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 2021

In accordance with the International Financial Reporting Standards

that have been adopted by the European Union

CONTENTS

I. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR FY 2021 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 TERNA TOURIST TECHNICAL AND MARITIME SOCIETE ANONYME, we submit the annual management report of the Board of Directors for the closing year from 01.01.2021 to 31.12.2021.

The present Report contains financial and non-financial information of the Group TERNA for the fiscal year 2021 and describes the most important events that took place before and after the reference date of the financial statements. It also describes the main risks and uncertainties that the Group may face during 2022.

A. Financial Developments and Performance for the year 2021

2021 was a year of strong recovery for the country of Greece, as it achieved a GDP growth rate of 8.3% according to the first official estimate of the Hellenic Statistical Service, in relation to the year 2020, mainly as a result of the strengthening of both investments and net exports despite the continuation of the various problems, even with lower intensity, due to the COVID-19 pandemic.

According to the report of the Bank of Greece, the Greek economy was expected to grow further by 4.8% in 2022. The improvement of the business climate and the national recovery plan through income and investment support were expected to play an important role for the recovery. However, the recent events relating to the resolution of geopolitical issues, in combination with the energy crisis, have additionally affected the GDP growth forecasts. As a result, the growth of the Greek economy is estimated by the Bank of Greece to be confined to about 3.8% according to the baseline scenario for year 2022 and to 2.8% based on the unfavorable scenario.

An important component towards the growth of the economy, is the contribution of the Fund for Recovery and Resilience, which is estimated that in the coming years (until 2026) will contribute over 30.0 billion euros in total, through grants and loans on favorable terms. This in turn will further solidify the Greek economy and its competitiveness in general, as the largest percentage of funds is expected to be absorbed in the areas of green investments, digital transition, and social cohesion.

The further growth of the Greek economy is estimated to lead to the recovery of the country's "investment grade" which will result in the inflow of new investment funds, which will work positively towards an even greater growth potential. Finally, in the context of improving the total cost of servicing the public debt, the Greek State made the early repayment of the remaining loan of the IMF amounting to 1.86 billion euros, proving the successful realization of the reform commitments.

The existing expectation over the improvement of the macroeconomic performance of Greece has been confirmed with the first issuance of the 10-year bond during the current year by the Greek Government, through which 3.0 billion euros were raised with a coupon rate of 1.75% and a yield of 1.836%, while the issue was covered by five (5) times.

In 2021, according to Bank of Greece, harmonized inflation in Greece was 0.6%, mainly due to the upward trend in energy and food prices and was significantly lower than the Eurozone average.

(Amounts in thousands Euro, unless otherwise stated)

Despite the prevailing uncertainty, the outlook for the Greek economy remains positive in the medium term, as conditions are now more favorable towards a change in the pattern of economic growth, which is expected to come to a greater extent from investment expenditures.

In this constantly changing economic and geopolitical environment, TERNA Group is one of the most important Greek corporate groups and holds a leading position in the field of construction of infrastructure projects.

The main consolidated Financial Elements & Data of 2021 based on the International Financial Reporting Standards compared to the corresponding figures of year 2020, are as follows:

Turnover from continuing operations to third parties amounted to 484 million euros, compared to 505 million euros in 2020, posting a decrease of 21 million euros.

Turnover, which amounted to 484 million euros, was attributed to activities in Greece by 87.4% (versus 86.7% in the previous period), to activities in Balkan countries by 8.5% (6.4% in the comparative period) and to activities in Middle East countries by 2.2% (5.7% during the previous comparative period), while 1.9% (1.2% in the comparative period) concerned Other regions.

The backlog of signed construction contracts on 31.12.2021 amounts to approximately 2,422 million euros compared to the amount of 1,510 million euros at the end of 2020. By the date of approval of the financial statements, new contracts amounting to 287 million euros have been signed whereas the Group expects to sign contracts for new projects for which it has been approved, amounting to 2.1 billion euros. It is noted that 11.6% (18.2% at the end of the previous year) of the construction backlog relates to projects performed abroad.

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 as presented in Note 34.

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 EBIT and EBITDA figures for the financial years 2021 and 2020 for the Group are presented as follows:

	GROUP	
	31.12.2021	**31.12.2020 ***
Gross profit	50,594	33,876
Administrative and distribution expenses	(28,884)	(33,772)
Research and development expenses	(1,266)	(1,177)
Other income/(expenses) attributable to EBIT	9,932	(2,948)
Earnings Before Interest and Taxes (EBIT)	**30,376**	**(4,021)**
Net depreciation	13,018	13,836
EBITDA	**43,394**	**9,815**

* The comparative figures for financial year 2020 have been revised by the change in the accounting policy of IAS 19 (see Explanatory Note 2.7.3 to the Financial Statements).

Profit before taxes amounted to 36.8 million euros, compared to losses of 15.9 million euros in 2020. The increase in Profit before taxes is mainly due to the improvement of the profit margin of the projects currently executed.

The results after taxes and non-controlling interests amounted to earnings of 29.3 million euros compared to losses of 15.5 million euros in 2020.

The Group's Net Debt Position (loan liabilities, including lease liabilities due to banks less cash and cash equivalents) amounted to minus 79.5 million euros on 31.12.2021 compared to minus 66.4 million euros on 31.12.2020, since the cash and cash equivalents exceed the loan obligations of the Group.

The Total Assets of the Group on 31.12.2021 amounted to 1,007.9 million euros compared to 900.1 million euros on 31.12.2020.

In the section "B. Significant events for the financial year 2021", the most important events of the period are presented in detail.

B. Significant Events for the Financial Year 2021

In 2021, the following significant events took place:

- On 18.01.2021, the European Commission approved the financing, by the Greek State of the construction of the northern part of the E65 motorway, of Deferred Section B or "ATB", which includes the subdivisions M/W Trikala – M/W Grevena (32,450km) and M/W Grevena – M/W Egnatia "(30,610km).
- Following the catastrophic earthquake of 03.03.2021 that struck the municipality of Tyrnavos, which resulted in irreparable damage to the school in Damasi Tyrnavos, the Company submitted an application to donate 1.2 million euros for the construction of a new school, to replace the old one. The work was completed in August 2021 and the school is already operational.
- On 22.03.2021 the Company signed with the National Railway Infrastructure Company of Bulgaria (NRIC) for the construction of the project "Construction of railway infrastructure and electrification of the Petrarch - Dragoman section and design, construction and supervision by the designer of the signaling and telecommunications of the part Voluiak - Dragoman ", with Budget Euro 154.7 million and with a construction period of 48 months.
- On 22.07.2021, the Joint Venture TERNA – KONSTANTINIDIS, into which the Company participates by 55%, signed an agreement with DESFA, for the project REVITHOUSA LNG TERMINAL, of contractual amount of 13.7 million euros and construction duration 18 months.
- On 28.07.2021 the Company signed with the companies ARKADIKOS ILIOS ENA SPSA AND ARKADIKOS ILIOS DIO SPSA a contract for the construction and placement into operation of 2 photovoltaic stations in the position Megales Lakkes of Megalopolis Municipality, with contractual amount of 23.8 million euros and with construction duration of 13 months.
- On 03.08.2021 the Joint Venture CENTRAL GREECE MOTORWAY E65, in which TERNA participates with 95% and the affiliated company TERNA ENERGY participates with 5%, signed the amendment

of the Construction Study Contract (CSC) of the project “Study, Construction, Financing, Operation, Maintenance and Exploitation of Central Greece Motorway (E65)”. With the above amendment it was assigned to the said J/V the completion of the Constructions of the Deferred Section B or "ATB" and includes the subdivisions I/C Trikala - I/C Grevena (32.450km) and I/C Grevena - I/C Egnatia (30.61km) for a total price of 442.1 million euros and with an execution duration of 36 months.

