contracts

33,307

Income for the period from new contracts

9,345

Foreign exchange differences

69

**Balance 31.12.2022****184,842**

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***20 ADVANCES AND OTHER RECEIVABLES**

The account "Advances and other receivables" on 31 December 2022 and 31 December 2021 in the accompanying financial statements are analyzed as follows:

|                                                                                 | GROUP          |                | COMPANY      |              |
|---------------------------------------------------------------------------------|----------------|----------------|--------------|--------------|
|                                                                                 | 31.12.2022     | 31.12.2021     | 31.12.2022   | 31.12.2021   |
| <b>Prepayments and other short-term non-financial receivables</b>               |                |                |              |              |
| Advances to suppliers                                                           | 161,087        | 151,778        | 3,446        | 331          |
| VAT for rebate – offsetting                                                     | 69,452         | 56,611         | 366          | 745          |
| Receivables from Wind Parks' grants                                             | 627            | 1,479          | 0            | 0            |
| Prepayment to insurance funds (Social Security Organization of technical works) | 5,550          | 4,269          | 0            | 0            |
| Transitional asset accounts                                                     | 46,655         | 24,498         | 1,782        | 1,921        |
| Other non-financial receivables                                                 | 966            | 972            | 5            | 3            |
| <b>Total (a)</b>                                                                | <b>284,337</b> | <b>239,607</b> | <b>5,599</b> | <b>3,000</b> |

|                                                              | GROUP          |                | COMPANY        |               |
|--------------------------------------------------------------|----------------|----------------|----------------|---------------|
|                                                              | 31.12.2022     | 31.12.2021     | 31.12.2022     | 31.12.2021    |
| <b>Other short-term financial receivables</b>                |                |                |                |               |
| Receivables from J/V, related companies and other associates | 7,392          | 8,223          | 7,373          | 3,120         |
| Short-term part of granted long-term loans                   | 53,404         | 37,589         | 67,111         | 8,274         |
| Short-term part of receivables from financial leasing        | 10,102         | 0              | 0              | 0             |
| Financial receivables from other various debtors             | 13,602         | 11,523         | 84,975         | 55            |
| Receivables from to indemnities in relation to               | 23,412         | 31,013         | 0              | 0             |
| Operational support of Concession projects                   | 4,528          | 4,673          | 0              | 0             |
| Blocked bank deposit accounts                                | 139,055        | 127,625        | 25,500         | 25,500        |
| Doubtful – Litigious other receivables                       | 141            | 372            | 0              | 0             |
| Less: Impairments of other short-term financial receivables  | (13,353)       | (11,785)       | (1,226)        | (1,213)       |
| <b>Total (b)</b>                                             | <b>238,283</b> | <b>209,233</b> | <b>183,733</b> | <b>35,736</b> |
| <b>Total prepayments and other receivables (a+b)</b>         | <b>522,620</b> | <b>448,840</b> | <b>189,332</b> | <b>38,736</b> |

The Group's account "Advances to Suppliers" mainly includes advances to suppliers in the construction sector amounting to approximately 109 million as well as an amount of approximately 44 million in the operating segment "Electricity from thermal energy sources, trading of electricity and natural gas". Included in the same account for the Company and the Group is an amount of 2,800 which relates to an advance payment to a joint venture member, for the purpose of vesting the Company's right to acquire part of the share held by this member in the joint venture.

The change in the "Transitional asset accounts" of the Group mainly concerns purchases under receipt of the construction operating segment, as well as the sector "Electricity from thermal energy sources, electricity and gas trading".

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The change in the account "Short-term part of granted long-term loans" of the Group is mainly due to the disbursement of a loan of 15,000 within the fiscal year 2022 by the subsidiary company GEK TERNA CONCESSIONS SMSA towards a related company that is consolidated via the equity method. As far as the Company is concerned, the change in the account is related to the classification of an amount of 55,264 from the item "Other Long-Term Receivables".

The account "Cash receivables from various other debtors" in the Company includes an amount of 81,500 which concerns the Company's claim from the subsidiary company GEK TERNA CONCESSIONS S.A. as a result of the sale of the Company's equity rights in GEK TERNA KASTELI S.A. (see detailed Note 12.1).

The account "Receivables from indemnities in relation to concession projects" amounting to 23.412 on 31.12.2022 includes compensations related to events of Greek State's Delay (toll stations that have not been put into operation under the responsibility of the State).

The Group includes in the account "Operational Support for Concession Contracts" the Operational Support that the subsidiary concession company CENTRAL GREECE MOTORWAY receives from the Greek State for every Calculation Period (calculation on a semi-annual basis as from 01.01.2016) and defined as the difference between the sum of eligible project expenses and distributed base performance, deducting the net income for every Calculation Period. According to the Concession Agreement, Operational Support that is being received constitutes gross income for income taxation purposes and is not subject to withholding tax and is charged with the corresponding VAT. An amount of 4,528 has been repaid before the approval of the attached financial statements.

The movement in the provision for impairment of these current assets of the Group and the Company, following the application of the requirements of IFRS 9, is as follows:

|                                      | GROUP    |            |               |               |
|--------------------------------------|----------|------------|---------------|---------------|
|                                      | Stage 1  | Stage 2    | Stage 3       | Total         |
| <b>Balance 01.01.2021</b>            | <b>0</b> | <b>164</b> | <b>13,154</b> | <b>13,318</b> |
| Provision of credit loss             | 0        | 72         | 0             | 72            |
| Recovery of provision of credit loss | 0        | (43)       | (724)         | (767)         |
| Eliminations                         | 0        | 0          | (725)         | (725)         |
| Other transfers                      | 0        | 0          | 11            | 11            |
| Foreign exchange differences         | 0        | 0          | (124)         | (124)         |
| <b>Balance 31.12.2021</b>            | <b>0</b> | <b>193</b> | <b>11,592</b> | <b>11,785</b> |

|                                      | GROUP    |            |               |               |
|--------------------------------------|----------|------------|---------------|---------------|
|                                      | Stage 1  | Stage 2    | Stage 3       | Total         |
| <b>Balance 01.01.2022</b>            | <b>0</b> | <b>193</b> | <b>11,592</b> | <b>11,785</b> |
| Provision of credit loss             | 0        | 0          | 1,912         | 1,912         |
| Recovery of provision of credit loss | 0        | (20)       | (107)         | (127)         |
| Eliminations                         | 0        | 0          | (231)         | (231)         |
| Other transfers                      | 0        | 0          | 12            | 12            |
| Foreign exchange differences         | 0        | 1          | 1             | 2             |
| <b>Balance 31.12.2022</b>            | <b>0</b> | <b>174</b> | <b>13,179</b> | <b>13,353</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                           | GROUP    |           |              |              |
|---------------------------|----------|-----------|--------------|--------------|
|                           | Stage 1  | Stage 2   | Stage 3      | Total        |
|                           | COMPANY  |           |              |              |
|                           | Stage 1  | Stage 2   | Stage 3      | Total        |
| <b>Balance 01.01.2021</b> | <b>0</b> | <b>16</b> | <b>1,186</b> | <b>1,202</b> |
| Other transfers           | 0        | (1)       | 12           | 11           |
| <b>Balance 31.12.2021</b> | <b>0</b> | <b>15</b> | <b>1,198</b> | <b>1,213</b> |

|                           | COMPANY  |           |              |              |
|---------------------------|----------|-----------|--------------|--------------|
|                           | Stage 1  | Stage 2   | Stage 3      | Total        |
| <b>Balance 01.01.2022</b> | <b>0</b> | <b>15</b> | <b>1,198</b> | <b>1,213</b> |
| Other transfers           | 0        | 0         | 13           | 13           |
| <b>Balance 31.12.2022</b> | <b>0</b> | <b>15</b> | <b>1,211</b> | <b>1,226</b> |

**21 INVESTMENT IN EQUITY INTERESTS**

The movement in investments in securities in 2022 and 2021, is analyzed as follows:

|                                                   | GROUP         |               | COMPANY       |               |
|---------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                   | 2022          | 2021          | 2022          | 2021          |
| <b>Balance 1st January</b>                        | <b>90,194</b> | <b>66,620</b> | <b>89,095</b> | <b>65,362</b> |
| Additions                                         | 2,806         | 374           | 1,700         | 0             |
| Addition due to acquisition of entity             | 0             | 10            | 0             | 0             |
| Reductions                                        | 0             | (249)         | 0             | 0             |
| Fair value through the Other Comprehensive Income | (1,931)       | 23,438        | (1,823)       | 23,733        |
| <b>Balance 31st December</b>                      | <b>91,069</b> | <b>90,194</b> | <b>88,972</b> | <b>89,095</b> |

All the above investments refer to shares of unlisted securities, the most important of which are analytically described in Note 47.

Profit from fair value measurement was included in Other Comprehensive Income account in the Statement of Comprehensive Income, not reclassified in the Income Statement in later periods.

**22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

Financial assets at fair value through profit and loss are presented as follows:

|                            | GROUP        |              | COMPANY      |              |
|----------------------------|--------------|--------------|--------------|--------------|
|                            | 2022         | 2021         | 2022         | 2021         |
| <b>Balance 1st January</b> | <b>5,386</b> | <b>7,811</b> | <b>3,625</b> | <b>5,598</b> |
| Additions                  | 18,107       | 0            | 5,625        | 0            |
| Disposals                  | 0            | (2,047)      | 0            | (1,438)      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                     | GROUP         |              | COMPANY      |              |
|-------------------------------------|---------------|--------------|--------------|--------------|
|                                     | 2022          | 2021         | 2022         | 2021         |
| Adjustment at fair through Earnings | 187           | (535)        | 186          | (535)        |
| Foreign exchange differences        | 78            | 157          | 0            | 0            |
| <b>Balance 31st December</b>        | <b>23,758</b> | <b>5,386</b> | <b>9,436</b> | <b>3,625</b> |

On 31.12.2022 the amount of 23,758 of the Group is further broken down into mutual funds amounting to 4,504 and equity shares amounting to 19,254 (1,940 and 3,446 on 31.12.2021 respectively).

**23 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents of the Group and the Company on 31 December 2022 and 31 December 2021, in the accompanying financial statements are analyzed as follows:

|                | GROUP            |                  | COMPANY        |                |
|----------------|------------------|------------------|----------------|----------------|
|                | 31.12.2022       | 31.12.2021       | 31.12.2022     | 31.12.2021     |
| Cash in hand   | 2,953            | 1,834            | 0              | 1              |
| Sight Deposits | 1,058,547        | 1,251,134        | 144,123        | 452,688        |
| Term Deposits  | 430,203          | 111,383          | 415,000        | 105,000        |
| <b>Total</b>   | <b>1,491,703</b> | <b>1,364,351</b> | <b>559,123</b> | <b>557,689</b> |

Term deposits have a usual duration of 3 months and carry interest rates ranged during the year between 0.01%-3.00% (0.01%-3.00% during the previous year, respectively).

The Group's cash and cash equivalents include amounts for refund from subsidiary companies of 3,260 (3,024 for 2021), relating to the grants received due to the cancellation of the construction or the expiry of the time limits of the inclusion decisions of certain wind parks. The aforementioned amount of the grant to be returned has not been returned until the date of approval of the accompanying financial statements, as the relevant audit by the pertinent authorities has not been completed.

On 31.12.2022, the Company's cash and cash equivalents included the unallocated amount of 280.5 million euros from the issuance of the bond issue of 500 million euros (see section VI) as well as the amount of 190.1 million euros from the issuance of the common bond loan of EUR 300 million euros (see section VII).

Furthermore, the Group possesses blocked deposits amounting to 139,055 (127,625 in the previous financial year), which are held in specific bank accounts in order to settle its short-term operating and financial liabilities. These blocked deposits are classified in the account "Advances and other receivables" (see Note 20).



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***24 BORROWINGS**

Long-term loans in the accompanying separate and consolidated financial statements are analyzed as follows:

|                                                                    | GROUP            |                  | COMPANY        |                |
|--------------------------------------------------------------------|------------------|------------------|----------------|----------------|
|                                                                    | 31.12.2022       | 31.12.2021       | 31.12.2022     | 31.12.2021     |
| Long-term loans                                                    | 2,832,523        | 2,500,281        | 920,339        | 917,915        |
| Less: Long term liabilities payable during the next financial year | (160,224)        | (114,064)        | (8,897)        | (8,802)        |
| <b>Long-term part of loan</b>                                      | <b>2,672,299</b> | <b>2,386,217</b> | <b>911,442</b> | <b>909,113</b> |

Repayment period of long-term loans is analyzed as follows:

|                     | GROUP            |                  | COMPANY        |                |
|---------------------|------------------|------------------|----------------|----------------|
|                     | 31.12.2022       | 31.12.2021       | 31.12.2022     | 31.12.2021     |
| Up to 1 Year        | 160,224          | 114,064          | 8,897          | 8,802          |
| Between 1 - 5 Years | 900,787          | 646,072          | 110,277        | 110,576        |
| Over 5 Years        | 1,771,512        | 1,740,145        | 801,165        | 798,536        |
| <b>Total</b>        | <b>2,832,523</b> | <b>2,500,281</b> | <b>920,339</b> | <b>917,915</b> |

The Group has the obligation to maintain specific financial ratios relating to bond loans. As of December 31, 2022, the Group was in full compliance with the required limits of these ratios, according to the provisions of the respective loan agreements.

The total financial cost of long-term and short-term loan liabilities, for the year 2022, and the corresponding comparative period of 2021, is included in the item "Net financial income / (expenses)" of the consolidated and separate Income Statement. The average interest rate for the Group for the period ended 31.12.2022 stood at 3.65% (31.12.2021: 3.90%).

The Group's long-term debt is 99.44% in euro (99.09% at the end of the previous year) and 0.56% in PLN (0.91% at the end of the previous year) and represents approximately 95.17% of the Group's total debt (96.3% at the end of the previous year). The long-term debt mainly covers the investment financing needs for all segments of the Group.

Within the year 2022, the amount of 168.9 million euros (2021: 153.7 million euros) was paid for the repayment of long-term loan debt, whereas the amount of 485.6 million euros (2021: 463.3 million euros) was collected from new loans.

It is noted that the total borrowing includes subordinated, non-recourse loans granted to the parent company at the amount of 1,961.8 million euros (versus 1,632.9 million euros on 31.12.2021), while

the amounts of recourse loan debt stood at 1,014.6 million euros (versus 963 million euros on 31.12.2021).

The significant changes in the Group's loans for the period ended 31.12.2022 are described in the following paragraphs.

**(a) Loans of the Company (GEK TERNA)**

As at 31.12.2022, the total loan liabilities of the Company amount to 920,339 (of which an amount of 913,872 relates to common publicly traded bond loans and an amount of 6,467 to intragroup loans), whereas an amount of 8,897 relates to long-term loan liabilities payable in the next 12 months. During the year under consideration, the Company was granted a new loan of 33,000, which subsequently it fully paid.

**(b) Loans of the sub-group TERNA ENERGY**

The TERNA ENERGY sub-Group's loans pertain to financing its business activities and mainly concern the financing of construction and the operation of installations in relation to renewable energy sources. The short-term loans of the sub-Group TERNA ENERGY pertain to bank borrowings of predetermined due dates and renewable in proportion to the needs. Collected amounts are mainly used to cover liquidity needs during the Wind Farms construction period of the energy operating segment of sub-Group TERNA ENERGY.

Within the year 2022, new loans of 373,767 was undertaken by the sub-Group TERNA ENERGY (versus 201,706 in the previous comparative year 2021). The liquidity raised was mainly used to finance investments in wind farms of subsidiaries, and repayment of short-term bank loans, issued to finance uninterrupted and timely compliance with the construction program, as well as the implementation of the construction of the urban waste management facilities of the Peloponnese Region.

Specifically:

- i. Regarding wind farms and construction of the urban waste management facilities, TERNA ENERGY sub-Group utilized the bank debt lines through its subsidiaries in Greece of nominal value 353,767 repaying at the same time outstanding borrowings of 103,778.
- ii. TERNA ENERGY sub-Group issued domestic short-term bank loans amounting to 20,000.

**(c) Loans of the sub-group TERNA**

As at 31.12.2022, the total bank loan liabilities of TERNA sub-group amount to 69,910 (versus 106,476 in the previous year) and are analyzed in: (a) amount of 54,871 (57,549 in the previous year) which relates to long-term bond loans, (b) amount of 2,921 (4,996 in the previous year) which relates to long-term loan liabilities payable in the next 12 months and (c) an amount of 12,118 (43,931 in the previous year) which relates to short-term loans. During the year, TERNA sub-group repaid bank loan liabilities amounting to 62,301.

Furthermore within the year 2022, TERNA Group undertook new short-term bank borrowing of 25,522 from financial institutions.

**(d) Loans of motorways concession companies**

As of 31.12.2022, the bank bond loans of the companies NEA ODOS, CENTRAL GREECE MOTORWAY, GEK TERNA MOTORWAY SMSA and GEK TERNA KASTELI SMSA amount to 798,421 (versus 724,134 in the previous year), of which an amount of 37,799 (versus 30,279 in the previous year) relates to loan liabilities payable in the next fiscal year. The companies NEA ODOS SA and CENTRAL GREECE MOTORWAY have signed bond loan agreements amounting to 241,700 and 470,915 respectively, in order to cover their needs for approved project costs during the T1 motorways construction period.

Within the financial year 2022, the above companies made a repayment of bank loan liabilities amounting to 27,264. In addition, a bank loan of 98,821 was undertaken by GEK TERNA KASTELI SMSA, amount that is related to the financing of the company HERAKLION INTERNATIONAL AIRPORT CRETE SA CONCESSION within the framework of the concession agreement as a shareholder.

**(e) Loans of the companies HERON ENERGY SA and HERON II THERMOELECTRIC STATION VOIOTIA SA**

As of 31.12.2022, the bank loans of the subject companies amount to 71,119 and concern short-term loans.

Within the financial year 2022, the company HERON ENERGY SA signed an agreement for a short-term bank loan of 80,000 for working capital needs, of which the company repaid an amount of 30,000. Also, the company HERON II THERMOELECTRIC STATION VIOTIA S.A. repaid an amount of 2,800.

**Loan guarantees**

To secure some of the Group's and other affiliated companies' loans:

- The sub-group TERNA ENERGY, for the needs of financing new projects, establishes a fictitious pledge on its mobile equipment (wind turbines of wind farms) as well as encumbrances (usually a mortgage note) on real estate owned by it to secure the lenders,
- Insurance contracts, receivables from the sale of electric energy to DAPEEP or DEDDIE and from construction services, motorways concession contracts and cash have been assigned to lending banks,
- Shares and secondary loans of subsidiaries and other related companies have been provided as collaterals with a nominal value of 212,397 (31.12.2021: 197,897).

The table below presents in summary the changes in the Group and Company's short-term and long-term loans in the years 2022 and 2021:

|                        | GROUP            |                  | COMPANY        |                |
|------------------------|------------------|------------------|----------------|----------------|
|                        | 31.12.2022       | 31.12.2021       | 31.12.2022     | 31.12.2021     |
| <b>Long-term loans</b> |                  |                  |                |                |
| <b>Opening balance</b> | <b>2,500,281</b> | <b>2,308,651</b> | <b>917,915</b> | <b>623,546</b> |
| Capital withdrawals    | 485,589          | 504,919          | 33,000         | 300,000        |
| Capital payments       | (168,892)        | (153,771)        | (33,416)       | (438)          |
| Interest payments      | (77,388)         | (72,693)         | (25,999)       | (26,246)       |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                  | GROUP            |                  | COMPANY        |                |
|------------------------------------------------------------------|------------------|------------------|----------------|----------------|
|                                                                  | 31.12.2022       | 31.12.2021       | 31.12.2022     | 31.12.2021     |
| <b>Long-term loans</b>                                           |                  |                  |                |                |
| Loan interest in financial results (note 42)                     | 85,989           | 69,027           | 28,839         | 21,053         |
| Other loan interest (capitalized etc.)                           | 7,325            | 658              | 0              | 0              |
| Finance cost from discontinued operations                        | 0                | 7,232            | 0              | 0              |
| Derecognition from Disposal of the 3 Wind Parks in Texas         | 0                | (202,958)        | 0              | 0              |
| Addition due to acquisition of entity (see Note 7.1)             | 75,231           | 88,084           | 0              | 0              |
| Elimination of intercompany loan acquired company (see Note 7.1) | (75,231)         | (53,378)         | 0              | 0              |
| Foreign exchange differences                                     | (381)            | 4,438            | 0              | 0              |
| Transfers                                                        | 0                | 72               | 0              | 0              |
| <b>Closing balance</b>                                           | <b>2,832,523</b> | <b>2,500,281</b> | <b>920,339</b> | <b>917,915</b> |

|                                                      | GROUP          |                |
|------------------------------------------------------|----------------|----------------|
|                                                      | 31.12.2022     | 31.12.2021     |
| <b>Short-term loans</b>                              |                |                |
| <b>Opening balance</b>                               | <b>95,557</b>  | <b>116,505</b> |
| Capital withdrawals                                  | 125,522        | 46,332         |
| Capital Payments                                     | (90,251)       | (50,133)       |
| Interest payments                                    | (2,884)        | (4,598)        |
| Loan interest in financial results (note 42)         | 3,839          | 3,654          |
| Other loan interest (capitalized)                    | 27             | 0              |
| Finance cost from discontinued operations            | 0              | 401            |
| Addition due to acquisition of entity (see Note 7.1) | 12,059         | 11,213         |
| Reductions from lose of control of subsidiaries      | 0              | (28,264)       |
| Foreign exchange differences                         | 0              | 519            |
| Transfers                                            | 0              | (72)           |
| <b>Closing balance</b>                               | <b>143,869</b> | <b>95,557</b>  |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***25 LEASE LIABILITIES**

Lease liabilities as of 31 December 2022 and 31 December 2021 are analyzed as following in the accompanying financial statements:

|                                                    | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                    | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Liabilities from bank leases (long-term)           | 14,662            | 0                 | 0                 | 0                 |
| Liabilities from bank leases (short-term)          | 2,245             | 217               | 0                 | 0                 |
| <b>Sub-total of bank leases (a)</b>                | <b>16,907</b>     | <b>217</b>        | <b>0</b>          | <b>0</b>          |
| Liabilities from third parties leases (long-term)  | 32,953            | 23,406            | 197               | 380               |
| Liabilities from third parties leases (short-term) | 5,403             | 3,823             | 153               | 258               |
| <b>Sub-total of third parties leases (b)</b>       | <b>38,356</b>     | <b>27,229</b>     | <b>350</b>        | <b>638</b>        |
| <b>Total leases (a)+(b)</b>                        | <b>55,263</b>     | <b>27,446</b>     | <b>350</b>        | <b>638</b>        |

The repayment period of lease liabilities is analyzed in the tables below as follows:

|                     | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|---------------------|-------------------|-------------------|-------------------|-------------------|
|                     | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Up to 1 Year        | 7,648             | 4,040             | 153               | 258               |
| Between 1 - 5 Years | 24,859            | 7,747             | 197               | 356               |
| Over 5 Years        | 22,756            | 15,659            | 0                 | 24                |
| <b>Total</b>        | <b>55,263</b>     | <b>27,446</b>     | <b>350</b>        | <b>638</b>        |

Changes in these liabilities in 2022 and 2021 are presented below as follows:

|                                         | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|-----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                         | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| <b>Liabilities from leases</b>          |                   |                   |                   |                   |
| <b>Opening balance</b>                  | <b>27,446</b>     | <b>18,995</b>     | <b>638</b>        | <b>386</b>        |
| Repayments of lease contracts           | (6,888)           | (5,021)           | (270)             | (184)             |
| Payments of interest                    | (1,388)           | (247)             | (20)              | (23)              |
| Liabilities from new contracts          | 32,735            | 15,802            | 11                | 436               |
| Foreign exchange differences            | (41)              | 4                 | 0                 | 0                 |
| Financial cost for the period (note 42) | 1,388             | 998               | 20                | 23                |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                  | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Liabilities from leases</b>                   | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Other loan interest (capitalized etc.)           | 186               | 93                | 0                 | 0                 |
| Addition due to acquisition of entity (note 7.1) | 2,133             | 994               | 0                 | 0                 |
| Change due to sale of existing entity            | 29                | 0                 | 0                 | 0                 |
| Termination in consolidation of subsidiary       | (18)              | 0                 | 0                 | 0                 |
| Termination of lease                             | (319)             | (4,172)           | -29               | 0                 |
| <b>Closing balance</b>                           | <b>55,263</b>     | <b>27,446</b>     | <b>350</b>        | <b>638</b>        |
| Long-term liabilities from leases                | <b>47,615</b>     | <b>23,406</b>     | <b>197</b>        | <b>380</b>        |
| Short-term liabilities from leases               | <b>7,648</b>      | <b>4,040</b>      | <b>153</b>        | <b>258</b>        |

**26 PROVISIONS FOR EMPLOYEE COMPENSATION**

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.

Estimates 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 year ended on 31 December 2022 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 December 2022.

The expense for employee compensation, recognized by the Group in the Income Statement and recorded in Cost of sales by 671 , in administrative and distribution expenses by 601, in the other income / (expenses) by 21 and in the financial expenses at 12 (781, 455, 12 and 9 during the previous year, respectively), and by the Company in administrative and distribution expenses (during the closing and previous year), is analyzed as follows:

|                                             | <b>GROUP</b>               |                            | <b>COMPANY</b>             |                            |
|---------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                             | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> |
| Current service cost                        | 737                        | 741                        | 70                         | 263                        |
| Financial cost                              | 12                         | 9                          | 1                          | 1                          |
| Effect of cut-backs or settlements          | 557                        | 310                        | 32                         | 65                         |
| Recognition of actuarial (profits) / losses | (70)                       | 53                         | (20)                       | (16)                       |
| <b>Total</b>                                | <b>1,236</b>               | <b>1,113</b>               | <b>83</b>                  | <b>313</b>                 |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The changes in the relative provisions in the Statement of Financial Position are as follows:

|                                                        | 2022         | 2021         | 2022       | 2021       |
|--------------------------------------------------------|--------------|--------------|------------|------------|
| <b>Balance as at 1 January</b>                         | <b>2,387</b> | <b>2,623</b> | <b>247</b> | <b>29</b>  |
| Provision recognized in Net earnings                   | 1,305        | 1,060        | 103        | 330        |
| Provision recognized in Other Comprehensive Income     | (70)         | 53           | (20)       | (16)       |
| Provision recognized in inventories                    | 1            | 0            | 0          | 0          |
| Addition due to acquisition of subsidiaries (Note 7.1) | 54           | 20           | 0          | 0          |
| Foreign exchange differences                           | 14           | 61           | 0          | 0          |
| Compensation payments                                  | (774)        | (1,435)      | (37)       | (96)       |
| Transfers                                              | 0            | 5            | 0          | 0          |
| <b>Balance 31 December</b>                             | <b>2,917</b> | <b>2,387</b> | <b>293</b> | <b>247</b> |

The key actuarial assumptions for the years 2022 and 2021 are as follows:

|                                                               | 2022     | 2021     |
|---------------------------------------------------------------|----------|----------|
| Discount rate                                                 | 2.90%    | 0.60%    |
| Future salaries increases                                     | 2.50%    | 1.80%    |
| Inflation                                                     | 2.80%    | 1.80%    |
| Mortality                                                     | EVK 2000 | EVK 2000 |
| Movement of salaried workers (departure under their own will) | Table 1  | Table 1  |

**Table 1**

| Years of Service        | Leaving rate |
|-------------------------|--------------|
| From 0 to 1 years       | 1.50%        |
| From 1 to 5 years       | 1.00%        |
| From 5 to 10 years      | 0.50%        |
| From 10 years and above | 0.00%        |

**27 OTHER PROVISIONS**

Changes in other provisions of the Group and the Company in 2022 and 2021 are as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                      | <b>GROUP</b>                                       |                         |                 |
|------------------------------------------------------|----------------------------------------------------|-------------------------|-----------------|
|                                                      | <b>Provisions for environmental rehabilitation</b> | <b>Other provisions</b> | <b>Total</b>    |
| <b>1st January 2022</b>                              | <b>18,442</b>                                      | <b>12,305</b>           | <b>30,747</b>   |
| Provision recognized in the results                  | 132                                                | 20,905                  | <b>21,037</b>   |
| Provision recognized in fixed assets                 | 894                                                | 0                       | <b>894</b>      |
| Provisions used                                      | 0                                                  | (21,552)                | <b>(21,552)</b> |
| Interest from provisions recognized in Net Profit    | 967                                                | 0                       | <b>967</b>      |
| Transfer from/ (to) another account                  | 0                                                  | (708)                   | <b>(708)</b>    |
| Write off for the period                             | 0                                                  | 2                       | <b>2</b>        |
| Unused provisions recognized in profit               | 0                                                  | (357)                   | <b>(357)</b>    |
| Addition due to acquisition of entity (see Note 7.1) | 385                                                | 0                       | <b>385</b>      |
| Foreign exchange differences                         | (44)                                               | 8                       | <b>(36)</b>     |
| <b>31st December 2022</b>                            | <b>20,776</b>                                      | <b>10,603</b>           | <b>31,379</b>   |

|                                                        | <b>GROUP</b>                                       |                         |                 |
|--------------------------------------------------------|----------------------------------------------------|-------------------------|-----------------|
|                                                        | <b>Provisions for environmental rehabilitation</b> | <b>Other provisions</b> | <b>Total</b>    |
| <b>1st January 2021</b>                                | <b>20,566</b>                                      | <b>12,529</b>           | <b>33,095</b>   |
| Provision recognized in the results                    | 33                                                 | 27,522                  | <b>27,555</b>   |
| Provision recognized in fixed assets                   | 258                                                | 0                       | <b>258</b>      |
| Provisions used                                        | 0                                                  | (15,412)                | <b>(15,412)</b> |
| Interest from provisions recognized in Net Profit      | 881                                                | 0                       | <b>881</b>      |
| Transfer from/ (to) another account                    | 0                                                  | (10,412)                | <b>(10,412)</b> |
| Unused provisions recognized in profit                 | 0                                                  | (147)                   | <b>(147)</b>    |
| Addition from company acquisition                      | 1,553                                              | 0                       | <b>1,553</b>    |
| Change due to sale of existing entity                  | (5,133)                                            | 0                       | <b>(5,133)</b>  |
| Provisions for the period from discontinued operations | 147                                                | 0                       | <b>147</b>      |
| Foreign exchange differences                           | 137                                                | (1,775)                 | <b>(1,638)</b>  |
| <b>31st December 2021</b>                              | <b>18,442</b>                                      | <b>12,305</b>           | <b>30,747</b>   |

The item "Other provisions" in the above table is analyzed as follows:

|                                                   | <b>GROUP</b>      |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Provisions for tax for tax non-inspected years    | 3,610             | 3,610             |
| Provisions for litigations                        | 5,534             | 5,936             |
| Provision for loss-bearing construction contracts | 0                 | 925               |
| Other provisions                                  | 1,459             | 1,834             |
| <b>Total</b>                                      | <b>10,603</b>     | <b>12,305</b>     |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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 outflow of financial resources. In particular, provisions are presented as a total as long-term ones.

