TERNA TOURIST TECHNICAL AND MARITIME S.A.

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General Commerce Reg. No. 8554301000
S.A. Reg. No. 56330/01/B/04/506(08)

ANNUAL FINANCIAL REPORT

for the period

1 January to 31 December 2019

In accordance with the International Reporting Standards that have been adopted by the European Union

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I. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR FY 2019 ON CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Dear shareholders,

In accordance with the provisions of law 4548/2018, article 150 and the Articles of Association of the Company, we submit to you for the closing year from 1/1/2019 to 31/12/2019, the annual report of the Board of Directors.

The present report contains financial and non-financial information of the Company and its subsidiaries for the fiscal year 2019 and describes important events that took place during this period and their impact, as well as the prospects of the Company and the Group. It also describes the main risks and uncertainties that Group companies may face next year.

A. Financial Developments and Performance for the year 2019

In 2019, the basic sizes and prospects of the Greek Economy continued to improve, which, in turn, has led to the corresponding strengthening of a positive economic climate, and the decline in yields on government bonds (where the 10-year bond fluctuated even below the limit of 1%).

TERNA Group is one of the most significant Greek business groups holding a leading position in the infrastructure segment. Furthermore, during the financial crisis in Greece (i.e. the most difficult and longest financial crisis in Europe), the Group has already demonstrated its ability to grow and strengthen its market position.

The existing estimates of COVID-19 effect are analyzed in the significant events after the end of the period 01.1-31.12.2019, in section C of the current report.

The key consolidated financial figures for 2019 based on the International Financial Reporting Standards compared to the financial figures of 2018, are as follows:

Turnover from continuing operations to third parties amounted to approximately € 695 million, compared with € 959 million in 2018, indicating a decrease of € 264 million of approximately 27.53%.

Turnover, which amounted to EUR 695 million, was attributed by 86.3% to activities in Greece (versus 86.6% in the previous period), by 5.2% to activities in Balkan countries (versus 6% in the previous period), by 7.3% (versus 6.3% previously) to activities in Middle East, and by 1.2% to activities in Malta, Libya and W. Europe (versus 1.1% previously).

The backlog of signed construction contracts on 31.12.2019 amounts to about EUR 1,553 million approximately versus EUR 1,507 million at the end of 2018. It is noted that 27.1% (versus 29.6% at the end of the previous year) of the backlog concerns projects executed abroad.

Operating profit before interest, taxes, depreciation and amortization (EBITDA) settled at EUR 1.3 million versus EUR 22.7 million in the previous year. At the same time, earnings before interest and tax (EBIT) settled at losses of EUR 12.2 million versus profit of EUR 10.4 million in the previous year.

The item “Operating results (EBIT)” is defined as Gross profit, minus Administrative and distribution expenses, minus Research and development expenses, plus/minus Other income/(expenses) included in EBIT. Other Income/(expenses) included in EBIT is defined as the Other income/(expenses) except for the payment and valuation related Foreign exchange differences, the

Impairments /(Recoveries of impairments) of fixed assets, the Other impairments, Provisions and Impairments /(Recoveries of impairments) of trade receivables, as presented in Note 36.

The item “EBITDA” is defined as the Operating results (EBIT), plus depreciations of fixed assets, minus the grants amortization, as presented in the attached financial statements.

The Losses before taxes from continuing operations amounted to EUR 29.2 million versus profit of EUR 7.8 million for financial year 2018 and they were decreased mainly due to the increased losses of Industry segment and the losses from HERON II, consolidated through equity method.

Losses after tax and non-controlling interests amounted to EUR 33.8 million, versus EUR 8.6 million in 2018, negatively affected by the Industry segment.

Net Debt of Group (cash and cash equivalents less bank debt) settled on 31.12.2019 at approximately minus EUR 70.1 million compared to minus EUR 56.4 million on 31.12.2018.

Total Assets of the Group amounted to EUR 951.6 million on 31.12.2019 versus EUR 1,162 million on 31.12.2018.

B. Significant events for the fiscal year 2019

In 2019, the following significant events took place:

- On 05.02.2019, the Concession Company under the title “INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.” was established, which on 21.02.2019 signed the Concession Agreement with the Greek State which have already been approved and have become law of the Greek State. On 31.12.2019, the subsidiary of the Group, TERNA SA, participated in the particular Concession Company in a joint venture with GMR Airports Limited - at 60% and 40% participating interest respectively.

  It is noted that after the CCD and according to the concession agreement, participation percentages will be seated t: TERNA 32.46% and GMR Airports Limited 21.64%, as well as the Greek State at 45.9%.

- On 21.02.2019 TERNA Group signed with the company HERAKLION CRETE INTERNATIONAL AIRPORT SA CONCESSION the Design and Construct Agreement of the new airport in Heraklion Crete at a budget of Euro 480 million and contractual term of implementation of 5 years.
- On 08.03.2019, TERNA SA, forming a joint venture with AVAX (AVAX – TERNA JV-MEDITERRANEAN CITY OF DREAMS) and with participation stake of 40%, signed an agreement of Euro 270 million with the company ICR CYPRUS RESORT DEVELOPMENT CO LIMITED concerning the construction of a multi-thematic park and casino of a total area of 96,000 m^2 and with a timetable of 30 months in terms of completion.
- In compliance with the decisions of the BoD’s of TERNA SA and of the subsidiary TERNA LEYKOLITHI SA as of 23.12.2019 and 27.12.2019 respectively, it was decided to revoke the relevant merger decisions as of 29.06.2018 of the aforementioned companies, in order for, TERNA LEYKOLITHI SA to continue its production operations autonomously as an independent economic unit.

Apart from the aforementioned, there are no other subsequent events to the financial statements that relate either to the Group or the Company, to which reference should be made in compliance with the International Financial Reporting Standards (IFRS).

C. Significant Events after the end of the period 01.01 – 31.12.2019

- In January 2020, TERNA S.A. received financing of a total amount of Euro 42 million, out of which Euro 39 million has been allocated to an increase in the share capital of the affiliated company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. based on the terms of the concession agreement.

- On 06.02.2020, following satisfaction of the Terms of the Concession Agreement, the Greek State granted the "License for Establishment and Construction of the New International Airport of Heraklion, Crete" to the company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. The above date is hereinafter the date of commencement of the concession. The project will be constructed entirely by the company TERNA SA. The contractual duration of the concession period is set at thirty-five (35) years from the date of commencement of the concession and includes a five-year construction period.

- On 30.03.2020, TERNA SA announced that in a joint venture with SIEMENS (association of companies SIEMENS - TERNA) was declared contractor of the project «Study, Supply and Installation of Two Conversion Station and one sub-station for Crete - Attica Electric Interconnection”. As announced by "Ariadne Interconnection", subsidiary of ADMIE Group, the total budget of the project amounts to Euro 370 m. From this amount, Euro 358.6 m relates to the construction of conversion stations and Euro 11.4 m to their maintenance. The contract has a term of 36 months and will be signed after its approval by the Court of Audit. According to the same announcement, the project will be included for co-financing in the Operational Program "Competitiveness, Entrepreneurship and Innovation" in the framework of the NSRF 2014 - 2020.

- **Global Public Health Crisis from the Coronavirus Pandemic (COVID-19)**

TERNA Group is one of the most significant Greek business groups, holding a leading position in infrastructure segment. The Management considers that the Group operates in the segments that are more defensive during the phases of the economic cycle. Furthermore, during the financial crisis in Greece (i.e. the most difficult and longest financial crisis in Europe), the Group has already demonstrated its ability to grow and strengthen its market position.

On 30.01.2020, the World Health Organization (WHO) declared that the spread of COVID-19 virus has generated an "extraordinary need for protecting international public health", and following further developments, on 11.03.2020, the WHO declared COVID- 19 pandemic that has spread worldwide. The spread of the virus is ongoing and, therefore, its effects cannot be estimated or quantified. Duration and severity of the effects are expected to be determined by the factors, such as: (i) whether the virus is subject to seasonal periodicity, (ii) how long it will take to develop effective methods of treating the disease (vaccine and/or treatment) , (iii) the effectiveness of the fiscal and other measures of the countries as well as the decisions of the banking supervisory authorities to facilitate the banking institutions in providing liquidity and support to businesses and households.

In view of the above, and in accordance with the provisions of IAS 10 "Events after the Reporting Period", the pandemic is regarded as a non-adjusting event and is, therefore, not reflected in recognition and measurement of assets and liabilities in the annual financial statements of the Group and the Company for the year that ended on 31.12.2019.

As stated in the Morgan Stanley Report (published on 25.03.2020 under the title “Coronavirus: Recession, Response, Recovery”), falling demand and disruptions in supply chains in general are expected to lead to a global economic downturn. However, according to the report, the strong monetary and fiscal policies in place to stem the effects of the pandemic could function as the basis for a recovery, expected to begin in the second half of the current year. The growing turmoil in the US economy seems to be crucial to this prospect. U.S. economists expect a full-year 2020 contraction of 3.0% instead of the previous 0.6% growth forecast. Such a decline would reduce global growth to 0.3% in 2020 from the 3.4% forecast before the outbreak of the pandemic (near the bottom of the global financial crisis of 2009, when the global economy shrank by 0.5%). Given the key assumption that the pandemic crisis is expected to peak in April / May 2020, most of the economic hardship could be concentrated in the first half of 2020, with the global economy shrinking by 0.6% and 2.1% on an annual basis %, respectively, in the first and second quarters of 2020. Subsequently and given the estimate that recovery will first appear in the third quarter of 2020, the global economy could recover to 4.8% in 2021, while growth of the Eurozone countries could recover by 5.5% in 2021. Furthermore, a related article in the Financial Times on the business segments that are more resilient during the economic cycle in terms of uncertainty and turmoil such as that of the pandemic, points out infrastructure segment.

As part of public health protection, many countries have adopted emergency, temporary and costly restraint measures (some countries have required companies to restrict or even suspend their usual business activities). Governments, including the Hellenic Republic, have imposed restrictions on traffic, travel, and have introduced strict quarantine measures. Specifically, in Greece, as from 20.03.2020, strict measures were gradually imposed until 04.05.2020 in order to safeguard public health and ensure economic survival of employees, businesses and protect the vulnerable groups. After 04.05.2020, the measures of the lockdown, implemented by the Greek Government, began to be gradually removed and the government's plan for the gradual transition to the new reality began to unfold.

The Group's management, with an extremely high sense of responsibility towards its customers, employees, suppliers, partners and investors, monitors developments regarding the coronavirus disease (COVID-19) and studies the potential risk factors that could affect the Group's financial position, operations and results.

(i) Group Organizational Planning

Following the first announcements and focusing its priorities on health and safety of its employees and associates, the Group's management reacted quickly and decisively: it scheduled and immediately began to implement a plan of measures and actions, mainly aimed at: creating a safe working environment for all the employees in line with adopting remote work policies whenever feasible and necessary, facilitating security and utilization of the most modern information technology in order to limit travel and transportation, performing video conferences and introducing modern, flexible ways of working depending on individual or special needs of groups of employees. Extremely strict rules of operation have been adopted at all points of presence and operation of the Group in Greece and abroad, in order to constantly ensure the highest possible level of safety for everyone.

At the same time, the Group implemented a program of safe repatriation of its executives and employees from Cyprus in full compliance with the decisions and instructions of the national authorities. In particular, on 01.04.2020, TERNA S.A. announced that the process of secure repatriation of approximately 400 employees from Cyprus, previously located at its subsidiaries, following the Cypriot government's decision to close all sites in the country (the relative decision was revoked on 04.05.2020). For the vast majority of employees, the repatriation procedure is conducted through special flights organized by TERNA S.A. in collaboration with Aegean Airlines. For repatriated employees, all procedures provided by the State and the National Public Health Organization (NPHO) were followed and TERNA Group has ensured their safe transition to their places of residence, both inside and outside Athens.

(ii) Effects of COVID-19 measures taken to limit them

The Group has taken all the necessary measures in order to facilitate the development of its basic activities continuing uninterruptedly its construction activities, strengthening its efforts aimed at stabilization of the Greek economy and employment.

As far as the operations of the Constructions Segment are concerned, the public policy measures that have been taken and / or will be taken by the Greek government in order to limit the spread of COVID-19 disease are not expected to significantly disrupt the operations of this segment.

The Management has examined the specific conditions that could have a significant impact on the business operations of the Constructions segment and the risks to which it is exposed. Based on the current events and circumstances regarding the spread of COVID-19 pandemic, such conditions are analyzed as follows:

- Delays in the projects implementation schedule: All construction projects in progress in Greece and abroad continue normally, always taking into account the instructions and protection measures announced by local countries and governments. It is to be noted that construction works that have been suspended (i.e. Ptolemaida V following the decision of the General Secretariat for Civil Protection due to increased COVID-19 cases in the region of western Macedonia as well as two projects undertaken by the Group in Cyprus due to similar decisions of the Cypriot government) have been restarted. Regarding potentially minor delays that may occur in the construction projects due to COVID-19 pandemic, the Group is not exposed to the risk of non-compliance with the contractual schedules, since the relevant deadlines are extended accordingly. In addition, it is worth noting that construction contracts also include the relevant terms regarding delays arising from the events that could not be foreseen (force majeure events), providing an additional contractual level of security regarding the progress of projects and their performance/ compensation.

- Difficulties pertaining to adequacy of the supplies that are critical to construction projects: the particular needs have been timely identified and the appropriate arrangements have been made with key suppliers collaborating with the Group, with whom long-term trade relations have been established. No such delays are expected. Regarding construction projects at a particularly advanced stage of construction, it does not seem that such a need will arise, as the volumes of the remaining supplies are of such a size that no issue is expected to arise. Regarding the construction projects that are at the early stages of implementations, such issues have also been reviewed for the existence of alternative distribution networks, in the unlikely remote case the existing suppliers cannot meet the requirements of the Group's supplies (no such possibility).

- Delays in project assignments: Notwithstanding extraordinary critical circumstances arising due to the global public health crisis, the Greek state has not yet announced suspension of any project assignments procedures, as an initiative for practical support to the Greek economy. However, according to Article 60/Legislative Act (PNP) 20.03.2020, as long as immediate risk of COVID-19 spread is still effective, confirmed by a decision of the Minister of Healthcare, and for a period not exceeding six (6) months from the entry into force of the Legislative Act, following a decision of the competent Minister, as the case may be, a series of measures can be taken, such as (a) postponing public tenders, (b) extending the date for submitting applications or offers in cases where a notice has been published, (c) granting an extension for any kind of contractual term, for a period of time to be determined by the relevant decision.

- In the context of COVID-19 pandemic, credit risk is limited to the probability that customers will not meet the agreed-upon repayment terms. Significant delays in project payment schedules, based on current data, are not estimated to exist. The Management's estimates are based on the following factors: (a) firstly, that the Greek State is the Employer of most of the construction projects undertaken by the Group, and, in most cases, has constantly uninterrupted flow of resources (e.g. European resources or resources secured by concession companies which have assigned construction projects to Terna S.A.) and (b) secondly, that support packages for the economy of European countries are already expected to be delivered by the European Central Bank (ECB) in order to mitigate the economic effects of COVID-19.

As universally known, infrastructure constitute one of the cornerstones for the recovery of the economy - and TERNA S.A. is in an advantageous position due to (a) its dominant position in the construction industry in combination with the experienced and proven effective management team, (b) its strong financial position, which facilitates it to support timely completion of all projects that it has and/or will undertake, (c) the significant tendency regarding decreases in the prices of raw materials/commodities (such as diesel, asphalt, steel, etc.) and (d) the support of the Group by the Greek banking system and by insurance companies, facilitating significant level of available limits set for the issuance of letters of guarantee.

Given the need to boost the economic recovery as a result of COVID-19 crisis, the Minister of Infrastructure and Transport has stated that the start of major projects is an immediate priority for the Greek Government. In particular, the Minister commented that the Greek Government intends to alter the institutional framework for tender procedures, so as to speed up licensing to include in strategic investments the major infrastructure projects, exceeding Euro 13 billion.

Summary

The economic impact of the current crisis on the global economy and overall business activities cannot be currently assessed with reasonable certainty, given the rate of COVID-19 spread, on one hand, and the high level of uncertainty arising from the inability to reliably project the result, on the other hand.

As far as the financial position of the Group is concerned, as at the Annual Separate and Consolidated Financial Statements for the period ended 31.12.2019 reporting date, as well as currently, the Group maintains sufficient capital adequacy and liquidity and continues to fully comply with its obligations to suppliers, the Greek State, insurance organizations, creditors, etc.

In conclusion, all the above factors were reviewed in order to assess the effects of COVID-19 on the Group's operations within 2020, regarding which inherent uncertainty is effective, given the current events and circumstances as at the accompanying financial statements approval date. The Management estimates that there is no uncertainty regarding the Company's and its subsidiaries' ability to continue as a going concern, which is the key prerequisite for the preparation of financial statements.

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, the uncertainty of the results from the impact of emergency events (COVID-19) which may have a prolonged and unforeseen term.

To address financial risks, there has been set in place 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 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 analysed below.

In order to address the effect of the extraordinary event of COVID-19, the Group implements a set of measures with the main focus on protecting the Group's staff and minimizing the economic consequences of the precautionary measures taken by the Greek State.

Credit risk
The Group continuously monitors its receivables, either separately or per group and encompasses all the arising information into the review of the credit risk. 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. This is attributed to the Group’s policy, which is focused on cooperation with reliable clients and 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.
It is to be noted, however, that there are some time delays in payments by companies controlled by the public sector.

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 the aforementioned 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 is 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

(Amounts in thousands Euro, unless otherwise stated)

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 in Greece, Balkans and Middle East, according to historical data and therefore may be exposed to foreign exchange risk that may arise from Euro exchange rate with other currencies.

Regarding construction projects in the Balkans: contractual receivables, liabilities to key suppliers (concrete, iron products, asphalt, concrete, stratifiers, etc.) and subcontractors are mainly agreed in euro and therefore the exposure to foreign exchange risk is limited. In addition, the Bulgarian leva (BGN) has a stable exchange rate against the euro.

Regarding construction projects in the Middle East, contractual receivables, liabilities to key suppliers (concrete, iron products, asphalt, concrete, stratifiers, etc.) and subcontractors are contracted in local currencies, which are firmly linked to the USD and, therefore, there is exposure to foreign exchange risk from changes in the US dollar exchange rate against the Euro.

Interest Rate Risk

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 either as working capital or for the initial financing of the construction of the Group's investments. The Group's policy is to convert these loans into long-term fixed spread linked to Euribor and, where deemed necessary due to repayment time, to implement approved interest rate risk management policies through Interest Rate Swaps.

On 31.12.2019, 100% of the Group's total debt bares floating interest rate (of fixed spread). In addition, 40.89% amount of 63.903 of the long-term bank debt is covered with cash-flow hedging contracts from interest rate changes.

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 the period's result against the Groups short-term debt and deposits, towards a change in interest rates amounting to +/-20% (2018: +/-20%) on the floating part of the interest rate (i.e. Euribor 6M). 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.

	2019		2018	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(14.5)	14.5	(9.7)	9.7

(Amounts in thousands Euro, unless otherwise stated)

Net earnings after income tax (from interest earning assets)	36.4	(36.4)	15.2	(15.2)

The Group is not exposed to other interest rate risks.

<u>Market risk analysis</u>
The Group is not exposed to market risk regarding its financial assets.

<u>Liquidity risk analysis</u>
The Group's liquidity is considered satisfactory.
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 up to 30 days. The funds for the medium-term liquidity needs are released from the Group's time deposits.

<u>Risks from the current economic conditions existing in Greece</u>
As it has already been noted, Greek economy has been affected by the conditions precedent due to Covid-19 pandemic, bearing as a result a certain recession for the current year. The Greek government estimates that the conditions will be rapidly improved within 2021.
Despite the aforementioned new conditions, the Group's operations continue uninterruptedly. The Management constantly assesses the conditions and the potential effects of the sound operation and extraordinary events, in order to ensure that all the necessary and possible measures and actions are timely put in place in order to minimize any impact on the Group's operations. The Group's Management objective is to directly inform the investors about any significant impact potentially brought about by the effective conditions.

<u>Other risks and uncertainties</u>
The backlogs of the construction contracts do not necessarily constitute an indication of future revenues from the Group's operations in this segment. Although the backlogs of these contracts represent works that are considered certain, no guarantee can be given that cancellations or adjustments will not be performed. The backlogs of the Group's construction contracts may fluctuate in connection with the delays in the projects implementation and/or receivables or inability to fulfill contractual obligations.

Tender procedures
TERNA SA, as well as almost all Greek Construction Companies and a significant number of foreign companies, were audited ex officio by the Hellenic Competition Commission (ECC) regarding their operations and actions which may be considered that they lead to a violation of the relevant rules.

Further, our Company, pursuant to article 25a of Law 3959/2011 and the decision num. 628/2016 of HCC (Plenary Session) and following considerable concern, submitted, on the grounds of an apparent corporate interest and in order beneficial provisions of article 25A and 14 par. 2 case (id)(ee) of Law 3959/2011 and the decision with no. 628/2016 of HCC, regarding the terms, conditions and procedure for resolving disputes in cases of horizontal partnerships in violation of Article 1 of Law 3959/2011 and/or Article 101 of the Treaty on the Functioning of the European Union, the request to be subject to the prescribed disputes settlement procedures, i.e. through a consensual resolution process.

On 03.08.2017, the decision num. 642/09.03.2017 of the HCC was disclosed to the Company, whereby a fine of 18,612 was imposed for violation of article 1 of Law 3959/2011 and article 101 of TFEU (for the period from 11.05.2005 to 04.01.2007 and from 04.06.2011 to 26.11.2012). The settlement procedure for the company was finalized and the amount of the fine amounted to 18,612, which was paid in full within 2018.

Furthermore, according to the provisions of art. 44 par. 3 of Law 3959/2011, in combination with the article 73 par.4 case c) of Law 4412/2016 as in force today, after being amended by article 235 of Law 4635/2019, (Government Gazette A 167/30.10.2019) by subjecting it to article 25a of Law 3959/2011 and TERNA's payment of the administrative fine imposed, as stated, there is a complete exemption from all forms of administrative sanctions, and no grounds for exclusion from tenders for public procurement or concessions are established.

Needless to note that TERNA, SA, has voluntarily adopted a series of compliance and remedial measures, which are constantly evolving and updated, thus further demonstrating their credibility and solvency.

E. Non-Financial Information Report

Introduction

This Non-Financial statement relates to the fiscal year ended on the 31st of December 2019. The Statement has been prepared in accordance with the provisions of the Law 4403/2016 and includes information on the performance of the Terna Group of Companies related to the following areas, as outlined in Circular (62784):

- Anti-corruption issues
- Supply Chain issues
- Respect for human rights
- Social and labor issues
- Environmental issues

The statement presents information on the main risks related to the above areas and the Group's activities, the due diligence policies as well as other policies applied by the Group for each of the above areas while for a better understanding of the Group's performance, the results of these policies are referenced and relevant financial and non-financial performance indicators are listed. In addition, a brief description of the Group's business model is provided.

The requirements of the Global Initiative Standards (GRI), 2016 version were taken into account for the selection of the non-financial indicators

Business Model

TERNA GROUP is one of the largest business Groups in Greece with presence as well in Central and Southeastern Europe and the Middle East

It operates in the fields of infrastructure, production, and mining activities.

The current construction backlog of the Group remains at the high level of 1553 billion Euro.

Infrastructure

TERNA Group, is actively involved in the construction sector for almost half a century, through **TERNA S.A. TERNA SA** (www.terna.gr) was founded in 1972 and since then it has been actively involved in the implementation of a broad spectrum of public and private projects of considerable budget and complex know-how, such as the construction of railway and highway networks, buildings, hospitals, museums, industrial facilities, hydro-electric plants, dams, industrial facilities, power plants etc. TERNA, through its effective organizational structure, is steadily consolidating its international presence in Europe and the Middle East.

Thermal Energy

TERNA Group operates in the sectors of **electric energy production and supply** through its participation in HERON II VOIOTIA, in the share capital of which participate as well ENGIE (former GDF Suez) and QATAR Petroleum, two leading worldwide energy entities.

The company **HERON II SA** (www.heron.gr) operates in the fields of production, supply and trading of electric power. Operates two thermal power production plants, with installed capacity of 435 MW HERON II in Voiotia.

Anti-Corruption

Major risks and risk management

The Group identifies the occurrence of incidents of corruption, bribery and extortion as risks in the performance of its business and operational activities and operations. Potential occurrence of such incidents may have negative impacts for the Group both at a financial (e.g. fines) and/or at an operating level (e.g. interruption of business) as well as at the level of diminishing the Group's reputation and disrupting its relationship with the various groups of stakeholders with whom it interacts.

The fight against corruption by the Group is highly important not only for dealing with potential negative effects on itself, but also more broadly on society, the economy and the environment. In this context, the Group acknowledges that tackling corruption is preventing human rights abuses, potentially harmful environmental activities and even ineffective investments.

For the Group to identify the risks associated with corruption, bribery and regulatory compliance, a specific procedure is implemented which takes into account various parameters such as the type of activity, the geographical location, all involved parties, etc.

Due diligence and other policies

Combating corruption is a key pillar of the Group's operation, which has been committed to demonstrating zero tolerance for such incidents, by promoting transparency, ensuring business ethics and regulatory compliance that are diffused across the range of activities and affect the professional behaviour of its people. To this end, the Group acts through the establishment of policies and procedures, but also through the creation of control mechanisms and compliance with these policies. In particular, the Group:

- Implements a Code of Conduct.
- Monitors the proper implementation of the Code of Conduct on a daily basis.
- Organizes targeted trainings and briefings, in person or online (e-learnings), on the Code of Conduct, Corruption and Bribery Control for all employees.

- Ensures the possibility of reporting any discrepancies or concerns in relation to the Code's implementation to the Board of Directors.
- Assesses any discrepancies and takes all necessary legal actions.

Code of Conduct

The Group's Code of Conduct is a reference point for all its employees and associates (suppliers, subcontractors), serving as the basic framework of values and principles that should characterize their professional behaviour. The Code reflects the Group's fundamental principles, beliefs, corporate culture, business ethics and voluntary ethical commitments that characterize the Group. Issues related to the fight against corruption and bribery are at the heart of the Code.

The Code's implementation extends to all companies and subsidiaries of the Group at a national and international level, applies to all activity areas and is taken into consideration in the partnerships as well as consortia in which it participates.

The Regulatory Compliance Committee, which reports directly to the Board of Directors, monitors the implementation of the Code of Conduct. Additionally, the Group maintains a program of internal inspections by the Head of Regulatory Compliance, aiming at monitoring the implementation of the Code.

The Group ensures the organization of trainings and targeted briefings of the staff, on an annual basis, aimed at raising awareness while continuously informing them about corruption incidents and ways to combat them. From the very first day of recruitment, all employees are informed about the contents of the Code and validate with their signature the employment contract and therefore the Code of Conduct's content described therein.

The Group employees are obliged to inform about any discrepancies or concerns in relation to the Code's implementation, which fall into their perception, through an eponymous, printed letter to the Head of Regulatory Compliance. The aim of the Group is to strengthen and improve the prevention and control procedures of potential corruption risks, to comply with relevant legislation and intensify relevant controls.

The Head of Regulatory Compliance is responsible for the investigation and evaluation of any complaint received, and thereafter, takes all the necessary corrective actions in the context of applicable law and the Group's policies.

In case of discrepancies in the Code's implementation, the legal actions provided by the current institutional framework and the Labor Code, may include the cessation of cooperation, the imposition of a fine and / or criminal clause as well as the activation of civil and criminal proceedings.

Results of the above policies and non-financial performance indicators

ISO 37001: 2016 and ISO 19600: 2014 certification

In 2019, the Group received certification in accordance with ISO 37001 standards for combating bribery and ISO 19600 for regulatory compliance.