- On 06.08.2021 the Company signed a contract with the company PIRAEUS TOWER S.A. for the project "A Phase - Dismantling of an existing facade and installation of new glass curtains with blinds - Piraeus Tower", based on an indicative contract amount of 15.4 million euros and with a construction period until 31.12.2022 at the latest.
- On 24.08.2021 the Company signed a contract with the Ministry of Infrastructure and Transport for the project "Rehabilitation of damage to existing roads and other infrastructure in the Region of Thessaly caused by the cyclone IANOS on September 18 & 19, 2020" with a construction contract 108.4 million euros and construction duration 18 months.
- On 31.08.2021 the assignment of construction of the Combined Cycle Gas Turbine Station with fuel gas in Komotini was signed by the Groups MOTOR OIL and GEK TERNA, marking the beginning of the construction phase of the project.

  KOMOTINI THERMOELECTRIC, a company in which MOTOR OIL RENEWABLE ENERGY (MORE) and GEK TERNA participate jointly, with a percentage of 50% each, assigned the construction of the above Station to TERNA S.A., which in turn signed a supply contract with Siemens Energy for the basic equipment of the 877 MW capacity generating unit.

  The total cost of construction amounts to 345 million euros and the cost of the total investment is estimated at 375 million euros. It is noted that 500 jobs will be created during the construction phase of the Station, while 100 jobs will be created during the operation period. The commercial operation of the unit is scheduled for the beginning of the year 2024.
- On 07.09.2021, the Civil Aviation Service (C.A.S.) decided the approval of section B1 (according to article 3.1.29.A of the Concession Agreement) of the Renewed Updated Basic Project Development Plan "Design - Construction - Financier - Operation - Maintenance and Exploitation of the New International Airport of Crete & Design - Construction and Financing of its Road Connections" as submitted to the C.A.S. by the Independent Engineer of Hill International.
- On 15.09.2021 the Company signed a contract with DESFA for the construction of a building where the installation of the compressor of Revythousa Station will take place, together with the installation of entire auxiliary equipment and networks, based on a contractual amount of 11.9 million euros and with the construction period set at 22 months.
- On 15.11.2021 the Company signed a contract with ATHENS MEDICAL for the construction of a new four-story building with artificial kidney unit, with a budget of 9.45 million euros and a construction period of 270 days.
- On 17.12.2021 the Company signed a contract with the MINISTRY OF IMMIGRATION & ASYLUM for the Construction of Regional Services, structures, and separate areas on the island of Lesvos

and on the island of Chios, and for the upgrade of the existing Structure at the Evros Outpost, for a total amount of 132.3 million euros and with construction term of 8 months.

- On 21.12.2021, the Company signed a contract with DESFA, for the construction of a new gas compression station in Ampelia, Thessaly, Greece amounting to 54.9 million euros and with the construction period set at 26 months. The contract includes electromechanical studies and Civil Engineering projects for the construction of buildings and road infrastructure, as well as the installation of automatic measuring and monitoring systems for the safe operation of gas processing and supply to compressors and the injection of compressed gas into the national network, performance tests and preparation, initiation, and commissioning services of the Station, as well as training of DESFA personnel.
- On 29.12.2021 the Association of Persons SAIPEM LTD - TERNA signed a contract with GASTRADE for an offshore floating reception unit, temporary storage and regasification (LNG FSRU - Floating Storage and Regasification Unit) and for a system of high-pressure transmission pipelines with a contractual budget for the company TERNA SA of 13.5 million euros and with a construction period of two (2) years.

C. Significant Events after the end of the period 01.01 – 31.12.2021

From 01.01.2022 until the date of approval of the attached financial statements, the following significant events occurred:

- On 12.01.2022 the Company signed a contract with OURANIA INVESTMENT S.A. for the project "Demolition of a Building (gas station), Metal Roofs & Demolition of Asphalt / Construction of a New Complex of Office Buildings with 2 basements at 64, October 26 Street & Frixou Street in Thessaloniki" of an indicative contractual amount of 42.6 million euros with a planned duration of up to 30.06.2023.
- On 20.01.2021 the first phase of the corporate transformation of GEK TERNA Group was completed, i.e., the transfer to GEK TERNA KASTELI S.M.S.A. of the interests held by TERNA S.A. in the company under the name INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION S.A. and of the secondary subordinated debt bonds of the above company undertaken by TERNA S.A.
- On 26.01.2022 the Company signed the contract for the construction of the 6th Electricity Generation Unit at the Vasilikos Power Plant, with the Cyprus Electricity Authority (CEA).

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

  The unit, with a total maximum capacity of 160 MW will consist of two gas turbines, two heat recovery boilers and a steam turbine and will run on natural gas as the main fuel, while it will be able to operate on diesel as an alternative fuel.
- On 11.02.2022 PIRAEUS TOWER S.A. and TERNA S.A. signed the contract for the 2nd phase of the Construction and electromechanical works for the completion of communal installations, basements, roofs and premises of Piraeus Tower.

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

- On 15.03.2022 the Joint Venture APION KLEOS, in which TERNA participates with 28.7%, signed with the Concession company OLYMPIA ODOS S.A. the amendment of the Construction & Study Contract (CSC) of the project "Elefsina-Corinth-Patra-Pyrgos-Tsakona" for the re-inclusion of Patras-Pyrgos Road section in the project of Olympia Odos, with a contractual price of 295 million euros.
- On 31.03.2022 the Joint Venture TERNA - THEMELI, in which TERNA participates with 50%, signed with ATTICA METRO a contract for the execution of the project "Extension of a Tram depot to Elliniko", a contractual amount of 10.3 million euros.

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.

1) Financial risk

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 analyzed 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

Credit risk is the possibility that counterparty will cause financial loss to the Group and the Company due to the breach of its contractual obligations.

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.

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 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: the 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 lev (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

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

The Group's policy is to minimize its exposure to the interest rate risk of long-term financing. Under this policy, medium-term loans are mainly in Euro, with fixed spread and a floating base interest rate linked to Euribor.

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.

These loans are repaid either through collections of trade receivables, 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 the floating interest rates amounting to +/-20% (2020: +/-20% as well). 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.

(Amounts in thousands Euro, unless otherwise stated)

	2021		**2020**	
	20%	-20%	20%	-20%
Net earnings after income tax (from interest bearing liabilities)	0.0	0.0	(0.4)	0.4
Net earnings after income tax (from interest earning assets)	0.0	0.0	0.5	(0.5)

The Group is not exposed to other interest rate risks.

Market risk analysis

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

Liquidity risk analysis

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations when required. The Group's liquidity risk is kept low.

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.