The item "Provisions for rehabilitation of the natural landscape" records the provisions made by the companies of the Group's energy segment, as well as some provisions made by the companies of the industrial segment for the purposes of covering the costs of rehabilitation of the natural landscape where the power plants and quarry operators are installed, at the end of the holding period, according to the licenses received from the State. The above provision of 20,776 (31.12.2021: 18,442) reflects the cost of dismantling equipment and restoring the land where they are installed, applying modern technology and materials.

Other provisions also include the evolution of item "Provision for heavy maintenance of motorways" which includes the contractual obligation of NEA ODOS and CENTRAL GREECE MOTORWAY SA to maintain the infrastructure on the basis of heavy maintenance planning. Moreover, in compliance with the concession agreement, the Group is under obligation to deliver the infrastructure to the concessionaire in the previously defined condition at the end of the service concession agreement. Within the financial year 2022 additional provisions of 25,923 (31.12.2021: 23,638) were formed, while a total amount of 29,705 (31.12.2021: 23,488) is recorded in accrued and other liabilities, as the Group estimates that the respective operations will be carried out within 2022.

**28 GRANTS**

The movement of grants of the Group in the Statement of financial position for the years 2022 and 2021 is as follows:

|                                                                            | <b>GROUP</b>   |                |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | <b>2022</b>    | <b>2021</b>    |
| <b>Balance 1st January</b>                                                 | <b>87,431</b>  | <b>102,266</b> |
| Receipts of grants                                                         | 100,000        | 1,260          |
| Derecognition not collected grants                                         | 0              | (10,441)       |
| Refunds of grants                                                          | (1,535)        | 0              |
| Write off due to sale of tangible assets                                   | (3,882)        | 0              |
| Foreign exchange differences                                               | (66)           | (28)           |
| Amortization of grants on fixed assets recognized in net results (Note 38) | (5,687)        | (5,586)        |
| Amortization of grants on fixed assets recognized in inventories           | (29)           | (40)           |
| <b>Balance 31st December</b>                                               | <b>176,232</b> | <b>87,431</b>  |

The Group's grants refer to those provided by the State for the development of wind parks of TERNA ENERGY sub-group at 167,146 (31.12.2021: 76,736), industrial / trade zones, car park stations and industrial development. The grants are amortized in accordance with the granted assets' depreciation or utilization rates.

The item "Receipts of grants" includes the collection of the first installment of 100 million Euros from the subsidiary company of TERNA ENERGY sub-Group, TERNA ENERGY PUMPING-STORAGE I MEA, as capital injection through the Public Investment Program, for the project "Sub-project 1 Pumping-

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Storage Station of Western Greece (Amfilochia), with a capacity of 680 MW" which has been included in the Recovery and Resilience Fund.

The item also includes approved but not collected grants, of a total amount of 627 (see Note 20) which were recognized on the basis of the Group's management's assurance that all the conditions for the collection of these grants are normally met and that these amounts will be collected following the final approval of the completion of the relevant investments.

**29 SUPPLIERS**

The item «Suppliers» as of 31 December 2022 and 31 December 2021, in the accompanying financial statements are analyzed as follows:

|                          | GROUP          |                | COMPANY       |               |
|--------------------------|----------------|----------------|---------------|---------------|
|                          | 31.12.2022     | 31.12.2021     | 31.12.2022    | 31.12.2021    |
| Suppliers                | 333,380        | 289,805        | 23,128        | 20,662        |
| Checks and notes payable | 1,946          | 6,981          | 0             | 0             |
| <b>Total</b>             | <b>335,326</b> | <b>296,786</b> | <b>23,128</b> | <b>20,662</b> |

The balance of the account derives by an amount of 189,315 (31.12.2021:154,387) from the construction sector, by an amount of 44,862 (31.12.2021:3,693) from the RES sector, by an amount of 17,588 (31.12.2021:29,705) from the concessions sector, by amount of 71,490 (31.12.2021:76,947) from the sector "Electricity from thermal energy sources, electricity and gas trading" and by an amount of 12,071 (31.12.2021:32,054) from the other operating segments of the Group.

**30 ACCRUED AND OTHER LIABILITIES**

Accrued and other liabilities (long term and short term) as of 31 December 2022 and 31 December 2021 in the accompanying financial statements, are analyzed as follows:

|                                              | GROUP         |               | COMPANY       |               |
|----------------------------------------------|---------------|---------------|---------------|---------------|
|                                              | 31.12.2022    | 31.12.2021    | 31.12.2022    | 31.12.2021    |
| <b>Other long-term financial liabilities</b> |               |               |               |               |
| Withheld amounts and guarantees to suppliers | 1             | 1             | 0             | 0             |
| Liabilities from acquisition of companies    | 23,680        | 25,879        | 16,183        | 15,330        |
| Guarantees of leased property                | 474           | 439           | 195           | 181           |
| Other long-term financial liabilities        | 11            | 736           | 0             | 0             |
| <b>Total (a)</b>                             | <b>24,166</b> | <b>27,055</b> | <b>16,378</b> | <b>15,511</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The account "Liabilities from acquisition of companies" in the Group pertains to:

(a) by an amount of 16,183 to the present value of the credited consideration for the acquisition by the parent GEK TERNA of percentages of the companies NEA ODOS CONCESSION SA and CENTRAL GREECE MOTORWAY CONCESSION SA, which took place in a previous year. The consideration will be repaid gradually through installments till 2028, with the next payment effective in 2024.

(b) by an amount of 7,496 to the contingent consideration recognized by the subsidiary company TERNA ENERGY from the acquisition of the companies KEY ILIAKI ENERGEIAKI PC, KASTRAKI ILIAKI ENERGEIAKI PC (IKE) and TERNA ENERGY WIND FARM FIVE TOWERS G.P. (see Note 7.2) .

|                                                  | GROUP          |                | COMPANY       |               |
|--------------------------------------------------|----------------|----------------|---------------|---------------|
|                                                  | 31.12.2022     | 31.12.2021     | 31.12.2022    | 31.12.2021    |
| <b>Other long-term non-financial liabilities</b> |                |                |               |               |
| Collected advances from contracts with customers | 165,368        | 200,448        | 0             | 0             |
| Liabilities from construction agreements         | 82,961         | 0              | 0             | 0             |
| Liabilities from other contracts with customers  | 3,697          | 0              | 0             | 0             |
| Other long-term non-financial liabilities        | 0              | 15             | 0             | 0             |
| <b>Total (b)</b>                                 | <b>252,026</b> | <b>200,463</b> | <b>0</b>      | <b>0</b>      |
| <b>Total other long-term liabilities (a+b)</b>   | <b>276,192</b> | <b>227,518</b> | <b>16,378</b> | <b>15,511</b> |

The balance of the account "Collected advances from customers" concerns mainly:

(a) an advance payment from the client for the project of INTERNATIONAL AIRPORT OF HERAKLION CRETE amounting to 69,571.

(b) an advance payment from the client of the project CENTRAL GREECE MOTORWAY (E-65) amounting to 60,598 for the construction of Deferred Sections A 'and B'.

The balance in "Liabilities from construction agreements" refers to invoicing of project advances which are expected to be executed beyond the next 12 months.

|                                                           | GROUP          |               | COMPANY       |              |
|-----------------------------------------------------------|----------------|---------------|---------------|--------------|
|                                                           | 31.12.2022     | 31.12.2021    | 31.12.2022    | 31.12.2021   |
| <b>Accrued and other short-term financial liabilities</b> |                |               |               |              |
| Liabilities from dividends payable and capital return     | 495            | 236           | 0             | 0            |
| Liabilities to members of j/v and other associates        | 2,555          | 5,671         | 45            | 53           |
| Accrued expenses                                          | 209,209        | 73,406        | 2,176         | 5,355        |
| Acquisition under settlement                              | 7,150          | 1,486         | 0             | 0            |
| Liabilities from acquisition of companies                 | 47,021         | 0             | 27,992        | 0            |
| Sundry Creditors                                          | 44,215         | 10,671        | 724           | 4,527        |
| <b>Total (a)</b>                                          | <b>310,645</b> | <b>91,470</b> | <b>30,937</b> | <b>9,935</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                             | GROUP          |                | COMPANY       |               |
|-------------------------------------------------------------|----------------|----------------|---------------|---------------|
|                                                             | 31.12.2022     | 31.12.2021     | 31.12.2022    | 31.12.2021    |
| <b>Other short-term non-financial liabilities</b>           |                |                |               |               |
| Liabilities from taxes and duties                           | 29,037         | 30,698         | 903           | 700           |
| Social security funds                                       | 6,088          | 5,135          | 777           | 838           |
| Liabilities for litigations                                 | 368            | 347            | 0             | 0             |
| In favor of sci funds                                       | 24             | 12             | 0             | 0             |
| Income carried forward and other transit accounts           | 3,401          | 1,055          | 0             | 0             |
| Approved and collected grants to be returned                | 3,260          | 3,024          | 0             | 0             |
| Provisions for loss-bearing construction contracts          | 3,422          | 7,517          | 0             | 0             |
| Provision for major maintenance of motorways                | 29,705         | 23,488         | 0             | 0             |
| <b>Total (b)</b>                                            | <b>75,305</b>  | <b>71,276</b>  | <b>1,680</b>  | <b>1,538</b>  |
|                                                             |                |                |               |               |
| <b>Total Accrued and other short-term liabilities (a+b)</b> | <b>385,950</b> | <b>162,746</b> | <b>32,617</b> | <b>11,473</b> |

The change in the account "Accrued expenses" refers to accrued transactions for the sale of electricity mainly of the recently acquired, within 2022, subsidiary company HERON ENERGY SA (see Note 7.1) and the subsidiary company OPTIMUS SA.

The change in the account "Liabilities from acquisitions of companies" relates to the following:

- a) an amount of 27,992 from the acquisition of 50% of HERON ENERGY SA by the parent company GEK TERNA (see detailed Note 7.1).
- b) an amount of 11,028 which concerns the contingent consideration for the acquisition by the subsidiary company TERNA ENERGY of the shares of the company TERNA ENERGY OMALIES SA (formerly RF OMALIES SA) which are estimated to have been paid by the end of the year 2023.
- c) an amount of 8,000 which concerns the acquisition of 50.00% of the shares of the company NK GEK TERNA LTD by the subsidiary company GEK TERNA CONCESSIONS SMSA (see Note 5)

The change in the account "Sundry Creditors" concerns mainly an amount of 37,467 which includes Municipal Fees and ERT (State TV) reimbursable fees which the acquired subsidiary company HERON ENERGY (see Note 7.1) collects from low, medium, and high voltage customers and pays to Municipalities and ERT respectively.

The account "Grants to be reimbursed" include amounts of received subsidies to be reimbursed due to the cancellation or expiration of time-limits of the decisions qualifying certain wind farms and, in addition, include interest accrued on the aforementioned grants.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**31 FINANCIAL DERIVATIVES**

The Group and the Company financial derivatives as of 31.12.2022 and 31.12.2021 are analyzed as follows:

|                                                             | GROUP         |                |
|-------------------------------------------------------------|---------------|----------------|
|                                                             | 31.12.2022    | 31.12.2021     |
| <b>Liabilities from derivatives</b>                         |               |                |
| - <i>Hedging cash flows</i>                                 |               |                |
| Interest rate swaps (note 31.1)                             | 10,329        | 16,743         |
| Interest rate swaps CENTRAL GREECE MOTORWAY (note 31.2)     | 48,335        | 164,330        |
| Fixed for floating swap contract-program E.NA. (note 31.3)  | 8,253         | 5,164          |
| - <i>For trading purposes</i>                               |               |                |
| Natural gas futures contracts (note 31.3)                   | 14,214        | 0              |
| Future contract for the sale of electric energy (note 31.3) | 13,483        | 0              |
| <b>Total Liabilities from Derivatives</b>                   | <b>94,613</b> | <b>186,237</b> |
| - <i>Long-term liabilities from derivatives</i>             | 59,305        | 157,657        |
| - <i>Short-term liabilities from derivatives</i>            | 35,308        | 28,580         |

|                                                                                                 | GROUP          |                |
|-------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                 | 31.12.2022     | 31.12.2021     |
| <b>Receivables from derivatives</b>                                                             |                |                |
| - <i>Hedging cash flows</i>                                                                     |                |                |
| Interest rate swaps (note 31.1)                                                                 | 90,065         | 2,363          |
| - <i>For trading purposes</i>                                                                   |                |                |
| Natural gas futures contracts (note 31.3)                                                       | 4,249          | 0              |
| Future contract for the sale of electric energy (note 31.3)                                     | 22,005         | 0              |
| <b>Total</b>                                                                                    | <b>116,319</b> | <b>2,363</b>   |
| Embedded derivative according to the concession agreement (CENTRAL GREECE MOTORWAY) (note 31.2) | 44,836         | 156,703        |
| <b>Total Receivables from Derivatives</b>                                                       | <b>161,155</b> | <b>159,066</b> |
| - <i>Long-term Receivables from derivatives</i>                                                 | 124,639        | 140,119        |
| - <i>Short-term Receivables from derivatives</i>                                                | 36,516         | 18,947         |

All the aforementioned financial instruments are measured at their fair value (see Notes 4.14.6 and 4.15).

In particular, during the year 2022, from the above derivatives, a total loss of 76,344 (31.12.2021: loss of 11,974) was recognized in the income statement of the year from changes in fair value, which is included in the item "Net financial income / (expenses)" as analyzed in note 42 in the item "Result of valuations of derivatives from continuing operations". Furthermore, the total changes in fair value recognized in other comprehensive income amounted to a total profit of 192,624 (31.12.2021: profit of 42,440).

More analytically:

### **31.1 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, mainly the electricity generation sector and the concessions sector. Specifically, interest rate swaps relate to contracts whereby the variable interest rate on the loan is converted to fixed rate over the entire term of the loan, so that the Company 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 31.12.2022, throughout the time horizon of such contracts.

The fair value of these contracts on 31.12.2022 amounted to a total net asset of 79,736 (the total nominal value of the contracts amounts to 625,832 for Greece and Bulgaria). On 31.12.2022, those 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 92,462 and a profit of 761 from the ineffective part were recognized in other comprehensive income and in the results of the period. These financial liabilities are classified in the fair value hierarchy at level 2 (see Note 47).

### **31.2 Liabilities and Receivables on derivatives of CENTRAL GREECE MOTORWAY: Derivative financial instruments and Operational Support**

The Group has recognized, through the fully owned by 100% subsidiary company CENTRAL GREECE MOTORWAY S.A., a derivative obligation of interest rate swaps of 48,335, (nominal value 366,871, with commencement in year 2008 and termination in year 2036 and with interest rate 4.766% and floating euribor rate) and respectively a receivable from an embedded derivative financial asset (i.e. the part of the Operating Support Scheme covering future payments of the interest rate swaps) of 44,836. Detailed information on the Concession Agreement and the basis for recognition of the imbedded derivative receivable, since the Group (through the 100% subsidiary company CENTRAL GREECE MOTORWAY SA) has contractually transferred the risk arising from the obligation of interest rate swaps to the State, are set out in note 4.15 of the accounting policies of the annual financial statements for the period ended on 31 December 2022.

- The fair value of the financial asset/receivable from embedded derivative on 31.12.2022 of 44,836 reflects the present value from future payments on interest rate swaps (31.12.2021: 156,703). The Group has taken into account the following for discounting future flows: a) future outflows as derived from the financial model of CENTRAL GREECE MOTORWAY SA, approved by all parties (Lenders, State, and Company), b) Government credit risk as embodied in the multi-maturity Greek

government bond yield curve, c) Potential time difference between Derivative Payments and Operational Support Collection. The Group, at each reporting date, reviews the financial asset for impairment. The Group assessed that there is no indication of impairment as of 31 December 2022.

In each Calculation Period, from the total Operating Support income, the amount relating to payments for interest rate swaps is recognized as deductible from the financial derivative receivable at 31 December 2022 amounting to 17,521 (31.12.2021: 19,157). Subsequently, any change in the valuation of the derivative is recognized in profit or loss in the period it arises, i.e. as of 31 December 2022 the arising loss of 94,345 which substantially reflects the change in interest rates, was recognized in the "Net financial income/(expense)" item of the consolidated Income Statement (see Note 42). This financial asset is classified at fair value hierarchy level 3 (see Note 47).

- Interest rate swaps are contracts where the variable interest rate on the loan is converted to fixed rate over the entire term of the loan so that the subsidiary is protected against any interest rate rise. These contracts meet the requirements for cash flow hedging in accordance with IFRS 9.

The fair value of these contracts was valued by recording the effective interest rate (euribor) curve as of 31.12.2022, throughout the entire period of these contracts. As of 31.12.2022, the fair value of these contracts amounted to 48,335 in total and the Group recognized from its valuation of derivatives a total profit of 115,996, of which an amount of 18,838 relates to the ineffective part of the cash flow hedging derivatives which was reclassified from other comprehensive income to Income Statement of the period. This financial liability is classified at fair value hierarchy level 2.

The fair value of the financial asset from the embedded derivative, the change of which is recorded in the Profit and Loss, reflects the present value of the future payments on the interest rate swap derivatives, the valuation of which is recorded mainly in the Other Comprehensive Income. For the current period, as a consequence of the increase in the six-month Euribor, the future payments of the interest rate swap derivatives decreased, a fact which contributed to the lower valuation of the liability arising from them and, correspondingly, to the lower valuation of the embedded derivative asset that reflects them. In addition, for the valuation of the embedded derivative, the borrowing rates of the Greek State are taken into account, the increase of which in this period is not linked to any change in the credit risk of the embedded derivative. On the contrary, it is part of the general upward trend of interest rates at the European and global level, a consequence of geopolitical developments in general.

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

#### **Fixed for floating swap contract HERON EN.A program**

Within 2021, the subsidiary company HERON ENERGY SA, in cooperation with the subsidiary company TERNA ENERGY SA, introduced "HERON EN.A" to the Greek market.

Within the framework of "HERON EN.A" and "HERON EN.A BUSINESS" plans, HERON ENERGY SA collects fixed cash flows from the contracted final energy consumers, while paying to them the fluctuating cash flows (Proxy Market Revenues) collected by the Group through the RES operations of the subsidiary TERNA ENERGY SA that do not have an energy sale contract at a locked price. The duration of "HERON EN.A" contracts between HERON ENERGY SA and the final consumers is 20 years, with the possibility on behalf of the Company for further extension, while in the case of the program

"HERON EN.A BUSINESS" the relevant contracts between the Company and large energy consumers that have the typical form of long-term virtual power purchase agreements (VPAA) have an indicative duration of around 7 years.

The subject derivatives met the requirements of cash flow hedging risk, in accordance with the requirements of IFRS 9 and from their measurement at fair value, a gain of 1,097 was recognized in the item "Net financial income / (expense)" as analyzed in note 42 on the item "Result of derivative valuations from continuing operations" and a gain of 3,006 was recognized in the other comprehensive income. The respective financial liability amounting to 8,253 has been classified in the hierarchy of fair value at level 3 (see Note 47).

#### **Future Contracts on purchase and sale of natural gas and electricity**

The Group, through its subsidiary HERON ENERGY SA, in the context of its operation, has entered into forward contracts for the purchase and sale of natural gas and electricity for trading purposes, allowing the stabilization of the cost of buying or selling energy when the referred Company wishes to submit competitive offers to sell or buy energy, respectively.

For these derivatives from their measurement at fair value, a loss of 2,695 was recognized in the item "Net financial income / (expenses)" as analyzed in note 42 in the item "Result of derivative valuations from continuing operations". This net financial liability amounting to 1,442 has been classified in the hierarchy of fair value at level 3 (see Note 47).

### **32 SHARE CAPITAL – EARNINGS PER SHARE**

On 31.12.2022 the share capital of the Company amounted to 58,951,275.87 euros, was fully paid and divided into 103,423,291 common shares of a nominal value of 0.57 euro each. Each share of the Company entitles one vote. The share premium account on 31.12.2022 stands at 381,283.

In addition, on 31.12.2022 the Group held directly through the parent 5,843,244 treasury shares and indirectly through subsidiaries 1,925,230, a total of 7,768,474 treasury shares of a total acquisition value of 45,862, i.e. 7.5113% of the Share Capital (see Note 33).

#### **Corporate Events of the Year 2022**

With the decision of the Ordinary General Meeting of Shareholders on 28.06.2022, it was decided to increase the share capital of the Company by the amount of 12,410,794.92 euros by capitalizing part of the special share premium reserve, with an increase in the nominal value of each share from fifty-seven cents of the euro (0.57 euros) to sixty-nine cents of the euro (0.69 euros) and a simultaneous reduction of the Company's share capital by the amount of 12,410,794.92 euros via a reduction in the nominal value of each share from sixty-nine cents of the euro (0.69 euros) to fifty-seven cents of the euro (0.57 euros) and the return of the above reduction to the shareholders. After the above corporate action, the Company's share capital amounts to a total of 58,951,275.87 euros and is divided into 103,423,291 common registered shares with voting rights, with a nominal value of fifty-seven cents (0.57 euros) per share.

The issuing expenses concerning the above share capital increase amounted to 61 and have been transferred as deductions from the balance of "Retained earnings".



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***Earnings per share**

Basic earnings per share for the period 01.01.-31.12.2022 and the corresponding comparative period were calculated as follows:

|                                                                                                                           | GROUP          |                |
|---------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                           | 1.1-31.12.2022 | 1.1-31.12.2021 |
| <b>(a) Basic earnings / (losses) per share (Amounts in Euro / Share)</b>                                                  |                |                |
| <b>Profit / (Losses)</b>                                                                                                  |                |                |
| <b>Net gains / (losses) attributable to the shareholders of the parent for basic earnings per share (Amounts in Euro)</b> |                |                |
| -from continuing operations                                                                                               | 136,523        | 85,087         |
| -from discontinued operations                                                                                             | 0              | (35,140)       |
| <b>Number of Shares</b>                                                                                                   |                |                |
| Average Weighted Number of Common Shares Used to Calculate Basic Earnings / (Losses) Per Share                            | 95,858,598     | 96,240,065     |
| <b>Basic earnings / (losses) per share (Amounts in Euro / Share)</b>                                                      |                |                |
| -from continuing operations                                                                                               | 1.42421        | 0.88411        |
| -from discontinued operations                                                                                             | 0.00000        | (0.36513)      |
| <b>Total</b>                                                                                                              | <b>1.42421</b> | <b>0.51898</b> |

The earnings per share were calculated applying the weighted average number of common shares, subtracting the weighted average number of treasury shares. No adjustments have been made to earnings (numerator). Finally, no diluted earnings per share are effective for the Group and the Company for the period ended on 31.12.2022 and the respective comparative period.