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

In 2019, there were no confirmed corruption incidents that came to the attention of the Group's management, either through complaints or through the audits performed by the Group itself in the context of preventing and combating any corruption incidents.

Supply Chain

Major risks and risk management

The Group works with suppliers and subcontractors on a daily basis, for a broad spectrum of its business activities. In the field of infrastructure, most of the Group's expenditure is on supplies of materials, construction and transport machinery. Therefore, a potential change in construction activity may result in an immediate change in demand for suppliers. Respectively, the Group's profitability in construction projects directly affects the pace of renewal of the construction equipment supplied by the group for the completion of its projects. This dependent relationship (Group-Suppliers / Subcontractors) may adversely affect the parties involved in the event of incidents that impede the smooth operation of the supply chain.

For instance, with regards to human rights in the Group's supply chain, a potential risk is the occurrence of international standards and/or legislation violations related to the practices of its suppliers, who are likely not to adopt policies and values similar to the Group. Moreover, the risk of corruption incidents in the supply chain is also identified. The occurrence of such incidents may have significant negative effects on the Group, at a financial (e.g. through the imposition of fines), operational (e.g. termination of partnerships with suppliers, termination of long-term strategic partnerships, termination of projects) and non- financial level (e.g. influence on the Group's reputation).

The above mentioned practices may cause broader negative impacts, to the environment, for example through the non-adoption of good environmental practices by business partners, as well as to society, with the possible violation of human and labor rights (such as uninsured workers, child labor, etc.). In addition, regarding the wider economic impacts on the local community, the Group recognizes potential risks stemming from the non-support of local and domestic suppliers, such as loss of social cohesion, loss of social / local support and consequently reduced economic growth and prosperity in these areas.

Due diligence and other policies

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

First and foremost, the proper supply chain management starts with the Group’s responsible attitude towards all its stakeholders. To this end, the Group adopts and implements the necessary policies and actions:

- All the relevant insurance and labor laws.
- The regulatory framework relating to Occupational Health and Safety.
- The principles of human rights protection.
- Its internal policies, procedures, standards and management systems.

Terms of cooperation with suppliers

The responsible supply chain management is one of the Group’s major efforts to long-term value creation through its business operations but also through forming responsible, long-term business relations with its suppliers and partners. The Group recognizes that the responsible management of the supply chain presupposes responsible collaborations with mutual contribution and open dialogue among all parties involved.

In this regard, the Group communicates the minimum requirements for cooperation and ensures that its cooperating suppliers comply with environmental and social criteria. Necessary requirements for cooperation with any supplier are the full compliance with the regulatory framework relating to Occupational Health and Safety as well as compliance with the Group's Code of Conduct.

The Code of Conduct constitutes the basic framework of principles and values that must characterize, among others, the Group's suppliers, subcontractors and associates in order to maintain transparent and responsible business relations.

Prioritizing domestic suppliers

To date, the Group has expanded its activities to 14 countries and 3 continents, with a constantly growing business and a strong potential of expanding into new markets. Despite its strong extroversion, the Group firmly chooses to cooperate with local suppliers. In this way, the Group enhances its direct and indirect socio-economic footprint across the supply chain, by supporting the surrounding areas and stimulating local economies. Besides its direct activity, choosing local suppliers creates positive effects in creating new indirect jobs while contributing to the enhancement of social cohesion and prosperity.

Respect for Human Rights

Major risks and risk management

Respect for Human Rights is a prerequisite for paving the way to sustainable development not only for the Group but also for the communities in which it operates.
The Group identifies the risk of human rights violations beyond its supply chain and within its own limits, such as discrimination in the workplace, privacy violations of employees and forced or child labor. The possible violation of human rights may have negative effects on the Group itself, such as the imposition of fines or penalties, as well as negative effects on its employees and the reputation and / or trust of its stakeholders.
The Group, as a responsible corporate citizen, acknowledges that human rights abuses are directly linked to negative effects that may impact on society, the environment and the economy within which it operates. Implementing the human rights principles, the Group contributes more widely to the reinforcement of the rule of law and to the improvement of legal systems, which form the basis for the conclusion of all business agreements. In this regard, the risks posed by non-compliance with the applicable human rights framework are minimized, such as a potential crisis in social solidarity and prosperity.

Due Diligence and other policies

The Group 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 control mechanisms, which apply to all its activities, for all its subsidiaries and all projects.
To this end, the Group:
• Implements the international standards and principles of Human Rights.
• Engages with local communities on human rights issues.
• Implements monitoring mechanisms through the Human Resources Department.

Respect for international standards and principles

The Group applies and respects the international Human Rights principles and standards. The Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, the UN Guiding Principles on Business and Human Rights as well as the high corporate values that the Group stands for, form a strict operational framework with respect for human rights across all its business activities.

The Group is committed to the timely prevention and detection of any action that does not comply with its operating framework for the protection of Human Rights. It protects the right of every person to education and freedom of speech, to the freedom of association and any other human rights that may be infringed as a result of or as part of his business activities and therefore applies control procedures that ensure there is no violation of fundamental human rights.

Engaging with Local Societies

The Group respects the national and local operating frameworks in the countries in which it operates. Consultation with local communities on human rights issues related to the Group's activity is necessary to ensure its social operation. In addition, the consultation ensures smooth cooperation with the stakeholders of these communities in conducting business and provides an opportunity for dialogue on issues of concern.

Monitoring mechanisms

The Human Resources Department of the Group ensures legality regarding the age limits of the employees it employs, in overtime work, in the minimum wages, in the protection of diversity in its wider scope of action and observes the provisions so that no violation is noted.

In particular, the Recruitment Policy with the relevant procedures ensures diversity and establishes the basis for the recruitment process to be based on objective criteria such as professional profile, skills and capabilities of employees. The decisions made by the Group regarding recruitment are not related to any kind of discrimination regarding gender, nationality, language, religion, political beliefs, disabilities, employee sexual orientation or other elements of diversity.

Social and Labor Issues

Major risks and risk management

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

Furthermore, the Group seeks to minimize the likelihood of accidents at work, by conducting special Occupational Risk Assessment (ORA) studies, which identify potential health and safety risks for each working position. Potential occurrence of a work accident may bring negative effects both on a functional (e.g. work stoppage) and a financial level (e.g. imposition of fines, compensation and other penalties) while it can also have negative effects on the human capital of the Group.

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

The Group contributes to tackling the potential economic and social impacts associated with reducing employment in the country (e.g. unemployment), by increasing the number of job offerings.

Furthermore, the Group recognizes the negative, indirect economic impacts it may cause. For instance, to address the potential risks associated with reducing the purchasing power of its employees - e.g. non-contribution to the stimulation of the local economy, reduction of the contribution to the GDP, the Group ensures the provision of compensation and benefits that exceed the limits provided by law.

Due Diligence and other policies

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

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

The Group, for the management of social and labor issues:

- Increases its socio-economic footprint.
- Implements Payroll and Benefits Policy.
- Enhances diversity.
- Provides equal opportunities for training and education.
- Implements the Health and Safety Policy.

Direct and indirect social impacts

The Group ensures the continuous improvement of its direct and indirect socio-economic impacts. The multiplier benefits from the its business activity translate into thousands of new jobs, boosting the national economy while increasing the GDP, through tax payments and insurance contributions, to the strengthening of local communities through collaborations with local suppliers and service providers as well as to the optimization of Greece’s investment prospects abroad and to institutional investors.
The indirect positive impacts of the Group's activities on the local community in the fields of infrastructure, waste management, clean energy production and real estate development and management, are associated with transportation safety, upgrading of the urban infrastructures, access to places of art and culture, the overall improvement of citizens quality of life and the preservation and protection of the natural environment.

Fair compensation and benefits

The Group ensures that the human resources issues are managed in an impartial manner and that every employee is treated fairly and without any kind of discrimination.

The Nominations and Remunerations Committee is responsible for the Group's internal compensation and benefits policy. Within this framework, the Group operates with transparency and meritocracy regarding the allocation of fees and benefits, by applying objective criteria and evaluation indicators depending on the importance of the position, the duties and responsibilities of each position, the educational background, experience, skills, ability to achieve goals and level of performance and efficiency of employees.

The Group, having examined the cost of living in the countries where it operates, offers higher compensation than the minimum set by the respective legal framework. Most of the employees of the Group are remunerated with salaries that exceed the minimum legal wage provided. In addition, the Group offers additional benefits, such as corporate vehicle, laptop, corporate mobile connection, etc., depending on the needs and requirements of the job.

More specifically, the Group's policy imposes equal pay between men and women for the same position and leaves no room for discrimination or privileged treatment regarding pay or benefits or other employee characteristics.

Promoting workplace diversity

Men mainly compose its workforce amid the Group's activities' nature. However, the constant increase in the percentage of women in its companies, constitutes a well-established policy. One step towards this direction is to record and monitor the distribution of women by geographical area of activity, by age and by employment level. In this way, the percentage of women is sought to increase.

Training and Education Policy

The human capital of the Group constitutes its main force, as is responsible for the planning and implementation of its business activities. For this reason, it is vital to continuously improve the scientific and technical knowledge that employees possess as a means of ensuring their professionalism and improving their productivity.

In this context, the Group has established a Training and Education Policy to ensure full participation of its employees in educational activities, based on the principle of equal opportunity, to promote a clear and understandable framework for education planning, implementation and evaluation processes and over the long-term to achieve the development of skills & the enhancement of productivity of its Human Resources through the cooperation of the Human Resources Department with all the Directorates, Departments, Construction sites and the Group's facilities.

Health and Safety Policy

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

Maintaining Health and Safety is a priority for the Group that is constantly improving the strategic framework within which issues related to the protection of Health and Safety of all its stakeholders is managed.
The Group complies with the provisions of applicable national, European and international law and through a strict Health and Safety Management System it adheres to, aims at the early detection and minimization of risks related to all its activities. The Health and Safety Policy applies to the entire Group and all those who are, directly or indirectly, related to its business operations.

Strengthening the Health and Safety Policy and ensuring zero accidents is a function of goals related to:

- the implementation of an internationally certified Health and Safety Management System,
- the formation of a corporate culture governed by the principles of Health and Safety,
- the full compliance with legal and other national, European and international requirements, directives and provisions relating to the field of Health and Safety,
- the implementation, monitoring, evaluation and improvement of Health and Safety activities,
- the identification of occupational risks and development of a comprehensive prevention methodology,
- the prevention of injuries, diseases and adverse health and safety incidents,
- providing proper, adequate health and safety information and training to all employees, suppliers, partners and visitors,
- the compliance and unwavering adherence to H&S procedures by all stakeholders,
- the immediate investigation of any accident / incident, the factors' assessment and taking precautionary measures,

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

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

Environmental Management

Major risks and risk management

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

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

In addition, the Group identifies the risks related to Climate Change, which to some extent determines the Group's business strategy, through the strategic development of renewable energy projects and the adoption of mitigation measures of its environmental footprint. Such risks may considerably affect the Group's business model (e.g. need for immediate independence from conventional energy sources, increased operating costs to adopt new environment friendly technologies, regulatory sanctions due to increased requirements).

Due Diligence and other policies

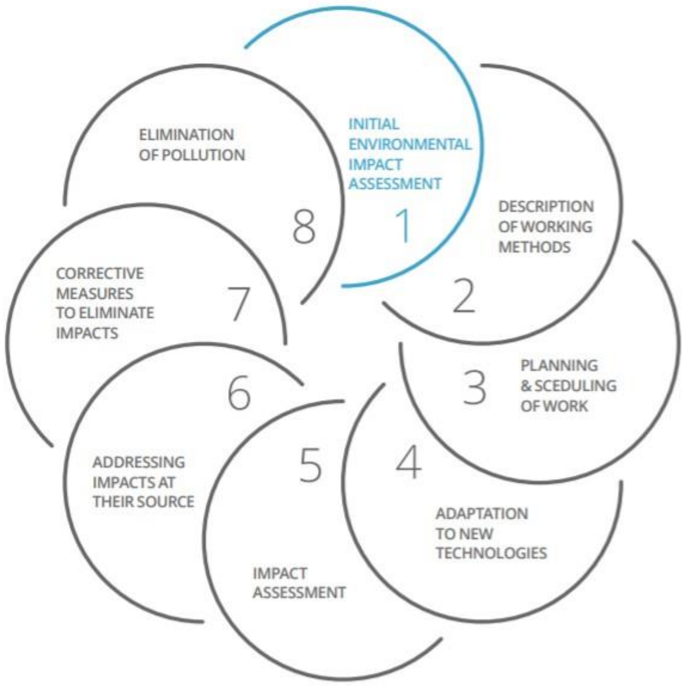
Environmental protection is an integral part of the Group's strategy and is expressed through its political, strategic and business decisions and actions. The Group acts purposefully and takes measures to reduce its negative environmental footprint through the responsible energy management and the proper use of natural resources (e.g. water, energy, materials, tackling climate change and protecting and conserving biodiversity).

In particular, the Group's environmental strategy includes:

- the implementation of the Environmental Management System,
- responsible energy management processes,
- tackling Climate Change,
- the protection and preservation of Biodiversity.

Environmental Management System

By implementing a modern and comprehensive Environmental Management System, the Group records the environmental impact of its activities and is therefore able to take the necessary measures in a timely manner, in order to reduce its environmental footprint and continuously improve its environmental performance. The strategy of mitigating the environmental impacts is based on the following cycle:



The TERNA Group conducts annual audits to all of its operations, in order to fulfill the requirements arising from external certifications, internal systems and legal and other regulatory frameworks.
Internal audits aim at the:

- evaluation of the responsiveness to the requirements of the current legislation,
- evaluation of the responsiveness to the Group's customer requirements,
- evaluation of the Group companies' compliance with the system requirements,
- evaluation of the responsiveness to the requirements of the international standard ISO 14001:2015,
- identification of points that need improvement and reinforcement,
- improvement of the implementation of the Management Systems and the Risk Management Systems.

Infrastructure and low energy footprint equipment

The existence of infrastructure and low energy footprint equipment constitutes a high priority for the Group. To this end, the Group is implementing projects with bioclimatic design and is certified by systems that verify its environmentally friendly design practices aimed at energy saving. Additionally, the Group invests in renewing and maintaining its machinery as a means of improving energy efficiency.

Employee training on environmental issues

Cultivating a wider environmental culture is a prerequisite for better energy management and improved overall energy footprint. The projects' Environmental Officers or the HSE Directorate of the Group's Central Offices, plan and implement-on an annual basis- trainings, both on environmental and social issues, in order to properly inform and systematically train its employees. The trainings take into account both needs and requirements of ongoing projects, as well as the roles and duties of employees.

Tackling climate change

The Group focuses on the transition to an economy that is less dependent on fossil fuels and ensures sustainable cities and societies for all its stakeholders. The GEK TERNA Group possesses the know-how and willpower to take advantage of the current challenges of climate change for the benefit of sustainable development and green economy.

Although climate change affects almost all areas of the Group's operations, the business opportunities arisen can both contribute to the Group's economic growth and mitigate its negative effects.

Monitoring and mitigation of greenhouse gas emissions

The Group's business model is strategically oriented towards tackling climate change.

The Group systematically monitors its greenhouse gas emissions as an integral part of its environmental policy and therefore communicates the impact of its activities through its electronic and print media (Sustainable Development Report, website, press releases etc.), to all its stakeholders.

Biodiversity protection and conservation

The majority of the Group's activities (e.g. infrastructure development, highway construction) take place within areas of high biological value and therefore it is necessary to initiate policies related to the protection and conservation of biodiversity.

To this end, the Group implements certified systems, conducts trainings for its employees and visitors to construction sites regarding the protection of biodiversity, undertakes initiatives to promote and protect local ecosystems and constantly strives to operate beyond the environmental legislation provisions, using mechanisms to monitor and record its effects on the wider natural environment.

Among others, the Group, both during the construction and operation phases of its projects, prepares in collaboration with specialized scientists and bodies, special environmental evaluation studies, special ornithological studies and monitoring programs with the aim of acquiring and utilizing the necessary information to ensure the protection of local ecosystems, by taking appropriate protection and restoration impact measures.

In particular, the Group:

- Takes restoration measures of areas and construction sites through its environmental and restoration studies aiming at the responsible and integrated management of its projects' life cycle.
- Adopts the principles of circular economy, reusing materials (e.g. construction and demolition materials) in order to meet other needs within the Group.
- For responsible waste management purposes, plans and undertakes all necessary measures while cooperating with licensed bodies for the recovery, processing, reuse and / or disposal of its waste.

The Group applies the ISO 14001 certified Environmental Management System to most of its subsidiaries: TERNA, TERNA S.A. ABU DHABI, TERNA LEUKOLITHOI, HERON II.

H. Outlook and Prospects

The Greek economy was on growing course at the beginning of 2020, according to the confirmed estimations of competent bodies, by which it was predicted that this growing course should be accelerated.

The continuation of development not only of the Greek economy but also the Global one, was put again to new assessment due to COVID-19 pandemic, the effect of which cannot be estimated at the present moment, while duration and severity is not known yet at its entirety.

It should be noted that the enhancement of investment activity in the infrastructure segment constitute of high priority of Greek State and EU, as a result for financial restoration and reverse the financial effects of COVIS-19 pandemic. Infrastructure projects through their multiplier effect contribute significantly in GDP's growth and employment boost. To this end TERNA Group is already participating in tendering procedures for several concession projects such as Egnatia Odos, North motorway of Crete, Underwater link of Salamina-Perama, Integrated Casino Resort in Helliniko etc.

The parent company Terna of the Group is one of the largest business groups in Greece, with presence as well in Balkans and Middle East.

It operates mainly in the infrastructure segment.

The Group, has been active in the construction industry for almost half a century, both in the Middle East and Southeast Europe, implementing 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 economic sizes of the segment, since, in spite of the existing backlog, which on 31.12.2019 amounts to Euro 1,553 billion, according to the statements of the competent Minister, the Greek Government intends to change the institutional framework regarding the tender procedures, in order to speed up licensing so that the major infrastructure projects, which exceed Euro 13 billion, could be incorporated in the investment strategy legislation.

At the same time, the existence of synergies that will arise from the implementation of new investments within the Group will assist in improving the financial sizes of the segment. It is to be noted that the implementation of the above projects will have significant positive multiplier effects on the Greek economy.

The Group, in the context of consistency and high sense of corporate social responsibility that distinguishes it, will remain a pioneer in the domain of constructions, aiming at generating satisfactory profits for its shareholders in line with its strategic planning, despite the adverse conditions, arising in the beginning of 2020, exacerbated by the COVID-19 pandemic.

The TERNA Group is also involved in thermal energy production through its participation in THERMOELECTRIC STATION OF VIOTIA SA (HERON II S.A.) in the share capital of which participate as well ENGIE (former GDF Suez) and Qatar Petroleum, two international leading energy players with installed capacity 435 MW in Voiotia, that operates in the segments of production, supply and trading of electric power.

The expected effect of the government's decisions to replace lignite as fuel for the country's electrification confirms the Group's strategic decision to heavily invest in construction and operation of a new natural gas unit of a combined nominal net capacity of 600MW in Komotini, which requires an investment of approximately Euro 300 million, estimating that satisfactory profits will emerge for the benefit of the Group's shareholders.

The Group is also involved in mining activities through TERNA LEYKOLITHI S.A., a mining and commercial company with export focus on the market (www.ternamag.com).

In the year 2020, TERNA will continue to implement its strategy for continuous development in the Greek and international markets in the Construction sector. Its aim is to maintain its leading position in the Greek market and to pursue its sustainable development in foreign markets, in order to achieve a satisfactory dispersion of business risk and to maintain the performance of its funds at a satisfactory level. The prospects for achieving the goals set in 2020 are positive as:

At the same time, the Management continues to expand the Group's operations abroad, as it constantly monitors developments in the Greek economy, discusses, and collaborates with financial agents and international market analysts and, in direct, continuous and systematic collaboration with the Group's senior executives, designs and implements measures to address any identified risk.

As a result of the aforementioned strategy, the Group and the Company, at the reporting date of the Annual Financial Report, maintain satisfactory capital adequacy, profitability and liquidity, continue to be fully consistent with their obligations to suppliers, public sector, insurance companies and other creditors and successfully implement their investment plan.

Dear Shareholders,

2019 was a year during which the Group continued its stable trend of development. Moreover, the Group carefully continues implementing its investment plan, by 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 Regular General Meeting of Shareholders.

Athens, 29th of May 2020

On behalf of the Board of Directors,

Michail Gourzis
Chairman of the BoD

II. INDEPENDENT AUDITOR'S REPORT

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

To the Shareholders of TERNA TOURIST TECHNICAL AND MARITIME S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated Financial Statements of TERNA TOURIST TECHNICAL AND MARITIME S.A. (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2019, the separate and consolidated statements of comprehensive income, changes in equity and cash flows statement for the year then ended, and a summary of significant accounting principles and methods and other explanatory notes.

In our opinion, the abovementioned separate and consolidated Financial Statements present fairly, in all material respects, the financial position of TERNA TOURIST TECHNICAL AND MARITIME S.A. and its subsidiaries (together the "Group") as at December 31, 2019, and its financial performance and the consolidated 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 performed our audit in accordance with the International Standards of Auditing (ISA), as these have been integrated to 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. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance current legislation requirements and the requirements of the aforementioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises of the Board of Directors Report, for which reference is also made in section Report on Other Legal and Regulatory Requirements, but does not include the 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 do 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 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 the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as 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 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, management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statement

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole 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 as incorporated in Greek Law, 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 influence 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 as incorporated in Greek Law, 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 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 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management 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.

Report on Other Legal and Regulatory Matters

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, the management is responsible for the preparation of the Board of Directors' Report, the following is to be noted:

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150 and 153, CL 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2019.

b) Based on the knowledge we obtained from our audit for the Company TERNA TOURIST TECHNICAL AND MARITIME S.A. and its environment, we have not identified any material misstatement to the Board of Directors report.

Athens, 29th May, 2020

The Chartered Accountant

Dimitra Pagoni

SOEL Reg. No.: 30821

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

III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED OF 31 DECEMBER 2019 (1 January - 31 December 2019)

In accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union

The Financial Statements were approved by the Board of Directors of TERNA TOURIST TECHNICAL AND MARITIME S.A. on 29th May 2020 and have been published by being posted on the internet at the website http://www.terna.gr where such will remain available for at least 10 years from their issue and publication.

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(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION ON 31ST DECEMBER 2019

		GROUP		COMPANY	
	Note	**31.12.2019**	**31.12.2018***	**31.12.2019**	**31.12.2018***
ASSETS					
Non-current assets					
Intangible fixed assets	8	34,823	34,274	994	859
Right of use assets	9	25,899	0	23,100	0
Tangible fixed assets	10	89,008	106,354	40,290	60,690
Goodwill	7	3,025	3,183	0	0
Investment property	11	8,160	8,390	7,536	7,766
Participations in subsidiaries	5, 12	0	0	117,768	104,058
Participations in joint ventures	5, 13	15,237	21,191	16,139	23,722
Investment in equity interests	19	12,176	11,125	8,118	6,148
Other long-term assets	14	115,068	158,822	126,923	169,164
Deferred Tax Assets	32	25,384	25,232	17,114	15,711
Total non-current assets		**328,780**	**368,571**	**357,982**	**388,118**
Current assets					
Inventories	15	22,365	24,450	6,189	8,675
Trade receivables	16	238,299	227,846	231,848	212,664
Receivables from contracts with customers	17	80,026	191,760	61,164	168,101
Advances and other receivables	18	61,141	92,287	65,735	91,748
Income tax receivables		21,093	29,902	19,767	27,065
Cash and cash equivalents	20	199,944	227,490	113,966	150,541
Total current assets		**622,868**	**793,735**	**498,669**	**658,794**
TOTAL ASSETS		**951,648**	**1,162,306**	**856,651**	**1,046,912**
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	30	55,460	52,210	55,460	52,210
Share premium account		62,702	54,252	62,702	54,252
Reserves	31	54,391	53,914	52,778	52,281
Retained earnings		(71,565)	(37,534)	518	28,698
Total		**100,988**	**122,842**	**171,458**	**187,441**
Non-controlling interests	12	7,770	12,025	0	0
Total equity		**108,758**	**134,867**	**171,458**	**187,441**
Non-current liabilities					
Long-term loans	21	152,387	171,445	151,446	160,152
Liabilities from leases	22	5,143	6,547	4,160	6,478
Other long-term liabilities	27	25,371	78,765	31,484	85,491

(Amounts in thousands Euro, unless otherwise stated)

Other provisions	24	12,307	22,209	11,107	21,009
Provisions for staff leaving indemnities	23	4,935	6,621	3,384	4,000
Grants	25	14,185	14,318	0	0
Liabilities from derivatives	29	1,053	0	1,053	0
Deferred tax liabilities	32	6,553	0	518	0
Total non-current liabilities		**221,934**	**299,905**	**203,152**	**277,130**
Current liabilities					
Suppliers	26	198,521	250,286	175,961	224,117
Short term loans	28	94,179	81,255	64,094	49,342
Long term liabilities payable during the next	21	16,657	24,636	6,348	23,728
Short-term part liabilities from leases	22	9,548	0	8,596	0
Liabilities from contracts with customers	17	252,086	314,278	184,029	238,373
Accrued and other short term liabilities	27	48,620	56,145	42,586	46,215
Short-term part of liabilities from derivatives	29	380	0	380	0
Income tax payable		965	934	47	566
Total Liabilities		**620,956**	**727,534**	**482,041**	**582,341**
Total Liabilities		**842,890**	**1,027,439**	**685,193**	**859,471**
TOTAL EQUITY AND LIABILITIES		**951,648**	**1,162,306**	**856,651**	**1,046,912**

** The Group and the Company did not adjust the comparative amounts of 2018 when applying IFRS 16 (see Note 2.6.3).*

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

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR FISCAL YEAR 2019

		GROUP		COMPANY	
Profit and Loss	**Note**	**1.1-31.12.2019**	**1.1-31.12.2018***	**1.1-31.12.2019**	**1.1-31.12.2018**
Continuing operations					
Turnover	6, 33	694,674	958,945	600,074	879,269
Cost of sales	34	(662,710)	(916,827)	(573,111)	(836,347)
Gross profit		**31,964**	**42,118**	**26,963**	**42,922**
Administrative and distribution expenses	34	(36,597)	(31,637)	(23,909)	(23,679)
Research and development expenses	34	(1,354)	(531)	(1,051)	(191)
Other income/(expenses)	36	(6,889)	5,021	(2,719)	(45)
Results before taxes, financing and investing activities		**(12,876)**	**14,971**	**(716)**	**19,007**
Net financial income/(expenses)	40	(7,131)	(4,624)	(3,105)	(1,809)
Profit / (loss) from sale of participations and securities	37	(205)	(396)	(205)	(76)
Profit / (loss) from valuation of participations and securities	38	0	0	(18,121)	(9,727)
Income / (losses) from participations and other securities	39	0	0	0	9,500
Profit / (loss) from the consolidation of joint ventures under the equity method	13	(8,951)	(2,178)	0	0
Net Earnings/(losses) after taxes		**(29,163)**	**7,773**	**(22,147)**	**16,895**
Income tax	32	(14,155)	(19,118)	(5,997)	(18,193)
Net Earnings/(losses) after taxes		**(43,318)**	**(11,345)**	**(28,144)**	**(1,298)**
Other Comprehensive Income/(Expenses)					
a) Amounts reclassified in the Income Statement of subsequent periods					
Valuation of cash flow hedging contracts	29	(759)	0	(759)	0
Translation differences from incorporation of foreign entities		(595)	(1,126)	(394)	(805)
Tax corresponding to the above results	32	183	0	182	0
		(1,171)	**(1,126)**	**(971)**	**(805)**
b) Other Comprehensive Income/(expenses) which are not transferred to Income Statement in subsequent periods					
Valuation of investments in other securities	19	1,970	(704)	1,970	(704)