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

The performance of the Greek economy for 2021 was positive since the achieved growth rate was at a rate of 8.3%.

Despite the significant increase in the GDP growth in Greece and in the world economy, as early as August 2021, there were signs of an impending energy crisis, the duration and magnitude of which were uncertain.

The energy crisis in Greece created a significant impact on rising prices for raw materials, fuel, transport, and all consumer products, given that most of the energy consumables are imported.

With these data, the initial estimations for the growth of the economy was expected to be 4.5% per year, with a simultaneously increase in the disposable income of the households.

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

The Group is one of the most significant Greek business groups, which holds a leading position in the segment of infrastructure projects. The Group has already proved during the Greek financial crisis, (namely the most difficult and longest financial crisis in Europe), its ability to develop and strengthen its position in the market.

Following the rapid spread of COVID-19 cases and its mutations worldwide in 2020, the World Health Organization declared COVID-19 a Pandemic. In addition to the significant number of deaths, the pandemic led to an unprecedented crisis in the global health and economy. Specifically, in 2020 the negative effects resulted into a decrease of GDP by 6% in the world economy and by 8.2% in the Greek economy.

The global impact of the pandemic has resulted in the European Union being forced to approve Euro 1.824 billion in funding to help its members deal with the effects of the COVID-19 pandemic on the European economy. Greece is expected to raise Euro 72 billion, Euro 31 billion from all of this funding through the Recovery and Sustainability Fund (Euro 18 billion in grants, Euro 13 billion in loans and Euro 40 billion through the NSRF Cohesion Fund for the period 2021-2027.

Although the problems of the COVID-19 pandemic and its mutations were not eliminated in 2021, the experience gained in protecting the population from coronavirus infections, as well as finding effective vaccines for at least a certain period of time, ensured the protection of a significant proportion of those vaccinated, either as a whole or by minimizing the complications of the disease.

The significant increase in the percentage of vaccinated people in all developed countries has enabled the free transportation of populations, significantly improving the functionality of economies worldwide. At the same time the restrictions in products transportation have been lifted, aimed to prevent transmission of the virus from one region to another.

The increase in the percentage of the vaccinated people in Greece resulted in the partial and / or total lifting of travel restrictions, which resulted in the first signs of recovery during the first half of 2021. During the second half of 2021, the free movement of tourists was allowed, which due to its nature had a significant impact on the Greek economy, resulting into a growth rate of 8.3% for the year 2021.

The Management of the Group with an extremely high sense of responsibility, towards its customers, employees, suppliers and partners, monitors the developments regarding the coronavirus pandemic (COVID-19), studying the possible risk factors that could affect the financial position, activities and results of the Group.

(i) Group Organizational Planning

The Group, faithful to its development strategy and the implementation of its vision, constantly improves and modernizes its structures and operating systems, carefully selects the executives needed from the market, trains its staff in modern digital systems and the obligation compliance with the provisions of the corporate governance system, the other provisions of the Internal Regulation of Operation, as well as the rules imposed by the competent bodies of the State for the relations of companies with the members of their Board of Directors. Also, reacting quickly and sensitively to its human resources, it took all the necessary measures, set up a special committee to deal with the coronavirus and made sure that ALL of its employees have the absolute protection and care against COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is immediately informed of each critical factor of its spread and guides the necessary actions to be taken by the Management and each employee throughout the Group in order to minimize the risks of the phenomenon and their impact on the course of the company.

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.

(ii) Effects of COVID-19 per basic operating segment of the Group and 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. In detail per segment:

- **Construction**

In the Construction operations of the Group, some small delays occurred, however none of the existing signed contracts were canceled and at the same time the tender procedures were completed, and new construction contracts were signed. In this context, the construction works continued smoothly within the year 2021 as well, but without achieving in some cases the rate of execution envisaged under the original program.

Regarding the delays that occurred, it is noted that the Group does not face the risk of non-compliance with the contractual schedules, as the relevant deadlines are extended accordingly. It should be noted that the construction contracts also include relevant terms regarding force majeure events, providing an additional contractual level of security regarding the progress of the projects and their performance / compensation.

The need to boost the economic recovery as a result of the COVID-19 crisis, according to the competent Minister of Infrastructure and Transport, requires the initiation of major projects, which is one of the immediate priorities of the Greek Government. Towards this end, the Greek Government has changed the institutional framework of the tender procedures, in order to speed up the licensing to include in the law of strategic investments the large infrastructure projects, which exceed Euro 30 billion, of which a significant part is estimated to be executed by the Group.

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

- **Quarry / Industry**

The activities of the Group in relation to the extraction and processing of magnesite and then to the production of magnesite products, which are almost entirely exported to various countries, has decreased significantly due to the COVID-19 pandemic, as a result of the problems created in the transfer of goods in customers.

The particular activity of the Group decreased in terms of the production of limestone products for the first half of 2021, pending the normalization of the market, while at the same time it restructured the production process for the optimal use of the existing equipment for the extraction of stocks of limestone. In the second half of 2021, the Group increased production to some extent in the above operating segment, expecting the gradual normalization of the market in which these products are used.

Summary

The coronavirus pandemic (COVID-19) continues to negatively, although with decelerating intensity, affect the global economy, the consequences of which, unless a new variant emerges that is not covered by the existing drugs and vaccines, will allow for a positive outlook in relation to dealing with the pandemic. The Management estimates that the operation, the financial performance, the cash flows and the financial position of the Group will not be significantly affected.

3) Other risks and uncertainties

Geopolitical risk

The existence of disputes between states over the interpretation of existing international conventions on the exploitation of land or subsoil creates the need for increased costs related to defense equipment, which would otherwise be channeled into welfare funds or productive investment initiatives through the annual budgets of the states.

The non-peaceful settlement of disputes, even in countries that do not border directly with our country, can create problems in the Greek economy due to the globalization of the markets main concerns, as well as due to the lack of produced raw materials - goods, which are essential elements for the proper functioning of the economy.

The Greek economy, which started with a strong dynamic and improved expectations for the year 2022, was faced in mid-February with a new incremental risk which might have a negative impact on its GDP growth potential. The additional risk stems from the recent geopolitical conditions in Ukraine, which have caused a significant increase in prices for certain consumables (fuel, wheat, fertilizers, etc.), resulting into a substantial burden on the economies of the European Union -including the Greek economy- and depending on the degree of dependence they had on those countries.

Backlogs of the construction contracts

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 to its objective will not be performed. The backlogs of the Group's construction contracts may be imposed to fluctuation regarding delays in the projects’ execution and/or collection of receivables or/and inability to fulfill contractual obligations.