**33 RESERVES**

The reserves of the Group and the Company for the years 2022 and 2021, in the accompanying financial statements, are analyzed as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| GROUP                                            | Statutory reserves | Treasury Shares | Reserves from fair value difference of assets through Other Comprehensive Income | Differences from cash flows risk hedges reserves | Reserves from participating interest in other comprehensive income of associates and joint ventures | Reserves of foreign currency translation differences from incorporation of foreign operations | Development and tax legislation reserves | Actuarial revenue/losses from defined benefit plan reserves and other reserves | Total          |
|--------------------------------------------------|--------------------|-----------------|----------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------|----------------|
| <b>1st January 2021</b>                          | <b>35,959</b>      | <b>(25,787)</b> | <b>26,529</b>                                                                    | <b>(28,439)</b>                                  | <b>(4,140)</b>                                                                                      | <b>(702)</b>                                                                                  | <b>468,054</b>                           | <b>3,238</b>                                                                   | <b>474,712</b> |
| Earnings from other comprehensive income         | 0                  | 0               | 19,332                                                                           | 28,378                                           | 160                                                                                                 | (121)                                                                                         | 0                                        | (193)                                                                          | 47,556         |
| Formation of reserves                            | 3,130              | 0               | 0                                                                                | 0                                                | 0                                                                                                   | 0                                                                                             | 41,026                                   | 0                                                                              | 44,156         |
| Acquisition of treasury shares                   | 0                  | (23,225)        | 0                                                                                | 0                                                | 0                                                                                                   | 0                                                                                             | 0                                        | 0                                                                              | (23,225)       |
| Granting stock options                           | 0                  | 0               | 0                                                                                | 0                                                | 0                                                                                                   | 0                                                                                             | 0                                        | 1,979                                                                          | 1,979          |
| Disposal of treasury shares                      | 0                  | 9,814           | 0                                                                                | 0                                                | 0                                                                                                   | 0                                                                                             | 0                                        | 0                                                                              | 9,814          |
| Consolidated Subsidiary Percentage Change        | 0                  | 0               | 0                                                                                | 0                                                | 0                                                                                                   | 0                                                                                             | (1,065)                                  | 0                                                                              | (1,065)        |
| Transfers to minority interest and other changes | 0                  | 0               | 0                                                                                | (66)                                             | 0                                                                                                   | 0                                                                                             | 0                                        | 85                                                                             | 19             |
| <b>31st December 2021</b>                        | <b>39,089</b>      | <b>(39,198)</b> | <b>45,861</b>                                                                    | <b>(127)</b>                                     | <b>(3,980)</b>                                                                                      | <b>(823)</b>                                                                                  | <b>508,015</b>                           | <b>5,109</b>                                                                   | <b>553,946</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>1st January 2022</b>                          | <b>39,089</b> | <b>(39,198)</b> | <b>45,861</b> | <b>(127)</b>   | <b>(3,980)</b> | <b>(823)</b>   | <b>508,015</b> | <b>5,109</b>  | <b>553,946</b> |
|--------------------------------------------------|---------------|-----------------|---------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Earnings from other comprehensive income         | 0             | 0               | (1,451)       | 140,599        | (94)           | (2,142)        | 0              | 41            | 136,954        |
| Formation of reserves                            | 1,867         | 0               | 0             | 0              | 0              | 0              | 22,368         | 0             | 24,235         |
| Distribution of reserves                         | 0             | 826             | 0             | 0              | 0              | 0              | 0              | 0             | 826            |
| Acquisition of treasury shares                   | 0             | (10,512)        | 0             | 0              | 0              | 0              | 0              | 0             | (10,512)       |
| Granting stock options                           | 0             | 0               | 0             | 0              | 0              | 0              | 0              | 18,261        | 18,261         |
| Disposal of treasury shares                      | 0             | 3,023           | 0             | 0              | 0              | 0              | 0              | 0             | 3,023          |
| Consolidated Subsidiary Percentage Change        | 0             | 0               | 0             | 0              | 0              | 0              | (3,565)        | 0             | (3,565)        |
| Transfers to minority interest and other changes | 0             | 0               | 0             | 0              | (2)            | 30             | (15,339)       | 0             | (15,311)       |
| <b>31st December 2022</b>                        | <b>40,956</b> | <b>(45,862)</b> | <b>44,410</b> | <b>140,472</b> | <b>(4,076)</b> | <b>(2,935)</b> | <b>511,479</b> | <b>23,412</b> | <b>707,855</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

|                                                             | Statutory<br>reserves | Treasury<br>Shares | Reserves from<br>fair value<br>difference of<br>assets through<br>Other<br>Comprehensive<br>Income | Differences from<br>cash flows risk<br>hedges reserves | Reserves from<br>participating<br>interest in<br>other<br>comprehensiv<br>e income of<br>associates and<br>joint ventures | Reserves of<br>foreign currency<br>translation<br>differences from<br>incorporation of<br>foreign operations | Development<br>and tax<br>legislation<br>reserves | Actuarial<br>revenue/losses from<br>defined benefit plan<br>reserves and other<br>reserves | Total         |
|-------------------------------------------------------------|-----------------------|--------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------|---------------|
| <b>COMPANY</b>                                              |                       |                    |                                                                                                    |                                                        |                                                                                                                           |                                                                                                              |                                                   |                                                                                            |               |
| <b>1st January 2021</b>                                     | <b>7,007</b>          | <b>(19,247)</b>    | <b>26,580</b>                                                                                      | <b>(1)</b>                                             | <b>0</b>                                                                                                                  | <b>0</b>                                                                                                     | <b>38,473</b>                                     | <b>3,053</b>                                                                               | <b>55,866</b> |
| Earnings from other<br>comprehensive income<br>for the year | 0                     | 0                  | 19,416                                                                                             | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | (33)                                                                                       | 19,383        |
| Acquisition of treasury<br>shares                           | 0                     | (23,032)           | 0                                                                                                  | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | 0                                                                                          | (23,032)      |
| Granting stock options                                      | 0                     | 0                  | 0                                                                                                  | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | 1,979                                                                                      | 1,979         |
| Disposal of treasury<br>shares                              | 0                     | 9,814              | 0                                                                                                  | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | 0                                                                                          | 9,814         |
| <b>31st December 2021</b>                                   | <b>7,007</b>          | <b>(32,465)</b>    | <b>45,996</b>                                                                                      | <b>(1)</b>                                             | <b>0</b>                                                                                                                  | <b>0</b>                                                                                                     | <b>38,473</b>                                     | <b>4,998</b>                                                                               | <b>64,010</b> |
| <b>1st January 2022</b>                                     | <b>7,007</b>          | <b>(32,465)</b>    | <b>45,996</b>                                                                                      | <b>(1)</b>                                             | <b>0</b>                                                                                                                  | <b>0</b>                                                                                                     | <b>38,472</b>                                     | <b>4,998</b>                                                                               | <b>64,010</b> |
| Earnings from other<br>comprehensive income<br>for the year | 0                     | 0                  | (1,422)                                                                                            | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | 16                                                                                         | (1,406)       |
| Distribution of reserves                                    | 0                     | 680                | 0                                                                                                  | 0                                                      | 0                                                                                                                         | 0                                                                                                            | 0                                                 | 0                                                                                          | 680           |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                |              |                 |               |            |          |          |               |              |               |
|--------------------------------|--------------|-----------------|---------------|------------|----------|----------|---------------|--------------|---------------|
| Acquisition of treasury shares | 0            | (4,928)         | 0             | 0          | 0        | 0        | 0             | 0            | (4,928)       |
| Granting stock options         | 0            | 0               | 0             | 0          | 0        | 0        | 0             | (57)         | (57)          |
| Disposal of treasury shares    | 0            | 3,023           | 0             | 0          | 0        | 0        | 0             | 0            | 3,023         |
| <b>31st December 2022</b>      | <b>7,007</b> | <b>(33,690)</b> | <b>44,574</b> | <b>(1)</b> | <b>0</b> | <b>0</b> | <b>38,472</b> | <b>4,957</b> | <b>61,321</b> |

**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.

**Development and tax legislation reserves**

These reserves relate to profits that have not been taxed at the effective tax rate according to the applicable tax framework. Such reserves will be taxable at the tax rate applicable at the time of their distribution to the shareholders or their transfer to equity under specific circumstances.

The reserves in question also include reserves of 2 motorway concessions. In particular, under the provisions of Article 36.1.7 of the Concession Agreement, the companies NEA ODOS and CENTRAL GREECE MOTORWAY SA amortize the total investment cost for tax purposes, including the cost of interests within the Period T1. The portion of the State Financing Facility, corresponding to the construction cost for the fiscal year and, in particular, to the accounted for amortizations, is deducted from the amortizations in question as a proportion of the capital grant used (as Article 36.1.2 of the Concession Agreement). The amount of the proportion of the capital grant used as above is transferred to the account of tax exempted reserves. In the case the reserves are distributed, the State Financing Facility will be taxed at the tax rate applicable at the time of distribution to the shareholders. Within the current year, the aforementioned reserves increased by 22,165.

Moreover the decrease of 15,339 is mainly related to distribution of tax exempt reserves of Group subsidiaries to other subsidiaries. These transactions are eliminated at Group level, and as a result these amounts are reclassified under account "Retained earnings".

**Cash flows risk hedging reserves**

Cash flows hedging reserves are 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 hedging relates affects the statement of comprehensive income, then the corresponding amounts are also transferred from the other comprehensive income to the statement of income. During the financial year 2022, the Group recognized as an increase to these reserves, derivative gains of 192,624 (gains of 42,439 for the year 2021) which after taxes and the deduction of non-controlling interest amounted to gains 140,599 (gains of 28,378 for 2021). The total reserves amounted to a credit balance of 140,473 at 31.12.2022 (see detailed Note 31).

**Treasury shares**

On 31.12.2021 the Company directly held 5,858,714 treasury shares, i.e. a percentage of 5.6648% with an acquisition value of 32,465,708.62 euros. Within the financial year 2022, the Company acquired 512,564 treasury shares worth 4,928,240.09 euros, i.e. a percentage of 0.4946%, while at the same time it granted in the context of its stock option plan 528,034 treasury shares valued at 3,023,100.26 euros, i.e. a percentage 0.5106%. The subsidiary company TERNA SA acquired within the financial year 2022, 599,690 shares of GEK TERNA worth 5,584,168.52 euros and holds a total of 1,308,395 shares, i.e. a percentage of 1.2651% with an acquisition value of 7,344,259.96 euros. The subsidiary company ILIOCHORA SA owns 616,835 shares of GEK TERNA, i.e. a percentage of 0.5964% with an acquisition value of 3,751,325 euros.

In the context of the above corporate actions, on 31.12.2022 GEK TERNA SA owned directly and indirectly through its subsidiaries a total of 7,768,474 treasury shares, i.e. 7.5113% of the share capital with a total acquisition value of 45,862,208.83 euros.

**Stock options of GEK TERNA GROUP:****1. Stock options of the company:**

The Extraordinary General Meeting of GEK TERNA S.A. held on 09.12.2019 approved the Company's Remuneration Policy, in accordance with Articles 110 and 111 of Law 4548/2018. In the context of the preparation of the Remuneration Policy, a new plan (abolishing the plan approved on 27.06.2018 by the General Meeting) was introduced to provide stock options up to the limit of 4,000,000 shares of the Company for the five-year period 2019-2023, which will address up to 20 executives.

As of 20.02.2020, during the meeting of the Company's Board of Directors the sale price of the shares to the beneficiaries at the amount of 2.00 euro per share was approved and the Board of Directors appointed numerically 16 executives to be included in the Plan, as well as defined the specific conditions of the plan, mainly related to meeting the performance conditions, not related to the market (e.g. EBITDA of operating segment, distributions in the parent company, etc.). On 08.07.2020, at a new meeting, the Board of Directors approved further terms of the plan, related to meeting the terms of market performance (share price). Furthermore, there is an obligation of two years to hold the shares.

At the meeting held as of 23.12.2020, the Board of Directors determined the final beneficiaries of the plan and the allocation percentage according to the proposal of the Nomination and Remuneration Committee (hereinafter "NRC").

Within the fiscal year 2022, the following were confirmed: the achievement of part of the business objectives related to construction operating segment, energy segment and concession segment as well as the targeted debt service ratio. According to the decision of the Board of Directors on 28.04.2022, a total of 528,034 treasury shares were vested and subsequently allocated to 17 beneficiaries, for a total price of 1,056,068 euros. The rights were exercised through an over-the-counter transaction on 01.07.2022, with a share price of 9.38 euros. In more detail, 422,644 treasury shares were allocated to senior executives and members of the Board of Directors of the parent company GEK TERNA and 105,390 shares were allocated to the other beneficiaries of the stock option plan, i.e. to executives of subsidiary companies of the Group, corresponding to the financial year 2021.

Within the previous fiscal year 2021, the achievement of three (3) 6-month VWAP targets, as they were set in the plan, was confirmed along with the attainment of the targets related to the construction sector, the energy sector, the concessions sector as well as the debt service ratio.

Specifically, according to the decision of the Board of Directors dated on 27.04.2021, stock options were secured for 16 beneficiaries defined by the decision of the Board of Directors dated 23.12.2020, to whom a total of 1,876,000 treasury shares were allocated and sold, for a total price of 3,752,000 euros. The exercise of the stock options took place through an over-the-counter transaction on 11.06.2021, with a market value of 9.98 euros per share. More specifically, 1,561,000 shares were distributed to senior executives and members of the Board of Directors of the parent company GEK TERNA and 315,000 shares to the other beneficiaries of the stock option plan, i.e. to executives of the Group's subsidiaries, corresponding to the 2-year period of 2019-2020.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

During the meeting of the Board of Directors from 27.04.2021, it was decided to add to the beneficiaries another member of the Board of Directors of the Company for the rest of the program, to fill one of the 4 vacancies.

For valuation of shares related to other non-market equity (KPIs), the fair value was determined using the Black-Scholes valuation model. The entry data in this model are the share price, standing at 6.20 euros on the announcement date, the exercise price (2.00 euros), the discount rate or risk-free return (-0.447%) and its volatility share price, standing at 49.824%. Based on the above, the fair value was determined within the range of 4.20 to 4.34.

In summary, the movements of stock options in relation to the Company's plan is presented below:

|                                 | GROUP            |               |                  |               |
|---------------------------------|------------------|---------------|------------------|---------------|
|                                 | 2022             |               | 2021             |               |
|                                 | Number of        | Weighted      | Number of        | Weighted      |
| <b>1st January</b>              | <b>2,116,853</b> | <b>4.32 €</b> | <b>3,992,853</b> | <b>4.21 €</b> |
| Shares vested and exercised     | (528,034)        | 3.53 €        | (1,876,000)      | 3.23 €        |
| Change in estimations           | (20,003)         |               |                  |               |
| <b>31st December</b>            | <b>1,568,816</b> | <b>4.32 €</b> | <b>2,116,853</b> | <b>4.32 €</b> |
| Shares vested and not exercised | 275,000          | 4.30 €        | 470,812          | 4.13 €        |
| Shares to be vested             | 1,293,816        | 4.33 €        | 1,646,041        | 4.13 €        |

## 2. Plan of Bonus Shares of subsidiary TERNA ENERGY SA:

The Extraordinary General Meeting on 16.12.2020 of the subsidiary company TERNA ENERGY SA approved the distribution of up to two million five hundred thousand (2,500,000) new shares to be issued with capitalization of share premium reserve to Executive Members of the Board of Directors and senior management of the subsidiary company due to their contribution to the achievement of financial goals, the implementation of new projects as well as to the increase of the subsidiary company's profitability within the three-year period 01.01.2021-31.12.2023.

The Board of Directors of the subsidiary company was authorized to further determine the beneficiaries, the way to exercise the right and the conditions of the plan, as well as to arrange for all relevant procedural issues towards the implementation of the decision.

The Board of Directors of the subsidiary company at its meeting of 19.03.2021, in implementation of the above decision of the Extraordinary General Meeting of Shareholders of the subsidiary company, accepted the recommendation of the Nominations and Remuneration Committee (henceforth "NRC") of the subsidiary regarding the Revision of the Remuneration Policy, the Review of the Plan Implementation Period (extension of the Scheme by one year, i.e. ending on 31.12.2024 – the extension of the duration of the scheme, in combination with its inclusion in the Remuneration Policy was approved by the Regular General Meeting of the subsidiary company's Shareholders on 23.06.2021), the conditions for the implementation of the Plan, as well as the Criteria – Objectives of the Plan (refer to the fulfilment of performance conditions not related to the market - namely project construction objectives, EBITDA, etc.), as well as regarding the Distribution of the shares by Criterion - Objective.



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

At the meeting of 26.01.2022, the Board of Directors of the subsidiary company proceeded with the selection of the beneficiaries of the bonus-share distribution plan as well as the allocation percentages in accordance with the recommendation of the Nominations and Remuneration Committee (NRC) of the subsidiary company.

On 02.02.2023, the decision as of 18.01.2023 of the Board of Directors of the subsidiary company TERNA ENERGY SA was published in GEMI (General Electronic Commercial Registry), which approved the increase of its Share Capital and the amendment of the relevant article 5 (Equity) of its articles of association.

Specifically, it was unanimously decided to increase the Share Capital of the subsidiary company by the amount of Three Hundred Sixty Thousand Euros (360,000.00 euros) by issuing One Million Two Hundred Thousand (1,200,000) new ordinary registered shares with voting rights, based on a nominal value of thirty cents of the euro (0.30 euros) per share, through capitalization of share premium reserves and also approved the free distribution of the shares to Executive Members of the Board of Directors and the senior management of the Company. The above was made in accordance with the approved Bonus Share Distribution Program. This decision is related to the achievement of the targets representing 48% of all shares included in the Bonus Share Distribution Program.

For the valuation of the shares linked to the vesting conditions, which do not include a market condition (non-market KPIs), the fair value was determined using the Monte Carlo valuation model. The input data in this model is the share price that on the revaluation date (31.12.2022) of the bonus shares program had settled at 20.38 euro, the exercise price (0.00 euro)/bonus distribution, the discount rate or the risk-free rate (2.57%), the average monthly return of the share which stood at 2.52% and the monthly volatility of the share price that had settled at 0.62%. Based on the above the fair value was determined at a price range between 20.38 and 35.51 Euro. (Alternatively: Based on the above, the weighted average fair value of the shares linked to the vesting conditions was determined at 21.89 euros).

In summary, the changes recorded in the distribution of bonus shares of the subsidiary is as follows:

|                             | GROUP            |                  |
|-----------------------------|------------------|------------------|
|                             | 2022             | 2021             |
|                             | Number of shares | Number of shares |
| <b>1st January</b>          | <b>0</b>         | <b>0</b>         |
| Shares from new bonus issue | 2,500,000        | 0                |
| <b>31st December</b>        | <b>2,500,000</b> | <b>0</b>         |
| Bonus shares to be vested   | 2,500,000        | 0                |

From the above transactions under 1. Stock Options on Company's shares and 2. Program for distribution of bonus shares of subsidiary TERNA ENERGY SA, the cost to the Group and the Company is analyzed as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                    | GROUP          |                | COMPANY        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 1.1-31.12.2022 | 1.1-31.12.2021 | 1.1-31.12.2022 | 1.1-31.12.2021 |
| Expense of stock options valuation | (57)           | 1,979          | (383)          | 1,979          |
| Expense of exercised stock options | 1,968          | 6,062          | 1,967          | 5,789          |
| Expense of bonus shares valuation  | 48,814         | 0              | 0              | 0              |
| <b>Total</b>                       | <b>50,725</b>  | <b>8,041</b>   | <b>1,584</b>   | <b>7,768</b>   |

**34 INCOME TAX – DEFERRED TAX**

The tax rate for legal entities in Greece both for the year 2022 and for the year 2021 after the enactment of Law 4799/2021 which amended par. 1, no. 58 of Law 4172/2013 is set at 22%.

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

**(a) Income Tax Expense**

Income tax in the Statement of comprehensive income is analyzed as follows:

|                                                                                     | GROUP          |                | COMPANY        |                |
|-------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                     | 1.1-31.12.2022 | 1.1-31.12.2021 | 1.1-31.12.2022 | 1.1-31.12.2021 |
| Current tax                                                                         | 93,926         | 20,215         | (324)          | 285            |
| Tax adjustments of previous years                                                   | 1,109          | 3              | 0              | 1              |
| Adjustments for tax audit differences                                               | (129)          | (932)          | 0              | 41             |
| <b>Total</b>                                                                        | <b>94,906</b>  | <b>19,286</b>  | <b>(324)</b>   | <b>327</b>     |
| Deferred tax expense/(income)                                                       | (28,968)       | (3,882)        | 215            | (452)          |
| <b>Total income tax expense/(income) from continued operations</b>                  | <b>65,938</b>  | <b>15,404</b>  | <b>(109)</b>   | <b>(125)</b>   |
| Total income tax expense/(income) from discontinued operations                      | 0              | 145            | 0              | 0              |
| <b>Total income tax expense/(income) from continued and discontinued operations</b> | <b>65,938</b>  | <b>15,549</b>  | <b>(109)</b>   | <b>(125)</b>   |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                            | GROUP          |                | COMPANY        |              |
|--------------------------------------------------------------------------------------------|----------------|----------------|----------------|--------------|
|                                                                                            | 31.12.2022     | 31.12.2021     | 31.12.2022     | 31.12.2021   |
| <b>Profit before income tax expense from continued operations</b>                          | <b>243,286</b> | <b>145,624</b> | <b>110,007</b> | <b>327</b>   |
| Nominal tax rate                                                                           | <b>22%</b>     | <b>22%</b>     | <b>22%</b>     | <b>22%</b>   |
| <b>Income tax expense/(income) from continued operations based on the nominal tax rate</b> | <b>53,523</b>  | <b>32,037</b>  | <b>24,202</b>  | <b>72</b>    |
| Results not included in the calculation of tax                                             | (6,333)        | (3,673)        | (21,326)       | 591          |
| Impact due to change in tax rate                                                           | (10)           | 1,141          | 0              | 632          |
| Adjustments of tax of previous years and additional taxes                                  | 1,109          | 3              | 0              | 1            |
| Difference in taxation of foreign companies                                                | (899)          | (2,251)        | 0              | 0            |
| Write-off/(Offsetting) of tax losses                                                       | 1,580          | (10,406)       | (4,418)        | 218          |
| Adjustments for tax audit differences                                                      | (129)          | (932)          | 0              | 41           |
| Taxable differences of previous years for which no deferred tax has been recognized        | 1,751          | (201)          | 0              | 0            |
| Effect of net temporary tax differences for which no deferred tax has been recognized      | 15,999         | (2,847)        | 1,433          | (1,680)      |
| Effect of participating in net results of associates and joint venture                     | (653)          | 2,533          | 0              | 0            |
| <b>Income tax expense</b>                                                                  | <b>65,938</b>  | <b>15,404</b>  | <b>(109)</b>   | <b>(125)</b> |

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 an audit report. The Group annually estimates any contingent liabilities, expected to arise from the audit of past years, making relevant provisions where appropriate. Information on the unaudited tax years is listed in Notes 5 and 49.1 of the Financial Statements.

**(b) Deferred Tax**

Deferred income tax is calculated on all the temporary tax differences between the book value and the tax basis of the assets and liabilities.

A deferred tax asset is recognized for the transferred tax losses to the extent that a respective tax benefit can be realized via future taxable profit.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

It is noted that a deferred tax asset amounting to 335,576 (31.12.2021: 352,531) has been recognized in the particular part of the tax losses where according to the Management their offsetting against future taxable earnings is relatively certain over the next 5-year period. The above Deferred Tax Asset on the recognized losses for taxation purposes, includes a deferred tax asset for an amount of 325,075 (31.12.2021: 331,007) in relation to the reported tax losses of NEA ODOS SA and CENTRAL GREECE MOTORWAY SA, which mainly derive from performing accelerated amortization charges in the construction cost of the Projects. These tax losses based on the provisions of the Concession Agreements offset future earnings without any time limit (meaning that the limit of the 5-year period is not required).

From the approved Financial Models of the particular companies, it is demonstrated that until the end of the concession period, meaning until 2037, there will be taxable earnings, which can be offset against the accumulated tax losses.

The Group offsets deferred tax assets and obligations, when there is an effective legal right to offset the current tax assets against current liabilities provided that the deferred taxes relate to the same tax authority. The offset amounts in 31.12.2022 and 31.12.2021 for the Group and the Company are analyzed as follows:

|                                        | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|----------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                        | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| Deferred tax assets                    | 100,537           | 75,856            | 0                 | 0                 |
| Deferred tax liabilities               | (114,209)         | (74,589)          | (6,489)           | (6,671)           |
| <b>Net deferred asset/ (liability)</b> | <b>(13,672)</b>   | <b>1,267</b>      | <b>(6,489)</b>    | <b>(6,671)</b>    |

The change of the net deferred tax asset / (liability) in the Statement of Financial Position is analyzed as follows:

|                                                           | <b>GROUP</b>      |                   | <b>COMPANY</b>    |                   |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                           | <b>31.12.2022</b> | <b>31.12.2021</b> | <b>31.12.2022</b> | <b>31.12.2021</b> |
| <b>Net deferred tax asset / (liability)</b>               | <b>(13,672)</b>   | <b>1,267</b>      | <b>(6,489)</b>    | <b>(6,671)</b>    |
| <b>Opening Balance</b>                                    | <b>1,267</b>      | <b>37,716</b>     | <b>(6,671)</b>    | <b>(2,756)</b>    |
| Addition due to acquisition of entity (see Note 7.1)      | (1,955)           | (21,611)          | 0                 | 0                 |
| (Expense)/Income recognized in net earnings               | 28,968            | 3,882             | (215)             | 451               |
| (Expense)/Income recognized in Other comprehensive income | (42,144)          | (18,805)          | 397               | (4,366)           |
| Foreign Exchange Differences                              | 192               | 85                | 0                 | 0                 |
| <b>Closing Balance</b>                                    | <b>(13,672)</b>   | <b>1,267</b>      | <b>(6,489)</b>    | <b>(6,671)</b>    |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Deferred taxes (assets and liabilities) in 2022 and 2021 are analyzed as follows:

| Deferred tax                                    | 01.01.2022   | Acquisition, sale<br>of a Subsidiary | Statement of Profit or loss<br>(Debit)/Credit | GROUP                                              | Foreign exchange<br>differences | 31.12.2022      |
|-------------------------------------------------|--------------|--------------------------------------|-----------------------------------------------|----------------------------------------------------|---------------------------------|-----------------|
|                                                 |              |                                      |                                               | Other<br>comprehensive<br>income<br>(Debit)/Credit |                                 |                 |
| Investment property                             | 349          | 0                                    | (547)                                         | 0                                                  | 0                               | (198)           |
| Tangible and Intangible Assets                  | (59,936)     | (10,846)                             | 4,421                                         | 0                                                  | 84                              | (66,277)        |
| Investments                                     | (18,851)     | 0                                    | 7,532                                         | 424                                                | 0                               | (10,895)        |
| Contract Assets/Contract Liabilities            | (6,739)      | (4,081)                              | (2,179)                                       | 0                                                  | 0                               | (12,999)        |
| Recognized tax losses                           | 352,531      | 4,466                                | (21,421)                                      | 0                                                  | 0                               | 335,576         |
| Recognition of assets from concession contracts | (308,032)    | 0                                    | 9,627                                         | 0                                                  | (4)                             | (298,409)       |
| Other non-current liabilities                   | 3,533        | 0                                    | 902                                           | 0                                                  | 123                             | 4,558           |
| Provision for staff indemnities                 | 423          | 12                                   | 84                                            | (15)                                               | 0                               | 504             |
| Companies' acquisitions and sales               | 7,995        | 0                                    | 448                                           | 0                                                  | 0                               | 8,443           |
| Derivatives                                     | 5,958        | 1,307                                | 20,653                                        | (42,552)                                           | (0)                             | (14,634)        |
| Trade receivables                               | 5,710        | 6,348                                | (158)                                         | 0                                                  | (0)                             | 11,900          |
| Other Provisions                                | 9,944        | 835                                  | 11,288                                        | 0                                                  | (0)                             | 22,067          |
| Lease Contracts                                 | 4,689        | 4                                    | (2,462)                                       | 0                                                  | (11)                            | 2,220           |
| Other                                           | 3,693        | 0                                    | 780                                           | (1)                                                | 0                               | 4,472           |
| <b>Total</b>                                    | <b>1,267</b> | <b>(1,955)</b>                       | <b>28,968</b>                                 | <b>(42,144)</b>                                    | <b>192</b>                      | <b>(13,672)</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| Deferred tax                                    | GROUP         |                                      |                                               |                                                    |                                 | 31.12.2021   |
|-------------------------------------------------|---------------|--------------------------------------|-----------------------------------------------|----------------------------------------------------|---------------------------------|--------------|
|                                                 | 01.01.2021    | Acquisition, sale<br>of a Subsidiary | Statement of Profit or loss<br>(Debit)/Credit | Other<br>comprehensive<br>income<br>(Debit)/Credit | Foreign exchange<br>differences |              |
| Investment property                             | 80            | 0                                    | 269                                           | 0                                                  | 0                               | 349          |
| Tangible and Intangible Assets                  | (38,728)      | (23,535)                             | 2,332                                         | (106)                                              | 101                             | (59,936)     |
| Investments                                     | (13,680)      | 0                                    | (859)                                         | (4,312)                                            | 0                               | (18,851)     |
| Contract Assets/Contract Liabilities            | 8,465         | 0                                    | (15,204)                                      | 0                                                  | 0                               | (6,739)      |
| Recognized tax losses                           | 373,750       | 0                                    | (21,219)                                      | 0                                                  | 0                               | 352,531      |
| Recognition of assets from concession contracts | (334,735)     | (2,056)                              | 28,761                                        | 0                                                  | (2)                             | (308,032)    |
| Other non-current liabilities                   | 3,028         | 1,860                                | (1,346)                                       | 0                                                  | (9)                             | 3,533        |
| Provision for staff indemnities                 | 380           | 5                                    | 44                                            | (6)                                                | 0                               | 423          |
| Companies' acquisitions and sales               | 10,367        | 0                                    | (2,372)                                       | 0                                                  | 0                               | 7,995        |
| Derivatives                                     | 9,658         | 0                                    | 10,648                                        | (14,348)                                           | 0                               | 5,958        |
| Trade receivables                               | 4,844         | 1,655                                | (789)                                         | 0                                                  | 0                               | 5,710        |
| Other Provisions                                | 7,321         | 141                                  | 2,482                                         | 0                                                  | 0                               | 9,944        |
| Lease Contracts                                 | 1,809         | 0                                    | 2,885                                         | 0                                                  | (5)                             | 4,689        |
| Other                                           | 5,157         | 319                                  | (1,750)                                       | (33)                                               | 0                               | 3,693        |
| <b>Total</b>                                    | <b>37,716</b> | <b>(21,611)</b>                      | <b>3,882</b>                                  | <b>(18,805)</b>                                    | <b>85</b>                       | <b>1,267</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Deferred tax                         | COMPANY        |                                               |                                              |                |
|--------------------------------------|----------------|-----------------------------------------------|----------------------------------------------|----------------|
|                                      | 01.01.2022     | Statement of Profit or loss<br>(Debit)/Credit | Other comprehensive income<br>(Debit)/Credit | 31.12.2022     |
| Investment property                  | 518            | (223)                                         | 0                                            | 295            |
| Tangible and Intangible Assets       | (169)          | (113)                                         | 0                                            | (282)          |
| Investments                          | (15,025)       | (41)                                          | 401                                          | (14,665)       |
| Contract Assets/Contract Liabilities | (1,429)        | 173                                           | 0                                            | (1,256)        |
| Recognized tax losses                | 7,328          | 0                                             | 0                                            | 7,328          |
| Provision for staff indemnities      | 54             | 14                                            | (4)                                          | 64             |
| Trade receivables                    | 104            | 3                                             | 0                                            | 107            |
| Other Provisions                     | 1,986          | (13)                                          | 0                                            | 1,973          |
| Lease Contracts                      | 5              | (4)                                           | 0                                            | 1              |
| Other                                | (43)           | (11)                                          | 0                                            | (54)           |
| <b>Total</b>                         | <b>(6,671)</b> | <b>(215)</b>                                  | <b>397</b>                                   | <b>(6,489)</b> |

| Deferred tax                         | COMPANY        |                                               |                                              |                |
|--------------------------------------|----------------|-----------------------------------------------|----------------------------------------------|----------------|
|                                      | 01.01.2021     | Statement of Profit or loss<br>(Debit)/Credit | Other comprehensive income<br>(Debit)/Credit | 31.12.2021     |
| Investment property                  | 726            | (208)                                         | 0                                            | 518            |
| Tangible and Intangible Assets       | (92)           | (56)                                          | (21)                                         | (169)          |
| Investments                          | (10,077)       | (631)                                         | (4,317)                                      | (15,025)       |
| Contract Assets/Contract Liabilities | (1,709)        | 280                                           | 0                                            | (1,429)        |
| Recognized tax losses                | 6,488          | 840                                           | 0                                            | 7,328          |
| Provision for staff indemnities      | 8              | 74                                            | (28)                                         | 54             |
| Trade receivables                    | 190            | (86)                                          | 0                                            | 104            |
| Other Provisions                     | 1,812          | 174                                           | 0                                            | 1,986          |
| Lease Contracts                      | 4              | 1                                             | 0                                            | 5              |
| Other                                | (106)          | 63                                            | 0                                            | (43)           |
| <b>Total</b>                         | <b>(2,756)</b> | <b>451</b>                                    | <b>(4,366)</b>                               | <b>(6,671)</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***35 TURNOVER**