(Amounts in thousands Euro, unless otherwise stated)

Actuarial gains/(losses) on defined benefit pension plan	23	(55)	(239)	(49)	(205)
Proportion in Other comprehensive income of joint ventures	13	(2)	(4)	0	0
Tax corresponding to the above results	32	(452)	300	(453)	296
Net Other Comprehensive Income		**290**	**(1,773)**	**497**	**(1,418)**
TOTAL COMPREHENSIVE INCOME		**(43,028)**	**(13,118)**	**(27,647)**	**(2,716)**
Net earnings/(losses) attributed to:					
Shareholders of the parent from continuing operations		(33,806)	(8,559)		
Non-controlling interests from continuing operations		(9,512)	(2,787)		
Total comprehensive income/(losses) attributed to:					
Shareholders of the parent from continuing operations		(33,517)	(10,321)		
Non-controlling interests from continuing operations		(9,511)	(2,794)		

The accompanying notes form an integral part of the Annual Separate and Consolidated Financial Statements.
** The Group and the Company did not adjust the comparative amounts of 2018 when applying IFRS 16 (see Note 2.6.3).*

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR 2019

		GROUP		COMPANY	
	Note	**1.1-31.12.2019**	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Cash flows from operating activities					
Profit before tax		**(29,163)**	**7,773**	**(22,147)**	**16,895**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	8,9,10	13,600	12,253	9,655	7,236
Fixed assets grants amortization	25	(81)	(125)	0	0
Provisions		(6,373)	12,859	(6,860)	13,010
Impairments		11,929	(1,889)	21,927	6,979
Other non-cash expenses/revenue		(604)	(2,194)	(230)	(1)
Interest and related revenue	40	(6,209)	(5,339)	(7,680)	(5,775)
Interest and other financial expenses	40	12,666	9,965	10,111	7,585
Results from derivatives	40	674	0	674	0
Results from associates and joint ventures	13	8,951	2,178	0	0
Results from participations and securities		205	396	205	(9,425)
Results from investment property		230	695	230	186
Results from fixed assets		434	0	(399)	0
Foreign exchange differences		(710)	107	(352)	393
Operating profit before changes in working capital		**5,549**	**36,679**	**5,134**	**37,083**
(Increase)/Decrease in:					
Inventories		(2,789)	(2,897)	1,901	(2,433)
Investment property as main activity		0	(5,674)	0	(5,674)
Trade receivables		89,070	(43,680)	79,304	(16,242)
Prepayments and other receivables		27,968	91,485	27,858	80,463
Increase/(Decrease) in:					
Suppliers		(52,561)	35,168	(48,270)	24,330
Accruals and other liabilities		(117,365)	(212,788)	(104,141)	(232,238)
Income tax (Payments)/Receipts		1,996	12,281	808	12,257
Net cash flows from operating activities		**(48,132)**	**(89,426)**	**(37,406)**	**(102,454)**
Cash flows from investing activities					
(Purchases) / Sales of fixed assets		(10,683)	(11,110)	(2,835)	1,248

(Amounts in thousands Euro, unless otherwise stated)

Interest and related income received		4,540	7,764	4,520	7,011
(Purchases) / sales of participations and securities		(3,000)	(1,816)	(3,000)	(1,816)
Receipts of Dividends		919	0	0	9,500
Returns/(Receipts) of Loans		40,572	(14,396)	34,668	(52,308)
Net cash flows for investing activities		**32,348**	**(19,558)**	**33,353**	**(36,365)**
Cash flows from financing activities					
Receipts/(payments) from increase/(decrease) of share capital of subsidiary company		5,256	0	(21,248)	(3,537)
Receipts/(payments) from increase/(decrease) of share capital of parent company		11,700	0	11,700	0
Net change of short-term loans	28	12,546	3,588	14,484	(11,503)
Net change of long-term loans	21	(21,978)	50,352	(21,584)	50,500
Payments for leases	22	(8,994)	(4,853)	(7,850)	(4,597)
Dividends paid		0	(500)	0	0
Interest and other financial expenses paid		(10,518)	(8,583)	(8,176)	(6,323)
Receipts / (Payments) from derivatives used for risk hedging		(182)	0	(182)	0
Net cash flows from financing activities		**(12,170)**	**40,004**	**(32,856)**	**24,540**
Effect of foreign exchange differences in cash		408	1,065	334	787
Net increase /(decrease) of cash and cash equivalents from continuing operations		**(27,546)**	**(67,915)**	**(36,575)**	**(113,492)**
Cash and cash equivalents at the beginning of the year from continuing operations		227,490	295,405	150,541	264,033
Cash and cash equivalents at the end of the year from continued operations		**199,944**	**227,490**	**113,966**	150,541

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

** The Group and the Company did not adjust the comparative amounts of 2018 when applying IFRS 16 (see Note 2.6.3).*

(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR FISCAL YEAR 2019

COMPANY	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2019	**52,210**	**54,252**	**52,281**	**28,698**	**187,441**
Change in accounting policy (note 2.6.3)	0	0	0	0	**0**
Revised Balances 1.1.2019*	**52,210**	**54,252**	**52,281**	**28,698**	**187,441**
Total comprehensive income for the year	0	0	497	(28,144)	**(27,647)**
Share capital issuance(parent company)	3,250	8,450	0	(36)	**11,664**
31st December 2019	**55,460**	**62,702**	**52,778**	**518**	**171,458**

COMPANY	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2018	**52,210**	**54,252**	**53,699**	**34,756**	**194,917**
Change in accounting policy (note 2.6.3)	0	0	0	(4,712)	**(4,712)**
Revised Balances 1.1.2018*	**52,210**	**54,252**	**53,699**	**30,044**	**190,205**
Total comprehensive income for the year	0	0	(1,418)	(1,298)	**(2,716)**
Formation of reserves / Transfers	0	0	0	(48)	**(48)**
31st December 2018	**52,210**	**54,252**	**52,281**	**28,698**	**187,441**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2019	**52,210**	**54,252**	**53,914**	**(37,534)**	**122,842**	**12,025**	**134,867**
Change in accounting policy (note 2.6.3)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Revised Balances 1.1.2019*	**52,210**	**54,252**	**53,914**	**(37,534)**	**122,842**	**12,025**	**134,867**
Total comprehensive income for the year	0	0	289	(33,806)	**(33,517)**	(9,511)	**(43,028)**
Share capital issuance(parent company)	3,250	8,450	0	(37)	**11,663**	0	**11,663**
Share capital increase of subsidiary	0	0	0	0	**0**	5,256	**5,256**
Formation of reserves (note 31)	0	0	188	(188)	**0**	0	**0**
31st December 2019	**55,460**	**62,702**	**54,391**	**(71,565)**	**100,988**	**7,770**	**108,758**

GROUP	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2018	**52,210**	**54,252**	**55,549**	**(25,555)**	**136,456**	**15,319**	**151,775**
Change in accounting policy (note 2.6.3)	**0**	**0**	**0**	**(3,246)**	**(3,246)**	**0**	**(3,246)**
Revised Balances 1.1.2018*	**52,210**	**54,252**	**55,549**	**(28,801)**	**133,210**	**15,319**	**148,529**
Total comprehensive income for the year	0	0	(1,762)	(8,559)	**(10,321)**	(2,794)	**(13,115)**
Dividends	0	0	0	0	**0**	(500)	**(500)**
Formation of reserves (note 31)	0	0	127	(174)	**(47)**	0	**(47)**
31st December 2018	**52,210**	**54,252**	**53,914**	**(37,534)**	**122,842**	**12,025**	**134,867**

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

** The Group and the Company did not adjust the comparative amounts of 2018 when applying IFRS 16 (see Note 2.6.3). Moreover, under the application of IFRS 9, the Group and the Company recognized its cumulative effect in the item "Retained Earnings Balance" as at 01.01.2018, while no effect has arisen following the application of IFRS 15 as at 01.01.2018. The effect of application of IFRS 9 on the financial statements for FY 2018 is analyzed in Note 2.6.3 to the annual financial statements for FY ended as at 31.12.2018, posted on the Company's website.*

NOTES ON THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY AND THE GROUP

"TERNA TOURIST TECHNICAL AND MARITIME S.A." (the "Company" or "TERNA"), as renamed from LITHOS SOCIETE ANONYME COMPANY by virtue of the decision dated 6.11.2008 by the Extraordinary General Shareholders Meeting, which was published in the Government Gazette Issue 14207/30.12.2008 (SA & LTD Issue), is registered in General Commerce Register of the Ministry of Development under Reg. No. 8554301000 and in the Société Anonyme Registrar of the Athens Prefecture, under Reg. No.56330/01/B/04/506(08). The company's duration has been set to ninety (90) years.
On 23.12.2008, the merger through absorption of part of the construction activities of the company TERNA TOURIST TECHNICAL AND MARITIME S.A., was approved by virtue of the decision by the Ministry of Development under Reg. No. K2-15458/23.12.2008 together with the increase of the share capital by 28,388,000.00 euro and therefore the share capital amounted to euro 28,910,000.00 divided into 289,100 common registered shares, with a nominal value of 100.00 euro each.
On 28.06.2013 the merger through acquisition of the company HERON HOLDINGS S.A. was approved, as well as the increase of the share capital by 11,100,000 euro, which now amounted to a total of euro 40,010,000.00 divided into 400,100 common registered shares with a nominal value of 100.00 euro each.
The Extraordinary General Meeting of the Company's shareholders on 23.12.2015 approved the increase of the share capital by an amount of twelve million two hundred thousand (12,200,000) Euros via the issuance of one hundred twenty two thousand (122,000) new common registered shares, with nominal value of one hundred (100) Euros per share and with offering price of three hundred seventy five (375) Euros per share or equivalent with capital proceeds of forty five million seven hundred fifty thousand Euros (45,750,000 €). The difference between the nominal value and the offering price of the shares was credited in the "Share premium" account.

With the decision of the Ordinary General Meeting of Shareholders on 27 June 2017, it was approved the reduction of the share capital by an amount of fifteen million five thousand and one hundred fifty four Euros (15,005,154) through the reduction of the nominal value per share from one hundred (100) Euro to seventy one Euro and twenty six cents (71.26) and the return of the amount of reduction, namely twenty eight Euros and seventy four cents (28.74) per share, to the Shareholders with a simultaneous share capital increase of the Company by the amount of fifteen million five thousand and one hundred fifty four Euros (15,005,154) via the capitalization of part of the share premium related special reserve and with the increase of the nominal value per share from seventy one Euro and twenty six cents (71.26) to one hundred (100) Euro.

With the Extraordinary General Meeting of the Company's shareholders dated 28.11.2019, it was decided to increase the share capital by the amount of three million two hundred and fifty (3,250,000) Euros, with the issuance of thirty two thousand five hundred (32,500) new common registered shares, nominal value of one hundred (100) Euro each and with a sale price of three hundred and sixty (360) Euro per share. The difference between the nominal value of the share and the disposal price was placed on the account of "Share Premium".

Thereafter, the Company's share capital amounts to fifty-five million four hundred and sixty thousand (55,460,000) Euros divided into five hundred and fifty four thousand six hundred (554,600) common nominal shares with a nominal value of one hundred (100) Euros.

The basic sector in which the Company and Group are active is constructions. TERNA S.A. holds a 7th grade construction certificate and its main activity is to undertake and carry out public and private construction projects of any kind. According to the legislation in effect, companies that hold a 7th grade construction certificate may undertake public projects of over 35 million Euros. There is no upper limit to the budget of the projects that the Group may independently undertake. The Group's construction activities now extend beyond Greece, in the Balkans and the Middle East.

Moreover, TERNA owns and manages a quarry and trades and supplies its construction segment with inert materials.

The Group is engaged in the production of quarry products and in the extraction and processing of magnesite, namely in the production of magnesite based products, through the licenses and mining concessions it holds via the subsidiary company TERNA MAG SA (or TERNA LEFKOLITHI SA).

The Management estimating that the demand for caustic magnesia will be high in the coming years, has already implemented the largest part of a considerable investment program of total estimated amount of 100 mil euro in its self-owned facilities at Mantoudi Evia for the extraction and processing of magnesite, the production of caustic magnesia (CCM), DBM and MDH through its subsidiary TERNA MAG SA.

Furthermore, the Group, via HERON II VIOTIA, continues its activities in the production of electric energy from thermal sources.

The consolidated financial statements of TERNA are included in the consolidated financial statements of its parent GEK TERNA SA, which during the balance sheet date, owned 100% of its share capital.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Basis for the Presentation of the Financial Statements

The Company's consolidated and separate Financial Statements as of 31.12.2019 covering the financial year starting on January 1st until December 31st 2019, have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until 31.12.2019.
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 periods presented.

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.

2.2. Basis of measurement

The accompanying separate and consolidated financial statements as of December 31st 2019 have been prepared according to the principle of historical cost, apart the from investment property, financial derivatives and investments in equity securities which are measured at fair value.

2.3. 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.

2.4. Comparability

Comparative figures recorded in the Financial Statements for the year ended on 31.12.2018 have not been restated in order to present the effect of the IFRS 16 (see Note 2.6.3).

2.5. Use of estimates

The preparation of the financial statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. Opinions, assumptions and Management estimates affect the valuation of several asset and liability items, the amounts recognized during the financial year regarding specific income and expenses as well as the presented estimates on contingent liabilities.

The assumptions and estimates are assessed on a continuous basis according to historic experience and other factors, including expectations on future event outcomes that are considered as reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may deviate from the accounting calculations.

The aspects requiring the highest degree of judgment as well as the aspects mostly affecting the consolidated Financial Statements are presented in Note 3 to the Financial Statements.

2.6. 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 at 31 December 2018, apart from the adoption of amendments of certain accounting standards, whose application was mandatory in the European Union for FYs beginning as at January 1st, 2019 (see Noted 2.6.1 and 2.6.2).

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

The following amendments and Interpretations 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 01.01.2019 or subsequently.

IFRS 16 "Leases" (effective for annual periods starting on or after 01.01.2019)

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group has examined the effect of the new Standard on its consolidated and separate Financial Statements. Analytical reference is presented in Note 2.6.3.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01.01.2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The amendments do not affect the consolidated and separate Financial Statements.

Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01.01.2019)
In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the consolidated and separate Financial Statements.

Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01.01.2019)
In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the consolidated and separate Financial Statements.
Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01.01.2019)
In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the consolidated and separate Financial Statements.

Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01.01.2019)
In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan.

The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not affect the consolidated and separate Financial Statements.

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

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

Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01.01.2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The 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 01.01.2020.

Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01.01.2020)
In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The 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 01.01.2020.

Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01.01.2020)
In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01.01.2020.

Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Benchmark Reform" (effective for annual periods starting on or after 01.01.2020)
In September 2019, the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform.

The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union adopted by the European Union with effective date of 01.01.2020.

Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 01.01.2020)

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

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01.01.2022)
In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.6.3. Effect of first implementation of IFRS 16 "Leases" on 01.01.2019

a) First implementation of IFRS 16 as of 01.01.2019

Following the changes to accounting policies, as described above (Note 2.6.1), as at January 1st, 2019, the Group and the Company adopted IFRS 16, applying the modified retrospective approach. Based on this approach, the Group recognized a liability measured at its present value, as arising from discounting the remaining leases through the incremental borrowing cost effective on the date of the Standard's initial application, i.e. on 01.01.2019.

Furthermore, it recognized a right-of-use asset by measuring that right at an amount equal to the corresponding liability that will be recognized, adjusted for any lease payments immediately effective prior to the date of initial application. Comparative information was not reworded, and no effect has arisen following the application of the new Standard on Balance of Retained Earnings under the first time adoption, i.e. on 01.01.2019.

Moreover, the Group has applied the exemption provided in the Standard with respect to determination of leases, and, in particular, the applicable practices under IFRS 16, according to which the Entity does not need to reassess whether a contract is or contains a lease at the first transition date. This practically means that IFRS 16 was applied to contracts that have already been recognized as leases under the application of IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement contains a Lease".

Finally, the Group also made use of exemptions to the Standard in respect of short-term leases and low value fixed assets leases. With respect to the discount rate, the Group has decided to apply a single discount rate to every category of leases with similar characteristics and depending on the residual duration of every lease.

Adoption of IFRS 16 had the following significant results for the Group:

- The Group holds operating leases in respect of land, buildings, machinery and vehicles. The Standard has mainly affected the accounting treatment of the Group's operating leases. In particular, upon the adoption of IFRS 16, the liabilities arising from operating lease contracts are presented as assets (rights to use) and liabilities from leases in the statement of financial position. The increase in the operating lease liabilities has not led to a corresponding increase in the Group's net borrowings.

(Amounts in thousands Euro, unless otherwise stated)

- The nature of the expenses associated with these leases has changed, since following the application of IFRS 16, operating cost of lease is depreciated at amortized cost for the rights-related assets and interest expense on the arising liabilities. This has led to an improvement in "Operating Profit before Financial and Investment Activities, Depreciation and Amortization".
- No effect has arisen on the statement of changes in equity under the first implementation since the Group has decided to recognize an equal liability with right-of-use.
- In the statement of cash flows, the component relating to repayment of lease payments will reduce cash flows from financing activities and will no longer be included in net cash flows from operating activities. Moreover, interest payments are included in net cash flows from financing activities.

IFRS 16 has not brought about any significant changes to the accounting for lessors, and therefore the Group does not expect any changes for leases where they are acting as a lessor.

The right-of-use assets and liabilities from leases recognized as at IFRS 16 transition date 01.01.2019 (increase /(decrease)), are presented below as follows:

	GROUP	COMPANY
Assets		
Right-of-use assets (Note 9)	30,192	26,696
Tangible assets (Note 10)	(19,382)	(18,263)
Total Assets	**10,810**	**8,433**

	GROUP	COMPANY
Liabilities		
Lease liabilities long-term part (Note 22)	13,923	12,139
Loans from finance lease	(6,547)	(6,478)
Long-term loan liabilities carried forward	(5,335)	(4,980)
Lease liabilities short-term part (Note 22)	8,769	7,752
Total Liabilities	**10,810**	**8,433**

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, 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 that 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 data whose development could affect the financial statements items in the upcoming 12 months are the following:

3.1 Significant judgments of the Management

Key judgments carried out by the Management, applied while implementing the Group and the Company accounting policies, (besides the judgments associated with estimates, outlined in Note 3.2) which have the most significant impact on the financial statements are analyzed below.

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 for recognition, significant judgments and estimates are required from the Group's Management, based on future tax profits combined with future tax strategies to be pursued as well as the uncertainties dominating various financial frameworks, within which the Group operates (for further information please refer to Note 32).

ii) Impairment of non-financial assets and goodwill

Non-financial assets are tested for impairment whenever events or changes in the effective conditions demonstrate that their book value may not be recoverable in accordance with the accounting policy described in Note 4.6.

3.2 Uncertainty of estimates and assumptions

Specific amounts that are included or affect the Financial Statements and the related disclosures are estimated through requirement to make assumptions about values or conditions that cannot be known with certainty at the Financial Statements preparation date.

An accounting estimate is considered significant when it is material to the financial position and results of the Group and requires most difficult, subjective or complex management judgments. The Group assesses such estimates on an ongoing basis, based on historical results and experience, while meetings with specialists, applying trends and other methods considered reasonable in the circumstances, as well as projections retrograding potential changes in the future.

i) Recognition of revenue from construction contracts

Managing the revenue and costs of a construction contract, depends on whether the final result from the execution of the contract work can be reliably estimated (and is expected to bring profit to the manufacturer, or the result from execution is loss-making). When the outcome of a construction contract can be reliably estimated, then the revenue and expense of the contract are recognized over the life of the contract, respectively, as revenue and expense.
The Group uses the completion stage to determine the appropriate amount of income and expense which it will recognize in a specific period. Specifically, based on the IFRS 15 input method, the manufacturing cost at each reference date, is compared to the total budgeted cost to be determined at the integration rate. The completion stage is measured on the basis of the contractual costs incurred by the reference date in relation to the total estimated cost of each project. The Group

therefore makes significant estimates regarding the gross result with which the executed construction contract will be executed (total budgeted cost of the construction contract).

ii) Useful lives of depreciated assets

In order to calculate depreciation, in every reporting period, the Group examines the useful life and residual value of tangible and intangible assets in the light of technological, institutional and economic developments as well as the experience arising from their exploitation. As at 31.12.2019, the Management estimates that useful lives represent the expected usefulness of assets.

iii) Fair value adjustment 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).

iv) 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 price that market participants would pay to acquire these financial instruments.

The Management bases its assumptions on observable data, but this is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience and taking into account available information. Estimated fair values may differ from the actual values that would be made in the ordinary course of transactions as at the reporting date of the financial statements (further information is presented in Note 45).

The Group uses derivative financial instruments to manage risks related to interest rates. For the purpose of establishing an effective hedging relationship, the Group requires both to state its hedging strategy and to assess that the hedge will be effective throughout the hedging instrument (derivative). Additional information on the use of derivatives is provided in Note 29.

v) 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 them, per inventory category.

vi) 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.

vii) 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 actuary's 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 23).

viii) Provision for income tax

The 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 emerge in tax audits.

The Group's companies are subject to various income taxation legislations. To determine the total provision for income tax, as presented in the Statement of Financial Position, significant estimates are required.

For specific transactions and calculations, the final tax determination is uncertain. The Group recognizes liabilities for the forecasted tax issues based on calculations as to the extent to which additional tax will arise. In cases where the final tax amount differs from what had been initially recognized, 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 32).

ix) Contingent liabilities and receivables

The existence of contingent liabilities and receivables requires the management to make assumptions and judgments on on-going basis about the probability that future events will occur or not occur as well as the possible consequences that these events may have on the Company's and the Group's operations. Determining contingencies and requirements is a complex process that includes judgments about future events, laws, regulations, etc. Changes in crises or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. When additional information becomes available, the Group's Management reviews the facts on which it may also be led to review its estimates (see Note 47).

x) 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 debts in order to adequately cover the loss that can be reliably estimated and arises from these receivables. At every reporting period date, the provision that has been made is adjusted and potential changes are recognized in the income statement (further information is presented in Notes 14, 16, 17 and 18).

xi) 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. The swap agreements are valued according to market estimations regarding the trend of relevant interest rates for periods up to thirty years. According to such estimated interest rates, the cash flows are discounted in order to define the liability on the date of the financial statements (further information is presented in Note 29).

4. SUMMARY OF KEY ACCOUNTING PRINCIPLES

4.1 Basis for consolidation

The main accounting principles adopted in the preparation of the attached consolidated and corporate financial statements are as follows:

The accompanying consolidated financial statements include the financial statements of TERNA SA and its subsidiaries as at 31.12.2019. 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 cease to be consolidated at the date of termination of this control.

Non-controlling interests constitute the component of equity of a subsidiary not directly or indirectly attributable to the parent. Losses relating to non-controlling interests (minority interests) of a subsidiary may exceed the rights of non-controlling interests in the subsidiary's equity.

Gains or losses and each component of other comprehensive income are accounted for both by the owners of the parent and the non-controlling interests, even if as a result, such non-controlling interests present deficit.

(a) Subsidiaries

Subsidiaries are all the companies, which the Parent has the power to control directly or indirectly through other subsidiaries and they are fully consolidated (full consolidation). The Company has and exercises control through its ownership of the majority of the subsidiaries' voting rights. In order to define the control, the following conditions are examined, as defined 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 profits. This is the result of decision-making on affiliate matters through controlling decision-making bodies (Board of Directors and Directors).

Changes in a parent's 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 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 incorporated using the proportionate consolidation method in the Company (if it is a joint operation) 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, mostly, tax joint operations, which are 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 entered into commitments 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 interest in joint ventures. Unrealized losses are also eliminated unless there is evidence of the transaction for impairment of the asset transferred.

Consolidation takes into account the percentage held by the Group and is effective as at consolidation date. The structure of the business scheme is the key and determining factor in determining the 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 cost less any accumulated impairment losses. Impairment test is carried out in accordance with the provisions of IAS 36.

4.2 Foreign currency translation

Functional and reporting currency
The consolidated financial statements are presented in Euro, which is the functional currency and the Group's and 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.

The non-monetary assets which are denominated in foreign currency and which are measured at fair value are converted into the Group's functional currency using the prevailing exchange rate on the date of their fair value measurement. The FX translation differences from non-monetary items measured at fair value are considered as part of the fair value and thus are recorded in the same account as the fair value differences.

Gains or losses arising from transactions in foreign currency as well as from the end of period valuation of monetary assets, denominated in foreign currency, which meet the criteria for cash flow hedges are recognized in other comprehensive income and cumulatively in equity.

Foreign operations
The functional currency of the Group's foreign subsidiaries is the official currency of the country in which every subsidiary operates. For the preparation of consolidated financial statements, assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments due to business combinations, are translated into Euro at the exchange rates effective at the Statement of Financial Position reporting sate. Revenue and expenses are translated into the presentation currency of the Group based on the average exchange rates for the reported period. Any differences arising from this

procedure are charged / (credited) to the foreign currency translation differences reserves of the foreign subsidiaries, 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.

4.3 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 acquire 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.

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.

4.4 Intangible assets

The intangible assets of the Group concern

i. Rights-of-use quarries and mines and operational development costs of land ,

ii. acquired software programs

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.

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:

Category	Amortization Method	Useful life in years
Software	Stable	3
Rights-of-use quarries and mines	Stable	50
Expenses incurred under Operational Development of Quarries –Mines Land Plots Exploitation	Stable	50

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.

(a) Software
The maintenance of software programs is recognized as an expense when the expense is realized. In 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) Rights to use quarries and mines
The value of the rights-of-use regarding quarries and mines includes the acquisition cost of these assets less the accumulated amortization and any potential impairment.

(c) 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.

4.5 Tangible assets

Tangible fixed assets are recognized in the financial statements at cost, less accumulated depreciation and any potential impairment losses. The acquisition cost includes all direct costs stemming from the acquisition of the assets.

Subsequent expenses are recorded as an increase in the book value of tangible assets or as a separate asset only to the degree that the said expenses increase the future financial gains anticipated from the use of the fixed asset and their cost can be measured reliably.

The cost of repair and maintenance works is recognized in the Income Statement when the said works are realized.

Tangible assets are written off when they are sold or withdrawn or when no further economic benefits are expected from their continued use. Profit or loss 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 and are carried at cost. Assets under construction are not depreciated until the fixed asset is settled and put into operation.

Depreciation of tangible fixed assets (excluding land, which is not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Property, plant and equipment	**Useful life (in years)**
Building and technical works	8 - 30
Machinery and technical installations	3 - 25
Vehicles	5 - 12
Furniture and fixtures	3 - 12

When the book values of the tangible fixed assets are higher than their recoverable amount, then the difference (impairment) is recognized directly as an expense in the Income Statement. Upon sale of tangible assets, the differences between the received consideration and their book value are recognized as profits or losses in the Income Statement.

4.6 Impairment of non-current assets (intangible, goodwill 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, the non-financial assets that are subject to impairment testing (if indicated) are assets measured at cost of acquisition or equity method (investments in subsidiaries, associates and joint operations). The recoverable amount of investments in subsidiaries and associates is determined in the same way as that in respect of other non-financial assets.

For the purpose of impairment testing, assets are grouped to 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 chooses the appropriate discount rate to calculate the present value of future cash flows.

An impairment loss is recognized for the amount where the book value of an asset or a Cash Generating Unit. Discounting factors are determined individually for each Cash Generating Unit and reflect the corresponding risk data that has been determined by the Management for each of them.

Further assumptions are made that prevail in the market e.g. the energy market. The period considered by the management exceeds five years, a period that is encouraged by IAS 36, especially as for renewable energy units and the motorway concession companies, 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. The 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, 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.