Tender procedures' evolution

Law 4782/2021, published on 09.03.2021, reformed the existing regulatory framework for public procurement under Law 4412/2016, which incorporates in the Greek Legislation Directives 2014/24/EU (L 94/65) and 2014/25/ EU (L 94/243) as well as Laws 3433/2006 (A' 20), 3883/2010 (A' 167) and 3978/2011 (A '137) which regulate the issues of public procurement in defense and security sectors. According to the explanatory memorandum, Part A' reforms provisions of Law 4412/2016 that constitutes the existing regulatory framework for issues of public procurements, services and projects in order to simplify and clarify the legal provisions, reduce bureaucracy, increase the effectiveness of public procurement and projects implementation, expand the use of electronic means (e-procurement), increase participation of small and medium-sized enterprises in public procurement procedures and address irregularities, such as the issue of excessively low bids and excessive attachment to formality to the substance of the bids. Law 4412/2016 presented a number of problems that contracting authorities as well as the economic operators had identified. The attempt to address such irregularities was fragmented and, quite often, insufficient. It is symptomatic that the provisions of Law 4412/2016 had been amended more than 300 times. However, the current economic conditions have generated the need to increase the efficiency of the procedures for preparation, assignment, and implementation of public procurements in order to speed up the relevant procedures, while improving the quality of goods, services and projects supplied by the State without jeopardizing the issues of transparency and integrity. Moreover, the effectiveness of the public procurement system is expected to reinforce the capacity of the Greek State in public investments, as well as in faster absorption and utilization of EU funds and financial facilities, in particular, in view of NSRF 2021-2027 program period and the Recovery of and Resilience Fund (RRF) aimed at supporting reorganization and improving resilience to crises of the economies of the European Union Member States. Realization of the above objectives will be evident through the implementation of the above institutional framework.

It is noted that with Law 4903/2022 (Part A', articles 1 to 14 thereof), a framework for the submission, evaluation and approval of innovation proposals was established, at the initiative of the private sector, regarding large infrastructure projects which exceed the amount of two hundred million (200,000,000) euros (without VAT), which characteristics of innovation and complexity, promote regional development, contribute to the national economy and are to be implemented through contracts, concessions and public-private partnerships (P.P.P.). This legislation regulates the minimum content of an innovation proposal (minimum level of maturity), incentives for the submission of innovation proposals, as well as procedures aimed at respecting the principles of transparency and equal treatment of tenderers, at the stage of tendering projects, which have been proposed in the context of the submission of an innovation proposal.

Climate change risk

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

Cyber Security Risk

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

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

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

- Perimeter Security (Firewall)
- The security of the Group's network
- The security of executives' computers (Firewall and Antivirus)
- The technological security of the Servers (Specially configured restricted areas, Antivirus,) where the data are stored
- Secure remote access for users (use of secure VPN channel)
- The monitoring of Cybersecurity events in real time by specialized external partners
- The availability of services through the existence of Disaster Recovery Plan (DRP)
- The continuous training and information of the executives in matters of Cyber Security
- Supervision and coordination of Cybersecurity issues by experienced external partners (CISO chief information security officer)
- Strong password and user authentication policies
- Protect email from Phishing and Spam attacks

E. Non-Financial Information Report 2021

Introduction

This present Non-Financial statement relates to the fiscal year ended on the 31st of December 2021. The Statement has been prepared in accordance with the provisions of the Law 4403/2016 and includes information on the performance of the Terna Group of Companies related to the following sections:

- Combating corruption
- Supply Chain issues
- Respect for human rights
- Social and labor issues
- Environmental and energy 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 sections.

TERNA Group

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 2.4 billion euros. Until the date of approval of the financial statements, new contracts amounting to 287 million euros have been signed whereas the Group expects to sign contracts for new projects for which it has been approved, amounting to 2.1 billion euros.

Risk management and main non-financial risks

The risk management policy implemented by the Group aims to eliminate the negative impact on financial results but also on the wider strategic perspective of its operation, arising from uncertainty in financial markets and changes in costs and sales.

The persistence of macroeconomic uncertainty, market risks (fluctuations in exchange rates, interest rates, market prices, etc.) credit risk, and liquidity risk are the most important financial risks for the Group. Furthermore, the Group has categorized its non-financial risks into three categories: risks related to **Governance, Environment and Society**. To address non-financial risks, the Group adopts mitigation policies.

Sustainable Development Policy and stakeholder consultation

The Group's Sustainable Development Policy is based on stakeholder dialogue and the identification and assessment of the most important economic, social and environmental impacts of its activities. At the same time, the strategy, which is constantly expanding and improving for the benefit of shareholders, investors, employees, and society at large, aims to enhance the positive impacts and reduce the negative ones, through best practices, sustainable initiatives, and reliable partnerships.

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

1. Environmental protection,
2. Promotion of Human Value,
3. Strengthening the Social Footprint,
4. Development of a Responsible Market

Governance

Corporate Governance is the set of principles, established rules and business practices applied by public limited companies for their organization, operation, management, and control, to ensure business continuity and therefore their ability to create value for their shareholders and other stakeholders. The responsible and good Corporate Governance that the Group promotes across the whole range of its activities, is reflected in the Greek Code of Corporate Governance that the Management has adopted.

As the higher governing body, the Board of Directors lays down the guidelines and ensures the effective implementation of the strategy, aiming at safeguarding and promoting the long-term interests of all shareholders, applying terms and methods that establish the company's credibility within the business community and the wider social environment, ensuring, at the same time, respect for and towards any businessperson.

Data Privacy Policy and use of cookies

For TERNA Group, the protection of the personal data of individuals who interact in any way with its companies is of paramount importance. For this reason, the Group implements a policy for the protection of personal data and has developed and implements an Information Security Management System, certified according to the international standard ISO / IEC 27001.

For the purposes of conducting business activities, the Group processes personal data which results to identification relating to natural persons (such as, for example, the company's customers, suppliers, shareholders and investors, as well as ordinary users of the website), in accordance with the European legislation on the General Data Protection Regulation (GDPR 2016/679) and Law 4624/2019.

In the context of ensuring a level of security proportionate to the criticality and confidentiality of the moving data and information, a Head of Information Security Management System has been appointed who collaborates with the Group Chief Information Security Officer (CISO). In addition, the Board is regularly informed on issues relating to data security during its meetings.

Principles in relation to Data Protection

All the processing of the Organization's personal data must be carried out in accordance with the principles of personal data protection as set out in Article 5 of the GDPR, which are as follows:

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

Fight against corruption

Combatting corruption is a critical pillar of the Group's operation, while the Group is committed to demonstrating zero tolerance for such incidents by ensuring that transparency, business ethics, and regulatory compliance are diffused throughout the range of activities and dictate the professional behavior of its people. 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 the Code of Ethics and Conduct.
- Implements a Regulatory Compliance and Anti-Bribery Management System according to the international standards ISO 37001 and ISO 19600.

- Defines specific Policies such as Regulatory Compliance and Corruption and Bribery Control Policy, Gift Policy, Donation and Sponsorship Policy, Travel and Hospitality Expenses Policy, Unhealthy Competition Policy, Conflict of Interest Policy, Affiliate Policy.
- Recognizes and evaluates risks of regulatory compliance, corruption and bribery and takes necessary precautionary measures where required.
- Monitors the proper implementation of the Code of Ethics and Conduct on a daily basis.
- Organizes targeted training and updates, with physical presence and through e-learning, on the Code of Ethics and policies and procedures to combat Corruption and Bribery for all employees.
- Provides the necessary communication channels for the submission of reports / complaints to all interest parties that ensure the anonymity and protection of the petitioner.
- Ensures the possibility of reporting to the Board of Directors regarding any deviations or concerns with the implementation of the Code.
- Implements due diligence actions to prevent and address issues of corruption and bribery.
- Evaluates partners, suppliers on issues of regulatory compliance, corruption and bribery.
- Evaluates discrepancies and takes the necessary legal action.