Company's turnover of years 2022 and 2021 in the accompanying financial statements is analyzed as follows:

|                                                    | <b>COMPANY</b>        |                       |
|----------------------------------------------------|-----------------------|-----------------------|
|                                                    | <b>1.1-31.12.2022</b> | <b>1.1-31.12.2021</b> |
| Revenues from Operation and Maintenance Services   | 92,650                | 51,539                |
| Revenues from real estate exploitation             | 865                   | 2,228                 |
| Revenues from operation of ticket system           | 1,996                 | 2,157                 |
| Administrative Support Revenues and Other Revenues | 3,523                 | 2,370                 |
| <b>Total</b>                                       | <b>99,034</b>         | <b>58,294</b>         |

Group's turnover of years 2022 and 2021 in the accompanying financial statements is analyzed as follows:

**Revenues from contracts with customer per segment****1) Revenues from contracts with customer per segment**Revenues from construction services' segment

|                                                  | <b>GROUP</b>          |                       |
|--------------------------------------------------|-----------------------|-----------------------|
|                                                  | <b>1.1-31.12.2022</b> | <b>1.1-31.12.2021</b> |
| Infrastructure Projects– Motorways - Airport     | 454,006               | 303,522               |
| Industrial –Energy                               | 363,690               | 171,116               |
| Other services of construction services' segment | 19,102                | 5,530                 |
| <b>Total</b>                                     | <b>836,798</b>        | <b>480,168</b>        |

Revenues of electric power energy production from RES

|                                                                            |         |         |
|----------------------------------------------------------------------------|---------|---------|
| Electric power energy production from wind parks and hydro-electric plants | 245,750 | 222,746 |
| Revenues from tax benefits (PTCs)                                          | 0       | 0       |
| Other revenues of electric power energy segment from RES                   | 1,575   | 1,683   |

Revenues of electric power energy production from RES from continued operations

|                                                                                    |          |               |
|------------------------------------------------------------------------------------|----------|---------------|
| Revenues of electric power energy production from RES from discontinued operations | <b>0</b> | <b>32,132</b> |
|------------------------------------------------------------------------------------|----------|---------------|

Revenues of electric power energy production from RES from continued and discontinued operations

|  |                |                |
|--|----------------|----------------|
|  | <b>247,325</b> | <b>256,561</b> |
|--|----------------|----------------|

Revenues from real estate segment

|                                                |              |              |
|------------------------------------------------|--------------|--------------|
| Revenues from real estate exploitation segment | 3,306        | 3,868        |
| <b>Total</b>                                   | <b>3,306</b> | <b>3,868</b> |

Revenues from concession exploitation segment

|                                                       |                |                |
|-------------------------------------------------------|----------------|----------------|
| Revenues from motorways' tolls                        | 162,078        | 141,563        |
| Revenue from the operation of waste management plants | 8,976          | 1,670          |
| Revenues from operation of ticket system              | 14,331         | 4,808          |
| Other services from concession exploitation segment   | 16,530         | 24,677         |
| <b>Total</b>                                          | <b>201,915</b> | <b>172,718</b> |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

**Revenues from contracts with customer per segment**
**1) Revenues from contracts with customer per segment**
Revenues from industry segment

Sales of industrial products - quarries

**Total**
Revenues from thermo-electric energy power production and trading of electric energy

Production of electric energy

Trading of electric energy and gas

Other revenues

**Total**
Revenues from Holding segment and other presented operating segments

Other revenues of Holding segment

**Total**
**Total revenues from contracts with customers from continued operations**
**Total revenues from contracts with customers from discontinued operations**
**Total revenues from contracts with customers from continued and discontinued operations**
**GROUP**
**1.1-31.12.2022**
**1.1-31.12.2021**

18,637

9,987

**18,637**
**9,987**

777,709

117,087

1,850,695

132,317

1,421

3,195

**2,629,825**
**252,599**

472

430

**472**
**430**
**3,938,278**
**1,144,199**

0

32,132

**3,938,278**
**1,176,331**
**GROUP**
**2) The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:**

Transfer of goods and services at a specific time

Services rendered with the passage of time

**Total turnover from contracts with customers from continued operations**

Transfer of goods and services at a specific time from discontinued operations

**Total turnover from contracts with customers from continued and discontinued operations**
**1.1-31.12.2022**
**1.1-31.12.2021**

3,106,077

650,860

832,201

493,339

**3,938,278**
**1,144,199**

0

32,132

**3,938,278**
**1,176,331**

**3)** The backlog of Group's construction contracts amounts to 2,887 million euro on 31.12.2022 (see Note 49.2). The predicted execution course of backlog is analyzed as follows: (a) Euro 1,237 million in 2023, and b) Euro 1,650 million for a period until 2027.

**4)** The turnover breakdown for the period by country and by operating segment is presented below:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                           | GROUP          |         |             |                |     |               |           |
|-----------------------------------------------------------|----------------|---------|-------------|----------------|-----|---------------|-----------|
|                                                           | 1.1-31.12.2022 |         |             |                |     |               |           |
|                                                           | Greece         | Balkans | Middle East | Eastern Europe | USA | Other regions | Total     |
| Revenue of Construction Segment                           | 787,845        | 48,635  | 318         | 0              | 0   | 0             | 836,798   |
| Revenue of Electricity from RES Segment                   | 217,308        | 0       | 0           | 29,167         | 850 | 0             | 247,325   |
| Revenue of Real Estate Segment                            | 829            | 2,477   | 0           | 0              | 0   | 0             | 3,306     |
| Revenue of Concessions Segment                            | 201,915        | 0       | 0           | 0              | 0   | 0             | 201,915   |
| Revenue of Industry Segment                               | 598            | 79      | 249         | 1,215          | 0   | 16,496        | 18,637    |
| Revenue of Electricity from thermal energy and HP trading | 2,460,368      | 156,289 | 0           | 0              | 0   | 13,168        | 2,629,825 |
| Revenue of Holding and other presented operating segments | 472            | 0       | 0           | 0              | 0   | 0             | 472       |
| Total                                                     | 3,669,335      | 207,480 | 567         | 30,382         | 850 | 29,664        | 3,938,278 |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                      | <b>GROUP</b>          |                |                    |                       |               |                      |                  |
|----------------------------------------------------------------------|-----------------------|----------------|--------------------|-----------------------|---------------|----------------------|------------------|
|                                                                      | <b>1.1-31.12.2021</b> |                |                    |                       |               |                      |                  |
|                                                                      | <b>Greece</b>         | <b>Balkans</b> | <b>Middle East</b> | <b>Eastern Europe</b> | <b>USA</b>    | <b>Other regions</b> | <b>Total</b>     |
| Revenue of Construction Segment                                      | 429,480               | 40,225         | 10,463             | 0                     | 0             | 0                    | 480,168          |
| Revenue of Electricity from RES Segment                              | 199,959               | 0              | 0                  | 23,273                | 1,197         | 0                    | 224,429          |
| Revenue of Real Estate Segment                                       | 2,578                 | 1,290          | 0                  | 0                     | 0             | 0                    | 3,868            |
| Revenue of Concessions Segment                                       | 172,718               | 0              | 0                  | 0                     | 0             | 0                    | 172,718          |
| Revenue of Industry Segment                                          | 407                   | 48             | 25                 | 860                   | 0             | 8,647                | 9,987            |
| Revenue of Electricity from thermal energy and HP trading            | 175,390               | 74,015         | 0                  | 0                     | 0             | 3,194                | 252,599          |
| Revenue of Holding and other presented operating segments            | 430                   | 0              | 0                  | 0                     | 0             | 0                    | 430              |
| <b>Total from continued operations</b>                               | <b>980,962</b>        | <b>115,578</b> | <b>10,488</b>      | <b>24,133</b>         | <b>1,197</b>  | <b>11,841</b>        | <b>1,144,199</b> |
| Revenue of Electricity from RES Segment from discontinued operations | 0                     | 0              | 0                  | 0                     | 32,132        | 0                    | 32,132           |
| <b>Total from continued and discontinued operations</b>              | <b>980,962</b>        | <b>115,578</b> | <b>10,488</b>      | <b>24,133</b>         | <b>33,329</b> | <b>11,841</b>        | <b>1,176,331</b> |

### 36 COST OF SALES - ADMINISTRATIVE AND DISTRIBUTION EXPENSES - RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales for the years 2022 and 2021 in the accompanying financial statements, is analyzed as follows:

|                                                                       | GROUP              |                | COMPANY            |                |
|-----------------------------------------------------------------------|--------------------|----------------|--------------------|----------------|
|                                                                       | 1.1-<br>31.12.2022 | 1.1-31.12.2021 | 1.1-<br>31.12.2022 | 1.1-31.12.2021 |
| Cost of sales electricity, gas and inventory consumption              | 2,515,180          | 325,225        | 707                | 1,530          |
| Cost of CO2 Emission Rights                                           | 66,601             | 11,094         | 0                  | 0              |
| Employee remuneration                                                 | 89,727             | 71,384         | 16,190             | 11,303         |
| Fees and expenses of third parties                                    | 350,777            | 255,496        | 49,001             | 24,774         |
| Other third-party expenses                                            | 15,525             | 15,883         | 10,470             | 4,764          |
| Leases                                                                | 22,202             | 10,477         | 97                 | 67             |
| Insurance costs                                                       | 20,842             | 13,890         | 4,359              | 2,671          |
| Repairs-Maintenance expenses                                          | 26,471             | 22,228         | 1,435              | 909            |
| Taxes-duties                                                          | 35,749             | 9,619          | 172                | 104            |
| Promotion and advertising expenses                                    | 145                | 262            | 11                 | 203            |
| Transportation and travel expenses                                    | 21,018             | 10,763         | 1,681              | 947            |
| Provisions                                                            | 20,903             | 26,822         | 0                  | 0              |
| Depreciation                                                          | 127,046            | 99,958         | 1,221              | 541            |
| Commissions and other financial                                       | 11,346             | 10,859         | 617                | 191            |
| Other                                                                 | 9,057              | 5,611          | 2,414              | 669            |
| <b>Total Cost of Sales from continued operations</b>                  | <b>3,332,589</b>   | <b>889,571</b> | <b>88,375</b>      | <b>48,673</b>  |
| Total Cost of Sales from discontinued operations                      | 0                  | 21,337         | 0                  | 0              |
| <b>Total Cost of Sales from continued and discontinued operations</b> | <b>3,332,589</b>   | <b>910,908</b> | <b>88,375</b>      | <b>48,673</b>  |

The increase in the Group's cost of sales is due to the following factors: a) the full consolidation of the results from 14.02.2022 due to acquisition of control of HERON ENERGY SA (see Note 7.1), and b) the consolidation for the entire year 2022 of the subsidiary company HERON II THERMOELECTRIC STATION VIOTIAS SA, the results of which had been consolidated in the previous period only for the 4th quarter of 2021 due to acquisition of control of the company.

Specifically, the Group's account under the caption "Cost of sale of electricity, natural gas and inventory consumption" mainly includes the costs of purchase, sale and consumption of electricity and natural gas of the operating segment "Electricity from thermal energy sources, trading of electricity and natural gas" as well as the costs consumption of inventory in relation to the execution of construction contracts.

In addition, the change in the "Taxes-duties" account concerns the following: a) the amount of an extraordinary levy, i.e. 3,596, according to the decision of November 4, 2022 of the ENERGY

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

REGULATORY AUTHORITY (RAE) recognized by the subsidiary company TERNA ENERGY in accordance with the provisions of Law 4936 /2022 and of the Joint Ministerial Decision KYA YPEN/DIE/111281/4111 (Government Gazette B 5537/26.10.2022), and b) an extraordinary contribution by the amount of 21,379 recognized by the subsidiary company HERON II THERMOELECTRIC STATION VIOTIAS SA. In particular the above figure comprises the amount of 7,088 that pertains to a special contribution in favor of the Energy Transition Fund for the months November - December 2022 in accordance with article 62 of Law 4986/2022 (Government Gazette 204 A/28.10.2022), which is imposed on every electricity production unit using natural gas as fuel, and the amount of 14,291 which is the final amount of the extraordinary levy imposed by the Energy Regulatory Authority in accordance with the Joint Ministerial Decision IPEN/DIE/111281/4111/26.10.2022 regarding the extraordinary levy on electricity producers of article 37 of Law 4936/ 2022 (A' 105).

The increase on the Company level is due to the implementation of Operation and Maintenance Contracts between GEK TERNA SA (the "Operator") and the Concession companies NEA ODOS SA and CENTRAL GREECE SA MOTORWAY SA (the "Concessionaires") which entered into force for the entire year 2022 whereas in 2021 these were in force from 17.05.2021.

Administrative and distribution expenses for the years 2022 and 2021 in the accompanying financial statements are analyzed as follows:

|                                                                                                  | GROUP          |                | COMPANY        |                |
|--------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                                  | 1.1-31.12.2022 | 1.1-31.12.2021 | 1.1-31.12.2022 | 1.1-31.12.2021 |
| Employee remuneration                                                                            | 20,625         | 16,760         | 2,037          | 711            |
| Fees and expenses of third parties                                                               | 41,687         | 29,054         | 4,686          | 3,305          |
| Stock options expense (σμμ.33)                                                                   | 50,724         | 8,041          | 1,584          | 7,768          |
| Remuneration of BoD                                                                              | 2,895          | 2,596          | 1,312          | 1,450          |
| Other third-party expenses                                                                       | 3,186          | 1,361          | 91             | 44             |
| Leases                                                                                           | 1,476          | 1,078          | 4              | 2              |
| Insurance costs                                                                                  | 1,338          | 333            | 74             | 34             |
| Repairs - Maintenance                                                                            | 700            | 1,096          | 19             | 34             |
| Taxes - Duties                                                                                   | 2,320          | 2,287          | 372            | 739            |
| Promotion and advertising expenses                                                               | 9,662          | 4,930          | 1,741          | 2,635          |
| Transportation and travel expenses                                                               | 4,363          | 2,511          | 113            | 116            |
| Depreciation                                                                                     | 5,666          | 6,053          | 161            | 274            |
| Other                                                                                            | 8,682          | 4,864          | 256            | 191            |
| <b>Total Administrative and Distribution Expenses from continued operations</b>                  | <b>153,324</b> | <b>80,964</b>  | <b>12,450</b>  | <b>17,303</b>  |
| Total Administrative and Distribution Expenses from discontinued operations                      | 0              | 104            | 0              | 0              |
| <b>Total Administrative and Distribution Expenses from continued and discontinued operations</b> | <b>153,324</b> | <b>81,068</b>  | <b>12,450</b>  | <b>17,303</b>  |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Research and Development expenses for the years 2022 and 2021 in the accompanying financial statements are analyzed as follows:

|                                    | GROUP              |                | COMPANY            |                |
|------------------------------------|--------------------|----------------|--------------------|----------------|
|                                    | 1.1-<br>31.12.2022 | 1.1-31.12.2021 | 1.1-<br>31.12.2022 | 1.1-31.12.2021 |
| Employee remuneration              | 345                | 390            | 0                  | 0              |
| Fees and expenses of third parties | 5,961              | 3,922          | 532                | 147            |
| Other third party expenses         | 9                  | 12             | 0                  | 0              |
| Leases                             | 15                 | 16             | 0                  | 0              |
| Insurance Premiums                 | 1                  | 0              | 0                  | 0              |
| Repairs - Maintenance              | 352                | 184            | 0                  | 0              |
| Taxes - Duties                     | 2,096              | 1,415          | 0                  | 0              |
| Transportation and travel expenses | 115                | 59             | 2                  | 0              |
| Depreciation                       | 402                | 312            | 0                  | 0              |
| Other                              | 585                | 377            | 0                  | 0              |
| <b>Total</b>                       | <b>9,881</b>       | <b>6,687</b>   | <b>534</b>         | <b>147</b>     |

Research and development costs relate mainly to expenses in the construction and renewable energy segments. Specifically, the account "Taxes and duties" is related to fees for issuing and maintaining production licenses and certificates paid to regulatory authorities for which the conditions for receiving the relevant installation licenses have not yet matured. Furthermore, the account "Fees and expenses of third parties" concern the expenses of environmental impact studies, construction studies, studies of connection to electricity transmission networks, as well as of measurement of wind dynamics.

**37 AUDITORS' FEES**

|              | GROUP          |                | COMPANY        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 1.1-31.12.2022 | 1.1-31.12.2021 | 1.1-31.12.2022 | 1.1-31.12.2021 |
| <b>Total</b> | <b>1,286</b>   | <b>1,334</b>   | <b>134</b>     | <b>103</b>     |

The above fees relate to all Group companies and are related to the statutory audit, tax audit and other permitted services provided by all audit firms.

For the year ended on December 31, 2022, the fees related to permitted non-audit services (excluding statutory and tax audit services) of the audit company that conducts the audit of the separate and consolidated financial statements amount to 92 (2021: 44.5) for the Group and to 7 (2021: 3.5) for the Company.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***38 OTHER INCOME/(EXPENSES)**

Other income/ (expenses) for the period, in the accompanying financial statements in the years 2022 and 2021 are analyzed as follows:

|                                                                                       | <b>GROUP</b>               |                            | <b>COMPANY</b>             |                            |
|---------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                                       | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> |
| <b><u>Other income</u></b>                                                            |                            |                            |                            |                            |
| Amortization of grants on fixed assets                                                | 5,687                      | 5,586                      | 0                          | 0                          |
| Operational support income of Motorway Concession                                     | 12,951                     | 11,930                     | 0                          | 0                          |
| State's indemnities towards Motorway Concession companies                             | 22,229                     | 28,547                     | 0                          | 0                          |
| Income from insurance and legal indemnities                                           | 7,136                      | 5,072                      | 0                          | 4                          |
| Income from the forfeiture of guarantees received and penalty clauses                 | 148                        | 6,792                      | 151                        | 0                          |
| Foreign exchange differences on payments                                              | 5,551                      | 3,968                      | 0                          | 0                          |
| Recovery of impairments of fixed, intangible assets, right of use assets and goodwill | 213                        | 435                        | 0                          | 0                          |
| Recovery of impairments of inventories                                                | 482                        | 0                          | 0                          | 0                          |
| Recovery of impairments of assets                                                     | 1,384                      | 2,120                      | 0                          | 28                         |
| Recovery of other provisions                                                          | 357                        | 0                          | 0                          | 0                          |
| Gains from sale of fixed assets                                                       | 0                          | 1,592                      | 0                          | 0                          |
| Gains from valuation of Investment Property                                           | 303                        | 876                        | 58                         | 139                        |
| Earnings from elimination of liabilities                                              | 139                        | 1,099                      | 0                          | 65                         |
| Gains from CO2 right sales                                                            | 494                        | 1,739                      | 0                          | 0                          |
| Other revenue                                                                         | 14,470                     | 14,833                     | 1,162                      | 2,801                      |
| <b>Total other income from continuing operations</b>                                  | <b>71,544</b>              | <b>84,589</b>              | <b>1,371</b>               | <b>3,037</b>               |
| Total other income from discontinued operations                                       | 0                          | 3,485                      | 0                          | 0                          |
| <b>Total other income from continuing and discontinued operations</b>                 | <b>71,544</b>              | <b>88,074</b>              | <b>1,371</b>               | <b>3,037</b>               |
| <b><u>Other Expenses</u></b>                                                          |                            |                            |                            |                            |
| Depreciation not included in the cost                                                 | (1,250)                    | (857)                      | 0                          | 0                          |
| Operational support expense of Motorway Concession                                    | (41,418)                   | (36,566)                   | 0                          | 0                          |
| Expenses related to insurance indemnities                                             | (170)                      | (42)                       | 0                          | 0                          |
| Foreign exchange differences on payments                                              | 0                          | 0                          | 0                          | (1)                        |
| Impairments/Write off of fixed, intangible assets, right of use assets and goodwill   | (11,992)                   | (1,582)                    | (2)                        | 0                          |
| Impairments/Write off of inventories                                                  | (227)                      | (364)                      | 0                          | 0                          |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                  | GROUP              |                    | COMPANY            |                    |
|----------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                  | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Impairments/Write off of receivables                                             | (41,018)           | (4,694)            | (8)                | (17)               |
| Other provisions                                                                 | 0                  | (553)              | 0                  | 0                  |
| Losses from sale of fixed assets                                                 | 0                  | (156)              | 0                  | 0                  |
| Loss from valuation of Investment Property                                       | (681)              | (928)              | (68)               | (147)              |
| Other expenses                                                                   | (7,691)            | (10,476)           | (2)                | (101)              |
| <b>Total other expenses from continuing operations</b>                           | <b>(104,447)</b>   | <b>(56,218)</b>    | <b>(80)</b>        | <b>(266)</b>       |
| Total other expenses from discontinued operations                                | 0                  | (148,845)          | 0                  | 0                  |
| <b>Total other expenses from continuing and discontinued operations</b>          | <b>(104,447)</b>   | <b>(205,063)</b>   | <b>(80)</b>        | <b>(266)</b>       |
|                                                                                  |                    |                    |                    |                    |
| <b>Total other income/(expenses) from continuing</b>                             | <b>(32,903)</b>    | <b>28,371</b>      | <b>1,291</b>       | <b>2,771</b>       |
| Total other income/(expenses) from discontinued operations                       | 0                  | (145,360)          | 0                  | 0                  |
| <b>Total other income/(expenses) from continuing and discontinued operations</b> | <b>(32,903)</b>    | <b>(116,989)</b>   | <b>1,291</b>       | <b>2,771</b>       |

The account "Other revenue" includes an amount of 3,266 relating to overdue interest and an amount of 1,768 relating to income from municipal fees in the operating segment of "Electricity from thermal energy sources, trading of electricity and natural gas".

The change in the account "Impairments/Write off of fixed, intangible assets, right of use assets and goodwill" concerns impairment losses on rights to exploit quarries and magnesium mines in relation to the subsidiary TERNA LEFKOLITHI (see note 8.1).

The change in the account "Impairments/Write off of receivables" is mainly due to the amount of 32,626 recognized by the newly acquired subsidiary company HRON ENERGY MAE for provisions for doubtful trade receivables in 2022.

**39 PROFIT/(LOSSES) FROM SALE OF PARTICIPATIONS AND SECURITIES**

Profit/ (losses) from the sale of participations and securities in the accompanying financial statements for the years 2022 and 2021, are analyzed as follows:

|                                                                                     | GROUP              |                    | COMPANY            |                    |
|-------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                     | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Profit / (loss) from disposal of subsidiaries                                       | (1)                | 0                  | 91,500             | 0                  |
| Profit / (loss) from disposal of shares and other Equity interests                  | 0                  | (441)              | 0                  | (442)              |
| Profit / (loss) from liquidation of associates, joint ventures and joint operations | 0                  | (60)               | 0                  | 0                  |
| <b>Profit / (loss) from sale of participations and securities</b>                   | <b>(1)</b>         | <b>(501)</b>       | <b>91,500</b>      | <b>(442)</b>       |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

During the year, in the context of the Corporate Transformation and in accordance with the provisions of the decisions of Board of Directors of the Company from 31.08.2022, which approve the Company's participation in the share capital increase of the company GEK TERNA CONCESSIONS S.M.S.A. and the acquisition by GEK TERNA CONCESSIONS S.M.S.A. of the Company's shareholdings in GEK TERNA KASTELI S.M.S.A., the Company sold the fully owned by 100% subsidiary GEK TERNA KASTELI S.M.S.A. to the fully owned by 100% subsidiary GEK TERNA CONCESSIONS S.M.S.A. recognizing a profit of 91,500. The above transaction had no effect on the consolidated financial statements of the Company, as it concerns the sale of business interest between companies already consolidated by the Group. The determination of the reasonable and fair price in relation to the above transaction was based on a valuation report and documented by an assessment report respectively by an independent advisor in accordance with the provisions of Law 4548/2018.

**40 GAINS/(LOSSES) FROM VALUATION OF INTERESTS AND SECURITIES**

Gains / (Losses) from valuation of interests and securities, for the financial years 2021 and 2020, in the accompanying financial statements, are analyzed as follows:

|                                                                                                    | GROUP              |                    | COMPANY            |                    |
|----------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                                    | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Profit / (loss) from valuation of financial assets at fair value through profit and loss (Note 22) | 187                | (535)              | 186                | (535)              |
| Loss /reverse of loss from valuation on interest in subsidiaries (Note 12)                         | 0                  | 0                  | (11,510)           | (889)              |
| <b>Total</b>                                                                                       | <b>187</b>         | <b>(535)</b>       | <b>(11,324)</b>    | <b>(1,424)</b>     |

**41 GAINS / (LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INSTRUMENTS**

Gains / (Losses) from participations and other equity instruments, for the financial years 2022 and 2021, in the accompanying financial statements, are analyzed as follows:

|                                                    | GROUP              |                    | COMPANY            |                    |
|----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                    | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Dividends and capital return of subsidiaries       | 0                  | 0                  | 44,242             | 24,329             |
| Dividends on joint ventures and equity instruments | 1,774              | 1,564              | 1,560              | 891                |
| <b>Total</b>                                       | <b>1,774</b>       | <b>1,564</b>       | <b>45,802</b>      | <b>25,220</b>      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The account "Dividends and capital return of subsidiaries" includes mainly amounts of 14,720 from the subsidiary TERNA ENERGY, 4,611 from the subsidiary company GEK TERNA MOTORWAYS SA and a return of capital amounting to 24,150 from the subsidiary HERON II THERMOELECTRIC STATION VIOTIA SA. All amounts have been collected within the fiscal year 2022.