4.7 Investment Property

Investment property relates to investments in properties which are held (either through acquisitions or through development) by the Group, either to generate rent from its lease or for the increase in its 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 ordinary activities.

Investment property is initially valued at acquisition cost including transaction expenses. Subsequently, it is measured at fair value. Independent appraisers with adequate experience in the location and in the nature of investment property measure the fair value.

The book value recognized in the Group's Financial Statements reflects the market conditions on the reporting date of the Statement Financial Position. Every profit or loss derived from the fair value revaluations of the investment is recognized in the Income Statement for the period in which it has been recognized. Repairs and maintenance are recognized as expenses in the period in which they are incurred. Significant subsequent expenses are capitalized when they increase the useful life of the property and its production capacity or reduce the 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, proven by the Group's self-use of the property or commencement of the property development for disposal purposes.

An investment property is derecognized (eliminated from the Statement of Financial Position) when it is sold or when the investment is withdrawn and not expected to generate future economic benefits from its sale. The profits or losses from the withdrawal or sale of investment properties pertain to the difference 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.

4.8 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.

4.9 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 Statement 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 18).

4.10 Financial instruments

4.10.1 Recognition and derecognition

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 the substance substantially transfers all the risks and benefits associated with the specific financial asset. 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, cancelled or expires.

4.10.2 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 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 Income Statement are included in the items "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables included in operating results.

4.10.3 Subsequent measurement of financial assets

Financial assets at amortized cost
A financial asset is measured at amortized cost when the following conditions are met:

i. financial asset management business model includes holding the asset for the purposes of collecting contractual cash flows,
ii. contractual cash flows of the financial asset consist exclusively of repayment of capital and interest on the outstanding balance (“SPPI” criterion).

Following the initial recognition, these financial assets are measured at amortized cost using the effective interest method. In cases where the discount effect is not significant, the discount is omitted.

The amortized cost measured category includes non-derivative financial assets such as loans and receivables with fixed or pre-determined payments that are not traded on an active market, as well as cash and cash equivalents, trade and other receivables.

Financial assets 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 disclose to other profit or loss directly in equity the subsequent changes in the fair value of an equity investment that is not for trading.

Profits and loss 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 each security separately.

The Group has chosen to classify investments in this category (please refer to Note 19).

4.10.4 Impairment of financial assets

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment of IAS 39 for the recognition of realized losses with the 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 the IFRS 9 impairment provisions 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 of IFRS 9 to trade and other receivables as well as to receivables from on construction contracts and receivables from leases, estimating 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. In calculating the expected credit losses, the Group uses a provisioning table by 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 Note 14, 16, 17 and 18.

4.10.5 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 outside 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 profit or loss (except derivatives that are hedging instruments, see Note 4.10.6).

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 payable minus 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. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired through the amortization process.

Loan commitments with early repayment option

In the case of bond loans issued by the Group, which are entitled to early repayment, the management assesses whether this option is closely related to the bond loan. The Option is described as directly related when (a) its exercise price resembles the unamortized cost of the bond at each date on which the option can be exercised; or (b) the exercise price of the option compensates the lender with a similar amount with the present value of the unpaid interest on the remaining maturity of the bond loan.
When the option is designated as directly related to the bond loan, it is recognized in combination with the bond as a combined debt instrument, which is measured at amortized cost based on the effective interest rate. In particular, the aforementioned composite instrument is initially recognized at fair value plus any direct transaction costs.
For the determination of the effective interest rate, the expected cash flows and the estimated duration of the instrument shall be determined taking into account the early repayment right, where:

- If it is initially estimated that the option will be exercised, the estimated cash flows will include capital and interest payments, as at the exercise date, and the exercise price of the option; or
- If the option is not expected to be exercised then the estimated cash flows will include capital and interest payments for the entire contractual period.

In the next year the assessment of the probability of exercising the option may change. This will affect the expected cash flows and the estimated useful life of the financial instrument. The modifications arising from these changes are calculated by discounting the revised flows based on the original effective interest rate and any effect occurring for the net book value is recognized in the income statement of the relevant reporting period.

(ii) Trade and other liabilities

Balance from suppliers and other liabilities is initially recognized at their fair value and 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.

4.10.6 Derivatives financial instruments and hedging accounting

At the date of the initial application of IFRS 9, all existing hedging relationships of the Group can be classified as continuing and therefore the application of the new Standard has no impact on the financial statements. The Group's risk management policies are in line with the provisions of the new standard and hedge accounting continues to apply.

In the context of risk management, the Group uses:
- derivative financial instruments for the exchange of interest rates to hedge the risks associated with the future fluctuation of variable loan interest rates,

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 each reporting date either in the Statement of Comprehensive Income or in other comprehensive income, depending on whether 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 hedging transaction strategy. The Group also records both when creating the hedging transaction and then whether the tools 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 profit or loss. The fair value of these derivatives is determined primarily on a market value and is confirmed by the counterparty credit institutions.

Future cash flows hedging

The part of changes in fair value that is attributable to effective risk hedging is recognized in equity.

Any gain or loss arising from changes in fair value attributable to non-effective risk hedging is recognized directly in the statement of comprehensive income in the item "Net financial income/(expenses)". Cumulative amounts in equity are recycled through the Statement of Comprehensive Income to the income statement in the periods in which the hedged item affects the result (when the 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 profit or losses recognized directly in equity until that date remains in the reserve 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 profits or losses entered in the reserves are immediately transferred to the Statement of Comprehensive Income.

4.10.7 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is shown in the Statement of Financial Position only if there is the present legal right to offset the recognized amounts and intends to clear them on a net basis or to require the asset and settle the liability simultaneously.

4.11 Employee benefits

Short-term benefits: Short-term benefits to personnel (except for termination of employment benefits) in cash and in kind are recognized as an expense when considered accrued. Any unpaid amount is recognized as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excess 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 financial year where 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 upon retirement or termination to its employees. 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 usually based on years of service of the employee until retirement.

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 (reserve from payments to an insurance company), the changes deriving from any actuarial profit or loss and the 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. In order to discount the 2019 fiscal year, the selected interest rate follows the trend of European Bonds with a 20-year expiration on December 31, 2019, which is considered consistent with the provisions of IAS 19, i.e. it is based on bonds respectively in terms of currency and estimated term in relation to benefits to employees, 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 of the current and past service cost, the relative financial cost, the actuarial gains or losses and any possible additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting for defined benefit plans, including:

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 include new disclosures, such as quantitative sensitivity analysis.

4.12 Leases

Until 2018, leases were classified as finance or operating in accordance with the requirements of IAS 17. Finance leases were capitalized at the commencement of the lease at the lower value that arises between the fair value of the asset and the present value of the minimum lease payments, each of which were identified at the commencement of the lease. Every lease payment was allocated as liability and interest. Operating lease payments were recorded in the income statement on a straight-line basis over the term of the lease.

As of 01/01/2019, under IFRS 16, leases are no longer classified as operating leases and finance leases, and all leases are accounted for as items in the "Statement of Financial Position", through recognition of a " right-of-use asset" a "lease liability".

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 incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

At the 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 commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying 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 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 commencement date, the Group shall measure the right-of-use asset applying a cost model.

The Group shall measure the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The Group applies the depreciation requirements in IAS 16 in depreciating the right-of-use asset, which it examines for potential impairment.

Subsequent measurement of the lease liability

After the commencement date, the Group shall measure the lease liability by:

1. increasing the carrying amount to reflect interest on the lease liability,
2. reducing the carrying amount to reflect the lease payments made, and
3. remeasuring the carrying amount to reflect any reassessment or lease modifications.

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 commencement date, the Group shall recognize 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 rents from the operating leases of its investment properties. Income from rentals is gradually recognized over the lease term.

Leases according to the provisions of IAS 17 (comparative period 2018)

Finance leases
Finance leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for finance leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the net earnings. Capitalized leased fixed assets are depreciated based on straight lime method during the useful life of the asset.

Operating leases
Leases where the lessee maintains all the risks and benefits of owning the asset are recognized as operating lease payments. The operating lease payments are recognized as an expense in the Income Statement on a constant basis during the lease term.

The Group as a lessor
The Group receives rents from the operating leases of its investment property items. Income from rentals is gradually recognized over the lease term.

4.13 Government grants

Government grants related to grants for assets are recognized at fair value when there is reasonable assurance that the grant will be received and that all the relevant conditions attached will be met.

Grants refer to tangible assets, are recognized when there is certainty that the grant will be collected and all relevant prerequisites will be met. These grants are recognized as deferred income, which is recognized in the profits or loss of each reporting period in equal installments based on the useful life of the granted asset.

Grants relating to expenses are recorded in transit accounts and recognized in the income statement over the period necessary to balance the expenses they are intended to compensate

4.14 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 date of the Financial Statements and are adjusted accordingly 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 formed, then it is reversed.

In cases where the outflow 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 embodying economic benefits is minimal. Potential inflows from economic benefits for the Group which do not meet the criteria of an asset are considered a contingent asset and are disclosed when the inflow of the economic benefits is probable.

4.15 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 entity 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 awarding a contract, account shall be taken of the additional costs and the direct costs required to complete the contract.

Income 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 that would be entitled to 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, penalties, or other similar items. Promising 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 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 shall measure 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 to:

(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) Potential 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 income 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 passed 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 goods by the customer.

Commitments for implementation performed over time
The Group recognizes revenue for a performance obligation that is performed over time only if it can reasonably measure its performance in full compliance with the obligation. The Group is not in a position to reasonably measure progress in meeting a performance obligation when it does not have the reliable information required to apply the appropriate method of measuring progress. In some cases (eg during the initial stages of a contract), the entity may not be able to reasonably measure the outcome of a performance obligation, but at least expects to recover the costs incurred to meet it.

In such cases, an entity shall recognize revenue only on the extent of the cost incurred until it is able to reasonably measure the outcome of the execution obligation.

Income from of 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 conventional asset is recognized when the Group or the Company has satisfied its liabilities to the counterparty before it pays 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 price, which is postponed before the performance of the contractual obligations and the transfer of the goods or services. The contractual obligation is derecognized when the contract obligations are met and the income is recorded in the income statement.

Commitments for implementation performed at a specific time
When an implementation commitment 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 promising asset and the entity performs an implementation commitment, the entity examines the requirements for the acquisition control, as analytically recorded in IFRS 15.

The main categories of income 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 engaged in the implementation of constructions recognize revenue from construction contracts in their tax records on the basis of customer invoices resulting from relevant sectional project implementation certifications issued by accredited engineers and responsive to the work carried out until the closing date. For the purpose of complying with IFRS, the proceeds from the construction activity are accounted for in the accompanying financial statements progressively during construction, based on the imput 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 fulfill this implementation commitment.

(ii) Sale of goods
Revenue from the sale of goods, after deduction of sales discounts, sales incentives and related VAT are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer.

(iii) Income from rentals
The income in question pertains to revenue from contracts with customers and arises from implementation commitments that are fulfilled over time. Rental income (operating leases) is recognized using the straight-line method according to the terms of the lease.

(iv) Dividends
Dividends are accounted for when the right to collect them 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.

(v) Interest
Interest income is recognized on an accrual basis.

4.16 Income tax

Income taxes charges for the year consists of current taxes, deferred taxes and tax differences from previous years.

Current Tax
The current and taxes are calculated based on the Financial Statements of each of the companies included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. The expenses for current Income tax is calculated based on the earnings of each company as such are reformed on the companies' tax reports and provisions for additional income taxes and is calculated in accordance with statutory or substantially institutionalized tax rates.

Deferred Tax

Deferred taxes are taxes or tax relief that are related to the financial burdens or benefits accruing in the year but have already been accounted for or will be accounted for by the tax authorities in different FYs.

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of the assets and liabilities. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or the tax profit or loss.

Deferred income taxes are measured using the liability method in all temporary differences at the date of the financial statements between the tax base and the carrying amount of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are measured at each reporting date and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used.

Deferred tax assets and obligations are measured at the tax rates that are expected to be in force 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 at the date of reporting of the financial statements. In the event that the temporary reversal of temporary differences cannot be clearly identified, the tax rate applicable on the next day of the statement of financial position is used.

Income tax related to items that are recognized in other comprehensive income is also recognized in other comprehensive income.

4.17 Share capital, reserves and distribution of dividends

Common registered share 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.

At 31.12.2019 the Group did not hold in its possession treasury shares.

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 and tax legislation 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 equity under certain circumstances.

Cash flows risk hedging reserves
The risk hedge reserve is used to record profits or losses on derivative financial products, which can be classified as future cash flow hedges and are recognized in other comprehensive income.

Foreign currency translation differences from incorporation of foreign operations
Foreign exchange differences arising on foreign currency translation are recognized in other comprehensive income and accumulated in other reserves. The cumulative amount is transferred to the income statement of the year when the amounts were transferred.

(Amounts in thousands Euro, unless otherwise stated)

Other reserves
Other reserves mainly include actuarial losses of pension schemes.

The category of other reserves comprises:

1. Actuarial gains/(losses) from defined benefit pension schemes arising from (a) actual adjustments (the effect of differences between previous actuarial assumptions and those eventually occurring) and (b) changes in actuarial assumptions.

2. Changes in fair value of investments classified as equity investments.

Dividends
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.

5. GROUP AND COMPANY STRUCTURE

The following tables present the participating interests of the parent company TERNA SA, direct and indirect, in the economic entities during 31.12.2019, which were included in the consolidation or incorporated as joint operations. Based on their consolidation level are distinguished as follows:

5.1 Company Structure

COMPANY NAME	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTIONS SEGMENT - JOINT VENTURES						
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	66.00	0	66.00	Proportional consolidation	2014-2019
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	55.00	0	55.00	Proportional consolidation	2014-2019
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0	35.00	Proportional consolidation	2014-2019
J/V TERNA - PANTECHNIKI (OAKA SUR. AREAS)	Greece	83.50	0	83.50	Proportional consolidation	2014-2019
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0	65.00	Proportional consolidation	2014-2019
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	49.00	0	49.00	Proportional consolidation	2014-2019

(Amounts in thousands Euro, unless otherwise stated)

J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	25.00	0	25.00	Proportional consolidation	2014-2019
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	37.40	0	37.40	Proportional consolidation	2014-2019
J/V TERNA SA-AKTOR ATE J&P AVAX-TREIS GEFYRES	Greece	33.33	0	33.33	Proportional consolidation	2014-2019
J/V METKA-TERNA	Greece	90.00	0	90.00	Proportional consolidation	2014-2019
J/V APION KLEOS	Greece	17.00	0	17.00	Proportional consolidation	2014-2019
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	33.33	0	33.33	Proportional consolidation	2014-2019
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V AKTOR-TERNA (Patras Port)	Greece	70.00	0	70.00	Proportional consolidation	2014-2019
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0	33.33	Proportional consolidation	2014-2019
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0	49.00	Proportional consolidation	2015-2019
J/V AKTOR ATE - TERNA SA (Lignite works)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V AKTOR ATE - TERNA SA (Thriasio B’)	Greece	50.00	0	50.00	Proportional consolidation	2014-2019
J/V AKTOR SA - J&P AVAX - TERNA SA (Tithorea Domokos)	Greece	33.33	0	33.33	Proportional consolidation	2014-2019
J/V AKTOR SA - J&P AVAX - TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	44.56	0	44.56	Proportional consolidation	2014-2019
J/V AKTOR SA - TERNA SA (Thriasio B’ ERGOSE)	Greece	50.00	0	50.00	Proportional consolidation	2015-2019
J/V AKTOR - TERNA (Joint Venture ERGOSE No. 751)	Greece	50.00	0	50.00	Proportional consolidation	2015-2019
J/V RENCO TERNA (Construction of compression Station of TAP in Greece and in Albania)	Greece	50.00	0	50.00	Proportional consolidation	2016-2019
J/V J&P AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT (Mosque)	Greece	25.00	0	25.00	Proportional consolidation	2016-2019
J/V TERNA GCC WAC	Qatar	0	30.00	30.00	Proportional consolidation	2016-2019
JV VINCI TERNA DOO	Serbia	49.00	0	49.00	Proportional consolidation	2018-2019
ΚΞ AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS)	Cyprus	40.00	0	40.00	Proportional consolidation	2019

5.2 Group’s Structure

COMPANY NAME	DOMICILE	DIRECT PARTI-	INDIRECT PARTI-CIPATION	TOTAL PARTI-CIPATIO	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION SEGMENT – SUBSIDIARIES						
J/V EUROIONIA	Greece	95.00	0	95.00	Full	2014-2019
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0	95.00	Full	2014-2019

(Amounts in thousands Euro, unless otherwise stated)

TERNA OVERSEAS LTD	Cyprus	100.00	0	100.00	Full	2013-2019
TERNA BAHRAIN HOLDING WLL	Bahrain	0	99.99	99.99	Full	-
TERNA CONTRACTING CO WLL	Bahrain	0	100.00	100.00	Full	-
TERNA SAUDI ARABIA LTD	Saudi Arabia	60.00	0	60.00	Full	-
TERNA VENTURES WLL	Bahrain	0	100.00	100.00	Full	-
TERNA QATAR LLC *	Qatar	0	35.00	35.00	Full	2013-2019
AEROZEPHIROS LTD	Cyprus	0	100.00	100.00	Full	2019
REAL ESTATE SEGMENT - SUBSIDIARIES						
MANTOUDI BUSINESS PARK S.A.	Greece	0	100.00	100.00	Full	2014-2019
INDUSTRIAL-MINES SEGMENT - SUBSIDIARIES						
TERNA MAG SA	Greece	48.98	0	48.98	Full	2014-2019
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	0	100.00	Full	2014-2019
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0	75.00	75.00	Full	2013-2019
CEMENT PRODUCTION AND EXPORT FZC	Libya	0	75.00	75.00	Full	-
SEGMENT OF HOLDINGS - SUBSIDIARIES						
QE ENERGY EUROPE LTD	Cyprus	0	100.00	100.00	Full	2013-2019
CONSTRUCTIONS SEGMENT - JOINT VENTURES						
J/V TERNA-CGCE (AMAS 1)	Bahrain	0	50.00	50.00	Proportional consolidation	-
J/V TERNA - CGCE (AMAS 2)	Bahrain	0	50.00	50.00	Proportional consolidation	-
JV TERNA-CGCE JOINT VENTURE (AMAS 3)	Bahrain	0	50.00	50.00	Proportional consolidation	-
CONCESSIONS SEGMENT - JOINT VENTURES						
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION	Greece	60.00	0	60.00	Equity	-
THERMAL ENERGY SEGMENT - JOINT VENTURES						
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	25.00	0	25.00	Equity	2014-2019
REAL ESTATE SEGMENT - JOINT VENTURES AND ASSOCIATES						
GEKA S.A.	Greece	33.34	0	33.34	Equity	2014-2019

The following table presents the joint ventures for the construction of technical projects and other companies, in which the Group participates, have already concluded the projects 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 % (Indirect)
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%
J/V MAIN ARROGATION CANAL D 1	75.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V TERNA SA / AKTOR SA - GOULANDRIS MUSEUM	50.00%

(Amounts in thousands Euro, unless otherwise stated)

J/V DEPA PROJECT	10.00%
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V VIOTER SA – TERNA SA	50.00%
J/V TERNA SA – AKTOR SA – EBEDOS SA – J&P AVAX SA - IMEC GmbH	24.00%
J/V J&P AVAX SA – TERNA SA – EFKLEIDIS	35.00%
J/V J&P AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)	37.50%
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	35.00%
J/V J&P 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 AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%
J/V TERNA-Al OMAIER	60.00%

During the year 2019, the following joint entities were liquidated: (those companies were not consolidated):

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V EUROPEAN TECHNICAL-HOMER-TERNA	50.00%
J/V AKTOR TERNA (BANQUET HALL)	50.00%
J/V J&P AVAX-VIOTER-TERNA (CANOE KAYAK)	33.33%

In addition, within the year 2019 the following companies and joint entities were liquidated. Those companies until the date of liquidation were consolidated, however without any significant impact on the Group’s financial sizes.

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V ATHANASIADIS - TERNA (THESSAL. CAR PARK.)	50.00%
/V THALES ATM SA-TERNA IMPROVEMENTS OF TACAN STATIONS	50.00%
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall H/M)	37.00%
J/V TERNA S.A. - AKTOR A.T.E.- J&P AVAX (Concert Hall Costruct.)	69.00%

Within the year 2019, the following companies were established:

- J/V AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS), whose scope of operations pertains to construction casino and hotel units
- HERAKLION CRETE INTERNATIONAL AIRPORT S.A. CONCESSION, whose scope of operations pertains to exploitation of airport construction concession.

(Amounts in thousands Euro, unless otherwise stated)

– AEROZEPHIROS LTD, based in Cyprus whose scope of operations is the other construction services

The voting rights of TERNA S.A. in all the aforementioned investments coincide with the participating interest it holds over the circulation of the companies' share capital.

* The company TERNA QATAR LLC are fully consolidated as subsidiary, since the Group exercises control over it in compliance with the provisions of IFRS 10 (see Note 12.2).

6. GEOGRAPHICAL SEGMENTS

The following table lists selected information for the Group by geographical area. Other areas include Malta, Libya and Western Europe.

Geographical segments 31.12.2019	Greece	Balkans	Middle East	Eastern Europe	USA	Other regions	Consolidated total
Turnover from external customers	599,401	36,190	51,010	20	0	8,053	**694,674**
Non-current Assets (excl. deferred tax assets and financial assets)	153,586	32,641	2,101	0	0	0	**188,328**
Capital expenditure	11,041	1,230	786	0	0	0	**13,057**

Geographical segments 31.12.2018	Greece	Balkans	Middle East	Eastern Europe	USA	Other regions	Consolidated total
Turnover from external customers	830,349	57,444	60,799	0	0	10,352	**958,944**
Non-current Assets (excl. deferred tax assets and financial assets)	148,468	32,607	2,653	0	0	1,040	**184,768**
Capital expenditure	13,747	243	125	0	0	19	**14,134**

7. GOODWILL

On 31.12.2019, the Group has recognized in the consolidated financial statements goodwill of 3,025 (in previous years, the company TERNA SA acquired 66.7% of the construction joint ventures EUROIONIA and E-65, with which it would perform an additional important construction object in existing construction contracts). The analysis of the movement of goodwill during the years 2019 and 2018 is as follows:

(Amounts in thousands Euro, unless otherwise stated)

	Construction Segment
Net book value at 01.01.2018	3,183
Impairment of Goodwill	-
Net book value at 31.12.2018	**3,183**
Net book value at 01.01.2019	3,183
Impairment of Goodwill	(158)
Net book value at 31.12.2019	**3,025**
Gross book value on 31.12.2019	9,759
Accumulated impairment losses	(6,734)
Net book value at 31.12.2019	**3,025**

An impairment test is based on the determination of the recoverable amount, which has been determined on a value-in-use basis. This determination is made using the discounted cash flows method based on the remaining estimated cash flows expected until the completion of the construction work of the joint ventures.

This methodology for determining value-in-use is affected by the following key assumptions as adopted by the Management to determine future cash flows: (a) the revenue projected 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.

Based on the impairment test carried out at the end of the reporting period, loss of 158 has arisen, included in the item “Other Revenue/(Expenses)” (Note 36) to the Consolidated Statement of Comprehensive Income for 2019.

8. INTANGIBLE FIXED ASSETS

Intangible assets of the Group and the relative changes for the periods January 1 – December 31, 2019 and 2018, presented in the accompanying financial statements, are analyzed as follows:

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Acquisition Value					
1st January 2019	**35,384**	**88,022**	**2,256**	**5,925**	**131,587**
Additions	0	0	254	99	**353**
Transfers	0	0	0	1,354	**1,354**
Foreign exchange differences	0	0	6	0	**6**
31st December 2019	**35,384**	**88,022**	**2,516**	**7,378**	**133,300**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated amortization and impairments					
1st January 2019	**(8,502)**	**(86,163)**	**(1,898)**	**(749)**	**(97,312)**
Amortization for the year	(598)	(238)	(159)	(227)	**(1,223)**
Transfers	0	0	65	0	**65**
Foreign exchange differences	0	0	(7)	0	**(7)**
31st December 2019	**(9,100)**	**(86,401)**	**(1,999)**	**(977)**	**(98,477)**
Net book value					
31st December 2019	**26,284**	**1,621**	**516**	**6,401**	**34,823**

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Acquisition Value					
1st January 2018	**35,382**	**88,022**	**2,174**	**4,808**	**130,386**
Additions	20	0	275	380	**675**
Sales	(18)	0	(210)	0	**(227)**
Transfers	0	0	0	737	**737**
Foreign exchange differences	0	0	16	0	**16**
31st December 2018	**35,384**	**88,022**	**2,256**	**5,925**	**131,587**
Accumulated amortization and impairments					
1st January 2018	**(7,923)**	**(84,297)**	**(1,838)**	**(606)**	**(94,664)**
Additions	(594)	(1,865)	(55)	(143)	**(2,657)**
Sales	15	0	10	0	**25**
Foreign exchange differences	0	0	(16)	0	**(16)**
31st December 2018	**(8,502)**	**(86,163)**	**(1,898)**	**(749)**	**(97,312)**
Net book value					
31st December 2018	**26,882**	**1,859**	**357**	**5,175**	**34,274**

The amortization for the years 2019 and 2018 has been recognized in Cost of sales by 1,022 (2,554 in 2018), in Administrative and distribution expenses by 107 (79 in 2018), R&D expenses by 14 (14 in 2018), Other Income / (expenses) by 0 (2 in 2018) and Inventory by 81 (8 in 2018).

(Amounts in thousands Euro, unless otherwise stated)

The respective amounts for the Company is 86 (8 in 2018) in Cost of Sales, 93 (72 in 2018) in Administrative and distribution expenses and 0 (2 in 2018) in Other Income / (expenses).

The account Concessions and Other Rights refers to paid rights for exploitation of quarries by 410 (444 in 2018) with initial agreed duration 20-30 years and in the Group magnesite mining right by 25,872 (26,436 in 2018), with estimated useful life of 50 years,

Development costs mainly refer to costs incurred in magnesite mines.

9. RIGHT OF USE ASSETS

The right of use assets were recognized according to first implementation of IFRS 16 (see note 2.6.3). The changes are presented below as follows:

	GROUP					
	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments from new standard implementation (note 2.6.3)	1,045	6,893	1,382	1,488	2	**10,810**
Transfers from tangible assets due to implementation of new standard(note2.6.3)	0	0	24,290	6,428	0	**30,718**
1 January 2019, Readjusted Balance	**1,045**	**6,893**	**25,672**	**7,916**	**2**	**41,528**
Additions	187	1,551	300	327	0	**2,365**
Termination of contracts	(185)	(673)	(81)	(451)	0	**(1,390)**
Transfers	0	0	29	0	0	**29**
Foreign exchange differences	6	6	(1)	0	0	**11**
31st December 2019	**1,053**	**7,777**	**25,919**	**7,792**	**2**	**42,543**
Accumulated amortization and impairments						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Transfers from tangible assets due to implementation of new standard(note2.6.3)	0	0	(8,469)	(2,868)	0	**(11,337)**
1 January 2019, Readjusted Balance	**0**	**0**	**(8,469)**	**(2,868)**	**0**	**(11,337)**
Amortization	(408)	(2,249)	(1,774)	(878)	(2)	**(5,311)**
Foreign exchange differences	2	1	1	0	0	**4**

(Amounts in thousands Euro, unless otherwise stated)

31st December 2019	**(406)**	**(2,248)**	**(10,242)**	**(3,746)**	**(2)**	**(16,644)**
Net book value						
31st December 2019	**647**	**5,529**	**15,677**	**4,046**	**0**	**25,899**

COMPANY

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
Acquisition Value						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Adjustments from new standard implementation (note 2.6.3)	333	5,895	1,028	1,175	2	**8,433**
Transfers from tangible assets due to implementation of new standard(note 2.6.3)	0	0	23,184	6,023	0	**29,207**
1 January 2019, Readjusted Balance	**333**	**5,895**	**24,212**	**7,198**	**2**	**37,640**
Additions	33	1,507	10	139	0	**1,689**
Termination of contracts	(185)	(673)	0	(114)	0	**(972)**
Foreign exchange differences	2	3	0	0	0	**6**
31st December 2019	**183**	**6,732**	**24,222**	**7,223**	**2**	**38,363**
Accumulated amortization and impairments						
1st January 2019	**0**	**0**	**0**	**0**	**0**	**0**
Transfers from tangible assets due to implementation of new standard(note 2.6.3)	0	0	(8,290)	(2,654)	0	**(10,944)**
1 January 2019, Readjusted	**0**	**0**	**(8,290)**	**(2,654)**	**0**	**(10,944)**
Amortization	(103)	(1,977)	(1,501)	(736)	(2)	**(4,319)**
31st December 2019	**(103)**	**(1,977)**	**(9,791)**	**(3,390)**	**(2)**	**(15,263)**
Net book value						
31st December 2019	**80**	**4,755**	**14,431**	**3,833**	**0**	**23,100**

Amortization regarding the Group for 2019 has been recorded in the Cost of sales by 3,636, in the Administrative and distribution Expenses by 1,534, in the Research and Development Expenses by 5 and in the Other Income/(expenses) by 33 and in the Inventory by 103.