Code of Conduct

The Group Code of Ethics and Conduct is a reference point for all its employees and associates (suppliers, subcontractors), as it is the basic framework of principles and values that should characterize their professional behavior. The Code reflects the 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 content of the Code is in accordance with the general principles provided by the International Regulations and Conventions as well as by the international standards ISO 9001, ISO14001, ISO 45001, ISO 39001, ISO 19600, ISO 37001, ISO 50001 and SA 8000. The Code's application extends to all companies and subsidiaries of the Group, nationally and internationally, concerns all areas of activity, and is taken into account in the partnerships and joint ventures in which it participates.

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

The Group organizes trainings and targeted updates of the staff on an annual basis that aim to raise awareness and continuously advise on issues and methods to combat corruption. From the first day of their employment, all employees are informed about the content of the Code, ratifying it by signing the employment contract, which includes an official report.

In the context of the correct use of the Code of Ethics and Conduct of the GEK TERNA Group, the following communication channels are available with the Regulatory Compliance Unit for reports of cases of fraud, corruption, bribery, conflict of interest, harassment at work, and deviations from the Code of Ethics and Conduct in general:

- Send e-mail to compliance@gekterna.com
- Use of the platform https://gekterna.integrityline.com/frontpage-

- Sending a letter to the address: "GEK TERNA SA" Mesogeion Ave 85, 115 26, Athens, in view of the "Regulatory Compliance Unit" of the Company with the indication "Confidential".

TERNA does not show any tolerance in cases of retaliation against the employees who have made reports on the issues related to the Code. Retaliation can include threats, intimidation, exclusion, degrading treatment, malicious comments, and behavior, etc. In case such behavior comes to the notice of the Group, it is reported immediately utilizing the mechanisms mentioned above.

The Regulatory Compliance Officer is responsible for investigating and evaluating any complaint, taking the necessary corrective actions within the framework of current legislation and Group policies.

In case of deviations from the Code of Ethics and Conduct, the legal actions provided by the current institutional framework and the Labor Code, may include the termination of cooperation, the imposition of a fine and / or penalty, and the activation of civil and criminal proceedings.

Supply Chain Issues

The Group’s business activities, in the whole range of its supply chain, are carried out provided that the 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 who to its end adopts and implements the necessary policies and actions:

- The relevant insurance and labor law.
- 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

Responsible management of the supply chain is at the center of the Group's effort to create long-term value throughout its business operation, and through the establishment of responsible business relationships with its suppliers and partners. The Group recognizes that the responsible management of the supply chain requires responsible collaborations with mutual contribution and dialogue from all contracting parties.

In this direction, the Group communicates the minimum cooperation requirements and ensures that its cooperating suppliers comply with environmental, energy and social criteria, such as their certification to international standards, e.g. ISO 14001 and ISO 50001, the implementation of policies and procedures for the protection of the environment and society as a whole, the availability and use of materials and equipment which, in addition to their suitability and usability and with the least possible risk to the user and the environment, are environmentally friendly and belong to a high energy class of low energy consumption. Required cooperation terms, applicable to any supplier, are the full compliance with the regulatory framework for Health and Safety as well as the observance of the Group’s Code of Ethics and Conduct.

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

Prioritizing domestic suppliers

The Group has been expanding, up until today, its activities in Greece and abroad, with a constantly growing development 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 whole range of the supply chain, through the support of areas in which it operates and the stimulation of local economies. By selecting to cooperate with local suppliers, it creates positive effects beyond its direct activities, with the creation of new indirect jobs while contributing to the enhancement of social cohesion and prosperity.

Human Rights

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.
- Implements monitoring mechanisms through the Human Resources Department.

Social and Labor Issues

Through the adoption of responsible policies aimed at creating shared value for all its stakeholders, the Group stands as a helper in the development of local communities in which it operates and with which it interacts, through continuous consultation and efforts to identify and address the real needs currently prevailing but as well as through its operation.

The 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
- Implements a Privacy Policy and the use of cookies

Direct and indirect social impacts

The Group ensures the continuous improvement of its direct and indirect socio-economic impacts. The multiplier benefits of its business activity translate into thousands of new jobs, the strengthening of the national economy and GDP through the payment of taxes and social insurance contributions, the strengthening of local communities through partnerships with local suppliers, service providers, and the implementation of Corporate Social Responsibility actions, as well as the optimization of the investment profile of our country abroad and to institutional investors.

The indirect positive impacts of the Group's activities in the local community in the fields of infrastructure, waste management are identified in transportation safety, upgrading of urban structures, access to art and cultural spaces, the improvement of people's quality of life, and the preservation and protection of the natural environment.

Fair remuneration and benefits

The Group manages human resources issues impartially and ensures that every employee is treated fairly and without discrimination. More specifically, the Group ensures equal pay between men and women for the same position and leaves no room for discrimination or preferential treatment in terms of pay or benefits based on gender or other characteristics of the employee. Providing equal opportunities and safeguarding human and labor rights promotes a fair working environment, a healthy corporate culture, and the development of beneficial working relationships.

The Group operates with transparency and meritocracy regarding the provision of remuneration and benefits, applying objective criteria and evaluation indicators depending on the weighting of the role, roles and responsibilities of each position, educational background, skills, experience, the ability to achieve goals, and the level of performance and efficiency of the Senior Managers.

The Group, having examined the cost of living in the countries in which it operates, offers higher wages than the minimum set by the respective legal framework, proving its commitment to providing fair wages and a decent living. The majority of the Group's employees are compensated in excess of the minimum statutory remuneration. In addition, the Group offers additional benefits, such as private group health and life insurance to all employees, corporate vehicle, laptop, corporate mobile connection, etc., depending on the needs and requirements of the job.

Promoting diversity

Men mainly compose its workforce amid the Group's activities' nature. However, the constant increase in the percentage of women in its companies and at all employment levels 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 increase of the percentage of women in the total number of employees is sought.

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, for the TERNA Group is vital to continuously improve the scientific and technical knowledge that employees possess as a mean of ensuring their professionalism and improvement of their productivity.

In this context, the Group has established a Training and Education action plan 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 and enhancement of productivity of its Human Resources through the cooperation of the Human Resources Department with all the Directorates, Departments, Construction sites and facilities of the Group's companies.

Health and Safety Policy

The strategy of TERNA Group envisages the provision of Health and Safety at work as a prerequisite for every operational Group activity, which concerns employees, subcontractors, and the network of its business partners.

Safeguarding of Health and Safety is a Group priority, and as such, the Group is constantly improving the strategic framework for the management of issues related to the protection of Health and Safety of all its stakeholders.

The Group complies with the provisions of applicable national, European, and international legislation and through its adherence to a strict Health and Safety Management System, aims for the timely identification and minimization of risks related to all its activities. The Health and Safety Policy covers all Group activities, and all those, directly or indirectly, related to its business operations.