**42 FINANCIAL INCOME/(EXPENSES)**

Financial income/ (expenses) for years 2022 and 2021, are analyzed as follows in the accompanying financial statements:

|                                                                                   | <b>GROUP</b>               |                            | <b>COMPANY</b>             |                            |
|-----------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                                   | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> |
| Deposit interest                                                                  | 2,362                      | 924                        | 1,339                      | 254                        |
| Loan interest                                                                     | 2,108                      | 2,531                      | 14,497                     | 5,003                      |
| Finance income from lease contracts                                               | 483                        | 0                          | 0                          | 0                          |
| Other financial income                                                            | 638                        | 2,930                      | 31                         | 440                        |
| Income from unwinding of long-term receivables                                    | 7,940                      | 5,255                      | 0                          | 0                          |
| <b>Total financial income from continuing operations</b>                          | <b>13,531</b>              | <b>11,640</b>              | <b>15,867</b>              | <b>5,697</b>               |
| Total financial income from discontinued operations                               | 0                          | 260                        | 0                          | 0                          |
| <b>Total financial income from continuing and discontinued operations</b>         | <b>13,531</b>              | <b>11,900</b>              | <b>15,867</b>              | <b>5,697</b>               |
| Interest and expenses of short-term loans                                         | (3,839)                    | (3,654)                    | 0                          | 0                          |
| Interest and expenses of long-term loans                                          | (85,989)                   | (69,027)                   | (28,839)                   | (21,053)                   |
| Finance cost from lease contracts                                                 | (1,388)                    | (998)                      | (20)                       | (23)                       |
| Financial instruments swaps services expenses                                     | (20,932)                   | (22,768)                   | 0                          | 0                          |
| Commissions and Other financial expenses                                          | (17,643)                   | (10,545)                   | (1,945)                    | (2,590)                    |
| <b>Total financial expenses from continuing operations</b>                        | <b>(129,791)</b>           | <b>(106,992)</b>           | <b>(30,804)</b>            | <b>(23,666)</b>            |
| Total financial expenses from discontinued operations                             | 0                          | (19,447)                   | 0                          | 0                          |
| <b>Total financial expenses from continuing and discontinued operations</b>       | <b>(129,791)</b>           | <b>(126,439)</b>           | <b>(30,804)</b>            | <b>(23,666)</b>            |
| <b>Net interest income/(expenses) from continuing operations</b>                  | <b>(116,260)</b>           | <b>(95,352)</b>            | <b>(14,937)</b>            | <b>(17,969)</b>            |
| Net interest income/(expenses) from discontinued operations                       | 0                          | (19,187)                   | 0                          | 0                          |
| <b>Net interest income/(expenses) from continuing and discontinued operations</b> | <b>(116,260)</b>           | <b>(114,539)</b>           | <b>(14,937)</b>            | <b>(17,969)</b>            |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                    | GROUP              |                    | COMPANY            |                    |
|------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                                    | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Gains from derivatives financial instruments measured at fair value (Note 31)      | 20,695             | 9,918              | 0                  | 0                  |
| Losses from derivatives financial instruments measured at fair value (Note 31)     | (97,039)           | (21,892)           | 0                  | 0                  |
| <b>Derivatives valuation results from continuing operations</b>                    | <b>(76,344)</b>    | <b>(11,974)</b>    | <b>0</b>           | <b>0</b>           |
| Derivatives valuation results from discontinued operations                         | 0                  | (7,991)            | 0                  | 0                  |
| <b>Derivatives valuation results from continuing and discontinued operations</b>   | <b>(76,344)</b>    | <b>(19,965)</b>    | <b>0</b>           | <b>0</b>           |
| <b>Net financial income/(expenses) from continuing operations</b>                  | <b>(192,604)</b>   | <b>(107,326)</b>   | <b>(14,937)</b>    | <b>(17,969)</b>    |
| Net financial income/(expenses) from discontinued operations                       | 0                  | (27,178)           | 0                  | 0                  |
| <b>Net financial income/(expenses) from continuing and discontinued operations</b> | <b>(192,604)</b>   | <b>(134,504)</b>   | <b>(14,937)</b>    | <b>(17,969)</b>    |

The change in Group's net financial income/(expenses) mainly concerns Losses related to the "Result from derivative valuations of continuing operations" and is due to the embedded derivative based on the Concession Agreement (see Note 31).

The increase in the Company's financial income, specifically in the account "Loan interest", concerns the granting of loans in the context of the allocation of the capital proceeds of the Common Bond Loan of 500 million euros and Common Bond Loan of 300 million euros.

In addition, the increase in the Group's and the Company's financial expenses is directly related to the change in the category "Interest and expenses of long-term loans", which came from the drawdown of 300 million euros relating to the Common Bond Loan.

**43 PAYROLL COST**

Payroll cost expenses in 2022 and 2021 are analyzed as follows:

|                                                       | GROUP              |                    | COMPANY            |                    |
|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                       | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Wages and related employee benefits                   | 90,363             | 73,192             | 14,844             | 9,588              |
| Social security fund contributions                    | 20,960             | 16,086             | 3,281              | 2,098              |
| Provision for employee indemnities                    | 1,293              | 1,049              | 102                | 329                |
| <b>Total payroll costs from continuing operations</b> | <b>112,616</b>     | <b>90,327</b>      | <b>18,227</b>      | <b>12,015</b>      |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                        | GROUP              |                    | COMPANY            |                    |
|------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                        | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 | 1.1-<br>31.12.2022 | 1.1-<br>31.12.2021 |
| Total payroll costs from discontinued operations                       | 0                  | 273                | 0                  | 0                  |
| <b>Total payroll costs from continuing and discontinued operations</b> | <b>112,616</b>     | <b>90,600</b>      | <b>18,227</b>      | <b>12,015</b>      |

At the end of the closing period, the Group employed 4,337 people worldwide and the Company 736. Respectively, at the end of the previous year, the Company employed 724 and the Group employed 3,700 people worldwide.

The change in the costs for personnel fees in the company concerns the start of the Operation and Maintenance Contracts which came into force on 17.05.2021.

In addition, the change in both the number of employees and the payroll costs for the Group is due to the following factors: a) the full consolidation of the results from 14.02.2022 due to the acquisition of control of HERON ENERGY SA (see Note 7.1), and b) the consolidation for the entire fiscal year 2022 of the subsidiary company HERON II THERMOELECTRIC STATION VIOTIA SA, whose results were consolidated in the previous period only for the 4th quarter of 2021 due to the acquisition of control of the company.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)***44 TRANSACTIONS WITH RELATED PARTIES**

The transactions of the Company and the Group with related parties for the period ended 31.12.2022 and 31.12.2021, as well as the balances of receivables and liabilities arising from such transactions as of 31.12.2022 and 31.12.2021 are as follows:

| Period<br>31.12.2022 |         |           |                |                 |                                |                            | COMPANY |           |                |                 |                                |                            |
|----------------------|---------|-----------|----------------|-----------------|--------------------------------|----------------------------|---------|-----------|----------------|-----------------|--------------------------------|----------------------------|
| GROUP                |         |           |                |                 |                                |                            |         |           |                |                 |                                |                            |
| Related party        | Revenue | Purchases | Debit Balances | Credit Balances | Inflows / (Outputs) from Loans | Capital Inflow / (Outflow) | Revenue | Purchases | Debit Balances | Credit Balances | Inflows / (Outputs) from Loans | Capital Inflow / (Outflow) |
| Subsidiaries         | 0       | 0         | 0              | 0               | 0                              | 0                          | 245,741 | 38,510    | 331,044        | 25,134          | 90,295                         | (119,380)                  |
| Joint Ventures       | 156,417 | 285       | 71,940         | 91,755          | (15,000)                       | (75,428)                   | 527     | 0         | 550            | 0               | 0                              | (14,648)                   |
| Associates           | 41      | 0         | 891            | 6               | 0                              | 0                          | 41      | 0         | 891            | 0               | 0                              | 0                          |

| Period<br>Year<br>31.12.2021 |         |           |                |                 |                                |                            | COMPANY |           |                |                 |                                |                            |
|------------------------------|---------|-----------|----------------|-----------------|--------------------------------|----------------------------|---------|-----------|----------------|-----------------|--------------------------------|----------------------------|
| GROUP                        |         |           |                |                 |                                |                            |         |           |                |                 |                                |                            |
| Related party                | Revenue | Purchases | Debit Balances | Credit Balances | Inflows / (Outputs) from Loans | Capital Inflow / (Outflow) | Revenue | Purchases | Debit Balances | Credit Balances | Inflows / (Outputs) from Loans | Capital Inflow / (Outflow) |
| Subsidiaries                 | 0       | 0         | 0              | 0               | 0                              | 0                          | 84,348  | 20,537    | 322,246        | 17,782          | (204,223)                      | 2,203                      |
| Joint Ventures               | 110,295 | 181,368   | 179,519        | 117,820         | (66,442)                       | 222,735                    | 201     | 539       | 249            | 486             | (69)                           | (263)                      |
| Associates                   | 43      | 3         | 850            | 6               | 0                              | 0                          | 43      | 3         | 850            | 0               | 0                              | 0                          |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Transactions with related parties take place under the same terms effective for transactions with third parties..

**Transactions and remuneration of the Board of Directors members and senior executives:** The remuneration of the Board of Directors members and senior executives of the Group and Company, recognized for the periods ended on 31.12.2022 and 31.12.2021, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2022 and 31.12.2021 are as follows:

|                                         | <b>GROUP</b>               |                            | <b>COMPANY</b>             |                            |
|-----------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                         | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> | <b>1.1-<br/>31.12.2022</b> | <b>1.1-<br/>31.12.2021</b> |
| Remuneration for services rendered      | 5,644                      | 4,396                      | 926                        | 584                        |
| Remuneration of employees               | 1,843                      | 1,300                      | 756                        | 371                        |
| Remuneration for participation in Board | 2,622                      | 2,157                      | 1,252                      | 995                        |
| Stock options expense                   | 50,725                     | 8,041                      | 1,584                      | 6,432                      |
| <b>Total</b>                            | <b>60,834</b>              | <b>15,894</b>              | <b>4,518</b>               | <b>8,382</b>               |
|                                         |                            |                            |                            |                            |
|                                         | <b>31.12.2022</b>          | <b>31.12.2021</b>          | <b>31.12.2022</b>          | <b>31.12.2021</b>          |
| Liabilities                             | 293                        | 103                        | 228                        | 101                        |
| Receivables                             | 72                         | 11                         | 11                         | 0                          |

**45 RISK MANAGEMENT POLICIES AND PROCEDURES**

The Group is exposed to multiple financial risks such as market risk (volatility in exchange rates, interest rates, market prices etc.), credit risk, and liquidity risk. The risk management plan aims to eliminate the negative effect of these risks on financial results of the Group as these effects arise from uncertainty in financial markets and the changes in costs and sales. The risk management policy is applied by the financial services of the Group.

The procedure followed is as follows:

- Evaluation of risks related to Group's activities and operations,
- Planning the methodology and selecting the necessary financial products for decreeing the risk
- Execution/application, in accordance with the approved procedure by the management, of the risk management plan.

The financial instruments of the Group are mainly deposits in banks, short-term financial products of high liquidity traded in the money market, trade debtors, and creditors, loans to and from associates, shares, dividends payable, liabilities arising from leasing and derivatives.

## 45.1 Foreign Exchange Risk

Euro is the functional currency of the parent company and the reporting currency of the Group.

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will be subject to fluctuations due to changes in exchange rates. This type of risk may arise, for the Group, from foreign exchange differences at the valuation and conversion into the Group's currency (Euro) of financial assets, mainly financial receivables, and financial liabilities, related to transactions that are carried out in a currency other than the functional currency of the Group's entities. The transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations.

The Group operates through branches and companies in Greece, the Balkans, and in Poland and thus it may be exposed to foreign exchange risk. The Group's current foreign operations concern construction projects, real estate development and development of production of electricity from renewable energy resources.

Regarding the construction projects in the Balkans: the contractual receivables, liabilities to basic suppliers (cement, iron products, asphalt, cobble, skids etc.) and sub-contractors are realized in euro and thus the exposure to foreign exchange risk is limited. Moreover, the Bulgarian lev (BGN) has a fixed exchange rate against euro. Development of real estate in the Balkans is mainly realized by the Group's construction companies and thus it is exposed to the same foreign exchange risk as the aforementioned construction companies. Sales (and receivables), are performed in euro, and thus the exposure to foreign exchange risk is limited.

Electricity production from renewable energy sources activity is performed in Poland, Serbia and North Macedonia, where the local currency fluctuates in relation to euro and may lead to foreign exchange translation differences and exposure to foreign exchange risk from the fluctuations of the exchange rate of Polish zloty (PLN), the Serbian dinar (RSD), the dinar of North Macedonia (MKD) and the Albanian lek (ALL) against Euro.

The following table presents the financial assets and liabilities in foreign currency:

|                                 | 2022       |                |                |              |           |              |             |            |               |            |                 |                |
|---------------------------------|------------|----------------|----------------|--------------|-----------|--------------|-------------|------------|---------------|------------|-----------------|----------------|
| (amounts in euro)               | RON        | ALL            | MKD            | AED          | QAR       | BHD          | IQD         | SAR        | USD           | LYD        | PLN             | RSD            |
| Financial assets                | 827        | 265            | 29,772         | 602          | 1,968     | 9,250        | 1           | 1,653      | 12,434        | 645        | 14,018          | 30,105         |
| Financial liabilities           | (193)      | (3,546)        | (35,433)       | (1,169)      | (1,941)   | (777)        | (18)        | (711)      | (2,067)       | (2)        | (14,492)        | (33,994)       |
| <b>Total current assets</b>     | <b>634</b> | <b>(3,281)</b> | <b>(5,661)</b> | <b>(567)</b> | <b>27</b> | <b>8,473</b> | <b>(17)</b> | <b>942</b> | <b>10,367</b> | <b>643</b> | <b>(474)</b>    | <b>(3,889)</b> |
| Financial assets                | 4          | 0              | 0              | 32           | 10        | 3            | 9           | 0          | 18            | 0          | 139             | 5,592          |
| Financial liabilities           | 0          | 0              | 0              | 0            | 0         | 0            | 0           | 0          | 0             | 0          | (16,302)        | (13)           |
| <b>Total non-current assets</b> | <b>4</b>   | <b>0</b>       | <b>0</b>       | <b>32</b>    | <b>10</b> | <b>3</b>     | <b>9</b>    | <b>0</b>   | <b>18</b>     | <b>0</b>   | <b>(16,163)</b> | <b>5,579</b>   |

## GEK TERNA GROUP

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| (amounts in euro)               | 2021       |                |               |             |            |               |             |            |               |            |                 |                |
|---------------------------------|------------|----------------|---------------|-------------|------------|---------------|-------------|------------|---------------|------------|-----------------|----------------|
|                                 | RON        | ALL            | MKD           | AED         | QAR        | BHD           | IQD         | SAR        | USD           | LYD        | PLN             | RSD            |
| Financial assets                | 462        | 36             | 18,675        | 999         | 2,530      | 32,509        | 1           | 1,388      | 31,984        | 749        | 21,152          | 4,625          |
| Financial liabilities           | (194)      | (3,425)        | (4,552)       | (1,075)     | (2,004)    | (12,406)      | (28)        | (696)      | (6,284)       | (2)        | (4,448)         | (11,246)       |
| <b>Total current assets</b>     | <b>268</b> | <b>(3,389)</b> | <b>14,123</b> | <b>(76)</b> | <b>526</b> | <b>20,103</b> | <b>(27)</b> | <b>692</b> | <b>25,700</b> | <b>747</b> | <b>16,704</b>   | <b>(6,621)</b> |
| Financial assets                | 4          | 0              | 0             | 58          | 9          | 3             | 8           | 0          | 17            | 0          | 133             | 347            |
| Financial liabilities           | 0          | 0              | 0             | 0           | 0          | 0             | 0           | 0          | (11)          | 0          | (24,046)        | (27)           |
| <b>Total non-current assets</b> | <b>4</b>   | <b>0</b>       | <b>0</b>      | <b>58</b>   | <b>9</b>   | <b>3</b>      | <b>8</b>    | <b>0</b>   | <b>6</b>      | <b>0</b>   | <b>(23,913)</b> | <b>320</b>     |

The following table presents the sensitivity of Net Earnings as well as other comprehensive income to fluctuations of exchange rates through their effect on financial assets and liabilities. For BGN currency we did not examine the sensitivity as it maintains a stable exchange rate against euro. For all other currencies, we examined the sensitivity at a change of +/- 10%.

The table presents the effects of the +10% change. The effects of the -10% change are represented by the opposite amount.

|                                      | 2022 |       |     |      |     |     |      |     |       |     |         |     |
|--------------------------------------|------|-------|-----|------|-----|-----|------|-----|-------|-----|---------|-----|
|                                      | RON  | ALL   | MKD | AED  | QAR | BHD | IQD  | SAR | USD   | LYD | PLN     | RSD |
| Effect on Net earnings               | 0    | 0     | 0   | (4)  | (0) | 0   | 0    | (0) | 118   | 0   | 321     | 0   |
| Effect on other comprehensive income | 64   | (335) | (9) | (50) | 4   | 789 | (83) | 152 | 2,007 | 64  | (2,040) | 104 |

|                                      | 2021 |       |       |     |     |       |      |     |       |     |         |       |
|--------------------------------------|------|-------|-------|-----|-----|-------|------|-----|-------|-----|---------|-------|
|                                      | RON  | ALL   | MKD   | AED | QAR | BHD   | IQD  | SAR | USD   | LYD | PLN     | RSD   |
| Effect on Net earnings               | 0    | 0     | 0     | (5) | 0   | 0     | 0    | 0   | 97    | 0   | 514     | 0     |
| Effect on other comprehensive income | 27   | (347) | 1,404 | 3   | 54  | 1,956 | (65) | 123 | 2,523 | 75  | (1,288) | (630) |

To manage this category of risk, the Group's Management and financial department make sure that the largest possible part of receivables (income) and liabilities (expenses) are realized in euro or in currencies pegged to euro (i.e. the Bulgarian lev, BGN) or in the same currency in order to be matched against each other.

### 45.2 Interest Rate Risk Sensitivity Analysis

The Group's policy is to minimize its exposure to cash flows interest regarding long-term financing. On 31.12.2022, 37.42% of the Group's total debt refer to fixed rate loans, 32.58% refer to floating rate loans that are covering by cash flow hedges against changes in interest rates, while 30.00% refer to floating interest rate loans based on euribor or wibor on case basis.



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

The following table presents the sensitivity of net profit for the year towards a reasonable change in interest rates (on receivables and liabilities) amounting to +/-20% (2021: +/-20%) on the variable part of the interest rate (e.g. Euribor 6M). The changes in interest rates are estimated to be normal in relation to current market conditions

|                                                                   | <b>2022</b> |       | <b>2021</b> |      |
|-------------------------------------------------------------------|-------------|-------|-------------|------|
|                                                                   | 20%         | -20%  | 20%         | -20% |
| Net earnings after income tax (from interest bearing liabilities) | (1,227)     | 1,227 | (437)       | 437  |
| Net earnings after income tax (from interest earning assets)      | 617         | (617) | 15          | (15) |

The Group is not exposed to other interest rate risks or price risk of securities whose price is traded on a financial market.

**45.3 Credit Risk**

The credit risk exposure of the Group is limited to financial assets, which are as follows:

|                              | <b>31.12.2022</b> | <b>31.12.2021</b> |
|------------------------------|-------------------|-------------------|
| Receivables from derivatives | 161,155           | 159,066           |
| Cash and cash equivalents    | 1,491,703         | 1,364,351         |
| Loans and receivables        | 1,272,653         | 696,318           |
| <b>Total</b>                 | <b>2,925,511</b>  | <b>2,219,735</b>  |

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases when deemed necessary, external reports related to current or potential customers are used.

The Group is not exposed to significant credit risk from trade receivables. This is attributed to - on one hand- to the Group's policy which is focused on the cooperation with reliable clients and - on the other - to the nature of the Group's operations.

In particular, the total amount of receivables, whether related to the narrow or the broader public segment, or clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, the size of each of them, regardless of whether they are a broader public or private entity, for possible implications, in order to take the necessary measures to minimize any implications for the Group.

It is to be noted, however, that there are some delays in payments by the public sector and the companies controlled by it.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

Credit risk in respect of cash available and other receivables is considered limited, given that the counterparties are reliable banks with high quality capital structure, the Greek State and the broader public sector and strong business Groups.

The Management assumes that the aforementioned financial assets for which necessary impairment is calculated are of high credit quality.

**45.4 Liquidity risk**

The Group manages its liquidity needs by closely monitoring its long-term financial liabilities and 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 maintains cash and deposits in banks in order to cover its liquidity needs for periods up to 30 days. The capital for long-term liquidity needs is disbursed from time-deposits of the Group. The maturity of financial liabilities on December 31st 2022 is analyzed as follows:

|                                                    | <b>0 to 12 months</b> | <b>1 to 5 years</b> | <b>Over 5 years</b> | <b>Total</b>     |
|----------------------------------------------------|-----------------------|---------------------|---------------------|------------------|
| Long-term borrowing                                | 160,224               | 900,787             | 1,771,512           | 2,832,523        |
| Liabilities from leases                            | 7,648                 | 24,859              | 22,756              | 55,263           |
| Liabilities from derivatives                       | 35,308                | 23,806              | 35,499              | 94,613           |
| Other long-term financial liabilities              | 0                     | 21,088              | 3,078               | 24,166           |
| Short-term borrowing                               | 143,869               | 0                   | 0                   | 143,869          |
| Suppliers                                          | 335,326               | 0                   | 0                   | 335,326          |
| Accrued and other short-term financial liabilities | 310,645               | 0                   | 0                   | 310,645          |
| <b>Total</b>                                       | <b>993,020</b>        | <b>970,540</b>      | <b>1,832,845</b>    | <b>3,796,405</b> |

The respective maturity of financial liabilities for December 31st 2021 was as follows:

|                                                    | <b>0 to 12 months</b> | <b>1 to 5 years</b> | <b>Over 5 years</b> | <b>Total</b>     |
|----------------------------------------------------|-----------------------|---------------------|---------------------|------------------|
| Long-term borrowing                                | 114,064               | 646,072             | 1,740,145           | 2,500,281        |
| Liabilities from leases                            | 4,040                 | 7,747               | 15,659              | 27,446           |
| Liabilities from derivatives                       | 28,580                | 69,319              | 88,338              | 186,237          |
| Other long-term financial liabilities              | 0                     | 21,497              | 5,558               | 27,055           |
| Short-term borrowing                               | 95,557                | 0                   | 0                   | 95,557           |
| Suppliers                                          | 296,786               | 0                   | 0                   | 296,786          |
| Accrued and other short-term financial liabilities | 91,470                | 0                   | 0                   | 91,470           |
| <b>Total</b>                                       | <b>630,497</b>        | <b>744,635</b>      | <b>1,849,700</b>    | <b>3,224,832</b> |

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities as of the balance sheet date.

#### **45.5 Risks related to the impact of pandemic (COVID-19)**

Despite the fact that the problems which started in 2019 by the COVID-19 pandemic and its mutations were not completely eliminated in 2022, the experience that the world has gained with regard to protecting the population from the transmission of virus, the mass vaccination programs that started in 2021, as well as the provision of new medicines to the patients, have altogether reduced the severity of the risk, as well as the percentage of patients or infected people.

The de-escalating impact of the pandemic resulted in the withdrawal of restrictive measures, allowing the free movement of populations and significantly improving the operation of economies worldwide. At the same time the transportation of products was exempted from the existing prohibitions which previously aimed at the non-transmission of the virus from area to area. A consequence of the lifting of the above prohibitions was the influx of tourists which had a significant positive impact on the revenues from tourism and, by extension, on the GDP growth of the Greek economy during the year 2022.

The COVID-19 pandemic and its mutations will continue to affect the global economy however with ever-diminishing intensity, due to the experience that has been gained on how to prevent and deal with the pandemic through mass vaccination programs and with the provision of new medicines to the patients.

The Group took all the necessary measures wherever it was deemed necessary in order to continue the uninterrupted development of its core activities, carrying out smoothly its construction activity, the exploitation of RES and Concessions, the operation of its electricity production plant as well as its investment program in the sectors of energy and concessions. By this manner the Group strengthened its efforts to develop the Greek economy and contribute towards employment. Specifically per segment:

##### **Construction Operating Segment**

In the Construction operating segment construction works have returned almost entirely to normalcy within the year 2022, while at the same time the adjusted schedules of their implementation were met.

The subsidiary TERNA S.A. is at advantageous position due to (a) its dominant position in the construction industry in combination with the experienced and fully proven effective management team, and (b) the strong financial position of the company that is required in order to support the timely completion of all projects it has currently in the backlog and / or will undertake.

##### **Operating Segment of Electric Energy Generation from Renewable Energy Sources [RES]**

In the segment of Electric Energy Generation from RES, in Greece there was no interruption or other adverse impact on the activity of the Group's facilities that are in operation. As far as the RES facilities under construction are concerned, until today no delays have been caused due to the COVID-19 pandemic and its mutations and the estimated time of completion and launching of the projects has not changed.

**Operating Segment of Electricity Generation from Thermal Energy Sources - Sale of Energy**

In the Operating Segment of Electricity Generation from Thermal Energy Sources – Sale of Energy in 2022, the Group continued smoothly, despite COVID-19 pandemic and its mutations, the production activity of the Thermal Power Plants of 588 MW. At the same time the commercial activity was carried out without any interruption.

**Concession Operating Segment – Self/co-financed projects**

In Concession segment there are mainly included motorway concession companies (NEA ODOS S.A. CONCESSION COMPANY and CENTRAL GREECE MOTORWAY CONCESSION COMPANY S.A.) and the concession for the airport at Kastelli (INTERNATIONAL AIRPORT OF CRETE SA CONCESSION).

Within the year 2022, the effect of the COVID-19 pandemic and its mutations had been softened, lifting the travel restriction measures. Therefore, motorway traffic returned to normal levels and the negative impact on the Group's operations from this factor almost ceased to exist.

**Real Estate Operating Segment**

This activity was not substantially affected by the impact of COVID-19 and its mutations.

**Quarry / Industry Operating Segment**

Reducing the time and cost of transporting products has significantly mitigated the problems that had been created in previous years due to COVID-19 pandemic and its mutations, resulting in an increase in the revenue of the particular sector.

This segment's activity will improve as the global economy resumes its normal course.