Amortization regarding the Company for 2019 has been recorded in the Cost of sales by 3,177, in Administrative and disposal Expenses by 1,111 and in Other income/(expense) 31.

(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 2019 and 2018, in the accompanying financial statements, are analyzed as fo llows:

	GROUP						
	Quarries/Land-Plots	**Buildings and Facilities**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Assets under construction and prepayments for acquisition of fixed asset**	**Total**
Acquisition Value							
1st January 2019	**13,104**	**9,521**	**176,134**	**36,347**	**19,430**	**16,764**	**271,299**
Transfers to Right of use assets	0	0	(24,291)	(6,428)	0	0	**(30,719)**
1 January 2019, Readjusted Balance	**13,104**	**9,521**	**151,843**	**29,919**	**19,430**	**16,764**	**240,580**
Additions	0	304	1,951	763	1,847	7,840	**12,705**
Sales	0	(2,638)	(8,667)	(1,350)	(2,499)	0	**(15,154)**
Write offs	0	0	(9)	(255)	(8)	(298)	**(570)**
Transfers	0	1,712	15,117	143	475	(17,352)	**95**
Foreign exchange differences	0	79	383	63	99	0	**624**
31st December 2019	**13,104**	**8,978**	**160,618**	**29,282**	**19,344**	**6,954**	**238,280**
Accumulated depreciations and impairments							
1st January 2019	**(3,346)**	**(4,495)**	**(113,842)**	**(26,926)**	**(16,335)**	**0**	**(164,944)**
Transfers to Right of use assets	0	0	8,469	2,868	0	0	**11,337**
1 January 2019, Readjusted Balance	**(3,346)**	**(4,495)**	**(105,373)**	**(24,058)**	**(16,335)**	**0**	**(153,607)**
Depreciation for the year	(280)	(376)	(5,002)	(1,062)	(906)	0	**(7,626)**

(Amounts in thousands Euro, unless otherwise stated)

Sales	0	1,090	7,863	1,196	2,228	0	**12,377**
Impairments/Write offs	0	0	9	243	8	0	**260**
Transfers	0	0	0	(113)	0	0	**(113)**
Foreign exchange differences	0	(38)	(381)	(52)	(92)	0	**(563)**
31st December 2019	**(3,625)**	**(3,819)**	**(102,884)**	**(23,846)**	**(15,098)**	**0**	**(149,272)**
<u>Net book value</u>							
31st December 2019	**9,479**	**5,159**	**57,734**	**5,437**	**4,246**	**6,954**	**89,008**

GROUP

	Quarries/Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed asset	Total
<u>Acquisition Value</u>							
1st January 2018	**13,084**	**8,921**	**173,299**	**36,666**	**19,087**	**11,979**	**263,036**
Additions	20	99	3,136	177	891	9,136	**13,459**
Sales	0	0	(3,938)	(599)	(555)	0	**(5,092)**
Impairments/Write offs	0	(52)	(679)	(2)	(212)	(387)	**(1,332)**
Transfers	0	399	3,432	(23)	0	(3,967)	**(158)**
Foreign exchange differences	0	153	882	127	219	4	**1,386**
31st December 2018	**13,104**	**9,521**	**176,134**	**36,347**	**19,430**	**16,764**	**271,299**
<u>Accumulated depreciation and impairments</u>							
1st January 2018	(3,066)	(4,072)	(109,029)	(25,616)	(15,418)	0	**(157,201)**
Depreciation for the year	(280)	(390)	(5,979)	(1,673)	(1,338)	0	**(9,660)**
Sales	0	0	1,131	420	413	0	**1,964**

(Amounts in thousands Euro, unless otherwise stated)

Impairments/Write offs	0	38	846	(4)	187	0	**1,067**
Transfers	0	0	0	56	0	0	**56**
Foreign exchange differences	0	(71)	(811)	(109)	(179)	0	**(1,171)**
31st December 2018	**(3,346)**	**(4,495)**	**(113,842)**	**(26,926)**	**(16,335)**	0	**(164,944)**
<u>Net book value</u>							
31st December 2018	**9,758**	**5,026**	**62,292**	**9,421**	**3,095**	**16,764**	**106,354**

(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 asset**	**Total**
Acquisition Cost							
1st January 2019	**9,538**	**4,029**	**141,107**	**33,137**	**14,816**	**1**	**202,627**
Additions	0	288	936	688	1,471	241	**3,624**
Disposals of assets	0	(179)	(1,390)	(486)	(1,651)	0	**(3,706)**
Impairments/Write offs	0	0	(4)	(255)	(6)	0	**(265)**
Transfers	0	0	(23,184)	(6,023)	0	0	**(29,207)**
Foreign exchange differences	0	25	148	15	56	0	**244**
31st December 2019	**9,538**	**4,163**	**117,613**	**27,076**	**14,686**	**242**	**173,317**
Accumulated depreciations and impairments							
1st January 2019	**(3,348)**	**(2,891)**	**(99,229)**	**(24,350)**	**(12,119)**	**0**	**(141,937)**
Depreciation for the year	(280)	(150)	(3,179)	(855)	(690)	0	**(5,154)**
Disposals of assets	0	99	1,145	353	1,477	0	**3,074**
Impairments/Write offs	0	0	4	243	6	0	**253**
Transfers	0	0	8,290	2,654	0	0	**10,944**
Foreign exchange differences	0	(19)	(130)	(9)	(50)	0	**(208)**
31st December 2019	**(3,628)**	**(2,961)**	**(93,099)**	**(21,964)**	**(11,376)**	**0**	**(133,028)**
Net book value							
31st December 2019	**5,910**	**1,202**	**24,514**	**5,112**	**3,310**	**242**	**40,290**

(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 asset	Total
Acquisition Cost							
1st January 2018	**9,518**	**3,851**	**144,344**	**33,675**	**14,679**	**82**	**206,149**
Additions	20	99	651	21	705	0	**1,496**
Disposals of assets	0	0	(3,371)	**(578)**	(497)	0	**(4,446)**
Impairments/Write offs	0	(52)	(829)	**(2)**	(193)	0	**(1,077)**
Transfers	0	85	0	**0**	0	(85)	**0**
Foreign exchange differences	0	46	312	**21**	122	4	**505**
31st December 2018	**9,538**	**4,029**	**141,107**	**33,137**	**14,816**	**1**	**202,627**
Accumulated depreciations and impairments							
1st January 2018	**(3,067)**	**(2,699)**	**(96,476)**	**(23,526)**	**(11,488)**	**0**	**(137,256)**
Depreciation for the year	(281)	(195)	(4,363)	(1,289)	(1,088)	0	**(7,216)**
Disposals of assets	0	0	1,074	420	374	0	**1,868**
Impairments/Write offs	0	38	813	(4)	176	0	**1,023**
Foreign exchange differences	0	(35)	(277)	49	(93)	0	**(356)**
31st December 2018	**(3,348)**	**(2,891)**	**(99,229)**	**(24,350)**	**(12,119)**	**0**	**(141,937)**
Net book value							
31st December 2018	**6,190**	**1,138**	**41,878**	**8,787**	**2,697**	**1**	**60,690**

(Amounts in thousands Euro, unless otherwise stated)

Depreciation of the Group for year 2019 has been recognized in Cost of sales by 5,968 (8,524 in 2018), in Administrative and distribution expenses by 1,001 (772 in 2018), in Research and development expenses by 8 (9 in 2018), in Other income/ (expense) by 273 (347 in 2018) and in inventory by 376 (58 in 2018).

Depreciation of the Company has been recorded for 2019 in Cost of sales by 4,313 (6,347 in 2018), in Administrative and distribution expenses by 635 (668 in 2018) and in Other income/(expenses) by 206 (200 in 2018).

In the year ended 31 December 2019, a total impairment loss of 12 (2018: 177) was recognized burdening the consolidated Income Statement of the Group and recognized in "Other Income/ (Expenses)" account in the Income Statement for the year (see Note 36).

Mortgage liens of various types amounting to a total of 12,600 have been written on the real estate items of the Group's companies for security against bond loans.

11. INVESTMENT PROPERTY

For the years 2019 and 2018, the Group's and the Company's investment property is analyzed as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
1st January 2019	**8,390**	**3,001**	**7,766**	**2,377**
Additions for the period	0	5,674	0	5,674
Fair value adjustments	(230)	(285)	(230)	(285)
31st December 2019	**8,160**	**8,390**	**7,536**	**7,766**

Investment property is determined using the fair value method of 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 possible. The Group made a revaluation of the fair value of its property portfolio in the year 2019 by assigning its valuation work to independent property appraisers. Revaluation of fair value of investment property resulted in a loss of 230 (285 in 2018) (see Note 36).

The following table presents data concerning the key assumptions taken into consideration for the valuation of the investment properties on 31.12.2019:

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2019	Method	Market value	Interest rate	Inflation	Return	Cost of development
Kos - Land	* 957	Real estate market		28 euro per sqm		-	
Building and Plot position of Lezides Aliveri Evoia	1,122	Real estate market and capitalization of revenues		Building 1.50-4 euro/sqm, land 6-10.5 euro/sqm, lease of building 1.66 euro/sqm		-	
Plot in Posidonia position, Laurio, Attica	13	Real estate market		1.87 euro per sqm		-	
Madoudi, (Evoia) – Plots	624	Real estate market		5.50 euro per sqm		-	
Bulgaria-Plots	5,444	Real estate market /Exploitation		34.85 euro per sqm		-	
	8,160						

The relative data regarding the key assumptions taken into consideration for the valuation of the investment properties on 31.12.2018, are as follows:

Property	Fair Value 31.12.2018	Method	Market value	Interest rate	Inflation	Return	Cost of development
Kos - Land	957	Real estate market		28 euro per sqm		-	
Building and Plot position of Lezides Aliveri Evoia	1122	Real estate market and capitalization of revenues		Building 1.40-3 euro/sqm, land 5-9.5 euro/sqm, lease of building 1.68 euro/sqm		-	

(Amounts in thousands Euro, unless otherwise stated)

Plot in Posidonia position, Laurio, Attica	13	Real estate market	1.87 euro per sqm	-
Madoudi, (Evoia) – Plots	623	Real estate market	5.50 euro per sqm	-
Bulgaria-Plots	5,675	Real estate market /Exploitation	35.10 euro per sqm	-
	8,390			

No mortgage liens have been written on the investment properties of the Group’s companies.

12. PARTICIPATIONS IN SUBSIDIARIES

12.1 Analysis of changes of investments in subsidiaries for the year 2019

The subsidiaries of the Company are presented in detail in Note 5.
The change in the book value of investments in subsidiaries in the Company's financial statements is as follows:

	COMPANY	
	2019	2018
Balance 1 January	**104,058**	**110,248**
Additions	21,248	3,537
Impairment loss	(7,538)	(9,727)
Balance 31 December	**117,768**	**104,058**

Additions to the account performed in 2019 are analyzed as follows:

- amount of 16,203 for share capital increase in subsidiary TERNA OVERSEAS LTD (3,537 in 2018).
- amount of 5,045 for share capital increase in subsidiary company TEPNA LEUKOLITHOI SA.

12.2 Assessment of control in accordance with IFRS 10

The company TERNA QATAR LLC, in the share capital of which the Group participates by 35% (through the subsidiary TERNA), is consolidated as a subsidiary, as a control is assumed 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.

12.3 Impairment test

In accordance with the accounting policies followed and the requirements 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. A test may be carried out earlier if any evidence of impairment arises. The evaluation conducted focuses on both extrinsic and endogenous 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 value and evaluates the possibility of reversing part or all of the impairment recognized in prior periods.

Within the year ended on December 31, 2019 impairment arose on the value of the participations in subsidiaries totaling to 7,538 (9.727 in 2018).

These amounts are included in the account "Profits / (Losses) from valuation of participations and other securities" of the corporate Income Statement (see Note 38). The impairment losses of 7,538 (9,727 in 2018) are further analyzed as losses: of TERNA LEYKOLITHI S.A. amounting to 3,518 (9,727 in 2018) and J/V EUROIONIA amount of 4,020 (0 in 2018).

For subsidiaries that are a separate and individual cash flow-generating unit (CFGU), the determination of the recoverable amount was based on the value in use. Value in use was calculated using the discounted cash flow method, i.e., cash flow projections based on budgets and management's projections.

Assumptions used to determine value in use
For those cases where evidence of impairment was found, an impairment test was performed in accordance with the requirements of IAS 36. The recoverable amount of each CFGU is determined in accordance with the value in use calculation. Determination arises through the present value of the estimated future cash flows as expected to be generated by each CFGU (discounted cash flow method). This method of determining value in use is affected (sensitively) by the following key assumptions as adopted by the Management for the determination of future cash flows: (a) Preparation of business plans per CFGU: The calculations for determining the recoverable value of CFGU were based on the business plans approved by the Management, based on recently prepared budgets and estimates of the Management, regarding which budgeted operating profit margins and EBITDA are used as well as future estimates, using reasonable assumptions. b) The weighted average cost of capital (WACC): WACC reflects the discounted interest rate on future cash flows of each CFGU, according to which the cost of equity and the cost of long-term borrowing are weighed in order to calculate the total capital cost of the company capital. The discount rate used for the purposes of determining the value in use ranged from 7.11% to 9.1% per case.

Recoverable amounts sensitivity analysis
The Management is not currently aware of any other event or condition that would reasonably result in a potential change in any of the key assumptions on which the determination of the recoverable amount of CFGU was based. Nevertheless, on 31.12.2019, the Company analyzed the sensitivity of the recoverable amounts per CFGU in relation to a change in some of the key assumptions presented above. Indicatively, a change in a valuation by (i) 0.25 percentage points in WACC, (ii) 0.50 percentage points in EBITDA margin in perpetuity or (iii) 0.25 percentage points in growth rate in perpetuity can cause an impairment amount ranging from 1.9 million euros to a maximum of 4.3 million euros.

12.4 Subsidiaries with significant percentage of non-controlling interests
The data and the accounts of the financial statements of the significant subsidiary TERNA LEUKOLITHOI SA with scope of business mining and magnesite exploitation, in which there are minority interests of third parties are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2019	31.12.2018
Percentage of non-controlling interests	51.02%	51.02%
Non-current assets	65,230	64,880
Current assets	21,885	21,499
(Long-term liabilities)	(45,521)	(48,310)
(Short-term liabilities)	(50,346)	(38,576)
Net fixed assets	**(8,752)**	**(507)**
Equity corresponding to non-controlling interests	**6,093**	**10,369**

	1.1-31.12.2019	1.1-31.12.2018
Turnover	8,783	10,389
Net Profit/(Loss)	(18,520)	(6,283)
Other Comprehensive Income	(4)	(26)
Total Results	**(18,524)**	**(6,309)**
Net Profit / (Losses) corresponding to non-controlling interests	(9,532)	(3,106)

	1.1-31.12.2019	1.1-31.12.2018
Cash flows from operating activities	(7,301)	(4,424)
Cash outflows from investing activities	(6,398)	(9,854)
Cash outflows for financing activities	13,646	15,532
Net increase / (decrease) of cash	**(53)**	**1,254**

The above financial accounts are before consolidation entries of the broader Group.

13. INVESTMENTS IN JOINT ARRANGEMENTS

13.1 Investments in joint ventures

The Group holds rights in joint ventures, consolidated under equity method in accordance with the provisions of IAS 28 and presented in Note 5 to the Financial Statements.
Changes in investments in joint ventures in 2019 and 2018 are analyzed as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Balance 1 January	**21,191**	**20,657**	**23,722**	**21,006**
Additions /(liquidations)	3,000	2,716	3,000	2,716

(Amounts in thousands Euro, unless otherwise stated)

(Impairments)/Impairment recoveries recognized in the results	0	0	(10,583)	0
Results from the application of the equity consolidation method	(8,954)	(2,182)	0	0
Balance 31 December	**15,237**	**21,191**	**16,139**	**23,722**

The additions of the account of 3,000 within the year 2019 concern the increase of share capital in the joint venture of INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A. (0 in 2018).

The decrease in the account within the fiscal year 2019 concerns the amount of 10,583 impairment of participation in the Joint venture of HERON II VIOTIA SA. The amount of the impairment arose as the difference between the acquisition value depicted in the corporate financial statements and the fair value of the Shareholders' Equity of the joint venture with a corresponding participation rate (25%). The amount of the impairment was recorded in the results of the year in the fund "Profits / (Losses) from valuation of participations and securities" (see related note 38).

The data and accounts of the financial statements of the most important joint venture of those for the fiscal years 2019 and 2018, ie of HERON II VIOTIA SA are as follows:

Interest	25.00%	25.00%
	31.12.2019	**31.12.2018**
Non-current assets	129,048	158,657
Cash and cash equivalents	12,348	8,994
Other current assets	38,055	39,720
Total assets	**179,451**	**207,371**
Long-term financial liabilities (less trade and other liabilities and provisions)	68,600	74,921
Other long-term liabilities	22,457	18,510
Short-term financial liabilities (less trade and other liabilities and provisions)	13,566	12,686
Other short-term liabilities	33,135	27,355
Total liabilities	**137,759**	**133,472**
Net assets	**41,692**	**73,899**
Carrying amount of investments in financial statements	**10,423**	**18,475**

	1.1-31.12.2019	**1.1-31.12.2018**
Turnover	144,363	131,013
(Depreciation / Amort.)	(10,951)	(10,802)
(Financial expenses)	(7,517)	(5,891)
Financial income	63	46
Tax expenses	(3,794)	(2,443)

(Amounts in thousands Euro, unless otherwise stated)

Results from continuing operations	(32,197)	(8,713)
Other comprehensive income	(10)	(17)
Total Results	**(32,207)**	**(8,730)**
Share in the results of the Group	(8,049)	(2,178)
Share in the other comprehensive results of the Group	(3)	(4)
Share in the total comprehensive results of the Group	**(8,052)**	**(2,182)**

During the years 2019 and 2018, no dividends were collected from the above joint venture.

The financial data of the joint venture have been prepared at the same date as that of the financial statements of the Group

The financial data of the joint venture arise from the financial statements prepared according to IFRS.

13.2 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 to joint operations, which 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 2019 and 2018 and represent the Group's share in assets and liabilities and profit after tax of the jointly controlled entities: The following amounts represent the contribution of the joint operations (see Note 5) to both the Company and the Group. These amounts are included before deductions in the Status of Financial Position, as well as in the Status of Total Comprehensive Income of the Group and the Company for the fiscal years 2019 and 2018:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non-current assets	7,972	16,154	7,526	14,825
Other current assets	133,277	140,682	121,510	130,887
Total assets	**141,249**	**156,836**	**129,036**	**145,712**
Long-term liabilities	1,957	3,073	1,877	2,812
Other short-term liabilities	135,801	153,642	128,070	145,087
Total liabilities	**137,758**	**156,715**	**129,947**	**147,899**
Equity	**3,491**	**121**	**(911)**	**(2,188)**

(Amounts in thousands Euro, unless otherwise stated)

Turnover	81,002	129,730	57,439	114,349
Total income after tax	1,756	2,947	(33)	1,997
Profit after tax	**(6)**	**(1,716)**	**(2,062)**	**(2,656)**

14. OTHER LONG-TERM RECEIVABLES

The account "Other long-term receivables" on 31.12.2019 and 31.12.2018 in the accompanying financial statements is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Loans to joint ventures and other related companies	95,807	139,004	125,474	161,275
Approved but not collected grants	10,441	10,441	0	0
Given guarantees	1,176	734	727	734
Withheld amounts of invoiced receivables	6,809	7,385	0	6,289
Other long-term receivables	899	1,322	899	935
Provision for impairment of long-term financial assets	(64)	(64)	(177)	(69)
Total	**115,068**	**158,822**	**126,923**	**169,164**

Regarding the account "Loans to joint ventures and other related companies" within 2019, loans were provided to related parties outside TERNA group of 36,702 while there were collected loans of 77,274 interest of 6,209 was accounted for and interest amounting to 4,540 was collected, while an amount of 4,500 was transferred to the account "Prepayments and other Receivables" as the amounts to be collected within the following 12 months.

An amount of 10,441 relates to an approved but not received subsidy of the magnesite industry. Regarding this amount of the grant, a business plan has been submitted and approved by the Ministry of Development. The file for the review of the grant is expected to be submitted by the end of June 2020.

15. INVENTORIES

The account "inventories" on 31.12.2019 and 31.12.2018 in the accompanying financial statements is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Raw-auxiliary materials	3,741	5,088	2,724	4,250
Spare parts of fixed assets	25	25	25	25
Merchandise and Finished and semi-finished products	22,325	19,138	4,579	4,913
Property under construction	2,196	2,197	0	0
Impairment	(5,922)	(1,998)	(1,139)	(513)
Total	**22,365**	**24,450**	**6,189**	**8,675**

The account "Finished and semi-finished relate mainly pertains to mined magnesite ore (processed and unprocessed).

The Group and the Company during the annual review of the net realizable value of its inventories recognised losses of 4,275 (980 in 2018) and 600 (0 in 2018) respectively in Other income/(expenses) in Total Comprehensive Income Statement (see note 36).

With the exception of the above cases, there was no need for impairment of inventories on 31.12.2019.

The inventories are not burdened with liens.

16. TRADE RECEIVABLES

The trade receivables of the Group and the Company on 31.12.2019 and 31.12.2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables	249,562	239,769	242,876	224,277
Customers – Doubtful and litigious	4,924	4,937	4,668	4,684
Notes / Checks Receivable overdue	824	824	824	824
Checks Receivable	2,206	988	2,206	988
Minus: Provisions for doubtful trade	(19,217)	(18,672)	(18,726)	(18,109)
Total	**238,299**	**227,846**	**231,848**	**212,664**

The book values of trade receivables represent their fair value.

At every reporting date, the Group tests the receivables for any impairments, in accordance with the requirements of IFRS 9 and the expected credit losses. The maximum exposure to credit risk on the financial statements reporting date is the book value of every category, collectible as mentioned above. Provisions for impairment of trade receivables for the years 2019 and 2018 are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**19,549**	**19,549**
Revision due to adoption of IFRS 9	**0**	**0**	**212**	**212**
Balance 01.01.2018	**0**	**0**	**19,761**	**19,761**
Provision of credit loss for the period	0	314	924	1,238
Recovery of provision of credit loss for the period	0	68	(2,150)	(2,082)
Eliminations for the period	0	4	(282)	(278)
Foreign exchange differences	0	4	29	33
Balance 31.12.2018	**0**	**390**	**18,282**	**18,672**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**390**	**18,282**	**18,672**
Provision of credit loss for the period	0	216	1,645	1,861
Recovery of provision of credit loss for the period	0	(367)	(699)	(1,066)
Eliminations for the period	0	0	(274)	(274)
Foreign exchange differences	0	3	20	23
Balance 31.12.2019	**0**	**242**	**18,974**	**19,216**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**17,198**	**17,198**
Revision due to adoption of IFRS 9	**0**	**0**	**1,776**	**1,776**
Balance 01.01.2018	**0**	**0**	**18,974**	**18,974**
Provision of credit loss for the period	0	312	788	1,100
Recovery of provision of credit loss for the period	0	0	(1,715)	(1,715)
Eliminations for the period	0	4	(281)	(277)
Other transfers	0	0	0	0
Foreign exchange differences	0	3	24	27
Balance 31.12.2018	**0**	**319**	**17,790**	**18,109**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**319**	**17,790**	**18,109**
Provision of credit loss for the period	0	222	1,645	1,867
Recovery of provision of credit loss for the period	0	(300)	(695)	(995)

(Amounts in thousands Euro, unless otherwise stated)

Eliminations for the period	0	0	(273)	(273)
Foreign exchange differences	0	1	17	18
Balance 31.12.2019	**0**	**242**	**18,484**	**18,726**

The following table analyzes the total of trade receivables as well as the maturity of outstanding post dated trade receivables:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non outstanding balances	210,669	118,003	203,013	110,885
Outstanding balances	46,847	128,515	47,561	119,888
Total trade receivables	**257,516**	**246,518**	**250,574**	**230,773**

The maturity of outstanding post dated trade receivables is analyzed as follows:

	GROUP 2019					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	210,669	3,549	16,773	7,467	19,059	**257,516**
Expected credit loss	(140)	0	(7)	(4,737)	(14,333)	**(19,217)**

	GROUP 2018					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	118,003	27,387	67,454	14,115	19,559	246,518
Expected credit loss	(330)	0	0	(4,847)	(13,495)	(18,672)

	COMPANY 2019					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	203,013	3,129	15,514	9,416	19,502	**250,574**
Expected credit loss	(140)	0	(7)	(4,737)	(13,842)	**(18,726)**

	COMPANY 2018					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	110,885	27,662	60,165	12,110	19,951	**230,773**
Expected credit loss	(240)	0	0	(4,809)	(13,061)	**(18,109)**

(Amounts in thousands Euro, unless otherwise stated)

The non-post-dated amounts include an amount of 66.7 million euros (79.4 million euros as at 31.12.2018), which relates to withholdings for good performance (retained guarantees).

As a total, as far as the Group is concerned, impaired and post-dated receivables for longer than 12 months stand at 7,456 for the Group and at 10,339 for the Company. These receivables relate to Public Bodies, Related Parties and Third Parties and are, according to the Management's estimates, recoverable.

In the context of the Group's operations, necessary measures are taken on a case basis to ensure collecting the receivables.

Finally, an important guarantee for the collection of balances are the received advances concerning construction contracts, which on 31.12.2019 amounted to 183.5 million euros (302.5 million euros as 31.12.2018).

17. RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The receivables from contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables from construction contracts with customers	89,842	197,438	60,500	168,069
Receivables from other contracts with customers	621	423	621	151
Less: Impairments of receivables from contracts with customers	(10,437)	(6,101)	43	(119)
Total	**80,026**	**191,760**	**61,164**	**168,101**

The provisions for impairment of receivables from contracts with customers are analyzed according to the new standard IFRS 9 as following:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**5,979**	**0**	**5,979**
Revision due to adoption of IFRS 9	**0**	**(65)**	**0**	**(65)**
Balance 01.01.2018	**0**	**5,914**	**0**	**5,914**
Provision of credit loss for the period	0	262	(75)	187
Balance 31.12.2018	**0**	**6,176**	**(75)**	**6,101**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**6,176**	**(75)**	**6,101**
Provision of credit loss for the period	0	4,507	0	4,507
Recovery of provision of credit loss for the period	0	(171)	0	(171)
Balance 31.12.2019	**0**	**10,512**	**(75)**	**10,437**

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 31.12.2017	**0**	**0**	**0**	**0**
Revision due to adoption of IFRS 9	**0**	**(163)**	**0**	**(163)**
Balance 01.01.2018	**0**	**(163)**	**0**	**(163)**
Provision of credit loss for the period	0	357	(75)	282
Balance 31.12.2018	**0**	**194**	**(75)**	**119**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2019	**0**	**194**	**(75)**	**119**
Provision of credit loss for the period	0	9	0	9
Recovery of provision of credit loss for the period	0	(171)	0	(171)
Balance 31.12.2019	**0**	**32**	**(75)**	**(43)**

In 2017, the Group launched a lawsuit, claiming contractual claims (plus interest and arbitration costs) relating to a construction project carried out (through TERNA Contracting subsidiary) in Bahrain. At that time, the amount of the Group's recognized non-invoiced receivables from the execution of the specific construction contract amounted to Euro 15.4 million (BH 6.5 million). On 31.12.2019, the Group on the above balance has recognized cumulative provisions for possible credit losses of Euro 10.5 million (BD 4.6 million), of which Euro 4.5 million (BD 1.9 million) was recognized within the current fiscal year. The multi-page court decision of the ICC International Court of Arbitration was issued on 25.05.2020 and states that the amount of Euro 11.1 million (BD 4.7 million) is awarded for the benefit of the Group. At the date of approval of the attached financial statements, the process of studying and evaluating the relevant text of the decision by the legal advisors and the Management for the accurate measurement of the amount awarded to the Group is in progress. By 2020, upon completion of this process, the Management will consider reversing part of the already recognized credit loss forecasts (which reversal may amount to as much as Euro 6.5 million - BD 2.8 million).

The liabilities in relation to contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Customer advances	159,629	225,993	107,998	170,797
Non-completed liabilities from construction contracts	92,457	88,285	76,031	67,576
Total	**252,086**	**314,278**	**184,029**	**238,373**

(Amounts in thousands Euro, unless otherwise stated)

The changes in Receivables and liabilities from Contracts with customers within the current fiscal year are due to the following factors:

Receivables from contracts with customers	**GROUP**
Balance 01.01.2018	**156,028**
Effect due to execution of existing contracts	30,379
Income for the period from new contracts	10,528
Foreign exchange translation differences for the period	926
Balance 31.12.2018	**197,861**
Balance 01.01.2019	**197,861**
Effect due to execution of existing contracts	(110,938)
Income for the period from new contracts	3,148
Foreign exchange translation differences for the period	391
Balance 31.12.2019	**90,463**

Liabilities due to contracts with customers	**GROUP**
Short term part	**170,178**
Long term part	**6,505**
Balance 01.01.2018	**176,683**
Effect due to execution of existing contracts	(89,946)
Income for the period from new contracts	450
Foreign exchange translation differences for the period	1,098
Balance 31.12.2018	**88,285**
Balance 01.01.2019	**88,285**
Effect due to execution of existing contracts	(18,809)
Income for the period from new contracts	22,906
Foreign exchange translation differences for the period	75
Balance 31.12.2019	**92,457**

(Amounts in thousands Euro, unless otherwise stated)

18. PREPAYMENTS AND OTHER RECEIVABLES

The “Prepayments and other receivables” on 31st December 2019 and 31st December 2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
Prepayments and other short-term non-financial receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Advances to suppliers	32,142	63,636	28,182	56,213
VAT for rebate – offsetting	8,651	8,380	6,680	6,267
Prepayment to insurance funds (Social Security Organization of technical works)	4,463	3,491	4,461	3,490
Accounts for the management of prepayments and credits	1,841	1,920	1,639	1,774
Other deferred and prepaid expenses	6,275	7,303	4,351	6,099
Other transitory asset accounts	235	323	235	323
Total	**53,607**	**85,053**	**45,548**	**74,166**

	GROUP		COMPANY	
Other short-term financial receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Receivables from J/V, related companies and other associates	3,986	3,152	16,044	16,171
Short-term part of granted long-term loans	4,946	250	4,946	250
Financial receivables from other various debtors	8,401	11,898	10,182	10,364
Blocked bank deposit accounts	1,406	1,371	50	41
Doubtful – Litigious other receivables	1,111	1,111	1,111	1,111
Less: Impairments of other short-term financial receivables	(12,316)	(10,548)	(12,146)	(10,355)
Total	**7,534**	**7,234**	**20,187**	**17,581**
Total prepayments and other receivables	**61,141**	**92,287**	**65,735**	**91,748**

The account "Short-term part of granted long-term loans" includes receivables from loan agreements mainly from the parent company GEK TERNA SA payable within the next 12 months.

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:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 31.12.2017	**0**	**0**	**10,757**	**10,757**
Revision due to adoption of IFRS 9	**0**	**0**	**3,099**	**3,099**
Balance 01.01.2018	**0**	**0**	**13,856**	**13,856**
Provision for impairment loss in the period	0	341	2,000	**2,341**
Recovery of provision of credit loss for the period	0	0	(4,854)	**(4,854)**
Eliminations for the period	0	0	(800)	**(800)**
Foreign exchange translation differences	0	0	4	**4**
Balance 31.12.2018	**0**	**341**	**10,207**	**10,547**

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**341**	**10,207**	**10,547**
Provision for impairment loss in the period	0	25	3,002	**3,027**
Recovery of provision of credit loss for the period	0	(173)	(500)	**(673)**
Eliminations for the period	0	0	(590)	**(590)**
Foreign exchange translation differences	0	1	4	**5**
Balance 31.12.2019	**0**	**194**	**12,123**	**12,316**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 31.12.2017	**0**	**0**	**10,575**	**10,575**
Revision due to adoption of IFRS 9	**0**	**0**	**3,099**	**3,099**
Balance 01.01.2018	**0**	**0**	**13,674**	**13,674**
Provision for impairment loss in the period	0	336	2,000	**2,336**
Recovery of provision of credit loss for the period	0	0	(4,854)	**(4,854)**
Eliminations for the period	0	0	(800)	**(800)**
Balance 31.12.2018	**0**	**336**	**10,020**	**10,356**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2019	**0**	**336**	**10,020**	**10,356**
Provision for impairment loss in the period	0	50	3,002	**3,052**
Recovery of provision of credit loss for the period	0	(173)	(500)	**(673)**
Eliminations for the period	0	0	(589)	**(589)**
Balance 31.12.2019	**0**	**213**	**11,933**	**12,146**

(Amounts in thousands Euro, unless otherwise stated)

19. EQUITY INTEREST

The movement of investments in equity interest in 2019 and 2018 is analyzed as follows:

	GROUP		COMPANY	
	2019	2018	2019	2018
Balance 1.1.	**11,125**	**14,925**	**6,148**	**7,828**
Additions / (Reductions)	(919)	(3,096)	0	(976)
Adjustment at fair through the Other Comprehensive Income	1,970	(704)	1,970	(704)
Balance 31.12.	**12,176**	**11,125**	**8,118**	**6,148**

The additions/(reductions) in the account within the years 2019 and 2018 are analyzed as follows:

- Amount of 919 refers to the share capital return from the related company ICON EOOD (0 in 2018).
- During the previous year the Group through its parent company TERNA SA and its subsidiary TERNA OVERSEAS LTD sold it participation share in the company ICON BOROVEC to the related company of the GEK TERNA Group, ICON EOOD. The sale price for the parent company TEPNA and its subsidiary TERNA OVERSEAS amounted to 900 and 1.800 respectively and the result of the above transaction resulted in a loss of 75 and 321 respectively, which was recognised in the account “Profit/(Losses) from sale of participations” (see relevant note 37). In total the results of the group were burdened with loss of 396 and of the company by 75 th.

Adjustment at fair value through Total Comprehensive Income Statement
The Group and the Company on 31.12.2019, from the valuation of the participation in the company ILIOCHORA at fair value, recognized a profit of 63 (losses of 958 during the previous year).

On 31.12.2019, the Group and the Company hold shares of the parent company GEK TERNA with a total acquisition value of 1,566, which were valued at 5,210 (3,303 in the previous year). This valuation resulted in a profit of 1,907 (profit 255 in the previous year).

All of the above investments concern stocks of listed and non-listed securities, which are listed in more detail in note 45.

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on 31 December 2019 and 31 December 2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash in hand	97	111	70	89
Sight Deposits	196,894	223,257	111,996	146,933

(Amounts in thousands Euro, unless otherwise stated)

Term Deposits	2,953	4,122	1,900	3,519
Total	**199,944**	**227,490**	**113,966**	**150,541**

Term deposits have a usual duration of 3 months and carry interest rates ranged during the year between 0.2%-1% (0.48%-1% in the previous year respectively).

Furthermore, the Group holds blocked deposits amounting to 1,406 (1,371 in the previous 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".

21. LONG-TERM LOANS

The long-term loans in the accompanying separate and consolidated financial statements are analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Long-term loans	169,044	190,746	157,794	178,900
Less: Long term liabilities payable during the next financial year	(16,657)	(19,301)	(6,348)	(18,748)
Long-term part of loan	**152,387**	**171,445**	**151,446**	**160,152**

The repayment period of long-term loans is analyzed in the following table:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Up to 1 Year	16,657	19,301	6,348	18,748
Between 1- 5 Years	67,153	70,990	66,212	59,697
Over 5 Years	85,234	100,455	85,234	100,455

The total financial cost of long-term and short-term loan liabilities, for the fiscal year 2019 and the corresponding comparative fiscal year 2018, is included in the account "Net financial income / (expenses)" of the consolidated and separate Income Statement. The average interest rate of the Group for the fiscal year ended 31.12.2019 stood at 3.9% (31.12.2018: 3.8%).

The Group’s long term debt is by 100% in euro (100% at the end of the previous year) and represents approximately the 64.91 % of the Group’s total debt (71.38% at the end of the previous year). The long term debt mainly covers financing needs for the investments of construction segments of the Group.

Within the year 2019, the amount of 20.9 million euro was repaid for long-term bank debt, whereas the amount of 1.2 million euro was collected from new bank loans.

In addition, within the fiscal year 2019, the TERNA Group paid 32.2 million euro for the repayment of intra-group long-term loans and received 29.9 million euro from a new loan.

Significant changes in the Group's loans for the year ended 31.12.2019 are described in the following paragraphs.

(a) Loans of the Company (TERNA)
As at 31.12.2019, the total loan liabilities of the Company stand at 157,794, of which an amount of 145,966 pertains to bank loans and an amount of 11,828 pertains to intra-group loans.

Within the year, the Company proceeded to the granting of 0 bank loans and in to 30,100 of intra-group loans and to the repayment of bank liabilities of 19,500 and of intra-group loans of 32,184.

TERNA Bond Loan of Euro 127.3 million for refinancing its existing loan liabilities and acquisition of FERROVIAL

On December 7, 2018, the TERNA Group signed a 127.3 million secured Bond Loan Program with Greek Credit Institutions for the purpose of: a) refinancing existing bank loans of Euro 42 million and b) financing (through GEK TERNA parent company) of the acquisition of the shares of FERROVIAL in the Concession Companies "NEA ODOS SA" and "CENTRAL GREECE MOTORWAY S.A." and in the Consortium under the title "FERROVIAL JOINT VENTURES SA - GEK TERNA SOCIETE ANONYME OF HOLDINGS AND PROPERTIES".

The main terms of the Program provide for the following: (a) the maturity of the 8-year loan maturing in July 2026; (b) the six-month interest period with an interest rate of 6M Euribor with an annual surcharge of 3.75% (depending on the interest periods, (c) the balloon payment of 50.2% with the last installment and (d) the maintenance of financial ratios by the guarantor GEK TERNA, similar to those agreed with the Common Bond Loan (CBL) amounting to Euro 120 million, issued in April 2018 by the guarantor GEK TERNA.

On 10.12.2018, the total amount was fully covered (two series of Bonds A & B) of the above-mentioned signed, Secured Bond Loan, which was signed on 07.12.2018, by the Greek Credit Institutions and the purpose of it to refinance existing lending, was fulfilled.

(b) Loans of TERNA LEUKOLITHOI
On 23.12.2019, the subsidiary TERNA LEFKOLITHI SA signed an agreement for the issuance of a common collateral secured bond loan amounting to 35.6 mn, which refinances the existing bond loan of 10.240 and refinances the exiting short-term loan into long-term loan.

The basic terms of the loan relate to Eurirbor interest rate for a six-month period of 3.5% and a repayment period until 31.12.2026. GEK TERNA, the guarantor company, is obliged to keep financial indicators for this loan. The purpose of the new Bond Loan is to refinance the existing short-term and long-term loans of the company.

This loan was disbursed within 2020 and, thereafter, the amount of 10,240 was reclassified into long-term borrowings.

Apart from the above, no other significant changes took place in the Group's loans for the fiscal year ended 31 December 2019.

(Amounts in thousands Euro, unless otherwise stated)

Loan guarantees

To secure some of the Group's loans and other affiliated companies:

- Lien mortgages of various series have been written on the real estate of some of the Group's companies amounting to 12.600 (31.12.2018: 12.600) and,
- Receivable from grants have been pledged for an amount of 10,440 of the subsidiary of the group,

The table below presents the changes in the Group and Company's long-term loans within the year:

	GROUP		COMPANY	
Long-term loans	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**190,747**	**129,086**	**178,900**	**127,669**
Capital withdrawals / (payments)	(21,821)	50,352	(21,584)	50,500
Interest payments	(5,986)	(2,641)	(5,210)	(1,489)
Write off loan	(108)	0	0	0
Foreign exchange differences	8	21	0	21
Loan interest in financial results (note 40)	7,124	3,689	6,608	3,277
Other loan interest (capitalized etc.)	0	0	0	(404)
Transfers	(920)	10,240	(920)	(674)
Closing balance	**169,044**	**190,747**	**157,794**	**178,900**

The Group has the obligation to maintain specific financial ratios relating to bond loans. As at 31 December, the Group was in full compliance with the required limits of these ratios, in accordance with the loan contracts, apart from loans of subsidiaries amount of 10,240. The respective loans were re-classified on 31.12.2019 from the Long-Term to the Short-term Liabilities due to non-compliance with specific financial ratios of the relevant agreements, as defined in the provisions of IAS 1.
The Group's Management has taken all necessary steps to eliminate the reasons for non-compliance. However, until the date of approval of the Financial Statements, the necessary waivers have not been received from the creditor banks regarding these loans.

22. LEASE LIABILITIES

Lease liabilities as at 31 December 2019 and 31 December 2018 are analyzed as following in the accompanying financial statements:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Liabilities from bank leases (long-term)	506	6,547	506	6,478

(Amounts in thousands Euro, unless otherwise stated)

Liabilities from bank leases (short-term)	6,342	5,335	6,162	4,980
Sub-total of bank leases (a)	**6,848**	**11,882**	**6,668**	**11,457**
Liabilities from third parties leases (long-term)	4,637	0	3,654	0
Liabilities from third parties leases (short-term)	3,206	0	2,434	0
Sub-total of third parties leases (b)	**7,843**	**0**	**6,088**	**0**
Total leases (a)+(b)	**14,691**	**11,882**	**12,756**	**11,457**

The repayment period regarding lease liabilities is analyzed in the tables below as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Up to 1 Year	9,548	5,335	8,596	4,980
Between 1 - 5 Years	4,518	6,547	3,565	6,478
Over 5 Years	625	0	595	0

As of January 1, 2019, as when the IFRS 16 was adopted, liabilities related to financial leases and were included in debt are classified in the lease liabilities. Changes in these liabilities in 2019 and 2018 are presented below as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Liabilities from leases				
Opening balance	**11,881**	**16,725**	**11,458**	**16,314**
Effect due to change in accounting policies (note 2.6.3)	10,810	0	8,433	0
Re-adjusted opening balance 01.01.2019	**22,691**	**16,725**	**19,891**	**16,314**
Repayments of lease contracts	(8,994)	(4,853)	(7,850)	(4,853)
Payments of interest	(945)	(707)	(834)	(707)
Liabilities from new contracts	2,364	0	1,689	0
Foreign exchange differences	20	0	0	0
Financial cost for the period (note 40)	943	709	833	673
Transfers	0	7	0	30
Termination of lease	(1,388)	0	(973)	0

(Amounts in thousands Euro, unless otherwise stated)

Closing balance	**14,691**	**11,881**	**12,756**	**11,458**
Long-term liabilities from leases	**5,143**	**6,547**	**4,160**	**6,478**
Short-term liabilities from leases	**9,548**	**5,335**	**8,596**	**4,980**

23. PROVISION FOR STAFF INDEMNITIES

According to Greek labor legislation, every 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.
The 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 net earnings for the financial year ended on the 31st of December, 2019 and the movement of the relevant provision accounts for staff indemnities presented in the attached consolidated Statement of financial position for the year ended on 31st December 2019.

The expense for staff indemnities which was recognized by the Group in Income Statement and was recorded in Cost of sales by 923, in Administrative and distribution expenses by 194 and in financial expenses by 38 (1,379, 175 and 34 during the previous year, respectively), and by the Company in Cost of Sales by 941, Administrative and distribution expenses by 20 and financial expenses by 36 (1,059, 147, 33 in the previous year), and is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Current service cost	707	1,023	350	523
Financial cost	38	34	36	33
Effect of cut-backs or settlements	616	678	610	684
Recognition of actuarial (profits) / losses	55	239	50	205
Total	**1,416**	**1,974**	**1,046**	**1,445**

The changes in the relative provisions in the Statement of financial positions are as follows:

	GROUP		COMPANY	
	2019	**2018**	**2019**	**2018**
Balance as at 1 January	**6,621**	**6,350**	**4,000**	**3,724**

(Amounts in thousands Euro, unless otherwise stated)

Provision recognized in Net earnings	1,154	1,588	996	1,239
Provision recognized in Other Comprehensive Income	55	239	50	205
Provision recognized in inventories	207	0	0	0
Foreign exchange differences	86	334	32	71
Compensation payments	(3,188)	(1,884)	(1,694)	(1,236)
Transfers	0	(6)	0	(3)
Balance 31 December	**4,935**	**6,621**	**3,384**	**4,000**

The key actuarial assumptions for the years 2019 and 2018 are as follows:

	2019	**2018**
Discount rate (based on the yields of the E.C.B. bonds)	1.00%	1.50%
Mortality: Greek mortality table	MT_EAE2012P	MT_EAE2012P
Future salaries increases	1.25%	1.25%
Movement of salaried workers (departure under their own will)	1%	1%
Movement of day-waged workers (departure under their own will)	1%	1%
Movement of salaried workers (laid-off)	6%	6%
Movement of day-waged workers (laid-off)	6%	6%

The following table presents the sensitivity of the liability concerning providing benefits to personnel in cases of changes occurring in certain actuarial assumptions.

	GROUP	**COMPANY**
Change in discount rate +0,5% & Change in salaries – voluntary withdrawals - dismissals 0%	(121)	(113)
Change in discount rate -0,5% & Change in salaries – voluntary withdrawals - dismissals 0%	131	123
Change in discount rate 0%, Change in salaries +0,25% & Change in salaries – voluntary withdrawals - dismissals 0%	64	60
Change in discount rate 0%, Change in salaries -0,25% & Change in salaries – voluntary withdrawals - dismissals 0%	(62)	(58)

(Amounts in thousands Euro, unless otherwise stated)

Change in discount rate 0%, Change in salaries 0%, voluntary withdrawals +1% & dismissals 0%	(118)	(108)
Change in discount rate 0%, Change in salaries 0%, voluntary withdrawals -1% & dismissals 0%	130	119
Change in discount rate 0%, Change in salaries - voluntary withdrawals 0% & dismissals +1%	45	42
Change in discount rate 0%, Change in salaries - voluntary withdrawals 0% & dismissals -1%	(50)	(47)

24. OTHER PROVISIONS

The changes in the relevant provisions in the Statement of financial position for 2019 and 2018 are as follows:

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
1st January 2019	**114**	**22,095**	**22,209**	**114**	**20,895**	**21,009**
Provision recognized in the results	0	(6,854)	**(6,854)**	0	(6,820)	**(6,820)**
Provisions used	0	(2)	**(2)**	0	0	**0**
Transfer from/ (to) another account	0	(3,055)	**(3,055)**	0	(3,092)	**(3,092)**
Foreign exchange differences	0	9	**9**	0	10	**10**
31st December 2019	**114**	**12,193**	**12,307**	**114**	**10,993**	**11,107**

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
1st January 2018	**114**	**9,876**	**9,990**	**114**	**8,676**	**8,790**
Provision recognized in the results	0	12,284	**12,284**	0	12,252	**12,252**
Provisions used	0	(2,567)	**(2,567)**	0	(2,035)	**(2,035)**
Transfer from/ (to) another account	0	4,638	**4,638**	0	4,147	**4,147**

(Amounts in thousands Euro, unless otherwise stated)

Write off for the period	0	(1,762)	**(1,762)**	0	(1,762)	**(1,762)**
Unused provisions recognized in profit	0	(473)	**(473)**	0	(473)	**(473)**
Foreign exchange differences	0	99	**99**	0	90	**90**
31st December 2018	**114**	**22,095**	**22,209**	**114**	**20,895**	**21,009**

The item "Other provisions" in the above table is analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Provisions for tax for tax non-inspected years	3,250	2,250	3,050	2,050
Provisions for litigations	4,830	4,831	3,830	3,831
Provision for loss-bearing construction contracts	1,433	12,393	1,433	12,393
Other provisions	2,680	2,621	2,680	2,621
	12,193	**22,095**	**10,993**	**20,895**

25. GRANTS

The changes in grants in the Statement of financial position for 2019 and 2018 are as follows:

	GROUP	
	2019	**2018**
Balance 1.1.	**14,318**	**14,451**
Amortization of grants on fixed assets recognized in net results	(81)	(125)
Amortization of grants on fixed assets recognized in inventories	(52)	(8)
Balance 31.12.	**14,185**	**14,318**

The grants refer to the investment scheme of the subsidiary TERNA LEUKOLITHOI. The grants are amortized in accordance to the granted assets' depreciation or utilization rates.
The respective account included as well approved but not collected grants, of a total amount of 10,441, which were classified in the "Other long-term receivables" (Note 14). These grants were recognized on the basis of the Group's management's assurance that all the conditions for the collection of these are normally met and that these amounts will be collected with the final approval of the completion of the relevant investments.

(Amounts in thousands Euro, unless otherwise stated)

26. SUPPLIERS

As at 31 December 2019 and 31 December 2018, the account of Suppliers in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Suppliers	195,667	247,307	174,347	221,985
Checks and notes payable	2,854	2,979	1,614	2,132
Total	**198,521**	**250,286**	**175,961**	**224,117**

The balance of the item for the Group by the amount of 191,243 (243,851 in 2018) arises from the construction segment, and amount of 7,278 (6,435 in 2018) from the industrial segment of the Group.

27. ACCRUED AND OTHER LIABILITIES

As at 31st December 2019 and 31st December 2018, Accrued and other liabilities (long and short term) in the accompanying financial statements, are analyzed as follows:

Other long-term financial liabilities

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Withheld amounts and guarantees to suppliers	1,435	2,141	1,355	1,880
Other long-term financial liabilities	90	0	6,283	6,987
Total	**1,525**	**2,141**	**7,638**	**8,867**

Other long-term non-financial liabilities

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Collected advances from customers relating to construction agreements	23,846	76,468	23,846	76,468
Other long-term non-financial liabilities	0	156	0	156
Total	**23,846**	**76,624**	**23,846**	**76,624**
Total other long-term liabilities	**25,371**	**78,765**	**31,484**	**85,491**

(Amounts in thousands Euro, unless otherwise stated)

The balance of the account “Collected advances from customers relating to construction agreements” concerns an advance payment from the client for the project of AIS PTOLEMAIDA.

Accrued and other short-term financial liabilities

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Dividends payable	7	7	7	7
Liabilities to members of j/v and other associates	1,577	1,986	5,568	2,062
Accrued expenses	9,748	12,046	2,788	5,104
Acquisition under settlement	9,753	20,509	9,753	20,509
Sundry Creditors	7,077	8,227	5,031	5,700
Total	**28,162**	**42,775**	**23,147**	**33,382**

Other short-term non-financial liabilities

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Liabilities from taxes and duties	12,151	8,710	11,587	8,529
Social security funds	3,207	2,600	2,781	2,307
Income carried forward and other transit accounts	0	73	0	73
Provisions for loss-bearing construction contracts	5,100	1,987	5,071	1,924
Total	**20,458**	**13,370**	**19,439**	**12,833**
Total Accrued and other short-term liabilities	**48,620**	**56,145**	**42,586**	**46,215**

28. SHORT-TERM LOANS

The Group’s short-term loans refer mainly to revolving bank loans having duration between one and three months depending on the needs. The amounts withdrawn are used partly to cover the liquidity needs of the Group either during the construction period of technical works or during the development period of the investments in the mining of magnesite.

Such loans, with the completion of the relevant projects, are repaid with the collection of the contractor prices, or are converted to long-term as regards to mining of magnesite.

The largest part of the Group’s loans is issued in euro and the weighted average interest rate for such during the year settled at 4.28 % (4.91% during 2018).

(Amounts in thousands Euro, unless otherwise stated)

The following table presents the changes in the Group and Company's short-term loans for 2019 and 2018:

	GROUP		COMPANY	
Short-term loans	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**81,255**	**87,808**	**49,342**	**60,705**
Capital withdrawals / (payments)	12,545	3,588	14,483	(11,503)
Interest payments	(3,283)	(5,265)	(1,863)	(3,266)
Foreign exchange differences	121	251	78	(4)
Loan interest in financial results (note 40)	3,541	5,113	2,053	3,410
Transfers	0	(10,240)	0	0
Closing balance	**94,179**	**81,255**	**64,093**	**49,342**

29. FINANCIAL DERIVATIVE INSTRUMENTS

Financial derivatives instruments are measured at their fair value (see Notes 4.10.6).

Interest rate swaps
The Group, in order to manage the interest rate risk to which it is exposed, has signed interest rate swaps contracts.

Interest rate swaps objective is the hedging of risk of negative variation of future cash outflows arising from interest on loan agreements signed in the context of its activities in the construction sector. Specifically, interest rate swaps relate to contracts where the variable interest rate on the loan is converted to fixed over the entire term of the loan so that the Company is protected against any potential increase in interest rates. The fair value of these contracts was assessed by recording the effective interest rate (euribor) curve as at 31.12.2019 throughout the period of such contracts.

The fair value of these contracts as at 31.12.2019 stood at liability 1,433 (the total nominal value of the contracts amounts to 63,903). On 31.12.2019, these derivatives met the requirements of cash flow risk hedging, in accordance with the provisions of IFRS 9 and from their measurement in fair values were recognized in the other comprehensive income, loss of 759, and loss of inefficient amount of 674 which was recognized in the income statement of the period and in specific in the account "Net financial income/(expense) as it is analyzed in note 40 in the line of "Results of derivatives' valuation". These financial liabilities have been classified in the hierarchy of fair value at level 2 (see Note 45).

30. SHARE CAPITAL

With the Extraordinary General Meeting of the Company's shareholders from 28.11.2019 it was decided to increase the share capital by the amount of 3,250,000 Euros, with the issuance of 32,500 new common registered shares, with a nominal value of 100 Euro each and with a selling price of 360

Euros per share. The difference between the nominal value of the share and the disposal price was placed on the account "Share Premium".

As of 31.12.2019, the share capital of the Company amounts to 55,460,000 euro, fully paid and divided into 554,600 common shares with a nominal value of 100 euro each. Each share of the Company provides the right to one vote. The account of share premium amounts to 62,702 on 31.12.2019.