Strengthening the Health and Safety Policy and ensuring zero accidents is the result of objectives related to:

- the implementation of a certified Health and Safety Management System,
- the formulation of a corporate culture governed by the principles of Health and Safety,
- full compliance with legal and other national, European Community and international requirements, directives and regulations in the field of Health and Safety,
- the implementation, monitoring, evaluation, and improvement of Health and Safety activities,
- the identification of occupational hazards and the development of an integrated prevention methodology, the prevention of injuries, diseases, and adverse health and safety incidents,
- the preparation and implementation of emergency management plans,
- conducting measurements of harmful factors in the work environment (noise, particulate matter, etc.),
- the provision of appropriate, adequate training, and information on Health and Safety issues to all employees, suppliers, partners and visitors,
- compliance and strict adherence to H&S procedures of all stakeholders,
- the immediate investigation of each accident / incident to assess its cause and to take precautionary measures,
- the integration of technologies, good practices, and operating procedures that guarantee safety conditions to employees, subcontractors and third parties.

Corporate Social Responsibility Program

TERNA Group is always close to society with an extensive Corporate Social Responsibility program. From the beginning of the COVID-19 pandemic, the Group was and remains a supporter of the work of the National Health System, through a large support program. Notably, its action for 2021 focused on supporting health centers and hospitals in various parts of the country, both through the provision of equipment and through construction works at no cost, to modify a department into an intensive care unit – simulation room at Evangelismos Hospital.

A particularly important social project implemented also in 2021, was the donation to Damasi Tyrnavos, where TERNA constructed a new, modern school in just four months after the catastrophic earthquake hit the area (March 2021), so that students could start the new school year on time.

As every year, the Group in 2021 continued to support cultural and educational initiatives throughout Greece in the form of sponsorships. Among them, stands out its support for the second year of the underwater archaeological excavation works carried out in the sea area of Kasos by the Ephorate of Marine Antiquities of the Ministry of Culture and Sports, in collaboration with the Institute of Historical Research of the National Research Foundation, which has already brought to light particularly important findings for the cultural heritage of Greece.

Finally, responding to the emergencies created by the devastating summer fires in Varybobi and Evia, the Group sided with the affected areas, providing construction machinery to both the Civil Protection and the Fire Brigade, supporting the areas. In addition, a program has been launched for the support of professionals in the primary sector in the Municipality of Mantoudi- Limni-Agia Anna in Evia, which will continue during 2022.

Environmental and Energy Issues

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).

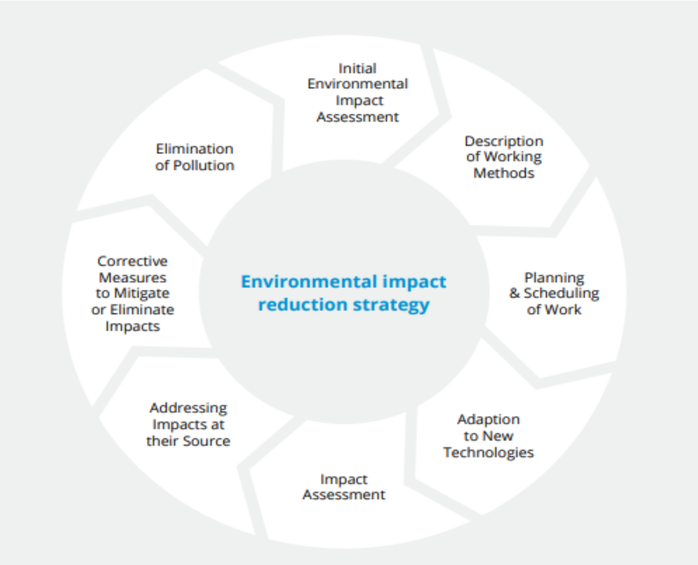
In particular, the Group's environmental strategy includes:

- setting environmental and energy goals and achieving them through approved programs,
- securing appropriate resources to achieve environmental and energy objectives,
- implementation of Environmental and Energy Management System,
- contributing to responsible energy management,
- contributing to tackling climate change,
- protecting and conserving biodiversity,
- responsible waste management.

Environmental and Energy Management System

By implementing a modern and comprehensive Environmental and Energy 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 and energy footprint and continuously improve its environmental performance.

We implement a modern and integrated Environmental and Energy Management System:



TERNA Group conducts annual internal audits, in all its operational activities, in order to ensure that the approved environmental terms are met, as they apply per installment / operating activity, the legal and special requirements, applicable in each case, as well as the provisions as defined in the procedures of the internal systems and the corresponding standards (ISO). Internal audits aim at:

- evaluation of the compliance degree with the requirements of the current legislation,
- evaluation of the responsiveness degree to the Group's customer requirements,
- evaluation of the compliance degree with the requirements of the Environmental and energy Management System of the Group's companies,
- evaluation of the compliance degree with the requirements of the international standard ISO 14001:2015 and ISO 50001:2018,
- identification of points that need improvement and reinforcement,
- improvement of the implementation of the Management Systems and the Risk Management Systems.

Responsible for energy management

Regarding its operation, the Group understands that only through the systematic recording and monitoring of energy consumption in offices and construction sites will be able to assess its energy needs and proceed into mitigation of its activities' energy consumption. For this reason, TERNA, proceeded to certification according to the international standard ISO 50001: 2018 to achieve the above, as well as the most rational energy management of their operations. In addition, the Group invests in the renewal and maintenance of its equipment, aiming to improve energy efficiency and also to increase the economic life.

Infrastructure

The main goal of the Group is to participate in and undertake bioclimatic design projects, that are certified according to such standards, that certify that the buildings are designed based on environmentally innovative practices aimed at energy saving. One such example is the completion of the construction of a nine-storey office-shop building, including car park on 115 Kifissias Avenue. This building received the Leed v4 for Core & Shell certification at the Platinum level.

Employee training on environmental and energy issues

Cultivating a wider environmental and energy 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 annual basis, trainings, both on environmental, energy and social issues, in order to properly inform and systematically train its employees. The trainings take into account 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 will be less dependent on fossil fuels and will ensure sustainable cities and societies for all its stakeholders. GEK TERNA Group has the know-how and the will to play a leading role in the areas of Sustainable Development and Green Economy, with activities that can contribute both to the Group's financial development and the mitigation of climate change's negative impacts.

Monitoring and mitigation of greenhouse gas emissions

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

The Group systematically monitors the greenhouse gas emissions from its operation as an integral part of its environmental and energy policy.

Biodiversity protection and conservation

The majority of the Group's activities (e.g. infrastructure development, highway construction) take place within areas of high value in terms of biodiversity and therefore it is necessary to undertake initiatives and 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, Environmental Impact Studies (EIA), Special Ecological Assessment Studies (SEAS), Special Ornithological Studies (SOS) as well as Monitoring Programs aimed at obtaining and utilizing the necessary information to ensure the protection of local ecosystems, with the assumption of protective measures and remediation of impacts.

In particular, in order to ensure the biodiversity and mitigate the negative effects of the projects on the environment, the EIA and the relevant approved Environmental Conditions of the projects define measures to ensure the protection of ecosystems. Typical examples are the construction of uneven passages or tunnels for the unimpeded passage of wildlife, planting projects, slope formations from the excess excavation materials of the project, projects to ensure the smooth flow of surface water, Leakage of hazardous liquid waste, elaboration of hydraulic studies that will determine the measures for protection from erosion of the natural slopes of the wider project area, installation of automatic stations for measuring air pollution as well as sound protection works on the area adjacent to the project.