**46 PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES PER CATEGORY**

Financial assets as well as financial liabilities the end of the reporting period can be classified as follows:

| Financial Assets                  | 31.12.2022       |                                   |                                               |                  |
|-----------------------------------|------------------|-----------------------------------|-----------------------------------------------|------------------|
|                                   | Amortised cost   | Fair value through profit or loss | Fair value through other comprehensive income | Total            |
| Listed shares and Mutual funds    | 0                | 23,758                            | 0                                             | <b>23,758</b>    |
| Investments in securities         | 0                | 0                                 | 91,069                                        | <b>91,069</b>    |
| Financial assets from concessions | 78,926           | 0                                 | 0                                             | <b>78,926</b>    |
| Other long-term receivables       | 36,260           | 0                                 | 0                                             | <b>36,260</b>    |
| Receivables from derivatives      | 0                | 71,090                            | 90,065                                        | <b>161,155</b>   |
| Trade and other receivables       | 1,157,467        | 0                                 | 0                                             | <b>1,157,467</b> |
| Cash and cash equivalents         | 1,491,703        | 0                                 | 0                                             | <b>1,491,703</b> |
| <b>Total</b>                      | <b>2,764,356</b> | <b>94,848</b>                     | <b>181,134</b>                                | <b>3,040,338</b> |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

| <b>31.12.2021</b>                 |                       |                                          |                                                      |                  |
|-----------------------------------|-----------------------|------------------------------------------|------------------------------------------------------|------------------|
| <b>Financial Assets</b>           | <b>Amortised cost</b> | <b>Fair value through profit or loss</b> | <b>Fair value through other comprehensive income</b> | <b>Total</b>     |
| Listed shares and Mutual funds    | 0                     | 5,386                                    | 0                                                    | <b>5,386</b>     |
| Investments in securities         | 0                     | 0                                        | 90,194                                               | <b>90,194</b>    |
| Financial assets from concessions | 61,353                | 0                                        | 0                                                    | <b>61,353</b>    |
| Other long-term receivables       | 50,039                | 0                                        | 0                                                    | <b>50,039</b>    |
| Receivables from derivatives      | 0                     | 156,703                                  | 2,363                                                | <b>159,066</b>   |
| Trade and other receivables       | 584,926               | 0                                        | 0                                                    | <b>584,926</b>   |
| Cash and cash equivalents         | 1,364,351             | 0                                        | 0                                                    | <b>1,364,351</b> |
| <b>Total</b>                      | <b>2,060,669</b>      | <b>162,089</b>                           | <b>92,557</b>                                        | <b>2,315,315</b> |

| <b>31.12.2022</b>                                   |                       |                                          |                                                      |                  |
|-----------------------------------------------------|-----------------------|------------------------------------------|------------------------------------------------------|------------------|
| <b>Financial Liabilities</b>                        | <b>Amortised cost</b> | <b>Fair value through profit or loss</b> | <b>Fair value through other comprehensive income</b> | <b>Total</b>     |
| Long-term borrowing                                 | 2,832,523             | 0                                        | 0                                                    | <b>2,832,523</b> |
| Contingent consideration from acquisition of assets | 0                     | 46,517                                   | 0                                                    | <b>46,517</b>    |
| Other long-term liabilities                         | 16,669                | 0                                        | 0                                                    | <b>16,669</b>    |
| Trade and other receivables                         | 606,951               | 0                                        | 0                                                    | <b>606,951</b>   |
| Short-term borrowing                                | 143,869               | 0                                        | 0                                                    | <b>143,869</b>   |
| Liabilities from leases                             | 55,263                | 0                                        | 0                                                    | <b>55,263</b>    |
| Liabilities from derivatives                        | 0                     | 27,696                                   | 66,917                                               | <b>94,613</b>    |
| <b>Total</b>                                        | <b>3,655,275</b>      | <b>74,213</b>                            | <b>66,917</b>                                        | <b>3,796,405</b> |

| <b>31.12.2021</b>            |                       |                                          |                                                      |                  |
|------------------------------|-----------------------|------------------------------------------|------------------------------------------------------|------------------|
| <b>Financial Liabilities</b> | <b>Amortised cost</b> | <b>Fair value through profit or loss</b> | <b>Fair value through other comprehensive income</b> | <b>Total</b>     |
| Long-term borrowing          | 2,500,281             | 0                                        | 0                                                    | <b>2,500,281</b> |
| Other long-term liabilities  | 27,055                | 0                                        | 0                                                    | <b>27,055</b>    |
| Trade and other receivables  | 388,256               | 0                                        | 0                                                    | <b>388,256</b>   |
| Short-term borrowing         | 95,557                | 0                                        | 0                                                    | <b>95,557</b>    |
| Liabilities from leases      | 27,446                | 0                                        | 0                                                    | <b>27,446</b>    |
| Liabilities from derivatives | 0                     | 0                                        | 186,237                                              | <b>186,237</b>   |
| <b>Total</b>                 | <b>3,038,595</b>      | <b>0</b>                                 | <b>186,237</b>                                       | <b>3,224,832</b> |

#### 47 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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:

- **Level 1:** Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for comparable assets or liabilities.
- **Level 2:** Investments that are valued 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:** Investments that are valued 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 financial assets and liabilities measured at fair value on 31.12.2022 and 31.12.2021 are classified in the aforementioned levels of hierarchy as follows:

|                                                                    | <b>31.12.2022</b> |                |                |                |
|--------------------------------------------------------------------|-------------------|----------------|----------------|----------------|
| <b>Financial Assets</b>                                            | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
| Listed shares (Financial assets at fair value through results)     | 5,587             | 10,000         | 0              | 15,587         |
| Non listed shares (Financial assets at fair value through results) | 0                 | 0              | 3,667          | 3,667          |
| Mutual Funds (Financial assets at fair value through results)      | 4,504             | 0              | 0              | 4,504          |
| Investments in securities                                          | 0                 | 0              | 91,069         | 91,069         |
| Receivables from derivatives                                       | 0                 | 90,065         | 71,090         | 161,155        |
| <b>Total</b>                                                       | <b>10,091</b>     | <b>100,065</b> | <b>165,826</b> | <b>275,982</b> |
| <b>Financial Liabilities</b>                                       |                   |                |                |                |
| Liabilities from derivatives                                       | 0                 | 58,664         | 35,949         | 94,613         |
| Contingent consideration from acquisition of assets                | 0                 | 0              | 46,517         | 46,517         |
| <b>Total</b>                                                       | <b>0</b>          | <b>58,664</b>  | <b>82,466</b>  | <b>141,130</b> |
| <b>Net fair value</b>                                              | <b>10,091</b>     | <b>41,401</b>  | <b>83,360</b>  | <b>134,852</b> |

|                                                                    | <b>31.12.2021</b> |                |                |              |
|--------------------------------------------------------------------|-------------------|----------------|----------------|--------------|
| <b>Financial Assets</b>                                            | <b>Level 1</b>    | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Non listed shares (Financial assets at fair value through results) | 0                 | 0              | 3,446          | 3,446        |
| Mutual Funds (Financial assets at fair value through results)      | 1,940             | 0              | 0              | 1,940        |
| Investments in securities                                          | 0                 | 0              | 90,194         | 90,194       |

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                     |              |                  |                |                |
|-----------------------------------------------------|--------------|------------------|----------------|----------------|
| Receivables from derivatives                        | 0            | 1,546            | 157,520        | 159,066        |
| <b>Total</b>                                        | <b>1,940</b> | <b>1546</b>      | <b>251,160</b> | <b>254,646</b> |
| <b>Financial Liabilities</b>                        |              |                  |                |                |
| Liabilities from derivatives                        | 0            | 181,073          | 5,164          | 186,237        |
| Contingent consideration from acquisition of assets | 0            | 0                | 10,549         | 10,549         |
| <b>Total</b>                                        | <b>0</b>     | <b>181,073</b>   | <b>15,713</b>  | <b>196,786</b> |
| <b>Net fair value</b>                               | <b>1,940</b> | <b>(179,527)</b> | <b>235,447</b> | <b>57,860</b>  |

There were no changes in valuation technique applied by the Group within the period. There were no transfers between Levels 1 and 2 during financial year ended on 31.12.2022 and financial year 2021.

**Valuations at fair value through Level 3**

Changes in financial instruments classified in Level 3 of the Group for the financial year ended on 31.12.2022 and financial year 2021 are presented as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

|                                                            | 1.1-31.12.2022               |                                                              |                |                                                                 | 1.1-31.12.2021               |                                                              |                |                                                                 |
|------------------------------------------------------------|------------------------------|--------------------------------------------------------------|----------------|-----------------------------------------------------------------|------------------------------|--------------------------------------------------------------|----------------|-----------------------------------------------------------------|
|                                                            | Investments<br>in securities | Financial assets at<br>fair value through<br>profit and loss | Derivatives    | Contingent<br>consideration<br>from<br>acquisition of<br>assets | Investments in<br>securities | Financial assets at fair<br>value through profit<br>and loss | Derivatives    | Contingent<br>consideration<br>from<br>acquisition of<br>assets |
| <b>Opening balance</b>                                     | <b>90,194</b>                | <b>3,446</b>                                                 | <b>152,356</b> | <b>(10,549)</b>                                                 | <b>66,620</b>                | <b>4,000</b>                                                 | <b>206,699</b> | <b>(10,290)</b>                                                 |
| Receipts                                                   | 0                            | 0                                                            | (17,521)       | 0                                                               | 0                            | 0                                                            | (19,157)       | 0                                                               |
| Additions                                                  | 2,806                        | 0                                                            | 0              | (35,097)                                                        | 374                          | 0                                                            | (5,164)        | 0                                                               |
| Addition due to<br>acquisition of entity (see<br>Note 7.1) | 0                            | 0                                                            | (5,942)        | 0                                                               | 10                           | 0                                                            | 0              | 0                                                               |
| Sales                                                      | 0                            | 0                                                            | 0              | 0                                                               | (249)                        | 0                                                            | 0              | 0                                                               |
| Transfers                                                  | 0                            | 0                                                            | (817)          | 0                                                               | 0                            | 0                                                            | 817            | 0                                                               |
| Finance cost                                               | 0                            | 0                                                            | 0              | (871)                                                           | 0                            | 0                                                            | 0              | (259)                                                           |
| Transfer to discontinued<br>operations                     | 0                            | 0                                                            | 0              | 0                                                               | 0                            | 0                                                            | (10,289)       | 0                                                               |
| Effect valuation in Profit /<br>(loss)                     | 0                            | 221                                                          | (95,943)       | 0                                                               | 0                            | (554)                                                        | (20,550)       | 0                                                               |
| Profit /(loss) in Other<br>Comprehensive Income            | (1,931)                      | 0                                                            | 3,008          | 0                                                               | 23,438                       | 0                                                            | 0              | 0                                                               |
| <b>Closing balance</b>                                     | <b>91,069</b>                | <b>3,667</b>                                                 | <b>35,141</b>  | <b>(46,517)</b>                                                 | <b>90,194</b>                | <b>3,446</b>                                                 | <b>152,356</b> | <b>(10,549)</b>                                                 |



**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

With regard to the above analysis, the amount of 35,141 (31.12.2021: 152,356) pertains to the value of embedded derivative and the value of derivatives hedging the risk from electric energy and natural gas prices, receivable of 71,090 (31.12.2021: 157,520) and the liability of 35,949 (31.12.2021: 5,164).

Assets of level 3 are related to investments in non-listed companies with participation less than 20% (Note 21) and assets from embedded derivatives (Note 31). These financial instruments are analyzed as follows:

|                                                                                | Fair value of<br>fin.instrumen<br>ts 31.12.2022 | Fair value of<br>fin.instrumen<br>ts 31.12.2021 | Fair value calculation<br>method           | Other Information                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Embedded<br>Derivative                                                         | 44,836                                          | 156,703                                         | Discount of future cash<br>flows           | The following data was used for<br>the discounting: - Estimated flows<br>for the period 2023 - 2036 56<br>million euro. - Average interest<br>rates for the period 2023-2036<br>3,94% - Average Discount Factor<br>for the period 2023 - 2036 0.73 |
| Receivables /<br>(Obligations) from<br>Interest Rate Swap<br>Derivatives (IRS) | (9,695)                                         | (4,347)                                         | Discount of future cash<br>flows           | The following data was used<br>discounting the estimated future<br>value into present value                                                                                                                                                        |
| Contingent<br>consideration from<br>acquisition of assets                      | (46,517)                                        | (10,549)                                        | Approximation of<br>weighted probabilities | Probability weighted payout<br>approach discounted using a<br>discount rate of 9.7%                                                                                                                                                                |
| OLYMPIA ROAD                                                                   | 73,571                                          | 71,540                                          | Discounted dividend<br>yield method        | Cost of Capital 8.31%                                                                                                                                                                                                                              |
| OLYMPIA ROAD<br>OPERATION                                                      | 9,772                                           | 10,135                                          | Discount of future cash<br>flows           | Cost of Capital 8.31%                                                                                                                                                                                                                              |
| OTHER<br>INVESTMENTS                                                           | 11,393                                          | 11,965                                          | Equity method at fair<br>values            | Fair value of equity on 31.12.2022                                                                                                                                                                                                                 |
| <b>Total</b>                                                                   | <b>83,360</b>                                   | <b>235,447</b>                                  |                                            |                                                                                                                                                                                                                                                    |

Level 2 financial assets and liabilities pertain to risk hedging derivatives. These financial instruments are analyzed as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                                                | Fair value of<br>fin.instruments<br>31.12.2022 | Fair value of<br>fin.instruments<br>31.12.2021 | Fair value calculation<br>method                                                                            | Other Information |
|--------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------|
| Receivables /<br>(Obligations) from<br>Interest Rate Swap<br>Derivatives (IRS) | 31,401                                         | (179,527)                                      | Valuation by financial<br>institutions combined<br>with an internal valuation<br>using interest rate curves |                   |
| Listed shares<br>(Financial assets at                                          | 10,000                                         | 0                                              | Equity method at fair<br>values                                                                             |                   |
| <b>Total</b>                                                                   | <b>41,401</b>                                  | <b>(179,527)</b>                               |                                                                                                             |                   |

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 and cash equivalents
- Suppliers and other liabilities

**48 CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The objectives of TERNA ENERGY Group regarding the management of its capital are as follows:

- To ensure the Group's ability to continue as a going-concern, and
- To ensure satisfactory capital structure and returns for the shareholders.

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.

For this purpose, the Management monitors the financial leverage of the Group on the basis of the ratio, defined as: Total Bank debt/ Total Capital Employed. "Total bank debt" is defined as the aggregate of Short Term Loans, Long Term Loans, Bank lease liabilities and Long term liabilities payable during the next financial year. The "Total Capital Employed" is defined as the aggregate of Total Equity, Total bank debt, the state grants minus the amount of cash and cash equivalents which are not subject to any limitation in use or to any commitment.

The ratio at the end of 2022 and 2021 was as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

|                                                         | <b>GROUP</b>       |                    |
|---------------------------------------------------------|--------------------|--------------------|
|                                                         | <b>31.12.2022</b>  | <b>31.12.2021</b>  |
| Total bank debt (Note6) (a)                             | 2,993,299          | 2,596,056          |
| Total equity                                            | 1,190,698          | 871,259            |
| Grants                                                  | 176,232            | 87,431             |
| <b>Sub total (b)</b>                                    | <b>4,360,229</b>   | <b>3,554,746</b>   |
| <u>Less:</u>                                            |                    |                    |
| Cash and cash equivalents (Note23)                      | (1,491,703)        | (1,364,351)        |
| Blocked bank deposit accounts (Note20)                  | (139,055)          | (127,625)          |
| Approved and collected grants to be returned (Note30)   | 3,260              | 3,024              |
| <b>Sub total (c)</b>                                    | <b>(1,627,498)</b> | <b>(1,488,952)</b> |
| <b>Total Capital Employed (b+c)=(d)</b>                 | <b>2,732,731</b>   | <b>2,065,794</b>   |
|                                                         |                    |                    |
| <b>Total Bank Debt / Total Capital Employed (a)/(d)</b> | <b>109.54%</b>     | <b>125.67%</b>     |

**49 CONTINGENT LIABILITIES AND ASSETS****49.1 Tax unaudited years**

The tax obligations of the Group are not definitive as there are unaudited tax years, which are analyzed in Note 5 to the Financial Statements χρήσης for the year ended on 31.12.2022.

For the unaudited tax years it is possible that additional taxes and surcharges can be imposed at the time when they are examined and finalized. The Group makes an annual estimate of the contingent liabilities that are expected to arise from the tax audit of past years, making relevant provisions were deemed necessary. The Group has made provision for unaudited tax years of 3,610 (31.12.2021: 3,610). The unaudited years per Group company are analytically presented in Note 5. The Management considers that in addition to the provisions made, any tax amounts that may arise will not have a material impact on equity, profit or loss and cash flows of the Group and the Company.

Pursuant to the relevant tax provisions of: a) paragraph 1 of article 84 of Law 2238/1994 (unaudited income tax cases), b) paragraph 1 of article 57 of Law 2859/2000 (unaudited VAT cases) and c) par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases), the State's right to impose the respective taxation for the years up to and including 2016 has time elapsed until 31.12. 2022, with the reservation of special or exceptional provisions that may provide for a longer lapse period and under the conditions specified by such provisions.

In addition to the above, in the absence of a statute of limitations and lapse in the Code of Laws on Stamp Duties, the relevant claim of the State for imposition of stamp duties is subject to the twenty-year statute of limitations and lapse in accordance with the article 249 of the Civil Code for cases created up to the fiscal year 2013. From 1/1.2014 and after the entry into force of Law 4174/2013, the statute of limitations and lapse for the imposition of stamp duty is limited to 5 years, given that the

procedures for imposing and collecting the stamp duty are now part of the provisions of Tax Procedures Code.

***Tax Compliance Certificate***

For the years 2011 and until 2021, the companies of the Group operating in Greece and meeting the relevant criteria for tax auditing by the Certified Public Accountants have received the Tax Compliance Report according to par. 5 of article 82 of Law 2238/1994 and Article 65A paragraph 1 of Law 4174/2013, without any substantial differences. It should be noted that, according to Circular POL. 1006/2016, the companies which have been subject to the above special tax audit are not exempted from the regular tax audit by the competent tax authorities. Furthermore, according to the relevant legislation, for the years 2016 onwards, the tax audit and issue of the Tax Certificate is valid on a voluntary basis.

Regarding the Group companies in Greece, the special tax audit for the year 2022, is in progress and the relevant tax certificates are to be issued after the publication of the annual Financial Statements 31.12.2022. The Tax Certificate will be obtained upon its final submission by the Certified Auditors to the pertinent tax authorities. At the end of the tax audit, the Management does not expect significant tax liabilities to incur other than those recorded and reflected in the Group's and Company's financial statements.

It should be noted that, according to the issues mentioned in the Circular POL. 1192/2017, the right of the State for a tax charge up to and including the year 2016 has lapsed unless the specific provisions on 10-year, 15-year, and 20-year limitation periods apply.

**49.2 Commitments from construction contracts**

The backlog of the construction contracts of the Group on 31.12.2022 amounts to 2.9 billion euros (31.12.2021: 2.5 billion euros). Under these commitments, the Group has issued letters of guarantee totaling 1,641 million euros (31.12.2021: 1,220 million euros).

**49.3 Litigations**

The Company and its consolidated companies are involved (in their capacity as defendant and plaintiff) in various court cases in the context of their normal operation. In particular, in the case of legal proceedings against the Group for accidents at work that occurred during the execution of construction works, it is noted that the Group is insured against accidents at work and, therefore, no significant burden is expected to arise from the potentially adverse outcome of such court cases.

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 has recognized as of 31.12.2022 provisions of 5,534 (31.12.2021: 5,936) for litigations (see Note 27).

The Management, as well as legal consultants, consider that outstanding cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company, or the results of their operation apart from the provision already made for litigations.

**Client claims against Joint Venture “SIEMENS AG - AKTOR SA - TERNA SA” in which the Group participates, and the counterpart claim of the Joint Venture**

On 29.12.2015, the HELLENIC RAILWAYS ORGANIZATION ("OSE") filed a litigation to the Piraeus Court of Appeal against the joint venture under the title SIEMENS A.G. - AKTOR SA - TERNA SA, whose member is a subsidiary of the Issuer, TERNA SA.

The legal dispute arose from the project “Renovation of a railway line and manufacture of signaling electrification, - telecommunication in the part of Piraeus - Athens - Three bridges - SKA - Acharnes / Three bridges - Ano Liossia (connection to SKA – Korinthos High Speed Railway Line)”, whose contractor was the aforementioned joint venture, following the decision made by OSE on the final cessation of operations and termination of no. 994/2005 project implementation agreement.

OSE demands that the joint venture should pay the amount of 22,062 plus interest as from 05.12.2014, otherwise from 31.12.2015, as unduly paid, on the ground that this amount does not correspond to a contractual benefit that OSE received from the joint venture. In particular, based on the aforementioned litigation, this amount constitutes a deviation, on the one hand between the work invoiced by the joint venture SIEMENS A.G. - AKTOR SA - TERNA SA and paid by OSE to the joint venture, and, on the other hand, the revised (by OSE) final measurement of the conducted work and the project.

In addition, a payment of Euro 624 plus interest is requested as from 01.09.2011, otherwise from 31.12.2015, which corresponds to the unamortized part of the prepayment that had been paid to the joint venture contractor of the project, in the context of its implementation.

The hearing of the case had been initially scheduled for 21.09.2017, however, after cancellations and postponements, was rescheduled for 05.12.2019, when it was also cancelled. It has already been rescheduled for hearing on 18.03.2021 and was postponed for the hearing of 17.03.2022 which was also postponed for the new hearing date which is expected on 19.10.2023.

At a stage prior to the aforementioned OSE litigation, the joint venture contractor of the project and the companies participating in it, as of 30.03.2012 have filed an appeal against OSE and against the final measurement of the project so that it should be revised. This appeal, initially rejected by the Piraeus Court of Appeal for formal reasons, was again referred to the five-member Piraeus Court of Appeal under no. 1038/2017 decision of the Supreme Court published on 16.06.2017. The above appeal was heard, after being postponed, on 17.1.2019 and the decision 330/2020 was issued which refers to hearing the said appeal at the Piraeus Court of Appeal in a three-member court panel. Following the above, the Consortium (Joint Venture) filed a relevant summons for determination of a hearing date before the Piraeus Court of Appeal under a three-member composition and a hearing was set for 17.03.2022, where it was discussed and the decision No. 346/2022 was issued, which accepts partially the above appeal and cancels: a) the presumed implicit rejection by the Minister of Transport and Networks as of the 27.11.2011 application for treatment of the applicants against the decision 4766/25.08.2011 of the Board of Directors of the defendant – O.S.E. S.A., by which their applicants' objection from 30.06.2011 and with protocol number OSE - DIPAR 1845763 was rejected, b) the above decision of the Board of Directors of O.S.E. S.A. 4766/25.08.2011, by which the objection of the applicants dated 30.06.2011 and with protocol number OSE - DIPAR 1845763 was rejected, and c) the act with protocol number 1845244/16.06.2011 of the Managing Service of the project entitled "RAILWAY RENOVATION AND CONSTRUCTION OF ELECTRICAL MOTION - SIGNALING - REMOTE

CONTROL - IN THE SECTION PIRAEUS - ATHENS – TREIS GEFYRES - SKA - ACHARNES / TREIS GEFYRES - ANO LIOSIA - CONNECTION WITH S.Y.T. SKA - KORINTHOS", which corrected the Final Measurement of this from 20.04.2011, as regards: a) the reduction of the contractually determined works performed, which also include those of articles 1NT/2, 1NT/9, 1NT/10, 1NT/16, 1NT/20, 1NT/21, 1NT/24, 1NT25/1, 1NT25/5, 1NT25/6, 1NT25/7, 1NT25/12 and 1NT25/15, b) in the materials on site and c) in the new works of articles 2NT/1, 2NT/18, 2NT/32, 2NT/33, 2NT/34, 2NT/35, 2NT/36 and 2NT/37, in order to accept the Final Measurement, as submitted by the contracting consortium, with regard to the above (a) contractually determined works that were performed and curtailed, which also include those of articles 1NT/2, 1NT/9, 1NT/10, 1NT/16, 1NT/20, 1NT/21, 1NT/24, 1NT25/1, 1NT25/5, 1NT25/6, 1NT25/7, 1NT25/12 and 1NT25/15, b) materials on site and c) new works of articles 2NT/1, 2NT/18, 2NT/32, 2NT/33, 2NT/34, 2NT/35, 2NT/36 and 2NT/37.

Following the above decision of the Court, the contractor submitted to OSE S.A. a document with the subject: "Submission of the 67th Certification of Completed Works" for the project. With the letter numbered 9034826/31.08.2022 of the Managing Service Dept., the alleged "67th Certification" was returned with the reasons mentioned therein. Against the above-mentioned act under the number 9034826/31.08.2022 of the Managing Service Dept., the contractor legally filed its objection dated 15.09.2022. Also, the Contractor similarly requested in a relevant letter the return of the letters of guarantee of good performance and advance payment. With its letter numbered 9034926/31.08.2022, the Managing Service Dept. responded negatively to the return of the guarantees, with the reasons mentioned therein. Against the above-mentioned act No. 9034926/31.08.2022 of the Managing Service Dept., the Contractor legally filed its objection dated 15.09.2022. The Managing Service Dept. forwarded its suggestions on the objections, from 16.09.2022, of the contractor against the letters of the Managing Service Dept. where the 67th invoice was returned, and also against the non-return of the guarantee letters of the project respectively, on time, to the competent "Technical Council for Construction Projects and Studies of Supervised Bodies" of the General Secretariat of Infrastructure of the Ministry of Infrastructure and Transport, in order to issue its opinion before the issuance of a Decision by the competent ruling Body on the objections, in accordance with article 174 of Law 4412/16, as amended by article 87 of Law 4782/21.

On 09.12.2022 the Minister of Infrastructure and Transport (as the competent ruling body) with the decision numbered 395361, partially accepts the Contractor's objection as of 16.09.2022 against the letter numbered 9034826/31.08.2022 of the Managing Service Dept., with which the 67th Account of the project was returned. In view of the above, ultimately the Managing Service without delay and in full compliance with the final court decision number 346/2022 of the Piraeus Court of Appeal should:

- a) draw up and competently submit for approval, a Protocol for the Regulation of Unit Prices for New Works, which will be approved as soon as possible by the Supervisory Authority.
- b) carry out the redrafting and approval of the analytical measurements (to the extent required due to compliance with the final court decision), as well as the final measurement.
- c) to draw up and submit for approval, a Summary Table of Works for the subsequent liquidation of the contractor consideration, which will be approved as soon as possible by the Supervisory Authority.

Appropriate actions should also be taken for the temporary and final acceptance of the project, according to the above rationale.

Also, on 09.12.2022 the Minister of Infrastructure and Transport with the decision number 395306, accepts the objection from 16.09.2022 of the Contractor Joint Venture against the letter numbered 9034926/31.08.2022 of the Managing Service Dept., by virtue of which the project's letters of guarantee are not returned and articulates the following view: *"....As it can be observed from the elements and data of the project's file, the amount recognized by the Managing Service Dept. as being payable to the contractor, according to the corrected Final Measurement, exceeds the amount of the letters of guarantee and therefore they should be returned, since there is no reason to continue withholding the letters of guarantee and furthermore since this is not deemed necessary in order to safeguard the interests of the project owner. At the same time the return of the letters is also in accordance with the final and immediately enforceable decision under number 346/2022 of the Piraeus Court of Appeal"*.

It is noted that: a) the contractor joint venture, with regard to its requests which were rejected as indefinite according to the decision under no. 346/2022 of the Piraeus Court of Appeal, filed an appeal from 13.09.2022 before the Piraeus Court of Appeal where a trial date of was set for 15.02.2024 and b) OSE S.A. filed an appeal in the country's Supreme Court against the decision under no. 346/2022 of the Piraeus Court of Appeal.

There are processes and contacts among the parties following the aforementioned decisions of the Minister of Infrastructure and Transport, which due to the tragic train accident in Tempi have been suspended for the time being.

The members of the joint venture SIEMENS A.G. - AKTOR SA - TERNA SA are jointly and severally liable to OSE. Regarding the internal relations between the members of the joint venture, every member bears relative responsibilities according to its participation rate, i.e. TERNA SA - by 37.5%, AKTOR SA - by 37.5% and SIEMENS AG - by 25%, as arising from the no. 15158 / 26.08.2003 Act of the notary of Athens, Eleni Theodorakopoulou.

According to the Company, regarding the case in question, the legal consultants who handle it, estimate that a positive outcome is possible. Furthermore, no provision has been recognized, as according to the Company's Management a) the existence of a commitment has not been finalized so far, b) it is not probable that there will be an outflow of financial resources and c) the relevant amount cannot be reliably estimated.

### **Legal actions against the sub-Group TERNA ENERGY**

#### TERNA ENERGY SA and TERNA ENERGY AI GIORGIS SA

There is a legal lease dispute between an individual and the companies TERNA ENERGY SA and "TERNA ENERGY AI GIORGIS SA", 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 SA", with a total installed capacity of 69 MW. Specifically:

Lawsuit filed with date 01.07.2019 at the Athens Single Member Court of First Instance of a natural person against "TERNA ENERGY SA" and "TERNA ENERGY AI GIORGIS SA", which was notified on 31-07-2019 demanding the return of the island of Agios Giorgis, Attica as an alleged rental property allegedly owned by the plaintiff, it 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 SA 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 SA" and "TERNA ENERGY AI GIORGIS SA" received a court order for voluntary compliance with the above decision. The companies "TERNA ENERGY SA" and "TERNA ENERGY AI GIORGIS SA" filed an application for suspension of execution of the above order, requesting an interim injunction, heard on 18.07.2020 and granted on 19 June 2020 until the hearing of the Application for Interim Measures on 28 July 2020, on which the no. 4555/2020 decision was issued that granted the suspension, as well as an appeal against the decision no. 619/2020, on which it was issued the no. 548/2021 decision of the Court of Appeal of Athens, which accepted the appeal, canceled the 619/2020 decision, retried the lawsuit and rejected it in its entirety. The opposing party filed the Appeal which was discussed at the Supreme Court and the 389/2022 decision of the Supreme Court was issued, which annuls the 548/2021 decision and refers to the Court of Appeal for a retrial, which took place on 07.06.2022. With its decision, the Supreme Court did not address any disputed issue (legal or factual) against the companies and did not create a negative for the continuation of the case precedent with the commitment of the Court of Appeal (e.g. ownership of the island, validity of the lease, etc.), but considered that the Court of Appeal had partly contradictory reasons in its decision (559 no. 19 of the Civil Code) because, on the one hand, it accepted that the judgment has become final that the lease contract is invalid, but on the other hand it also had a thought in reference to the "expiration" of the lease. In any case, with the annulment of decision 548/2021, decision no. 4555/2020 of the Athens Single Member Court of First Instance, by which the execution/enforceability of the no. 619/2020 decision has been suspended. Given the generally positive course of the case to date, our opinion is that even before the Court of Appeal, the companies will be vindicated, and their appeal will be accepted.

- The same opponent filed a lawsuit against "TERNA ENERGY SA" and "TERNA ENERGY AI GIORGIS SA", requesting the Application for Precautionary Measures, with a request for the termination of the Provisional Order as of 19.06.2020 of the Chairman of the Court of First Instance, granted in respect of as of 16.06.2020 Application for Suspension of Enforcement of the companies "TERNA ENERGY S.A." and "TERNA ENERGY AI GIORGIS SA" or - alternatively - continuation of validity of the above Interim Order under the condition of payment to the applicant of the amount of 8,931.67 euro per month as compensation for the use of its property. Both claims were heard and regarding those claims, no. 4555/2020 decision was issued, accepting the application for precautionary measures of "TERNA ENERGY SA" and "TERNA ENERGY AI GIORGIS SA", focusing on the issue of the installation of the latter, based on the protocols and not any type of lease relationship, speculating that this reason will be accepted in the Court of Appeal. A guarantee was ordered to be submitted in favor of the physical entity in the Deposits and Loans Fund, amounting to 6,000.00 euro.