(Amounts in thousands Euro, unless otherwise stated)

31. RESERVES

The Group and the Company reserves in 2019 and 2018 in the accompanying financial statements are analyzed as follows:

GROUP	Statutory reserves	Reserves from fair value difference of assets through Other Comprehensive Income	Differences from cash flows risk hedges reserves	Reserves of foreign currency translation differences from incorporation of foreign operations	Development and tax legislation reserves	Actuarial revenue/losses from defined benefit plan reserves & other reserves	Total
1 January 2018	**14,590**	**1,047**	**0**	**1,824**	**37,936**	**152**	**55,549**
Earnings from other comprehensive income for the year	0	(463)	0	(1,132)	0	(166)	(1,761)
Formation of reserves	1	0	0	0	125	0	126
31st December 2018	**14,591**	**584**	**0**	**692**	**38,061**	**(14)**	**53,914**
1 January 2019	**14,591**	**584**	**0**	**692**	**38,061**	**(14)**	**53,914**
Earnings from other comprehensive income for the year	0	1,505	(577)	(597)	0	(42)	289
Formation of reserves	107	0	0	0	81	0	188
31 December 2019	**14,698**	**2,089**	**(577)**	**95**	**38,142**	**(56)**	**54,391**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY	Statutory reserves	Reserves from fair value difference of assets through Other Comprehensive Income	Differences from cash flows risk hedges reserves	Reserves of foreign currency translation differences from incorporation of foreign operations	Development and tax legislation reserves	Actuarial revenue/losses from defined benefit plan reserves & other reserves	Total
1 January 2018	**13,350**	**1,053**	**0**	**1,452**	**37,680**	**164**	**53,699**
Earnings from other comprehensive income for the year	0	(469)	0	(805)	0	(144)	(1,418)
31st December 2018	**13,350**	**584**	**0**	**647**	**37,680**	**20**	**52,281**
1 January 2019	**13,350**	**584**	**0**	**647**	**37,680**	**20**	**52,281**
Earnings from other comprehensive income for the year	0	1,505	(577)	(394)	0	(37)	497
31 December 2019	**13,350**	**2,089**	**(577)**	**253**	**37,680**	**(17)**	**52,778**

Statutory reserves
Under the Greek legislation, companies are required to transfer at least 5% of their annual net profits in accordance with their accounting books and records to statutory reserves until such reserves equal one third of their share capital. These reserves shall not be distributed but can be used in order to write off losses.

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.

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 comprehensive income. During the fiscal year 2019, the Group recognized as derivatives' losses (after tax) an amount of 577 which refer to valuation losses of 759 (see in detail note 29) and deferred tax income of 182 (see in detail Note 32 line Derivatives).

Reserves from fair value difference of assets through Other Comprehensive Income

The reserves from fair value difference of assets through Other Comprehensive Income is used to record profits or losses recognized in other total income from changes in the fair value of investments that have been categorized as investments in equity securities. Within the fiscal year 2019, the Group recognized gains (after taxes) from equity securities of 1,505 which relate to a valuation profit of 1,970 (see in detail note 19) and expense from deferred tax amounting to 465 (see in detail note 32 line Investments).

32. INCOME TAX – DEFFERED TAX

According to Greek tax legislation the tax rate corresponded to 29% for the year 2018. Article 23, Law 4579/2018, states that income tax rates are gradually reduced to twenty-eight percent, to twenty-seven percent (27%) for income of tax year 2020, to twenty-six per cent (26%) for income of tax year 2021 and twenty five per cent (25%) for income of tax year 2022 and thereafter. On 12.12.2019, the new tax law 4646/2019 was effective, where according to article 22, the tax rate is now set at 24% for the income of the tax year 2019 and thereafter.

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 the non-exemption of specific expenses, differences from the use of depreciation rates that emerge between the fixed asset's useful life and the use of rates stipulated by Law 4172/2013, and the ability of companies to generate tax-exempt discounts and tax-exempt reserves.

(a) Income tax expense
Income tax in the statement of comprehensive income is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current tax	7,023	1,985	6,152	1,386
Tax adjustments of previous years	2	40	1	48
Provision for tax audit differences	1,000	2,256	1,000	2,256
Total	**8,025**	**4,281**	**7,153**	**3,690**
Deferred tax expense/(income)	6,130	14,837	(1,156)	14,503
Total expenses/(income)	**14,155**	**19,118**	**5,997**	**18,193**

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Profit before income tax expense	**(29,163)**	**7,773**	**(22,147)**	**16,895**
Nominal tax rate	**24%**	**29%**	**24%**	**29%**
Income tax expense/(income) based on the nominal tax rate	**(6,999)**	**2,254**	**(5,315)**	**4,900**
Results not included in the calculation of tax	1,798	5,661	869	6,063
Impact due to change in tax rate	3,277	606	2,283	528
Adjustments of tax of previous years and additional taxes	1	40	1	48
Difference in taxation of foreign companies	(316)	2,234	(179)	579
Write-off/(Offsetting) of tax losses	11,450	5,454	2,779	4,327
Provision for tax audit differences	1,000	2,256	1,000	2,256
Taxable differences of previous years for which no deferred tax has been recognized	0	(761)	0	(761)
Effect of net temporary tax differences for which no deferred tax has been recognized	2,002	162	4,559	253

(Amounts in thousands Euro, unless otherwise stated)

Other	1,942	1,212	0	0
Income tax expense	**14,155**	**19,118**	**5,997**	**18,193**

The income tax return is submitted annually, but the profits or losses declared remain temporary until the tax authorities inspect the taxpayer's books and records and the final tax audit report is issued. The Group makes an annual assessment of the contingent liabilities that are expected to arise from the tax audit of prior years, making relevant provisions where necessary. The Group has made provisions for non-inspected tax years amounting to 3,250 (2,250 in 2018) and the Management considers that in addition to the formed provisions, any amounts of taxes that may arise will not have a significant impact on equity, profit or loss and cash flows of the Group and the Company. Information on non-audited tax years is presented in Notes 5 and 47 to 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 earnings.

The effect of the decrease in tax rates brought about by Law 4579/2018 (Article 23) in the fiscal year 2019, in profit or loss and other comprehensive income for the Group amounted to expense of 3,277 and income of 8 respectively.

The Group offsets the 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 31.12.2019 and 31.12.2018 for the Group and the Company are analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deferred tax assets	25,384	25,232	17,114	15,711
Deferred tax liabilities	(6,553)	0	(518)	0
Net deferred asset/ (liability)	**18,831**	**25,232**	**16,596**	**15,711**

The change of the net deferred tax asset / (liability) in the Statement of Financial Position is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Net deferred tax asset / (liability)	**18,831**	**25,232**	**16,596**	**15,711**

(Amounts in thousands Euro, unless otherwise stated)

Opening Balance	**25,232**	**39,812**	**15,711**	**29,968**
(Expense)/Income recognized in net earnings	(6,130)	(14,835)	1,156	(14,503)
(Expense)/Income recognized in Other comprehensive income	(270)	304	(271)	295
(Expense) / Income recognized directly in the equity	(1)	(49)	0	(49)
Closing Balance	**18,831**	**25,232**	**16,596**	**15,711**

Deferred taxes (assets and liabilities) in 2019 and 2018 are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

GROUP

Deferred tax	01.01.2019	Statement of Profit or loss (Debit)/Credit	Other comprehensive income (Debit)/Credit	Equity	Foreign exchange differences	31.12.2019
Investment property	(349)	445	0	0	0	96
Tangible and Intangible Assets	(4,975)	2,552	0	0	0	(2,423)
Investments	(4,413)	169	(465)	0	0	(4,709)
Contract Assets/Contract Liabilities	18,846	4,117	0	0	0	22,963
Recognized tax losses	7,055	(5,841)	0	0	0	1,214
Recognition of assets from concession contracts	664	(85)	0	0	0	579
Provision for staff indemnities	634	(22)	13	0	0	625
Companies’ acquisitions and sales	(1,081)	(2,149)	0	0	0	(3,230)
Derivatives	0	162	182	0	0	344
Trade receivables	5,122	(432)	0	0	0	4,690
Other Provisions	3,743	(2,258)	0	0	0	1,485
Lease Contracts	0	(4,338)	0	0	0	(4,338)
Other	(14)	1,550	0	(1)	0	1,535
Total	**25,232**	**(6,130)**	**(270)**	**(1)**	**0**	**18,831**

(Amounts in thousands Euro, unless otherwise stated)

GROUP

Deferred tax	**01.01.2018**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**Foreign exchange differences**	**31.12.2018**
Investment property	(475)	126	0	0	0	(349)
Tangible and Intangible Assets	(6,301)	1,326	0	0	0	(4,975)
Investments	(246)	(4,167)	0	0	0	(4,413)
Contract Assets/Contract Liabilities	34,402	(15,556)	0	0	0	18,846
Recognized tax losses	10,644	(3,658)	69	0	0	7,055
Recognition of assets from concession contracts	831	(167)	0	0	0	664
Provision for staff indemnities	653	(19)	0	0	0	634
Companies' acquisitions and sales	(8,985)	7,904	0	0	0	(1,081)
Trade receivables	8,363	(3,241)	0	0	0	5,122
Other Provisions	33	3,710	0	0	0	3,743
Other	893	(1,093)	235	(49)	0	(14)
Total	**39,812**	**(14,835)**	**304**	**(49)**	**0**	**25,232**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

Deferred tax	**01.01.2019**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**31.12.2019**
Investment property	103	417	0	0	520
Tangible and Intangible Assets	(4,969)	3,603	0	0	(1,366)
Investments	(4,413)	169	(465)	0	(4,709)
Contract Assets/Contract Liabilities	13,088	5,976	0	0	19,064
Recognized tax losses	2,825	(2,274)	0	0	551
Recognition of assets from concession contracts	628	(79)	0	0	549
Provision for staff indemnities	600	(23)	12	0	589
Trade receivables	5,026	(423)	0	0	4,603
Companies’ acquisitions and sales	(1,082)	121	0	0	(961)
Derivatives	0	162	182	0	344
Other Provisions	3,743	(2,258)	0	0	1,485
Other	162	(152)	0	0	10
Lease Contracts	0	(4,083)	0	0	(4,083)
Total	**15,711**	**1,156**	**(271)**	**0**	**16,596**

COMPANY

(Amounts in thousands Euro, unless otherwise stated)

Deferred tax	**01.01.2018**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**Equity**	**31.12.2018**
Investment property	37	66	0	0	103
Tangible and Intangible Assets	(4,823)	(146)	0	0	(4,969)
Investments	(246)	(4,167)	0	0	(4,413)
Contract Assets/Contract Liabilities	26,384	(13,296)	0	0	13,088
Recognized tax losses	5,750	(2,985)	60	0	2,825
Recognition of assets from concession contracts	781	(153)	0	0	628
Provision for staff indemnities	632	(32)	0	0	600
Trade receivables	7,681	(2,655)	0	0	5,026
Companies' acquisitions and sales	(6,388)	5,306	0	0	(1,082)
Other Provisions	33	3,710	0	0	3,743
Other	127	(151)	235	(49)	162
Total	**29,968**	**(14,503)**	**295**	**(49)**	**15,711**

(Amounts in thousands Euro, unless otherwise stated)

33. TURNOVER

The turnover as at 31 December 2019 and 2018 in the accompanying financial statements is analyzed as follows:

Revenues from contracts with customer per segment

	GROUP	
1) Revenues from contracts with customer per segment	**1.1-31.12.2019**	**1.1-31.12.2018**
Revenues from construction services' segment		
Infrastructure Projects– Motorways - Airport	306,748	296,255
Industrial –Energy	374,051	648,094
Other services of construction services' segment	4,297	3,390
Total	**685,096**	**947,739**
Revenues from industry segment		
Sales of industrial products - quarries	9,578	11,205
Total	**9,578**	**11,205**
Total revenues from contracts with customers	**694,674**	**958,945**

	GROUP	
2)The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:	**1.1-31.12.2019**	**1.1-31.12.2018**
Transfer of goods and services at a specific time	13,875	14,595
Services rendered with the passage of time	680,799	944,350
Total turnover from contracts with customers	**694,674**	**958,945**

3) The backlog of the projects from construction contracts of the Group amounts to Euro 1,553 million on 31.12.2019 (see Note 47). The time analysis of the expected implementation of the backlog of contracts with customers is analyzed as: (a) Euro 520 million in 2020 and b) Euro 1,033 million for a period until 2024**.**

4) Turnover for the period per country and operating segment is analyzed below as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP					
	1.1-31.12.2019					
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Total**
Revenue of Construction Segment	598,164	35,950	50,982	0	0	685,096
Revenue of Industry Segment	1,237	240	28	20	8,053	9,578
Total	**599,401**	**36,190**	**51,010**	**20**	**8,053**	**694,674**

	GROUP					
	1.1-31.12.2018					
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Total**
Revenue of Construction Segment	829,496	57,444	60,799	0	0	947,739
Revenue of Industry Segment	853	0	0	0	10,352	11,205
Total	**830,349**	**57,444**	**60,799**	**0**	**10,352**	**958,945**

*Other Regions pertain to sales to clients in Greece, Balkans, Middle East and Eastern Europe.

(Amounts in thousands Euro, unless otherwise stated)

34. COST OF SALES - ADMINISTRATIVE AND DISTRIBUTION EXPENSES - RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales as at 31 December 2019 and 2018 in the accompanying financial statements, is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Inventory cost-construction materials	298,688	572,097	277,006	553,208
Employee remuneration	48,942	42,811	38,448	28,227
Sub-contractors	197,529	162,680	154,043	129,960
Fees of civil engineers, technical consultants and other third parties	64,051	67,650	58,678	62,704
Other third-party expenses	4,860	5,172	3,687	3,783
Taxes-duties	1,425	1,647	1,345	1,538
Provisions	(7,857)	7,713	(7,821)	8,212
Transportation expenses	1,835	979	1,602	694
Lab audit expenses	476	498	476	483
Recovery of impairments / Impairments	14	0	14	0
Depreciation	10,626	11,078	7,576	6,355
Litigation and other indemnities	86	1,609	86	1,609
Expenses concerning litigation cases	143	0	143	0
Operating leases	13,710	13,639	11,957	10,813
Insurance premiums	2,683	3,003	2,195	2,112
Transportation expenses	5,847	5,059	5,402	4,530
Repairs-Maintenance expenses	5,654	6,023	5,309	5,582
Auditors' fees	89	137	71	60
Commissions and other financial expenses	11,466	13,172	10,740	15,120
Other	2,443	1,860	2,154	1,357
Total	**662,710**	**916,827**	**573,111**	**836,347**

Administrative and distribution expenses as at 31 December 2019 and 2018 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Employee remuneration	13,046	9,970	8,148	8,308
Fees of civil engineers, technical consultants and other third parties	10,429	11,108	8,749	7,878
Other third-party expenses	1,292	924	763	703

(Amounts in thousands Euro, unless otherwise stated)

Travel expenses	375	389	175	221
Subscriptions and contributions	262	1,298	250	1,271
Promotion and advertising expenses	767	0	746	0
Depreciation	2,641	851	1,840	740
Recovery of impairments / Impairments	0	387	0	0
Repairs - Maintenance	754	455	669	435
Insurance Premiums	545	290	165	160
Auditors' fees	232	174	164	109
Remuneration of BoD	0	100	0	100
Operating leases	900	1,740	327	1,518
Taxes - Duties	610	580	366	307
Transport expenses	1,593	1,774	589	614
Expenses concerning litigation cases	1,385	89	247	89
Other	1,766	1,508	711	1,226
Total	**36,597**	**31,637**	**23,909**	**23,679**

Research and Development expenses as at 31 December 2019 and 2018 in the accompanying financial statements are analyzed as follows:

	GROUP	
	1.1-31.12.2019	**1.1-31.12.2018**
Employee remuneration	158	234
Fees of civil engineers, technical consultants and other third parties	1,014	134
Depreciation	27	23
Taxes - Duties	4	9
Transportation expenses	27	14
Travel expenses	93	86
Insurance Premiums	3	6
Other	28	25
Total	**1,354**	**531**

35. AUDITORS' FEES

	GROUP		**COMPANY**	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Total	321	311	235	169

(Amounts in thousands Euro, unless otherwise stated)

36. OTHER INCOME/(EXPENSES)

Other income/ (expenses) for the period, in the accompanying financial statements as of 31 December 2019 and 2018 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Other income				
Amortization of grants on fixed assets	81	125	0	0
Income from insurance indemnities	493	223	97	223
Income from legal indemnities	72	38	72	38
Foreign exchange differences on payments and valuation	1,911	1,620	1,661	1,096
Recovery of impairments of fixed and intangible assets	0	181	0	0
Recovery of impairments of receivables	1,961	6,936	1,890	6,569
Gains from sale of fixed assets	462	164	488	673
Earnings from elimination of liabilities	604	2,194	230	1
Other revenue	1,446	6,038	1,008	2,743
Total	**7,030**	**17,519**	**5,446**	**11,343**
Other Expenses				
Depreciation not included in the cost	(306)	(349)	(239)	(204)
Expenses related to insurance indemnities	(82)	(48)	(86)	(47)
Foreign exchange differences on payments and valuation	0	0	0	(387)
Impairments of fixed and intangible assets	(12)	(4)	(12)	(4)
Impairments of inventories	(4,275)	(980)	(600)	0
Impairments of receivables	(4,949)	(3,830)	(5,086)	(3,787)
Impairment of Goodwill and other provisions	(158)	(1,678)	0	(1,678)
Losses from sale of fixed assets	(884)	(574)	(101)	(574)
Loss from valuation of Investment Property	(230)	(285)	(230)	(285)
Taxes – duties	(383)	(1,877)	(184)	(1,877)
Other expenses	(2,640)	(2,873)	(1,627)	(2,545)
Total	**(13,919)**	**(12,498)**	**(8,165)**	**(11,388)**
Total other income / (expenses)	**(6,889)**	**5,021**	**(2,719)**	**(45)**

(Amounts in thousands Euro, unless otherwise stated)

37. PROFIT / (LOSSES) FROM SALE OF PARTICIPATIONS

Profit/(losses) from the sale of participations, in the accompanying financial statements as of 31 December 2019 and 2018, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Profit / (loss) from disposal of shares and other Equity interests	0	(396)	0	(76)
Profit / (loss) from liquidation of associates, joint ventures and joint operations	(205)	0	(205)	0
Total	**(205)**	**(396)**	**(205)**	**(76)**

In the account of “Profit / (losses) from disposal of shares and other Equity interests” it is included during the comparative year and the result from the disposal of the participation of the group in the company ICON BOROVEC to the affiliated company of the group GEK TERNA (see relative note 19).
In addition in the account “Profit / (losses) from liquidation of associates, joint ventures and joint operations” it is included the result from the liquidation of joint operations which are included through the proportionate consolidation (see relative note 5).

38. GAINS/(LOSSES) FROM VALUATION OF INTERESTS

Gains / (Losses) from valuation of interests and securities, as at 31 December 2019 and 2018, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Loss /reverse of loss from valuation on interest in subsidiaries (note 12)	0	0	(7,538)	(9,727)
Loss/reverse of loss from valuation on interest in joint ventures (note 13)	0	0	(10,583)	0
Total	**0**	**0**	**(18,121)**	**(9,727)**

39. GAINS / (LOSSES) FROM PARTICIPATIONS AND OTHER EQUITY INVESTMENTS

Gains / (Losses) from participations and other equity investments, as at 31 December 2019 and 2018, in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Dividends of subsidiaries	0	0	0	9,500
Total	**0**	**0**	**0**	**9,500**

(Amounts in thousands Euro, unless otherwise stated)

During the previous year the company collected a dividend of 9,500 from the subsidiary company J/V EUROIONIA based on decision on 5th of June 2018 of the supervisory board of the Joint Venture. The respective amount was recorded as an income in the Total Comprehensive Income Statement.

40. NET FINANCIAL INCOME/(EXPENSES)

Financial income/(expenses) as at December 31st 2019 and 2018, are analyzed as follows in the accompanying financial statements:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Deposit interest	258	653	237	620
Loan interest	5,749	4,441	7,241	4,910
Other financial income	202	245	202	245
Total interest income	**6,209**	**5,339**	**7,680**	**5,775**
Interest and expenses of short-term loans	(3,541)	(5,113)	(2,053)	(3,410)
Interest and expenses of long-term loans	(7,124)	(3,689)	(6,608)	(3,277)
Financial cost from lease contracts	(943)	(709)	(833)	(673)
Bank commissions and expenses	(823)	(403)	(383)	(176)
Contracts of interest/financial instruments swaps services expenses	(182)	0	(182)	0
Other financial expenses	(53)	(49)	(52)	(48)
Total expenses from interest and related expenses	**(12,666)**	**(9,963)**	**(10,111)**	**(7,584)**
Net interest income/(expenses) (a)	**(6,457)**	**(4,624)**	**(2,431)**	**(1,809)**
Losses from financial instrument derivatives valuation (Note 29)	(674)	0	(674)	0
Derivatives valuation results (b)	**(674)**	**0**	**(674)**	**0**
Net total (a) + (b)	**(7,131)**	**(4,624)**	**(3,105)**	**(1,809)**

(Amounts in thousands Euro, unless otherwise stated)

41. PERSONNEL COST

Expenses for employee remuneration in 2019 and 2018 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Wages and related employee benefits	53,824	43,562	37,077	28,559
Social security fund contributions	9,861	7,899	9,139	6,797
Provision for employee indemnities	1,116	1,554	960	1,206
Total	**64,801**	**53,015**	**47,176**	**36,562**

42. TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period ending on 31.12.2019 and 31.12.2018, as well as the balances of receivables and liabilities which have derived from such transactions on 31.12.2019 and 31.12.2018 are as follows:

Sales-Purchases of goods and services

Year 31.12.2019	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	29	522	471	1,457	29	522	471	1,455
Subsidiaries	0	0	0	0	114,814	5,422	43,160	32,314
Joint Ventures	0	0	15	137	0	0	15	137
Other Related Parties	133,761	4,115	20,830	62,039	14,523	1,157	9,267	1,560

Year 31.12.2018	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	421	917	434	507	421	908	434	507
Subsidiaries	0	0	0	0	28,339	16,396	20,445	41,843
Joint Ventures	30	0	37	0	30	0	37	0
Other Related Parties	45,901	8,960	9,925	73,486	19,550	6,195	9,023	2,103

Dividends –Share capital return
The subsidiary company of the Group TERNA OVERSEAS Ltd received as share capital return the amount of 919 from the company ICON EOOD.

Share capital increase of subsidiaries

(Amounts in thousands Euro, unless otherwise stated)

The Company paid amounts of 21.248 for the share capital increase of its subsidiaries (3,538 for the comparative year)

Loans and interest

Year 31.12.2019	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	4,200	806	84,630	11,816	4,200	799	84,630	11,699
Subsidiaries	0	0	0	0	1,491	0	29,667	0
Joint Ventures	1,529	0	15,723	0	1,529	0	15,723	0
Other Related Parties	20	106	399	959	20	4	399	135

Year 31.12.2018	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	3,046	1,098	124,973	13,218	2,366	1,098	124,973	13,108
Subsidiaries	0	0	0	0	1,149	0	22,271	0
Joint Ventures	1,381	0	14,193	0	1,381	0	14,193	0
Other Related Parties	17	34	547	895	17	1	547	0

On the cash side:
a) The Group and the Company repaid / granted an amount of 68,811 and received 111,308, for loans to and from the parent company GEK TERNA (granted an amount of 85,298 and 35,181 and 42,505 for a loan to their parent during the comparative period)
b) The Company granted loans to the subsidiary TERNA LEFKOLITHOI amounting to 13,880 and received 7,976 (granted 6,530 and received 2,690 during the comparative period)
c) The Group and the Company repaid / granted loans from related parties in the amount of 75 (41 during the comparative period), while they received 150 (0 during the comparative period).

The 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 31.12.2019 and 31.12.2018, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2019 and 31.12.2018 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2019	**1.1-31.12.2018**	**1.1-31.12.2019**	**1.1-31.12.2018**
Remuneration for services rendered	2,175	1,852	1,722	1,533
Remuneration of employees	625	301	532	301
Remuneration for participation in Board meetings	0	100	0	100
Total	**2,799**	**2,253**	**2,254**	**1,934**
Liabilities	28	28	53	28
Receivables	2	11	0	0

43. RISKS AND UNCERTAINTIES

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 are the results of the uncertainty in financial markets and the changes in costs and sales. The risk management policy is undertaken by the financial services of the Group.

The procedure implemented is as follows:

- Evaluation of risks related to Group's activities and operations.
- Planning the methodology and selecting the necessary financial products for the limitation of 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.

FOREIGN EXCHANGE RISK

The functional currency of the parent company and the reporting currency of the Group is Euro.

Foreign exchange risk is the risk that results from the fact that the fair value of future cash flows of a financial instrument will be subject to 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 Group operates through branches and companies in Greece, the Middle East and in Balkans and thus it may be exposed to foreign exchange risk.

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 the euro.

(Amounts in thousands Euro, unless otherwise stated)

Regarding the construction projects in the Middle East, the contractual receivables, liabilities to basic suppliers (concrete, iron products, asphalt, cobble, skids etc.) and sub-contractors are realized in local currencies, which are pegged to the US dollar (USD) and thus there is exposure to foreign exchange from change in the USD exchange rate against Euro.

The following table presents the financial assets and liabilities in foreign currency:

	2019										
(amounts in euro)	**AED**	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Financial assets	8,824	252	47,304	1,183	2,528	2,309	22,261	7	6,448	1,819	9,928
Financial liabilities	(4,754)	(5,108)	(21,478)	(1,346)	(13)	(2,298)	(14,674)	(326)	(1,910)	(845)	(10,137)
Total current	**4,070**	**(4,856)**	**25,826**	**(163)**	**2,515**	**11**	**7,587**	**(319)**	**4,538**	**974**	**(209)**
Financial assets	192	0	433	92	0	0	14	3	0	0	0
Financial liabilities	(5,071)	0	(443)	(117)	0	0	(325)	0	(6)	(48)	(1,053)
Total non-current	**(4,879)**	**0**	**(10)**	**(25)**	**0**	**0**	**(311)**	**3**	**(6)**	**(48)**	**(1,053)**

	2018										
(amounts in euro)	**AED**	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Financial assets	9,681	18	46,755	490	2,471	13	20,082	99	7,425	2,678	7,976
Financial liabilities	(11,328)	(1,587)	(22,825)	(931)	(13)	(6)	(15,313)	(337)	(1,988)	(1,894)	(6,131)
Total current	**(1,647)**	**(1,569)**	**23,930**	**(441)**	**2,458**	**7**	**4,769**	**(238)**	**5,437**	**784**	**1,845**
Financial assets	261	0	1,105	90	0	0	14	3	0	0	0
Financial liabilities	(5,138)	(3,672)	(396)	0	0	0	(172)	0	0	0	(2,102)
Total non-current	**(4,877)**	**(3,672)**	**709**	**90**	**0**	**0**	**(158)**	**3**	**0**	**0**	**(2,102)**

(Amounts in thousands Euro, unless otherwise stated)

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.

	2019										
	AED	MKD	RON	QAR	BHD	USD	LYD	ALL	RSD	IQD	SAR
Effect on Net earnings	(3)	0	0	0	0	97	0	0	0	0	0
Effect on other comprehensive income	(435)	10	(7)	812	2,918	0	251	(827)	(1,468)	(358)	143

	2018										
(amounts in euro)	AED	MKD	RON	QAR	BHD	USD	LYD	ALL	RSD	IQD	SAR
Effect on Net earnings	0	0	0	0	0	95	0	0	0	0	3
Effect on other comprehensive income	(2,689)	232	(1,608)	(2,063)	1454	0	(4)	937	(4,977)	(448)	177

To manage this category of risk, the Group's Management and financial department makes sure that the largest possible part of receivables (revenues) and liabilities (expenses) are realized in euro or in currencies pegged to the euro (i.e. the Bulgarian lev, BGN) or in the same currency in order to be matched against each other.