Responsible for Waste Management

The Group ensures its cooperation with licensed bodies for the collection, recovery, treatment, reuse and / or disposal of its waste. With the adoption of the principles of the circular economy, significant quantities of produced non-hazardous waste is reused (e.g., excavation, construction, and demolition materials) to meet the necessary quantities of inert materials that its projects may need.

In relation to hazardous waste management, the Group's activities often produce waste with high concentrations of toxic substances, which makes them hazardous to the environment and public health. The Group plans and takes all necessary measures to eliminate the risk of possible pollution of the natural environment, such as the use of certified UN-type barrels, to ensure the transport of hazardous waste and more specifically for the collection and storage of lubricating oils used for its equipment.

At all offices and construction sites of the Group, a holistic recycling system of paper, aluminum, glass, plastic, electronic and electrical equipment, lamps, and batteries is implemented, with the use of special collection bins and in collaboration with certified partners for the further handling/management and reuse of collected recyclable materials. Special emphasis is given to electrical and electronic equipment waste which is recycled in properly licensed units where precious metals and materials are recovered and as such, the leakage of dangerous heavy metals into the environment is prevented.

The materials and raw materials supplied by the Group play a catalytic role for the quality of the works it delivers as well as to the extent of its environmental and energy footprint. The Group ensures the selection of materials and raw materials that will be able to operate even during adverse, severe weather events. The adoption of the principles of the circular economy, through the methods of recovery and reuse of materials, allows the Group to reduce the use of natural resources while ensuring the resilience of its infrastructure and its long-term sustainability.

Impact of COVID-19 pandemic on non-financial issues

The actions of the TERNA Group during the period of public health crisis

At a time when the country needs more than ever the social face of companies at its side, the TERNA Group was again at the forefront taking immediate measures to ensure the health and safety of its employees, supporting the National Health System and ensuring its smooth operation always with a view to the next day.

The holistic Business Continuity Plan of the Group

Demonstrating increased reflexes, the TERNA Group immediately implemented the integrated Business Continuity Plan, which had already been prepared with the aim of ensuring the smooth operation of the Group in case of crisis, having as a top priority the health and safety of its people around the world.

Following closely the developments on the pandemic front and taking into account the increase of cases and the instructions of the State, the Group decided and provides free diagnostic molecular detection of the virus to all its human resources.

Based on the current health protocols of EODY, the following actions were taken:

Positive cases and contacts of confirmed cases,

- Were immediately placed under "quarantine" for 14 days from the day the employee had symptoms or came in contact with a confirmed case.
- Diagnostic molecular tests were performed, as provided
- Return to work after 14 days from the onset of symptoms AND 24 hours after the complete remission of any fever (without taking antipyretics) and test performed with a negative result.

The Business Continuity Plan of the Group includes strict operating rules in all points of its presence in Greece and abroad, while its implementation is monitored daily by a special working group set up to deal with the pandemic and in which Group executives participate as well as specialized scientific collaborators. The Plan envisages, inter alia, a program of remote or shift work, special care for vulnerable workers, drastic reduction of trips to the absolutely necessary, as well as meetings and / or physical events, making use of all capabilities offered by technology, drafting procedures for the protection of personnel during their work during the period of COVID-19 (Operating Procedures), as well as the supply of sufficient quantities of personal protection measures such as masks, gloves, antiseptics for all personnel.

It is worth noting that from the first phase of the health crisis, in addition to the measures proposed by the Authorities and which were followed faithfully and with absolute success in all facilities around the world, the Group ensured the safe repatriation of hundreds of its executives, employees in its projects that are implemented outside Greece, even with specially chartered flights, where this was deemed necessary.

F. Prospects and Outlook

TERNA Group is one of the largest corporate groups in Greece, with a parallel presence in the Balkans and Middle East. It is mainly active in the construction sector of infrastructure projects.
The construction backlog of the Group at the date of approval of the Financial Statements amounts to 4.8 billion euros including both the already signed contracts and the new contracts to be signed.

Despite the fact that the Greek economy at the end of the year 2020 had posted a decline in GDP of 8.2%, in 2021 and especially in the second half, the relevant progress in vaccinations helped to stem the pandemic wave and allowed the gradual lifting of restrictions in terms of movement of population and goods, and the lifting of social distancing measures, thus allowing the Greek economy to restart. Real GDP expanded by 8.3% thanks to the strong growth in exports of goods and services, especially in the sector of tourism, and due to a recovery realized in private consumption.

For the year 2022, the positive growth prospects for the economy which were initially indicating a growth rate of 4.8%, are surrounded by new uncertainties, influenced by rising energy costs and recent geopolitical developments. At the same time the impact of COVID is still in place however with decelerating intensity. On the other hand, there are other factors that have a positive effect, including the increase in employment and the accumulation of bank savings that took place in the previous period. As a result of the new uncertainties, the new estimate for growth has been reduced for 2022 to 3.8% in the basic scenario of the Bank of Greece and to 2.8% in the unfavorable scenario.

An important component towards the growth of the economy in 2022, is the contribution of the Fund for Recovery and Resilience, which is estimated that in the coming years (until 2026) will contribute over 30.0 billion euros in total, through grants and loans on favorable terms. This in turn will further solidify the Greek banks as well as the Greek economy and its competitiveness in general, as the largest percentage of funds is expected to be absorbed in the areas of green investments, digital transition, and social cohesion.

The further growth of the Greek economy is estimated to lead to the recovery of the country's "investment grade" which will result in the inflow of new investment funds, which will work positively towards an even greater growth potential.

According to Bank of Greece's baseline scenario for 2022, with regard to harmonized inflation in Greece, inflation is expected to accelerate to 5.2%, which has been evaluated in terms of its impact on the growth rate of the Greek economy. De-escalation is expected for 2023, provided that the supply chains are fully restored, and energy prices fall.

The ongoing energy crisis, in conjunction with the recent geopolitical developments and the efforts to resolve the associated geopolitical issues, has created new conditions for lower economic growth in the year 2022.

The main sources of uncertainty regarding the course of domestic economic activity for the year 2022 and the following years, which could have a negative impact on the achievement of growth objectives, as well as the upgrading of the investment rating which would result in higher investment inflows, can be summarized as follows:

- The possible deceleration of the process to curtail the public debt ratio and resolve the ongoing quality issues in the asset side of the banking sector.
- The non-acceleration of the structural reforms and the possibility of an ongoing inability on behalf of the Government for the timely disbursement of European funds; any associated obstacles in the implementation of the investment plans.
- The impact of rising energy costs on production costs, corporate profitability and the postponement or cancellation of the companies' investment planning.
- Increase in cost of debt as long as inflation continues to stay at high levels; this factor may be also acting as deterrent to the granting of loans for the smooth operation of companies.
- The effect of rising inflation due to higher energy and consumer goods prices will be to reduce the real disposable income and purchasing power of households and will likely create the need for fiscal measures to support vulnerable incomes.
- The decrease of the initially estimated receipts coming from the Greek tourism, mainly due to (a) a possible resurgence of the COVID-19 cases and mutations, (b) the cessation of tourist flows from the war-torn countries and (c) the aggravation of the disposable income of visitors coming from many countries, and mainly from the European Union.
- The impact of geopolitical developments on foreign direct investment, as increased uncertainty adversely affects the investment risk of a country that has not yet reached the level of investment grade.