- The same opponent, succeeded in issuing against the Company the no. 10898/2019 Payment Order of the Judge of the Single Member Court of First Instance of Athens, pursuant to which and from the order dated as at 04.12.2019 placed under a copy of the first executable inventory of the above payment order, the Company was ordered to pay to the other party a total amount of 369,389.46 euro plus legal interest. The Company timely filed 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 50,000.00 euro within 15 working days from the publication of the temporary order. In this regard, a Letter of Guarantee 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 as above. The application for precautionary measures was heard on 11.03.2020 and the validity of the effective interim injunction was extended until the issuance of the relative decision on it. No. 3804/2020 decision was issued, suspending the Payment Order until the issuance of a final decision regarding the case as of 19.12.2019, without the provision of a guarantee.

- Finally, the same opponent filed a lawsuit EAK 5258/2020 to the Athens Single Member Court of First Instance with filling date 30.06.2020 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 235,179.65 euro due to tort, according to article 914 of the Civil Code, reporting the occupation of the island of Agios Giorgis and loss of income from exploitation of the island by the plaintiff. The lawsuit is being heard in formal hearing on 23.03.2023. It is probable that this lawsuit will be rejected.

#### AEIFORIKI EPIRUS SA

Epirus Prefecture, with prot. no. 45431/142 / 01.04.2019 letter notified the company of a penalty amount of 690,000.00 euros 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 is requested to declare that the penalty of 690 was unlawfully imposed and to be repaid to the company with the default interest and the following amounts to be paid: (a) 989 thousand euro as compensation for positive losses due to the prolongation of the working period, (b) 697 thousand euro as compensation for loss of revenue during the above period, (c) 325 thousand euro as compensation for the cost of performing additional control tests for MEA Epirus, (d) 817 thousand euro as compensation for loss of income during the first year of operation of MEA Epirus, (e) 1,048 thousand euro 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 10.02.2022 the relevant decision according to which it awards in favor of the Group company, AEIFORIKI EPIRUS SMSASP, the total amount of 3,111 thousand euro with legal interest.

Epirus prefecture brought an action for annulment of the above decision in front of the Athens Court of Appeal which will be discussed on 04.04.2023 as well as a request for suspension which will be discussed on 15.11.2022. Meanwhile, the request of Epirus prefecture for the issuance of a temporary order to suspend the payment of the above amount of 3,111 thousand euro until the annulment action is heard and the suspension request was rejected by the competent Court.

Also, Epirus prefecture has carried out reductions on the company's fees amounting to 155,768.36 euro for the period September - December 2021 and amount of 289,912.22 euro for the period January - July 2022.

Based on No. 98106/31.08.2022 declaratory act of the Coordinator of Decentralized Administration of Epirus - Western Macedonia, the Compulsory Solid Waste Management Association of the Administrative Unit of the Epirus prefecture from the publication of the above decision on 05.09.2022 entered into the rights and the obligations of Epirus prefecture in the project as well as the pending trials, dispute resolution or arbitration procedures are continued automatically by the above Compulsory Association.

**AIOLIKI MARMARIOU EVIAS S.A.**

- Natural persons filed before the Magistrate's Court of Karystos, Greece, a Lawsuit against the subsidiary company AIOLIKI MARMARIOU EVIAS S.A. with the request to recognize co-owners on specific areas within the installation polygon land of "Karabila" Wind Farm and with the parallel request to assign these areas to these natural persons and also remove the constructions of the wind farm. On the above filing, the decision under No. 15/2021 of Magistrate's 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 a resumption of the discussion and hearing. The company's legal advisors anticipate the Court to reject this lawsuit.
- In addition, a natural person filed before the Single Member Court of First Instance of Chalkida, Greece, a Lawsuit from 23.10.2020 against the company with a request to recognize a 12.5% share and to expel the company from certain areas within the installation polygon land of Karabila" Wind Farm and with the parallel request to be granted a relevant compensation for moral damage in the amount of 120,000.00 euros. The lawsuit was discussed on 17.12.2021 and the Decision under No. 96/2022 was issued, which rejected the lawsuit and sentenced the plaintiff to pay the court expenses on behalf of the defendants. An appeal has been filed by the opponent parties which has been set for 20.09.2023. The company's legal advisors anticipate the Court to reject this appeal.

**ENERGIAKI DYSTION EVIAS S.A.**

- Natural persons (9 in total) filed before the Magistrate's Court of Taminaion, Greece, a Lawsuit for Disturbance purposes against the Company. With regard to the above filing, the Court issued the Decision under No. 45/2022 which dismissed the lawsuit. In addition, on 16.09.2022, the appeal of 2 of the above natural persons against the Company and also against the Decision under No. 45/2022 of the Magistrate's Court of Taminaion was notified. The appeal has been determined to be discussed on 03.11.2023, was notified. The company's legal advisors anticipate the Court to reject this appeal.
- Natural persons filed before the Single Member Court of First Instance of Chalkida, Greece a lawsuit, which is directed against the Greek State and the Company, with a request to recognize their ownership on the Company's property and to expel the Company from the specific property. The lawsuit was discussed accordingly and the Decision under No. 229/2022 was issued, which orders the repetition of the discussion in order to present the plaintiffs' documents: a) decision of a special committee to examine the plaintiffs' objections regarding the forest character of the disputed land area and subsequently proceed with any corresponding corrections of the posted forest map and b) an issue of the Government Gazette with the publication of the forest map for the disputed land area which was the subject of the decision, certified by the Coordinator of the Decentralized Administration. To date there has been no progress on the requested documents as per above. The company's legal advisors anticipate the Court to reject this lawsuit.

**50 EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION**

The following significant events took place as from 01.01.2023 until the date of approval of the accompanying financial statements:

- On 09.01.2023, the decision under number 226/09.01.2023 of G.E.MI. Service was registered in the General Electronic Commercial Registry (G.E.MI.) with Registration Code 3409259. The decision approved the amendment of article 1, par. 1 and of article 3, par. 2, case (iii) of the articles of association of the Limited Company under the name "CASINO OF WIDE SPECTRUM SOCIETE ANONYME COMPANY", the distinctive title EKAZ HELLINIKON S.A. (EKAZ) and G.E.MI. number 163658901000, according to the decision of the Extraordinary General Meeting of shareholders dated 09.01.2023. After the above, the name of the company was formed as follows: INTEGRATED RESORT COMPLEX HELLINIKON SOCIETE ANONYME and with the distinctive title: IRC HELLINIKON S.A.
- On 09.01.2023 the subsidiary company TERNA SA signed two (2) contracts with DESFA SA for the projects "Detailed Engineering and Construction for the anti-flood works and damage restoration in the Ampelia Station (1788/22)" and "Detailed Engineering, Procurement and Construction of the "Relocation of Ampelia Karditsa – Trikala Pipeline" Project (1789/22)" respectively, with a total budget of 7.4 million euros. Also on 15.02.2023 and 24.03.2023, the same subsidiary company signed two (2) new contracts with DESFA SA for the projects "Detailed Engineering, Procurement and Construction for the "Alternative Interconnection of Thermoilektriki Komotinis New Power Generation Unit with NNGTS" Project" and "Detailed Engineering, Procurement and Construction for the "LVS and Hot Tapping Connection for the New Power Plant of Thermoilektriki Komotinis, west of LVS Komotinis" Project" respectively, with a total budget of 5.5 million euros.
- On 10.01.2023, the subsidiary TERNA S.A. signed a contract with INSIGNIO M.A.E. for the Phase A of the "Construction of Bearing Structure from reinforced concrete" of the project "Construction of a New Complex of Office Buildings with 2 Basements and Planted Roof in the Municipality of Marousi", with a budget of 7.9 million euros. The total budget of the project (Phases A and B) amounts to 9.5 million euros.
- The Hellenic Gaming Commission with the decision under no. 3/26.01.2023 approved the change of the conveyor of technical experience towards IRC HELLINIKON, i.e. from HR Atlantic City L.L.C.
- On 10.02.2023, the subsidiary TERNA ENERGY S.A. acquired the entire number of share units of the company ANAX which was renamed into TERNA ENERGIAKI SAPPON. The latter company is developing a Photovoltaic Plant with 246.35 MW capacity in the Regional Unit of Evros, Rodopi, Greece. The total price of the acquisition, based on the terms of the Agreement for the Sale and Transfer of Shares, will depend on the successful outcome of the process required for securing the relevant permits for the installation of electricity generation units from Photovoltaic systems.
- On 13.02.2023, the subsidiary TERNA S.A. signed a contract with BLUE IRIS INVESTMENTS M.A.E. for the construction of the project entitled "5-Star Luxury Resort in Kalo Livadi Mykonos" with a budget of 78.6 million euros.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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- On 17.02.2023 the subsidiary TERNA S.A. signed a contract with THERMOILEKTRIKI KOMOTINIS S.A. for the project entitled "Construction and Supply of Materials for the 400KV HV Lines Connection between National Grid and the New Power Plant located at VIPE Komotinis area", which concerns the construction of a double circuit input-output line of the station and the modifications of the existing installation 400kV/2B'B' Philippoi - N. Santa. The project's budget was set at 6.2 million euros.
- On 06.04.2023, KOMOTINI THERMOELECTRIC S.A., in which GEK TERNA participates jointly with MOTOR OIL Group with 50% each, signed a Common Bond Loan agreement with Greek creditor banks for a total amount of 325 million euros for the purpose of developing and building the new state-of-the-art Combined Cycle Gas Turbine Station with natural gas as fuel aiming at an installed gross capacity of 877 MW in the Industrial Area of Komotini, Greece.
- On 21.04.2023, the newly established company PASIFAI ODOS S.A., in which GEK TERNA participates with a percentage of 55%, signed the contract for the project "Northern Road Axis of Crete (BOAK): Study, Construction, Financing, Operation and Maintenance of the Hersonissos – Neapoli Section, with PPP".

## **51 APPROVAL OF FINANCIAL STATEMENTS**

The separate and consolidated Financial Statements for the year ended 31.12.2022 were approved by the Board of Directors of GEK TERNA S.A. on April 26th 2023.

CHAIRMAN of BoD  
and CHIEF EXECUTIVE OFFICER

EXECUTIVE DIRECTOR

GEORGIOS PERISTERIS

PENELOPE LAZARIDOU

CHIEF FINANCIAL OFFICER

CHIEF ACCOUNTANT

CHRISTOS ZARIBAS

NIKOLAOS VALMAS

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**V. REPORT ON USE OF FUNDS RAISED FROM THE ISSUANCE OF COMMON BOND LOAN OF 120 MILLION****GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS****General Commercial Registry No. 153001000 (former S.A. Reg. No. 6044/06/B/86/142)****Report on funds raised from Issuance of Common Bond Loan Program****For the period from 04.04.2018 to 31.12.2020**

At the meeting of the Capital Markets Commission as of 21.03.2018, the Prospectus of 21<sup>st</sup> March 2018 of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTION SA (hereinafter referred to as "Company") for the public offer with cash payment and the approval of admission for trading by Athens Exchange up to 120,000 dematerialized, common, bearer bond of a total amount 120,000,000 euro was approved. Following the completion of the option exercise period, the aforementioned issuance of the common bond loan (hereinafter referred to as "CBL") was fully covered.

The distribution price of the Bonds was defined at 1,000 euro each, i.e. 100% of its nominal value. The characteristics of this loan are the following: (a) The bond yield is 3.95% and is fixed over the term of the loan, (b) Interest is calculated on six-month basis, (c) The term of the loan is seven (7) years, and its repayment will be realized at the end of the period of seven (7) years. Upon the completion of the Public Offer on March 29<sup>th</sup>, 2018, and according to the aggregated allocation reporting generated using the Athens Stock Exchange Electronic Book Building (EBB), a total of 120,000 dematerialized, common, bearer bonds of the Company were issued with nominal value 1,000 euro each and raised funds of 120,000,000 euro.

The allocation of issued bonds is as follows: 78,000 Bonds (65%) of all issued Bonds were allocated to Private Investors and 42,000 Bonds (35%) of all issued Bonds were allocated to Special Investors.

One hundred twenty thousand (120 k) dematerialized, common, bearer bonds issued were listed on 05.04.2018 for trading on the Fixed Income Securities of the Organized Market of the Athens Exchange with the approval of the Athens Exchange Board of Directors as of 22.03.2018.

In view of the above, it is hereby disclosed that an amount of **117,097.4 thous. Euros**, i.e. an amount of 120,000 k euro in cash raised from the CBL coverage preference and subscription rights holders, less the amount of 2,902.6 k euro related to issuance expenses, as also incorporated without deviation into the section 4.1.3 "CBL Issuance Expenses" of the Company's Prospectus of 21 March 2018, was made available as till 31.12.2020 as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| Table of allocation of the Capital Proceeds from the issuance of the Common Bond Loan of € 120,000,000<br>(amounts in thousand Euro )                                                                                                                      |                                                                             |                                                               |                                                               |                                                               |                                        |                                            |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------|--------------------------------------------|-------|
| Allocation of the Capital Proceeds based on the objective of the Prospectus (section 4.1.2 "Reasons for Issuing the CBL and Use of Capital" of the Prospectus)                                                                                             | Allocation of the Capital Proceeds based on the objective of the Prospectus | Capital proceeds for the period from 04.04.2018 to 31.12.2018 | Capital proceeds for the period from 01.01.2019 to 31.12.2019 | Capital proceeds for the period from 01.01.2020 to 31.12.2020 | Total capital proceeds till 31.12.2020 | Non allocated balance as at 31.12.2020 (4) | Note  |
| <b>(a) Amount of €64,642,734 will be allocated within 2 months of the CBL receipt as follows:</b><br>Direct allocation for the partial repayment of a bank bond loan of €193.947.597 as of 01.12.2017.                                                     | 64,643                                                                      | 64,643                                                        |                                                               |                                                               | 64,643                                 | 0                                          | 1     |
| <b>Total (a)</b>                                                                                                                                                                                                                                           | <b>64,643</b>                                                               | <b>64,643</b>                                                 | <b>0</b>                                                      | <b>0</b>                                                      | <b>64,643</b>                          | <b>0</b>                                   |       |
| <b>b) Amount of €52,454,666 will be used within three years (2018-2020) as follows:</b><br>(i) half by the Issuer, or through intragroup borrowing or through subsidiaries' Share Capital Increase to finance new or existing investments                  | 26,227                                                                      | 967                                                           | 10,665                                                        | 14,595                                                        | 26,227                                 | 0                                          | 2     |
| - Up to 70% for direct or indirect (through share capital increase and/or borrowing, which upon termination will be changed to share capital increase) participation in projects via PPP contracts or concession contracts                                 | up to 18,359                                                                | 345                                                           | 4,850                                                         | 4,000                                                         | 9,195                                  |                                            | 2 (a) |
| - Up to 20% for participation in TERNA LEFKOLITHI SA share capital increase                                                                                                                                                                                | up to 5,245                                                                 | -                                                             | 5,245                                                         | 0                                                             | 5,245                                  |                                            | 2(b)  |
| The remainder to finance (through share capital increase and/or borrowing, which upon termination will be changed to share capital increase) investments in other segments of the companies activities and legal entities in which the Issuer participates | Remaining                                                                   | 622                                                           | 570                                                           | 10,595                                                        | 11,787                                 |                                            | 2(c)  |
| (ii) the other half to finance the Company's working capital needs, including the bank borrowing decrease                                                                                                                                                  | 26,227                                                                      | 26,227                                                        | 0                                                             | 0                                                             | 26,227                                 | 0                                          | 3     |
| <b>Total (b) [(i)+(ii)]</b>                                                                                                                                                                                                                                | <b>52,454</b>                                                               | <b>27,194</b>                                                 | <b>10,665</b>                                                 | <b>14,595</b>                                                 | <b>52,454</b>                          | <b>0</b>                                   |       |
| <b>Total investments [(a)+(b)]</b>                                                                                                                                                                                                                         | <b>117,097</b>                                                              | <b>91,837</b>                                                 | <b>10,665</b>                                                 | <b>14,595</b>                                                 | <b>117,097</b>                         | <b>0</b>                                   |       |
| CBL issuance expenses                                                                                                                                                                                                                                      | 2,903                                                                       |                                                               |                                                               |                                                               |                                        |                                            |       |
| <b>Total capital proceeds</b>                                                                                                                                                                                                                              | <b>120,000</b>                                                              |                                                               |                                                               |                                                               |                                        |                                            |       |



**Notes:**

- 1) On 01.12.2017, the Company signed a 193.95 million euro Collateral Common Bond Loan Program with Greek Credit Institutions to refinance existing bank borrowing contractually matured in 2018, which relates to borrowing of: (a) 101 million euro of the parent, (b) 81.7 million euro of TERNA S.A. subsidiary and (c) 11.2 million euro of other Group's subsidiaries. On 30.01.2018 the coverage at total, of the aforementioned as of 01.12.2017 signed Collateral Common Bond Loan amounting to 193.95 million euro (two A and B Bond series), from Greek Credit Institutions was completed and the objective to refinance the existing borrowings of the parent and Group companies was implemented. On 10.04.2018, the aforementioned Bond Loan was partially repaid by an amount of Euro 64.6 million from the issue of the new Common Bond Loan of the Company amounting to 120 million euro, according to section 4.1.2. "Reasons for Issuing the CBL and Use of Capital" of the Company's Prospectus as of 21<sup>st</sup> March 2018.
- 2) An amount of 26.227 euro from the amount of 26.227 euro has been allocated from 04.04.2018 to 31.12.2020, which will be used within three years (2018-2020) by the Issuer, or through intra-group borrowing or from its subsidiaries share capital increase to finance new or existing investments. The analysis of the aforementioned amount is as follows:
  - a) For the purposes of participating in projects, implemented under PPPs contracts or concession agreements, an amount of 9,195 was allocated, analyzed as follows:
    - i. The Company has allocated to PARKING PLATANOS SQUARE S.A. (100% its subsidiary) the amount of 695 related to the participation of the Company in the subsidiary share capital increase according to the General Meeting dated 25.06.2018 and 25.06.2019 respectively. In particular, on 21.05.2018 and 21.11.2018, the Company paid the amounts of 100 and 245 respectively. On 21.10.2019, the Company paid an amount of 350. Based on the decision of the General Meeting of the subsidiary dated 04.12.2020, the Company participated in the share capital increase of the total amount of the subsidiary by the amount of 1,400 through cash payment and issue of 400 thousand of new shares of a nominal value of 3.5 euro per share and a distribution price of 10.00 euro. The difference between the nominal value and the distribution price of 2,600 euro was transferred to a special reserve from the issue of Share Premium. As at 18.12.2020 and 23.12.2020 the Company paid amounts of 1,400 and 2,600 respectively.
    - ii. The Company has allocated to its 100% subsidiary TERNA SA (issuer) the amount of 4,500 so that Company could participate in the issuance of a bond loan of the subsidiary. On 15.02.2019, the cash transaction amounting to 4,500 was made by the Company to the issuer. The amount of disposal is aimed at ensuring TERNA's participation according to its percentage in the capital of the concession company "INTERNATIONAL AIRPORT HERAKLION CRETE S.A.". TERNA paid the amount of its participation on 08.02.2019.
  - b) For the purposes of participating in share capital increase of TERNA LEFKOLITHI S.A., an amount of 5,245 was allocated.

In particular, the Company has allocated to the subsidiary company TERNA LEFKOLITHI S.A. the amount of 5,245 that concerns the participation of the Company in the share capital

increase of the subsidiary company based on the decision of the Extraordinary General Meeting as of 09.12.2019. On 19.12.2019, the Company paid the amount of 5,245 in the context of the share capital increase of the subsidiary.

- c) For the purposes of financing investments in other operating sectors, the Company has allocated an amount of 11,787, analyzed as follows:
- i. The Company has allocated to IOANNINON ENTERTAINMENT DEVELOPMENT S.A. subsidiary an amount totaling 1,192, which is analyzed below:
    - On 24.10.2018, IOANNINON ENTERTAINMENT DEVELOPMENT S.A. (issuer) issued a bond loan of 550 in which the Company participated with the amount of 540 corresponding to equal amount of bonds. On 06.11.2018 a cash transaction of 540 was performed by the Company to the issuer.
    - On 30.03.2018, the Extraordinary General Meeting of IOANNINON ENTERTAINMENT DEVELOPMENT S.A. subsidiary decided on its share capital increase by 300 (171,428 new shares), in which the Company participated, fully covering the amount of the share capital increase. On 24.08.2018, the Company paid the amount of 82, which corresponds to 47 k new shares.
    - On 24.06.2019, the General Meeting of the subsidiary IOANNINON ENTERTAINMENT – DEVELOPMENT S.A. decided on its share capital increase by 570 (1,425,000 new shares), in which the Company participated fully covering the amount of increase. On 27.09.2019 and 21.10.2019, the Company paid the amount of 418 and 152 respectively, which corresponds to 1,425 k new shares.
    - On 24.07.2020, the General Meeting of the subsidiary IOANNINON ENTERTAINMENT – DEVELOPMENT S.A. decided on its share capital increase by an amount of 900 through the issue of 2,250 k new nominal shares. On 18.09.2020 and 11.11.2020, the Company paid the amounts of 704 and 196 respectively.
  - ii. Based on the decision of the Company's Board of Directors as of 25.11.2020, the Company would participate up to the amount of 4,000 in the share capital increases of other investments and participations totaling 80.1 mn euro. On 18.12.2020, the Company allocated an amount of 995 in the context of the aforementioned share capital increases.
  - iii. In 2020, the Company allocated an amount of 8,700 pertaining to the total consideration for the acquisition of companies KASSIOPI BV, AVLAKI I BV, AVLAKI II BV, AVLAKI III BV and AVLAKI IV BV. The acquisition was performed by the Company in December 2019.
- 3) The amount of 26,227 to be used within three years (2018-2020) by the Issuer to cover the needs of the Company in working capital, including the reduction of bank borrowing, was allocated until 31.12.2018 and used to cover other needs and for the Company's working capital.

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

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

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- 4) On 31.12.2020, the issuer has made available all the CBL funds raised less the issuance costs, i.e. 117,097, of which an amount of 540 is a temporary allocation and will become final following the conversion of the loan into the company capital.

26 April 2023

Chairman of BoD and Chief Executive  
Officer

Executive Director

Georgios Peristeris

Penelope Lazaridou

Chief Financial Officer

Chief Accountant

Christos Zaribas

Nikolaos Valmas

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**VI. REPORT ON USE OF FUNDS RAISED OF THE COMMON BOND LOAN OF 500 MILLION****GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS**  
**General Commercial Registry No. 153001000 (former S.A. Reg. No. 6044/06/B/86/142)****Report on funds raised from Issuance of Common Bond Loan Program**  
**For the period from 06.07.2021 to 31.12.2022**

At the meeting of the Capital Markets Commission as of 22.06.2020, the Prospectus of 22 June 2020 of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTION S.A. (hereinafter referred to as "Company", "Issuer") for the public offer with cash payment and the approval of admission for trading by Athens Exchange up to 500,000 dematerialized, common, bearer bond of a total amount 500,000,000 euro was approved. Following the completion of the option exercise period, the aforementioned issuance of the common bond loan (hereinafter referred to as "CBL") was fully covered.

The distribution price of the Bonds was defined at 1,000 euro each, i.e. 100% of its nominal value. The characteristics of this loan are the following: (a) The bond yield is 2.75% and is fixed over the term of the loan, (b) Interest is calculated on six-month basis, (c) The term of the loan is seven (7) years and its repayment will be realized at the end of the period of seven (7) years. Upon the completion of the Public Offer on July 5<sup>th</sup>, 2020, and according to the aggregated allocation reporting generated using the Athens Stock Exchange Electronic Book Building (EBB), a total of 500,000 dematerialized, common, bearer bonds of the Company were issued with nominal value 1,000 euro each and raised funds of 500,000,000 euro.

The issued five hundred thousand (500 k) dematerialized, common, bearer bonds issued were listed for trading on the Fixed Income Securities of the Organized Market of the Athens Exchange on 06.07.2020.

In view of the above, it is hereby disclosed that an amount of **489,398 thous. Euros**, i.e. an amount of 500,000 k euro in cash raised from the CBL coverage preference and subscription rights holders, less the amount of 10,602 k euro related to issuance expenses, as also incorporated without deviation into the section 4.1.3 "CBL Issuance Expenses" of the Company's Prospectus of 22 June 2020, available as till 31.12.2022 as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

*(Amounts in thousands Euro, unless otherwise stated)*
**Table of allocation of the Capital Proceeds from the issuance of the Common Bond Loan of € 500,000,000 (amounts in thousand Euro )**

| Allocation of the Capital Proceeds based on the objective of the Prospectus<br>(section 4.1.2 "Reasons for Issuing the CBL and Use of Capital")                                                                                                                                              | Allocation of the Capital Proceeds based on the objective of the Prospectus | Capital proceeds allocated for the period from 06.07.2020 to 31.12.2020 | Capital proceeds allocated for the period from 01.01.2021 to 31.12.2021 | Capital proceeds allocated for the period 01.01.2022 to 31.12.2022 | Total capital proceeds allocated up until 31.12.2022 | Non allocated balance as at 31.12.2022 (6) | Note    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------|---------|
| <b>A. Within 4 months as from collecting raised funds</b>                                                                                                                                                                                                                                    |                                                                             |                                                                         |                                                                         |                                                                    |                                                      |                                            |         |
| 1. Full repayment of (a) common bond loan as of 23.12.2019 of the initial amount up to € 35,612,500 of the subsidiary TERNA LEFKOLITHI, for which the Issuer and TERNA have provided a guarantee and (b) a short-term loan of the subsidiary TERNA of 5,000,000 with of the Issuer and TERNA | 40,113                                                                      | 40,113                                                                  | 0                                                                       | 0                                                                  | 40,113                                               | 0                                          | (1)     |
| 2. Full repayment of the common bond loan as of 31.01.2017 of the initial amount of € 20,000,000, issued by the Issuer                                                                                                                                                                       | 18,500                                                                      | 18,500                                                                  | 0                                                                       | 0                                                                  | 18,500                                               | 0                                          | (2)     |
| 3. Full repayment of the short-term borrowings of the subsidiary TERNA SA amounting to € 17,387,500, for which the Issuer has provided a guarantee                                                                                                                                           | Up to 17,388                                                                | 17,379                                                                  | 0                                                                       | 0                                                                  | 17,379                                               | 0                                          | (3)     |
| <b>Period 2020-2027</b>                                                                                                                                                                                                                                                                      |                                                                             |                                                                         |                                                                         |                                                                    |                                                      |                                            |         |
| 4. for financing (through share capital increases and/or borrowing) of investments in concessions, infrastructure and energy projects according to the judgment of the Company's Management                                                                                                  | 400,000                                                                     | 0                                                                       | 211,242                                                                 | 169,458                                                            | 120,375                                              | 280,500                                    | (5),(7) |
| - Refunds of amounts within 2022 which had been classified as temporary allocation in the period from 01.01.2021 to 31.12.2021 based on the terms of the Prospectus.                                                                                                                         | 0                                                                           | 0                                                                       | (147,000)                                                               | 0                                                                  |                                                      |                                            |         |
| - Refunds of amounts within 2022 which had been classified as temporary allocation in the period from 01.01.2022 to 31.12.2022 based on the terms of the Prospectus "                                                                                                                        | 0                                                                           | 0                                                                       | 0                                                                       | (114,200)                                                          |                                                      |                                            |         |
| 5. the remaining amount of the total funds raised will be used to cover the working capital needs of the Issuer                                                                                                                                                                              | Remaining                                                                   | 13,406                                                                  | 0                                                                       | 0                                                                  | 13,406                                               | 0                                          | (4)     |
| <b>Total</b>                                                                                                                                                                                                                                                                                 | <b>489,398</b>                                                              | <b>89,398</b>                                                           | <b>64,242</b>                                                           | <b>55,258</b>                                                      | <b>208,898</b>                                       | <b>280,500</b>                             |         |
| CBL issuance expenses                                                                                                                                                                                                                                                                        | 10,602                                                                      | 10,602                                                                  |                                                                         |                                                                    |                                                      |                                            |         |
| <b>Total capital proceeds</b>                                                                                                                                                                                                                                                                | <b>500,000</b>                                                              |                                                                         |                                                                         |                                                                    |                                                      |                                            |         |

**Notes:**

1. In the period 06.07.2020 to 31.12.2022, the Company has allocated, through Share Capital Increase (SCI) of the subsidiary TERNA LEFKOLITHI and through intra-group loan to the subsidiary TERNA, to the subsidiary TERNA LEFKOLITHI the total amount of 40.113. In particular, on 10.07.2020, in the context of the Company's participation in the SCI of the subsidiary TERNA LEFKOLITHI, a cash transaction of a total amount of 20,465 was made to that subsidiary. On the same date, through intragroup lending, the amount of 19,647 was distributed to the subsidiary TERNA S.A. for the purpose of TERNA's participation in the SCI of the subsidiary TERNA LEFKOLITHI. The subsidiary TERNA LEFKOLITHI with the above cash imports of a total amount of 40,113 made a total repayment of: a) a common bond loan as of 23.12.2019 of up to 35,612,500 euro, for which the Company and the subsidiary TERNA SA have provided a guarantee and (b) short-term borrowings of the subsidiary TERNA LEFKOLITHI amounting to 5,000,000 euro with a guarantee of the Company and a subsidiary TERNA S.A.
2. In the period 06.07.2020 to 31.12.2022, the Company has allocated the amount of 18,500 for the full repayment of as of 31.01.2017 common bond loan of initial amount of 20,000,000 euro, issued by the Company. On 10.07.2020 the Company performed the cash transaction of 18,500 to the Bank.
3. In the period 06.07.2020 to 31.12.2022, the Company has allocated the amount of 17,379 through intragroup loan to the subsidiary company TERNA S.A. for full repayment of short-term borrowing of subsidiary company TERNA SA amounting to 17,387,500 euro, for which the Company provided the guarantee. On 10.07.2020 the subsidiary TERNA S.A. performed the cash transaction of 17,379 to the Bank.
4. From the remaining amount of 13,406 that the Company should have used within a seven year period (2020-2027) to cover the needs of the Company in working capital, until 31.12.2022, the total amount of 13,406 was allocated, used to cover the working capital needs of the Company including interest on loans totaling 7,840.
5. For the financing (through share capital increases and / or borrowing) of investments in the concessions, infrastructure, and energy activities, during the period 01.01.2021 to 31.12.2022, the Company has allocated the amount of 120.375 which is analyzed as follows:
  - a) On 11.06.2021, the Company allocated through a Share Capital Increase the amount of 350 to the subsidiary GEK TERNA FTHIOTIDA S.M.S.A. according to the decision of the Extraordinary General Meeting as of 23.03.2021.
  - b) On 31.03.2022, the Company allocated through a Share Capital Increase the amount of 15,000 to the subsidiary company GEK TERNA CONCESSIONS S.M.S.A. as a partial payment of the total amount of 35,000 approved by the Extraordinary General Meeting of the subsidiary company as of 23.03.2022. On 20.07.2022, the remaining amount of 20,000 was paid by the Company. The total amount of 25,000 was paid in the context of investment financing in accordance with the terms of the Prospectus.
  - c) On 09.06.2022, the Company allocated through a Share Capital Increase the amount of 5,250 to the company EKAZ ELLINIKOU S.A. as payment proportionally to its percentage for the

participation in the total amount of 15,000 of the share capital increase approved by the Extraordinary General Meeting of EKAZ ELLINIKOU S.A. as of 10.06.2022.