INTEREST RATE RISK SENSITIVITY ANALYSIS

The policy of the Group is to minimize its exposure to the interest rate risk of long-term financing. On 31.12.2019, 100% of the Group's total debt bares floating interest rate (stable spread). Moreover, 40.89% of amount 63,903 of long-term debt is covered with cash flow hedging from interest rate variation.

The following table presents the sensitivity of Net earnings for the period towards a reasonable change in interest rates of receivables and liabilities amounting to +/-20% (2018: +/-20%) on the variable part of the interest rate (eg Euribor 6M). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2019		2018	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(14.5)	14.5	(9.7)	9.7

(Amounts in thousands Euro, unless otherwise stated)

Net earnings after income tax (from interest earning assets)	36.4	(36.4)	15.2	(15.2)

The Group is not exposed to other interest rate risk risks, or changes in the price of securities whose price is traded on a financial market.

CREDIT RISK
The credit risk exposure of the Group is limited to financial assets, which are as follows:

	2019	2018
Cash and equivalents	199,944	227,846
Loans and receivables	440,927	654,200
Total	**640,871**	**882,046**

The Group continuously monitors its receivables, either separately or per group and encompasses any differences in its credit risk. In cases that is deemed necessary external reports related to current or potential customers are used.

The Group is not exposed to significant credit risk from customers' receivables. This is attributed to the fact that one the hand to the Group's policy which is focused on the cooperation with reliable clients and on the other to the activities' nature of the Group.
In particular, the whole 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 companies controlled by it.
The credit risk for the cash and the 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 powerful Groups.

The delay in payments by broader public sector bodies and the climate that this economic crisis creates in these bodies also affects their contractual behavior, resulting to worsening our financial results and creating concern for the future.

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

LIQUIDITY RISK
The Group manages its liquidity needs by closely monitoring its long-term financial liabilities and the daily payments. The liquidity needs are monitored in different time-zones daily and weekly as well as in a rolling 30 day period. The liquidity needs for the coming 6 months and the coming year are estimated on a monthly basis.

(Amounts in thousands Euro, unless otherwise stated)

The company 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 the 31st of December 2019 is analyzed as follows:

	2019		
	0 to 12	**1 to 5 years**	**Over 5 years**
Long-term Debt	16,657	67,153	85,234
Liabilities from leases	9,548	4,518	625
Liabilities from derivatives	380	1,053	0
Short-term Debt	94,179	0	0
Suppliers	198,521	0	0
Accrued and other short-term financial liabilities	28,162	0	0
Total	**347,447**	**72,724**	**85,859**

The respective maturity of financial liabilities for 31st December 2018 was as follows:

	2018		
	0 to 12	**1 to 5 years**	**Over 5 years**
Long-term Debt	19,301	70,990	100,455
Liabilities from leases	5,355	6,547	0
Short-term Debt	81,255	0	0
Suppliers	250,286	0	0
Accrued and other short-term financial liabilities	42,776	22,297	0
Total	**398,973**	**99,834**	**100,455**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities during the balance sheet date.

44. FINANCIAL ASSETS AND LIABILITIES: PRESENTATION

The financial assets of the Group as well as the financial liabilities per category are analyzed as follows:

	31.12.2019		
Financial Assets	**Amortised cost**	**Fair value through other comprehensive income**	**Total**
Investments in securities	0	12,176	**12,176**
Other long-term receivables	115,068	0	**115,068**

(Amounts in thousands Euro, unless otherwise stated)

Trade and other receivables	325,859	0	**325,859**
Cash and cash equivalents	199,944	0	**199,944**
Total	**640,871**	**12,176**	**653,047**

	31.12.2018		
Financial Assets	**Amortised cost**	**Fair value through other comprehensive income**	**Total**
Investments in securities	0	11,125	**11,125**
Other long-term receivables	158,822	0	**158,822**
Trade and other receivables	426,839	0	**426,839**
Cash and cash equivalents	227,490	0	**227,490**
Total	**813,151**	**11,125**	**824,276**

	31.12.2019		
Financial Liabilities	**Amortised cost**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	169,044	0	**169,044**
Other long-term liabilities	1,525	0	**1,525**
Trade and other receivables	226,683	0	**226,683**
Short-term borrowing	94,179	0	**94,179**
Liabilities from leases	14,691	0	**14,691**
Liabilities from derivatives	0	1,433	**1,433**
Total	**506,122**	**1,433**	**507,555**

	31.12.2018		
Financial Liabilities	**Amortised cost**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	190,746	0	**190,746**

(Amounts in thousands Euro, unless otherwise stated)

Other long-term liabilities	2,297	0	**2,297**
Trade and other receivables	293,062	0	**293,062**
Short-term borrowing	81,255	0	**81,255**
Liabilities from leases	11,882	0	**11,882**
Total	**579,242**	**0**	**579,242**

45. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position of the Group 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 and the Company financial assets and liabilities measured at fair value on 31.12.2019 and 31.12.2018 are classified in the aforementioned levels of hierarchy as follows:

	31.12.2019			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in securities	0	0	12,176	12,176
Total	**0**	**0**	**12,176**	**12,176**
Financial Liabilities				
Liabilities from derivatives	0	1,433	0	1,433
Total	**0**	**1,433**	**0**	**1,433**
Net fair value	**0**	**(1,433)**	**12,176**	**10,743**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2018			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in securities	0	0	11,125	11,125
Total	**0**	**0**	**11,125**	**11,125**
Financial Liabilities				
Liabilities from derivatives	0	0	0	0
Total	**0**	**0**	**0**	**0**
Net fair value	**0**	**0**	**11,125**	**11,125**

There were no changes in valuation technique applied by the Group within the period. There were no transfers between Levels 1 and 2 during the period ended as at 31.12.2019 and within financial year 2018.

Fair value measurement of Level 3 financial instruments

The changes in the Group's financial instruments classified in Level 3 during the period ended as at 31.12.2019 and within financial year 2018 are as follows:

	1.1-31.12.2019	**1.1-31.12.2018**
	Investments in securities	**Investments in securities**
Opening balance	**11,125**	**14,925**
Additions/(Reduction)	(919)	(3,096)
Profit /(loss) in Other Comprehensive Income	1,970	(704)
Closing balance	**12,176**	**11,125**

Assets of level 3 are related to investments in non-listed companies with participation less than 20% (Note 19). These investments are analyzed as follows:

	Fair value of investme nt 31.12.201	**Fair value of investment 31.12.2018**	**Fair value calculation method**	**Other Information**
GEK TERNA	5,210	3,303	Stock Exchange Price	Stock Exchange Price on 31.12.2019/31.12.2018

(Amounts in thousands Euro, unless otherwise stated)

BIOMEK S.A.	53	53	Equity method at fair values	Fair value of equity on 31.12.2019/31.12.2018
HELIOHORA S.A.	2,855	2,792	Equity method at fair values	Fair value of equity on 31.12.2019/31.12.2018
EKEPI	15	15	Equity method at fair values	Fair value of equity on 31.12.2019/31.12.2018
ICON EOOD	4,043	4,962	Equity method at fair values	Fair value of equity on 31.12.2019/31.12.2018
Total	**12,176**	**11,125**		

Financial assets and liabilities of Level 2 relate to risk hedging derivatives. These investments are analyzed as follows:

	Fair value of investment 31.12.2019	**Fair value of investment 31.12.2018**	**Fair value calculation method**	**Other Information**
Receivables / (Obligations) from Interest Rate Swap Derivatives (IRS)	(1,433)	0	Valuation by credit institutions: NATIONAL BANK, PIRAEUS combined with an internal valuation using interest rate curves	
Total	**(1,433)**	**0**		

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

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

46. POLICIES AND PROCEDURES FOR CAPITAL MANAGEMENT

The aims of TERNA Group regarding the management of its capital are as follows:

- To ensure the ability of the Group to continue its activity (going-concern) and
- To secure a satisfactory capital structure and return for its shareholders.

(Amounts in thousands Euro, unless otherwise stated)

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 which is defined as: Adjusted Net Debt/Adjusted Equity. “Adjusted Net Debt” is defined as the sum of Loan liabilities, Bank lease liabilities minus cash and cash equivalents as they are presented in Statement of Financial Position. “Adjusted Equity” is defined as Equity plus Grants.

The ratio at the end of 2019 and 2018 was as follows:

	2019	**2018**
Interest bearing debt	270,071	283,883
Minus:		
Cash and Cash equivalents	(199,944)	(227,490)
Adjusted Net Debt	**70,127**	**56,393**
Equity	108,758	134,867
Grants	14,185	14,318
Adjusted Equity	**122,943**	**149,185**
Leverage ratio	**57.04%**	**37.80%**

47. CONTINGENT LIABILITIES AND ASSETS

47.1 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 for the period ended as at 31.12.2019.

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 3,250 (31.12.2018: 2,250).

Under circulars POL 1154/2017, POL 1191/2017, POL 1192/2017, POL 1194/2017 and POL. 1208/2017, the Governor of the Independent Public Revenue Authority (AADE) provided instructions for the equable implementation of what was approved under num. StE 1738/2017 (Olom.), StE 2932/2017, StE 2934/2017 and StE 2935/2017 decisions of the Council of State (StE) as well as num. 268/2017 Opinion of the Legal Council of the State (NSK).

The above circulars present a five-year limitation period - based on the general rule - for FYs from 2012 thereafter, as well as for the tax years for which the Code of Tax Procedure - CTP applies (from 2014 thereafter), except for special exceptions as defined in the relevant provisions of the CTP.

Therefore, and in accordance with the provisions of POL. 1192/2017, the right of the State for tax attribution until the fiscal year 2013 has expired within the fiscal year 2019, unless there is a case of application of the special provisions regarding 10, 15 and 20 years of limitation. 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.

Tax Compliance Certificate

For the years 2011 and until 2015, the companies of the Group operating in Greece and meeting the relevant criteria for tax auditing by the Certified Public Accountants have received a Certificate on Tax Compliance 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 audit and issue of the Tax Compliance Certificate is valid on a voluntary basis. In this context, a tax compliance certificate for the year 2016 and 2017 was not received by the parent company and the Greek subsidiaries. Regarding 2018, received Tax Compliance Certificate the parent company and most of the Group’s companies operating in Greece.

Similarly for the Group companies in Greece, which are compliant with the relevant criteria of being subject to the tax audit, the special audit for the issuance of the Tax Compliance Certificate for the year 2019 is in progress and the relevant tax certificates are to be issued after the publication of the financial statements of 31.12.2019. At the end of the tax audit, 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 2013 has lapsed unless the specific provisions on 10-year, 15-year, and 20-year limitation periods apply.

47.2 Commitments from construction contracts

The backlog of the construction contracts of the Group amounts to Euro 1,553 million on 31.12.2019 (Euro 1,507 million on 31.12.2018). Under these commitments, the Group has issued letters of guarantee at an amount of EUR 769 million (against Euro 851 million on 31.12.2018).

Claims of "Public Power Company SA" (PPC) against joint venture "METKA SA - TERNA SA " in the context of the final delivery of the unit V of Megalopolis B

In the context of the project "AHS Megalopolis - Study, Supply, Transport, Installation and Position in Unit 5 of the Combined Circuit Unit, Net Power in Reporting Conditions 811 MW, with Natural Gas Fuel / T&HGBU-11072251", whose contractor is the joint venture METKA SA - TERNA SA, the Public Power Corporation SA (PPC SA) disclosed to the contractor a letter/approval of the final acceptance protocol of the Unit, in which it raises claims of Euro 60,213,150.75 for criminal clauses, Euro 25,743,299.46 for the settlement of technical issues recorded in pending to be issued relative tables and Euro 2,400,000 for non-delivered spare parts and tools. The PPC withholds all the letters of guarantee provided by the contractor, while requesting an additional letter of guarantee of Euro 2,660,000 for parts of the equipment, regarding which the warranty period has not expired.
Respectively, the joint venture contractor submitted objections to PPC SA, which were not taken into account during the approval of the final acceptance protocol, in which the contractor submitted its own claims against PPC SA, totaling Euro 90,750,045.87 (an amount of Euro 82.649.328 concerning compensation claims). Regarding the claims made by the comparator, PPC SA recognized an amount of Euro 1,309,909.68, which was offset with the amount of its receivables. According to the legal

consultants handling the case, the dispute will be resolved through friendly negotiations, and should such negotiations fail - the contractor will resort to arbitration, the outcome of which is assessed by the joint venture's legal consultants as positive for joint venture METKA SA - TERNA SA, so that the final balance of the claims on both sides is not negative for the latter.

47.3 Court cases

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 possible negative 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 this amount can be reliably estimated. In this context, the Group has recognized as of 31.12.2019 provisions of 4,830 (31.12.2018 4,831) for litigations (see Note 24).

The Management, as well as the legal advisors, consider that, apart from the above-mentioned provisions, pending cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company or the results of their operation, beyond the already established provision for litigations.

Client claims against Joint Venture "SIEMENS A.G. - 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 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 € 22,062,281.10 plus interest as from 5.12.2014, 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 AG - 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 624,479.17 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 canceled. It has already been rescheduled for hearing on 18.03.2021.
At a stage prior to the aforementioned OSE litigation, the joint venture contractor of the project and the companies participating in it, as at 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 is to be issued. The decisions issued so far on the above dispute by both the Piraeus Court of Appeal and the Supreme Court, do not address the substance of the legal dispute, but only concern the formal issues.
The members of the joint venture "Siemens AG - 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.

Claims against Joint Venture «TERNA SA – SICES Construction SPA» in which the Group participates

On 20.12.2019, VIOTEK Anonymous Technical Commercial and Industrial Company (hereinafter “VIOTEK”) filed a litigation to the Athens Multi-Member Court of First Instance against the joint venture under the title “TERNA SA – SICES Construction SPA”, whose member is TERNA SA. The legal dispute arose under the project "Upgrading ELPE Elefsina refineries-Mechanical Works (Area 1)", regarding the contracting joint venture, which subcontracted to VIOTEK the operations of “Pre-construction and construction of the pipelines – construction of supports of the U32 unit”, in compliance with the agreement signed in July 2010. This project has been completed and finally delivered to the client on 02.05.2014.
Although on 04.03.2020 VIOTEK submitted to Athens Multi-Member Court of First Instance its resignation from the above lawsuit, it was expressly reserved regarding its re-exercising, stating that its resignation from the lawsuit is due to inability to pay the required court duties.
VIOTEK's claim against the joint venture amounts to Euro 14,534,450.06, plus legal interest and VAT.
The members of the joint venture "Terna SA - SICES Construction SPA" are jointly and severally liable to VIOTEK. 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 50% and SICES Construction SPA - by 50%, as arising from the private joint venture agreement as of 28.05.2010, as amended.
The legal consultants handling the case believe that VIOTEK's claim has little chance of success at court. However, the joint venture, in the event of a potentially adverse outcome of this case, has burdened the results of previous years by adjusting the estimated cost of the project.

47.4 Tender procedures

The Hellenic Competition Commission (HCC), ex officio audited TERNA SA, as well as almost all Greek Construction Companies, as well as a significant number of foreign companies concerning their actions and acts, which could be considered to be in breach of the relevant rules.

Further, our Company, pursuant to article 25a of Law 3959/2011 and the decision num. 628/2016 of HCC (Plenary Session), submitted, on the grounds of an apparent corporate interest and in order beneficial provisions of article 25A and 14 par. 2 case (id)(ee) of Law 3959/2011 and the decision with no. 628/2016 of HCC, regarding the terms, conditions and procedure for resolving disputes in cases of horizontal partnerships in violation of Article 1 of Law 3959/2011 and/or Article 101 of the Treaty on the Functioning of the European Union, the request to be subject to the prescribed disputes settlement procedures, i.e. through a consensual resolution process.

On 03.08.2017, the decision num. 642/09.03.2017 of the HCC was disclosed to the Company, whereby a fine of Euro 18,612 is imposed for violation of article 1 of Law 3959/2011 and article 101 of TFEU (for the period from 11.05.2005 to 04.01.2007 and from 04.06.2011 to 26.11.2012). The settlement procedure was finalized and the amount of the fine amounted to 18,612, which was paid in full within 2018.

Furthermore, according to the provisions of art. 44 par. 3 of Law 3959/2011, in combination with the article 73 par.4 case c) of Law 4412/2016 as in force today, after being amended by article 235 of Law 4635/2019, (Government Gazette A 167/30.10.2019) by subjecting it to article 25a of Law 3959/2011 and TERNA's payment of the administrative fine imposed, as stated, in total exemption from any other administrative sanctions, which undoubtedly includes the administrative exclusion from ongoing and future tender procedures or concessions.
Needless to note that TERNA SA, have voluntarily adopted a series of compliance and remedial measures, which are constantly evolving and updated, further demonstrating their credibility and solvency.

48. POST STATEMENT OF FINANCIAL POSITION REPORTING DATE EVENTS

- By January 2020, TERNA S.A. received financing of a total amount of 42 million, Euro 39 million of which has been allocated to an increase in the share capital of the affiliated company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. based on the terms of the concession agreement.

- On 06.02.2020, in line with the Terms of the Concession Agreement, the Greek State issued the "License for Establishment and Construction of the New International Airport of Heraklion, Crete" to the company INTERNATIONAL AIRPORT OF HERAKLION CRETE S.A. The above date is hereinafter the date of commencement of the concession. The project will be constructed entirely by TERNA SA. The contractual duration of the concession period is set at thirty-five (35) years from the date of commencement of the concession and includes a five-year study-construction period.

- On 30.03.2020, TERNA SA announced that in a joint venture with SIEMENS (association of companies SIEMENS - TERNA) the contractor of the project "Study, Supply and Installation of Two Conversion Stations and a Substation - Crystalline Substation was selected. As announced by "Ariadne Interconnection", a subsidiary of the IPTO Group, the total budget of the project amounts to 370 million euros. Of this, Euro 358.6 million relates to the construction of conversion stations and Euro 11.4 million to their maintenance. The contract has duration of 36 months and will be signed after its approval by the Court of Auditors. According to the same announcement, the project will be included for co-financing in the Operational Program "Competitiveness, Entrepreneurship and Innovation" in the framework of the NSRF 2014 - 2020.

- **Public Health Crisis caused by Coronavirus Pandemic (COVID-19)**

TERNA Group is one of the most significant Greek business groups, which holds a leading position in the infrastructure segment. The Management determines that the Group operates in the domains that are more defensive during the phases of the economic cycle. Furthermore, during the Greek financial crisis, (i.e. the most difficult and longest financial crisis in Europe), the Group has already demonstrated its ability to develop and strengthen its position in the market.

On 30.01.2020, the World Health Organization (WHO) declared that the spread of COVID-19 virus has generated an "extraordinary need for protecting international public health", and following further developments, on 11.03.2020, the WHO declared COVID- 19 pandemic that has spread worldwide. The spread of the virus is ongoing and, therefore, its effects cannot be estimated or quantified. Duration and severity of the effects are expected to be determined by the factors, such as: (i) whether the virus is subject to seasonal periodicity, (ii) how long it will take to develop effective methods of treating the disease (vaccine and/or treatment), (iii) the effectiveness of the fiscal and other measures of the countries as well as the decisions of the banking supervisory authorities to facilitate the banking institutions in providing liquidity and support to businesses and households.

In view of the above, and in accordance with the provisions of IAS 10 "Events after the Reporting Period", the pandemic is regarded as a non-adjusting event and is, therefore, not reflected in recognition and measurement of assets and liabilities in the annual financial statements of the Group and the Company for the year ended on 31.12.2019.

As stated in Morgan Stanley Report (published on 25.03.2020 under the title “Coronavirus: Recession, Response, Recovery”), falling demand and disruptions in supply chains in general are expected to lead to a global economic downturn. However, according to the report, the strong monetary and fiscal policies in place to stem the effects of the pandemic could function as the basis for a recovery, expected to begin in the second half of the current year.

The growing turmoil in the US economy seems to be crucial to this prospect. U.S. economists expect a full-year 2020 contraction of 3.0% instead of the previous 0.6% growth forecast. Such a decline would reduce global growth to 0.3% in 2020 from the 3.4% forecast before the outbreak of the pandemic (near the bottom of the global financial crisis of 2009, when the global economy shrank by 0.5%). Given the key assumption that the pandemic crisis is expected to peak in April / May 2020, most of the economic hardship could be concentrated in the first half of 2020, with the global economy shrinking by 0.6% and 2.1% on an annual basis %, respectively, in the first and second quarters of 2020. Subsequently and given the estimate that recovery will first appear in the third quarter of 2020, the global economy could recover to 4.8% in 2021, while growth of the Eurozone countries could recover by 5.5% in 2021. Furthermore, a related article in the Financial Times on the business segments that are more resilient during the economic cycle in terms of uncertainty and turmoil such as that of the pandemic, points out infrastructure segment.

As part of public health protection, many countries have adopted emergency, temporary and costly restraint measures (some countries have required companies to restrict or even suspend their usual business activities). Governments, including the Hellenic Republic, have imposed restrictions on traffic, travel, and have introduced strict quarantine measures. Specifically, in Greece, as from 20.03.2020, strict measures were gradually imposed until 04.05.2020 in order to safeguard public health and ensure economic survival of employees, businesses and protect the vulnerable groups. After 04.05.2020, the measures of the lockdown, implemented by the Greek Government, began to be gradually removed and the government's plan for the gradual transition to the new reality began to unfold.

The Group's management, with an extremely high sense of responsibility towards its customers, employees, suppliers, partners and investors, monitors developments regarding the coronavirus disease (COVID-19) and studies the potential risk factors that could affect the Group's financial position, operations, and results.

(i) Group Organizational Planning

At the same time, the Group implemented a program of safe repatriation of its executives and employees from Cyprus in full compliance with the decisions and instructions of the national authorities. In particular, on 01.04.2020, TERNA S.A. announced that the process of secure repatriation of approximately 400 employees from Cyprus, previously located at the Group's subsidiaries construction sites is being completed, following the Cypriot government's decision to close all sites in the country (the relative decision was revoked on 04.05.2020). For the vast majority of employees, the repatriation procedure is conducted through special flights organized by TERNA S.A. in collaboration with Aegean Airlines. For repatriated employees, all procedures provided by the State and the National Public Health Organization (NPHO) are followed and GEK TERNA Group has ensured their safe transition to their places of residence, both inside and outside Athens.

(ii) Effects of COVID-19 and measures to limit them

The Group has taken all the necessary measures in order to facilitate its going concern regarding its key operations, continuing its construction activities and strengthening its efforts aimed at stabilization of the Greek economy and employment.

As far as the operations of the Constructions Segment are concerned, the public policy measures that have been taken and / or will be taken by the Greek government in order to limit the spread of COVID-19 disease are not expected to significantly disrupt the operations of this segment.

The Management has examined the specific conditions that could have a significant impact on the business operations of the Constructions segment and the risks to which it is exposed. Based on the current events and circumstances regarding the spread of COVID-19 pandemic, such conditions are analyzed as follows:

- Delays in the projects implementation schedule: All construction projects in progress in Greece and abroad continue normally, always taking into account the instructions and protection measures announced by local countries and governments. It is to be noted that construction works that have been suspended (i.e. Ptolemaida V following the decision of the General Secretariat for Civil Protection due to increased COVID-19 cases in the region of western Macedonia as well as two projects undertaken by the Group in Cyprus due to similar decisions of the Cypriot government) have been restarted. Regarding potentially minor delays that may occur in the construction projects due to COVID-19 pandemic, the Group is not exposed to the risk of non-compliance with the contractual schedules, since the relevant deadlines are extended accordingly. In addition, it is worth noting that construction contracts also include the relevant terms regarding delays arising from the events that could not be foreseen (force majeure events), providing an additional contractual level of security regarding the progress of projects and their performance/ compensation.

- Difficulties pertaining to adequacy of the supplies that are critical to construction projects: the particular needs have been timely identified and the appropriate arrangements have been made with key suppliers collaborating with the Group, with whom long-term trade relations have been established. No such delays are expected. Regarding construction projects at a particularly advanced stage of construction, it does not seem that such a need will arise, as the volumes of the remaining supplies are of such a size that no issue is expected to arise. Regarding the construction projects that are at the early stages of implementations, such issues have also been reviewed for the existence of alternative distribution networks, in the unlikely remote case the existing suppliers cannot meet the requirements of the Group's supplies (no such possibility).

- Delays in project assignments: Notwithstanding extraordinary critical circumstances arising due to the global public health crisis, the Greek state has not yet announced suspension of any project assignments procedures, as an initiative for practical support to the Greek economy. However, according to Article 60/Legislative Act (PNP) 20.03.2020, as long as immediate risk of COVID-19 spread is still effective, confirmed by a decision of the Minister of Healthcare, and for a period not exceeding six (6) months from the entry into force of the Legislative Act, following a decision of the competent Minister, as the case may be, a series of measures can be taken, such as (a) postponing public tenders, (b) extending the date for submitting applications or offers in cases where a notice has been published, (c) granting an extension for any kind of contractual term, for a period of time to be determined by the relevant decision.

- In the context of COVID-19 pandemic, credit risk is limited to the probability that customers will not meet the agreed-upon repayment terms. Significant delays in project payment schedules, based on current data, are not estimated to exist. The Management's estimates are based on the following factors: (a) firstly, that the Greek State owns most of the construction projects undertaken by the Group, and, in most cases, has constantly uninterrupted flow of resources (e.g. European resources or resources secured by concession companies which have assigned construction projects to Terna S.A.) and (b) secondly, that support packages for the economy of European countries are already expected to be delivered by the European Central Bank (ECB) in order to mitigate the economic effects of COVID-19.

As universally known, construction works constitute one of the cornerstones for the recovery of the economy - and TERNA S.A. is in an advantageous position due to (a) its dominant position in the construction industry in combination with the experienced and proven effective management team, (b) its strong financial position, which facilitates it to support timely completion of all projects that it has and/or will undertake, (c) the significant tendency regarding decreases in the prices of raw materials/commodities (such as diesel, asphalt, steel, etc.) and (d) the support of the Group by the Greek banking system and by insurance companies, facilitating significant level of available limits set for the issuance of letters of guarantee.

Given the need to boost the economic recovery as a result of COVID-19 crisis, the Minister of Infrastructure and Transport has stated that the start of major projects is an immediate priority for the Greek Government. In particular, the Minister commented that the Greek Government intends to alter the institutional framework for tender procedures, so as to speed up licensing to include in strategic investments the major infrastructure projects, exceeding 13 billion Euro.

Summary
The economic impact of the current crisis on the global economy and overall business activities cannot be currently assessed with reasonable certainty, given the rate of COVID-19 spread, on one hand, and the high level of uncertainty arising from the inability to reliably foresee the result, on the other hand.

As far as the financial position of the Group is concerned, as at the reporting date of the Annual Separate and Consolidated Financial Statements for the period ended 31.12.2019, as well as currently, the Group maintains sufficient capital adequacy and liquidity and continues to fully comply with its obligations to suppliers, the Greek State, insurance companies, creditors, etc.

In conclusion, all the above factors were reviewed in order to assess the effects of COVID-19 on the Group's operations within 2020, regarding which inherent uncertainty is effective, given the current events and circumstances as at the accompanying financial statements approval date. The Management estimates that there is no uncertainty regarding the Company's and its subsidiaries' ability to continue as a going concern, which is the key prerequisites for the preparation of the financial statements.

49. APPROVAL OF FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the year ended as at 31.12.2019 were approved by the Board of Directors of GEK TERNA S.A. on 29.05.2020.

CHAIRMAN of BoD	THE EXECUTIVE DIRETOR
MICHAIL GOURZIS	ALEXANDROS MICHAILIDIS
CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
PANAGIOTIS KAZANTZIS	IOANNIS PAPADAKIS