- d) On 09.06.2022, the Company allocated through a Share Capital Increase the amounts of 7,650 and 2,100 to the subsidiary companies MGE HELLINIKON BV and MGGR LLC. The above amounts were paid to EKAZ ELLINIKOU S.A. by MGE HELLINIKON B.V. and MGGR LLC S.A. in the context of their participation in the Share Capital Increase of EKAZ ELLINIKOU S.A.
- e) On 31.10.2022, the Company allocated through a Share Capital Increase the amount of 238 to the subsidiary company FIER THERMOELECTRIC SHA.
- f) The Company has allocated to the subsidiary GEK TERNA CONCESSIONS S.M.S.A., through the provision of a bond loan, the amount of 36,372. Specifically, on 05.10.2021, GEK TERNA CONCESSIONS S.M.S.A. issued a bond loan amounting to 36,372 with an expiration date on 28.02.2023, in which the Company participated with the amount of 36,372 corresponding to the equal amount of bonds. On 26.10.2021 the disbursement of the amount of 36,372 was made by the Company to GEK TERNA CONCESSIONS S.M.S.A.
- g) The Company has made available the amount of 15,000 to the subsidiary company GEK TERNA CONCESSIONS S.M.S.A., through the granting of an equivalent bond loan. Specifically, on 24.02.2022, GEK TERNA CONCESSIONS S.M.S.A. issued a bond loan of 15,000 with a maturity date of 28.02.2023, in which the Company participated with the amount of 15,000 corresponding to the coverage of the entire bond issuance. On 23.02.2022, the cash transaction of the amount of 15,000 was carried out by the Company towards the company GEK TERNA CONCESSIONS S.M.S.A.
- h) The Company has allocated to the subsidiary HERON II VIOTIAS S.A, through the issuance of a bond loan with an expiration date on 31.12.2027, the amount of 34,520. Specifically, on 08.10.2021, HERON II VIOTIAS S.A issued a bond loan amounting to 34,520, in which the Company participated with the amount of 34,520, which corresponds to four (4) bonds of 7,000 each and one (1) bond of 6,520. On 08.10.2021 the disbursement of the amount of 34,520 was made by the Company to HERON II VIOTIAS S.A. Within December 2022, HERON II VIOTIAS S.A. made an early partial repayment to the Company of the amount of 7,000 with regard to the subject bond loan. The amount of 7,000 constitutes for the Company part of the unallocated capital as of 31.12.2022.
- i) The Company has allocated to the affiliated company TERNA ENERGY OMALIES S.M.S.A., i.e. a subsidiary of TERNA ENERGY SA (subsidiary of GEK TERNA), through the issuance of bond loans, the total amount of 175,000. Specifically:
  - i. on 28.09.2021, TERNA ENERGY OMALIES S.M.S.A. issued a bond loan of 20,000 with an expiration date on 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 08.10.2021 the cash transaction of the amount of 20,000 was made by the Company to TERNA ENERGY OMALIES S.M.S.A.
  - ii. on 17.11.2021, TERNA ENERGY OMALIES S.M.S.A. issued two (2) bond loans amounting to 20,000 and 10,000 respectively with maturity date on 30.03.2023, in



which the Company participated with the total amount of 30,000, which corresponds to equal amount of bonds. On 18.11.2021 the cash transactions of the amounts of 20,000 and 10,000 were made by the Company to TERNA ENERGY OMALIES S.M.S.A.

- iii. on 17.12.2021, TERNA ENERGY OMALIES S.M.S.A. issued two (2) bond loans amounting to 20,000 each with an expiration date on 30.03.2023, in which the Company participated with the total amount of 40,000, which corresponds to equal amount of bonds. On 17.12.2021 the cash transaction of the amount of 40,000 was made by the Company to TERNA ENERGY OMALIES S.M.S.A.
- iv.. on 08.02.2022, TERNA ENERGY OMALIES S.M.S.A. issued one (1) bond loan amounting to 12,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 12,000, which corresponds to equal amount of bonds. On 08.02.2022, the cash transaction of the amount of 12,000 was carried out by the Company to TERNA ENERGY OMALIES S.M.S.A.
- v. on 16.02.2022, TERNA ENERGY OMALIES SMSA issued one (1) bond loan amounting to 20,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 23.02.2022, the cash transaction of the amount of 20,000 was carried out by the Company to TERNA ENERGY OMALIES S.M.S.A.
- vi. on 23.02.2022, TERNA ENERGY OMALIES S.M.S.A. issued one (1) bond loan amounting to 10,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 10,000, which corresponds to equal amount of bonds. On 23.02.2022, the cash transaction of the amount of 10,000 was carried out by the Company to TERNA ENERGY OMALIES S.M.S.A.
- vii. on 30.03.2022, TERNA ENERGY OMALIES SMSA issued one (1) bond loan amounting to 20,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 07.04.2022, the cash transaction of the amount of 20,000 was carried out by the Company to TERNA ENERGY OMALIES S.M.S.A.
- viii. on 06.04.2022, TERNA ENERGY OMALIES SMSA issued one (1) bond loan amounting to 20,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 20.04.2022, the cash transaction of the amount of 20,000 was carried out by the Company to TERNA ENERGY OMALIES S.M.S.A.
- ix. on 18.04.2022, TERNA ENERGY OMALIES S.M.S.A. issued one (1) bond loan amounting to 3,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 3,000, which corresponds to equal amount of bonds. On 07.04.2022 the cash transaction of the amount of 2,500 was carried out and on 20.04.2022 the cash transaction of the amount of 500 was carried out respectively from the Company to TERNA ENERGY OMALIES S.M.S.A.

Within December 2022, TERNA ENERGY OMALIES S.M.S.A. proceeded with an early repayment to the Company of all the bond loans listed above of an amount of 175,000, which constitutes for the Company part of the non-allocated capital as of 31.12.2022.

- j) The Company has allocated to the affiliated company ENERGEIAKI KAFIREOS EVIA S.A., i.e. a subsidiary of TERNA ENERGY S.A. (subsidiary of GEK TERNA), through the issuance of bond loans, the total amount of 79,200. Specifically:
- i. on 29.09.2021, ENERGEIAKI KAFIREOS EVIAS S.A. issued a bond loan amounting to 20,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 08.10.2021, the cash transaction of the amount of 20,000 was carried out by the Company to ENERGEIAKI KAFIREOS EVIAS S.A.
  - ii. on 17.11.2021, ENERGEIAKI KAFIREOS EVIAS S.A. issued a bond loan amounting to 10,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 10,000, which corresponds to equal amount of bonds. On 18.11.2021, the cash transaction of the amount of 10,000 was carried out by the Company to ENERGEIAKI KAFIREOS EVIAS S.A.
  - iii. on 23.12.2021, ENERGEIAKI KAFIREOS EVIAS S.A. issued a bond loan amounting to 20,000 with an expiration date on 30.03.2023, in which the Company participated with the amount of 20,000, which corresponds to equal amount of bonds. On 23.12.2021 the cash transaction of the amount of 20,000 was made by the Company to ENERGEIAKI KAPHIREOS EVIAS S.A.
  - iv. on 08.02.2022, ENERGEIAKI KAFIREOS EVIAS S.A issued a bond loan amounting to 18,000 with an expiration date on 30.03.2023, in which the Company participated with the amount of 18,000, which corresponds to equal amount of bonds. On 08.02.2022 the cash transaction of the amount of 5,000 was carried out and on 23.02.2022 the cash transaction of the amount of 13,000 was carried out respectively from the Company to ENERGEIAKI KAPHIREOS EVIAS S.A.
  - v. on 06.04.2022, ENERGEIAKI KAFIREOS EVIAS S.A. issued a bond loan of 8,200 with an expiration date on 30.03.2023, in which the Company participated with the amount of 8,200, which corresponds to equal amount of bonds. On 07.04.2022 the cash transaction of the amount of 7,200 was carried out and on 20.04.2022 the cash transaction of the amount of 1,000 was carried out respectively from the Company to ENERGEIAKI KAPHIREOS EVIAS S.A.
  - vi. on 22.06.2022, ENERGEIAKI KAFIREOS EVIAS S.A. issued a bond loan amounting to 10,000 with an expiration date of 30.03.2023, in which the Company participated with the amount of 10,000, which corresponds to equal amount of bonds. On 24.06.2022, the cash transaction of the amount of 3,000 was carried out by the Company to ENERGEIAKI KAFIREOS EVIAS S.A. The remaining amount of 7,000 was paid by the Company in August 2022.

Within December 2022, ENERGEIAKI KAFIREOS EVIAS S.A. proceeded with an early repayment to the Company of all the bond loans listed above of an amount of 79,200, which constitutes for the Company part of the non-allocated capital as of 31.12.2022.

6. On 30.06.2022, the Company has allocated the amount of 208,898 out of the total capital raised by the CBL after the issuance costs, of which an amount of 78,892 is a temporary disbursement. In particular, according to the provisions of paragraph 4.1.2 of the Company Prospectus, in cases where the financing of investments is made through borrowing and the corresponding funds are returned to the Company before the Maturity Date of the Bond Loan (i.e. on 06.07.2027), then these funds may be re-allocated in accordance with the provisions of paragraph 4.1.2 of the Company Prospectus as of June 22, 2020.
7. CBL unallocated funds amounting to 280,500 are included in the item "Cash and cash equivalents" of the separate Statement of Financial Position of 31.12.2022 and are deposited to the Company's bank accounts.

26 April 2023

Chairman of BoD and Chief Executive  
Officer

Executive Director

Georgios Peristeris

Penelope Lazaridou

Chief Financial Officer

Chief Accountant

Christos Zaribas

Nikolaos Valmas

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## **Report on the Findings from the Conduct of Agreed-upon Procedures on the "Report on Allocation of the Capital Proceeds of Common Bond Loan of 500 Million Euros"**

(This report has been translated from Greek original version)

To the Board of Directors of "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS"

### **Purpose of this Agreed-upon Procedures Report and Restriction on Use and Distribution**

Our report is solely for the purpose of providing the Board of Directors (hereinafter Management) of "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS" (hereinafter referred to as the "Company" or the "Issuer") the necessary information regarding the Report on Allocation of the Capital Proceeds from the issue of the Common Bond Loan of 500 Million Euros (hereinafter referred to as the "Report") of the Company, which is prepared in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legislative framework of the Hellenic Capital Market Commission, regarding the issuance of the Common Bond Loan, which was carried out on June 22<sup>nd</sup> 2020.

This report is intended for the Board of Directors of the Company, in the context of complying with its obligations to the applicable Regulatory Framework of the Athens Stock Exchange.

### **Responsibilities of the Company**

The Company's Management is responsible for the subject matter on which the agreed-upon procedures are performed. The Company's Management is responsible for preparation of the aforementioned Report in accordance with the effective regulations of the Athens Stock Exchange and the Hellenic Capital Market Commission and the Prospectus as of June 22<sup>nd</sup> 2020.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), "Agreed-Upon Procedures Engagements". An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company's Management, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Professional Ethics and Quality Control*

We have complied with the ethical requirements of the International Code of Ethics for Professional Accountants of the International Ethical Standards Board for Professional Accountants (including the International Standards of Independence) (IESBA Code) and the independence requirements in Part 4A of the IESBA Code.

Our audit firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable and regulatory requirements.

### **Procedures and Findings**

We have performed the procedures described below, which were agreed upon with the Company's Management in the terms of engagement dated April 24<sup>th</sup>, 2023.

|   | <b>Procedures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Findings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Examination the consistency of the content of the Table of Allocation of the Capital Proceeds of the Report with the data reported in the Prospectus issued by the Company on June 22, 2020. In particular, we compared the consistency of the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report with the data recorded in the Prospectus as of June 22nd, 2020. | We have ascertained that the content of the Table of allocation of the Capital Proceeds of the Report is consistent with the data reported in the Prospectus issued by the Company on June 22nd, 2020. In particular, we have ascertained that the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report are consistent with the data recorded in the Prospectus as of June 22nd, 2020. |
| 2 | Comparison of the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report with the corresponding amounts recognized in the key accounting records of the company until December 31st, 2022.                                                                                                                                                                                                                                                                                                                       | We have ascertained that the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report arise from the key accounting records of the Company until December 31st, 2022.                                                                                                                                                                                                                                                                                                                                                                |

|   | Procedures                                                                                                                                                                                                                                                                                                                                                               | Findings                                                                                                                                                                                                                                                                                                                                                                       |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Examination of the consistency of the capital proceeds arising from the Common Bond Loan until December 31st, 2022, inclusively with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of June 22nd, 2020, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries. | We have ascertained that the capital proceeds arising from the Common Bond Loan until December 31st, 2022, inclusively are consistent with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of June 22nd, 2020, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries. |

Athens, April 26, 2023

The Certified Public Accountant

The Certified Public Accountant

George Panagopoulos

Panagiotis Noulas

SOEL Reg. No 36471

SOEL Reg. No 40711

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**VII. REPORT ON USE OF FUNDS RAISED OF THE COMMON BOND LOAN OF 300 MILLION**

**GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS**  
**General Commercial Registry No. 153001000 (former S.A. Reg. No. 6044/06/B/86/142)**

**Report on funds raised from Issuance of Common Bond Loan Program**  
**For the period from 15.12.2021 to 31.12.2022**

At the meeting of the Capital Markets Commission as of 02.12.2021, the Prospectus of 2 December 2021 of GEK TERNA HOLDINGS REAL ESTATE CONSTRUCTION S.A. (hereinafter referred to as "Company", "Issuer") for the public offer with cash payment and the approval of admission for trading by Athens Exchange up to 300,000 dematerialized, common, bearer bond of a total amount 300,000,000 euro was approved. Following the completion of the rights' exercise period, the aforementioned issuance of the common bond loan (hereinafter referred to as "CBL") was fully covered.

The distribution price of the Bonds was defined at 1,000 euro each, i.e. 100% of its nominal value. The characteristics of this loan are the following: (a) The bond yield is 2.30% and is fixed over the term of the loan, (b) Interest is calculated on six-month basis, (c) The term of the loan is seven (7) years, and its repayment will be realized at the end of the period of seven (7) years. Upon the completion of the Public Offer on 10 December 2021, and according to the aggregated allocation reporting generated using the Athens Stock Exchange Electronic Book Building (EBB), a total of 300,000 dematerialized, common, bearer bonds of the Company were issued with nominal value 1,000 euro each with raised funds of 300,000,000 euro.

The issued three hundred thousand (300 k) dematerialized, common, bearer bonds issued were listed for trading on the Fixed Income Securities of the Organized Market of the Athens Exchange on 15.12.2021.

In view of the above, it is hereby disclosed that an amount of **292,736 thous. Euros**, i.e. an amount of 300,000 k euro in cash raised from the CBL coverage preference and subscription rights holders, less the amount of 7,264 k euro related to issuance expenses, as incorporated in the section 4.1.3 "Issuance Expenses of CBL" of the Company Prospectus of 2 December 2022, was allocated until 31.12.2022 as follows:

**GEK TERNA GROUP**

Annual Financial Statements of the fiscal year 1 January 2022 - 31 December 2022

(Amounts in thousands Euro, unless otherwise stated)

| (Amounts in € thousand)                                                                                                                                                                                                                                                                                                                                                                                          |                                                                             |                                                              |                                          |                                        |      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------|----------------------------------------|------|
| Allocation of the Capital Proceeds based on the objective of the Prospectus (section 4.1.2 "Reasons for Issuing the CBL and Use of Capital" of the Prospectus)                                                                                                                                                                                                                                                   | Allocation of the Capital Proceeds based on the objective of the Prospectus | Allocated capital during the period 01.01.2022 to 31.12.2022 | Total allocated capital until 31.12.2022 | Non-allocated balance as at 31.12.2022 | Note |
| 1. An amount of up to €225 million for the financing of the Issuer's business activity through a capital increase and/or through borrowing and/or through the servicing of existing intra-group obligations concerning: (1a) existing and/or new infrastructure and/or energy projects, (1b) the acquisition of participations in companies, as well as acquisitions and mergers of companies.                   | Up to maximum of 225,000                                                    | 78,051                                                       | 75,176                                   | 153,499                                | (1)  |
| - Refunds of amounts within 2022, which had been classified as temporary allocation in the period from 01.01.2022 to 31.12.2022 based on the terms of the Prospectus.                                                                                                                                                                                                                                            |                                                                             | (3,750)                                                      |                                          |                                        |      |
| 2. Amount up to €46.7 million for coverage of working capital needs of the Issuer or Subsidiaries. Capital proceeds which are not used in accordance with the objective under (2), may be used at the discretion of the Issuer's Management - at any time up to and including the Maturity Date of the Bond Loan - in accordance with the objectives under (1) and (3).                                          | Up to maximum of 46,700                                                     | 26,415                                                       | 26,415                                   | 20,284                                 | (2)  |
| 3. Amount up to €20 million, during the period 01.01.2022-31.12.2028 for the repayment of existing or future borrowing of the Issuer and/or subsidiaries. Capital proceeds which are not used in accordance with the objective under (3), may be used at the discretion of the Issuer's Management - at any time until the Maturity Date of the Bond Loan - in accordance with the objectives under (1) and (2). | Up to maximum of 20,000                                                     | 0                                                            | 0                                        | 20,000                                 |      |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>291,700</b>                                                              | <b>101,591</b>                                               | <b>101,591</b>                           | <b>190,109</b>                         |      |
| CBL Issuance Expenses                                                                                                                                                                                                                                                                                                                                                                                            | 8,300                                                                       |                                                              |                                          |                                        |      |
| <b>Total Capital Proceeds</b>                                                                                                                                                                                                                                                                                                                                                                                    | <b>300,000.00</b>                                                           |                                                              |                                          |                                        |      |

**Notes:**

1. To finance its business activity through a share capital increase and/or through borrowing and/or through the servicing of existing intra-group obligations with the aim of using the capital proceeds for existing and/or new infrastructure and/or energy projects, as well as for the acquisition of interests in companies, as well as mergers and acquisitions of companies. During the period 01.01.2021 to 31.12.2022, the Company had allocated the amount of 71,501, which is analyzed as follows:
  - a) On 03.02.2022, the Company allocated through a Share Capital Increase the amount of 1,700 to the associated company OLYMPIA ODOS S.A. in accordance with the decision of the Extraordinary General Meeting as of 13.01.2022.
  - b) On 20.04.2022, the Company allocated through a Share Capital Increase the amount of 500 to the subsidiary company VIPA THESSALONIKIS S.A. in accordance with the decision of the Extraordinary General Meeting as of 28.02.2022.
  - c) On 23.03.2022, the Company allocated the amount of 27,000 to the subsidiary company ARGOLIKI RIVIERA S.M.S.A. through payment of the Share Capital upon its incorporation in accordance with its articles of association dated 14.01.2022.
  - d) On 14.11.2022, the Company allocated the amount of 51 towards the subsidiary KASSIOPI REAL ESTATE S.M.S.A. through the payment of the Share Capital upon its incorporation in accordance with the articles of association dated 06.09.2022.
  - e) On 20.12.2022, the Company allocated through a Share Capital Increase the amount of 875 to the associated company SARISA SUB-CONCESSION KAVALA PORT FILIPPOS S.A. Also at the end of December 2022, the Company paid 2,800 for the acquisition of the share rights of the above associate company.
  - f) The Company has allocated the amount of 45,000 to subsidiary company HERON ENERGY S.M.S.A. through the granting of a bond loan. Specifically, on 14.02.2022, HERON ENERGY S.M.S.A. issued a bond loan amounting to 60,000 with an expiration date of 31.12.2024, in which the Company participated with the amount of 45,000 corresponding to equal amount of bonds. On 14.02.2022, the cash transaction of the amount of 45,000 was carried out by the Company to HERON ENERGY SMSA. Within December 2022, HERON II VIOTIAS S.A. proceeded with an early partial repayment towards the Company of the amount of 3,750 of the above bond loan. The amount of 3,750 constitutes for the Company part of the non-allocated capital as of 31.12.2022.
  - g) On 28.09.2022, the subsidiary company ARGOLIKI RIVIERA S.M.S.A issued one (1) bond loan for an amount of 2,000, with maturity date of 31.12.2024, which the Company covered in full via an amount of 2,000 corresponding to an equal value of bonds. On 05.09.2022, the cash transaction for the amount of 1,000 was carried out by the Company towards ARGOLIKI RIVIERA S.M.S.A..
2. From the amount of 46,700 that can be utilized within seven years (2022-2028) by the Company in order to cover its own working capital needs or the ones of subsidiaries, the amount of 26,415 had

been allocated until 31.12.2022. The above amount was utilized to cover the Company's working capital needs and concerns loan interest payments.

3. On 31.12.2022, the Company allocated the amount of 101,591 from the total capital proceeds of the CBL after the issuance costs, of which an amount of 42,250 comprises a temporary allocation. In particular, according to the provisions of paragraph 4.1.2 of the Company's Prospectus, in cases where the financing of investments is carried out through borrowing and the corresponding capital is returned to the Company before the Expiration Date of the Bond Loan (i.e. 15.12.2028), then the above capital may be reused in accordance with the provisions of paragraph 4.1.2 of the Company's Prospectus as of 2 December 2022.
4. The unallocated capital proceeds of the CBL amounting to 190,109 are included in the item "Cash and Cash Equivalents" of the company's Statement of Financial Position as of 31.12.2022 and comprise deposits in the Company's bank accounts.

26 April 2023

Chairman of BoD and Chief Executive  
Officer

Georgios Peristeris

Chief Financial Officer

Christos Zaribas

Executive Director

Penelope Lazaridou

Chief Accountant

Nikolaos Valmas

## **Report on the Findings from the Conduct of Agreed-upon Procedures on the "Report on Allocation of the Capital Proceeds of Common Bond Loan of 300 Million Euros"**

(This report has been translated from Greek original version)

To the Board of Directors of "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS"

### **Purpose of this Agreed-upon Procedures Report and Restriction on Use and Distribution**

Our report is solely for the purpose of providing the Board of Directors (hereinafter Management) of "GEK TERNA SOCIETE ANONYME HOLDING REAL ESTATE CONSTRUCTIONS" (hereinafter referred to as the "Company" or the 'Issuer') the necessary information regarding the Report on Allocation of the Capital Proceeds from the issue of the Common Bond Loan of 300 Million Euros (hereinafter referred to as the "Report") of the Company, which is prepared in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legislative framework of the Hellenic Capital Market Commission, regarding the issuance of the Common Bond Loan, which was carried out on December 2<sup>nd</sup>, 2021.

This report is intended for the Board of Directors of the Company, in the context of complying with its obligations to the applicable Regulatory Framework of the Athens Stock Exchange.

### **Responsibilities of the Company**

The Company's Management is responsible for the subject matter on which the agreed-upon procedures are performed. The Company's Management is responsible for preparation of the aforementioned Report in accordance with the effective regulations of the Athens Stock Exchange and the Hellenic Capital Market Commission and the Prospectus as of December 2<sup>nd</sup>, 2021.

### **Practitioner's Responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), "Agreed-Upon Procedures Engagements". An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company's Management, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Professional Ethics and Quality Control*

We have complied with the ethical requirements of the International Code of Ethics for Professional Accountants of the International Ethical Standards Board for Professional Accountants (including the International Standards of Independence) (IESBA Code) and the independence requirements in Part 4A of the IESBA Code.

Our audit firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable and regulatory requirements.

### **Procedures and Findings**

We have performed the procedures described below, which were agreed upon with the Company's Management in the terms of engagement dated April 24<sup>th</sup>, 2023.

|   | <b>Procedures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Findings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Examination the consistency of the content of the Table of Allocation of the Capital Proceeds of the Report with the data reported in the Prospectus issued by the Company on December 2, 2021. In particular, we compared the consistency of the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report with the data recorded in the Prospectus as of December 2 <sup>nd</sup> , 2021. | We have ascertained that the content of the Table of allocation of the Capital Proceeds of the Report is consistent with the data reported in the Prospectus issued by the Company on December 2, 2021. In particular, we have ascertained that the data recorded in the columns "Allocation of the Capital Proceeds based on the objective of the Prospectus" and "Allocation of the Capital Proceeds based on the objective of the Prospectus" recorded in the Table of Allocation of the Capital Proceeds of the Report are consistent with the data recorded in the Prospectus as of December 2 <sup>nd</sup> , 2021. |
| 2 | Comparison of the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report with the corresponding amounts recognized in the key accounting records of the company until December 31st, 2022.                                                                                                                                                                                                                                                                                                                                          | We have ascertained that the amounts per usage category referred to as capital proceeds in the Table of Allocation of the Capital Proceeds of the Report arise from the key accounting records of the Company until December 31st, 2022.                                                                                                                                                                                                                                                                                                                                                                                  |

|   | <b>Procedures</b>                                                                                                                                                                                                                                                                                                                                                                        | <b>Findings</b>                                                                                                                                                                                                                                                                                                                                                                                |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3 | Examination of the consistency of the capital proceeds arising from the Common Bond Loan until December 31st, 2022, inclusively with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of December 2 <sup>nd</sup> , 2021, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries. | We have ascertained that the capital proceeds arising from the Common Bond Loan until December 31st, 2022, inclusively are consistent with the projected usage of the capital proceeds based on the provisions of section 4.1.2 of the Prospectus as of December 2 <sup>nd</sup> , 2021, examining, on a sample basis, the supporting documents in respect of the relevant accounting entries. |

Athens, April 26, 2023

The Certified Public Accountant

The Certified Public Accountant

George Panagopoulos

Panagiotis Noulas

SOEL Reg. No 36471

SOEL Reg. No 40711