Despite the new conditions that have emerged, the Group's activities continue as smoothly as possible. The Management constantly assesses the conditions and monitors the effects from both the normal operation and any extraordinary events, in order to ensure that all necessary and proper measures as well as actions are taken in order to timely minimize any negative impact on the Group's activities.

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

In this changing economic and geopolitical environment, TERNA Group, which is one of the most important Greek corporate groups and holds a leading position in the field of infrastructure construction projects, is smoothly expanding its investment plan (mainly in the field of Infrastructure), as its capital structure remains strong while at the same time continuing its selective presence in countries outside Greece. Furthermore, the Group has already proved during the Greek financial crisis (i.e. the most difficult and longest financial crisis in Europe) its ability to expand and further solidify its market position.

It is worth noting, however, that the strengthening of investment activity in the sectors in which the Group (Infrastructure Constructions) operates are a priority of both the Greek state and the European Union in the effort for economic recovery and dealing with the economic impact of the COVID-19 pandemic. The State recently established a new framework for accelerating investments, while at the same time in the field of infrastructure there is also an acceleration of tenders for new public projects, concessions, and PPPs. Infrastructure projects, through the multiplier effect, contribute significantly to GDP growth and comprise a sufficient condition to boost employment.

In the year 2021 the TERNA Group will continue to implement its strategy for continuous development in the Greek and international markets in the areas of infrastructure. The objective is to maintain its leading position in the Greek market and to pursue its sustainable development in the international markets in order to achieve a satisfactory diversification of corporate risk and to maintain return on equity at satisfactory levels.

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

The prospects for achieving the targets for 2022 and beyond are positive given that:

In the Construction:

The Group has been active in the field of construction for almost half a century, both in the Middle East and Southeast Europe, in the execution of large, complex and wide range of public and private projects, large budget and complex know-how, such as road and rail networks, buildings, hospitals, museums, industrial facilities, hydroelectric projects, dams, industrial facilities, power plants, etc.

The prospects over the coming years point towards an improvement of the financial performance of this business segment, since the construction backlog has been maintained at high levels, amounting on 31.12.2021 to approximately Euro 2.4 billion and at the date of preparation of the financial statements by including both the signed and the new contracts to be signed at Euro 4.8 billion.

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

In order to achieve this objective, the Greek Government has altered the institutional framework of tender procedures, in order to speed up the licensing and be able to include the large infrastructure projects under the provisions of the law of strategic investments.

It should be noted that the Greek State, as an initiative for the practical support of the Greek economy, has intensified the program of tender procedures.

The Group, with the consistency and the high sense of corporate social responsibility that distinguishes its actions for years now, will remain a leader in the construction sector and will seek to increase the financial size of the particular market segment, while generating satisfactory earnings to the benefit of its shareholders, according to its business plan, and despite the temporary adverse conditions that emerged from the energy crisis, the recent geopolitical developments in early 2022, as well as the impact of the de-escalating COVID-19 pandemic.

In the Quarries/Industry:

The Group is also active in the extraction and processing of magnesite and in the industrial production of caustic and burning magnesite products through the subsidiary TERNA LEFKOLITHI SA, an activity mainly exporting (www.ternamag.com).

Despite the negative results during the current year significantly lower than in the previous year in the industrial sector, the company, having already redesigned its operational activities, in order to reduce the cost of products manufactured estimates that in the future the industrial sector will become profitable.

Dear Shareholders,

2021 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 Personnel, 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 to us.

The Board of Directors unanimously approves the above Management Report to be submitted to the Annual Regular General Meeting of Shareholders.

Athens, 27th of April 2022
On behalf of the Board of Directors,

Michail Gourzis
Chairman of the BoD

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II. INDEPENDENT AUDITOR'S REPORT

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

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

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, 2021, 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, 2021, 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 Company and 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 Company and Group's internal control.
- Evaluate the appropriateness of accounting methods and 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 Company and its subsidiaries' 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, L. 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2021.

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, 27 April 2022

The Chartered Accountant

Dimitra Pagoni

SOEL Reg. No. 30821

Grant Thornton

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

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III. ANNUAL FINANCIAL STATEMENTS SEPARATE AND CONSOLIDATED FOR THE YEAR THAT ENDED ON 31 DECEMBER 2021 (1 January - 31 December 2021)

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 27th April 2022 and have been published by being posted on the internet at the website http://www.terna.gr. Furthermore, they are also included on the internet at the web-site of the parent company GEK TERNA SOCIETE ANONYME HOLDINGS REAL ESTATE CONSTRUCTIONS http://www.gekterna.com, according to the decision 8/754/14.04.2016 of the Board of Directors of the Hellenic Capital Market Commission.

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(Amounts in thousands Euro, unless otherwise stated)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION ON 31st DECEMBER 2021

		GROUP		COMPANY	
	Note	**31.12.2021**	**31.12.2020 ***	**31.12.2021**	**31.12.2020 ***
Non-current assets					
Intangible fixed assets	8	39,883	33,394	1,843	1,184
Right of use assets	9	8,134	8,511	7,199	6,539
Tangible fixed assets	10	100,180	103,756	51,276	52,284
Goodwill	7	2,380	3,025	0	0
Investment property	11	7,985	8,061	7,361	7,438
Participations in subsidiaries	5,12	0	0	97,275	123,529
Participations in joint ventures	5,13	72,533	57,069	68,342	57,659
Investment in equity interests	19	13,752	12,230	9,694	8,172
Other long-term assets	14	56,007	39,505	101,946	60,057
Deferred Tax Assets	30	12,059	21,877	7,423	14,116
Total non-current assets		**312,913**	**287,428**	**352,359**	**330,978**
Current assets					
Inventories	15	21,920	18,045	7,863	6,437
Trade receivables	16	159,326	160,819	137,328	186,557
Receivables from contracts with customers	17	151,405	98,728	123,561	77,008
Advances and other receivables	18	73,365	54,480	72,967	63,466
Income tax receivables		11,959	12,886	11,944	12,506
Cash and cash equivalents	20	277,045	267,726	136,789	177,795
Total current assets		**695,020**	**612,684**	**490,452**	**523,769**
TOTAL ASSETS		**1,007,933**	**900,112**	**842,811**	**854,747**
EQUITY AND LIABILITIES					
Share capital	28	55,460	55,460	55,460	55,460
Share premium account		62,702	62,702	62,702	62,702
Reserves	29	58,237	57,102	55,061	53,775
Retained earnings		(52,922)	(86,733)	(37,752)	(20,714)
Total equity attributable to the owners of parent		**123,477**	**88,531**	**135,471**	**151,223**
Non-controlling interests		19,051	20,946	0	0
Total equity		**142,528**	**109,477**	**135,471**	**151,223**

(Amounts in thousands Euro, unless otherwise stated)

Non-current liabilities					
Long-term loans	21	142,898	103,869	142,317	102,749
Liabilities from leases	22	5,495	3,857	4,924	3,411
Other long-term liabilities	27	125,650	121,905	116,418	115,492
Other provisions	24	9,255	10,301	8,055	9,101
Provisions for staff leaving indemnities	23	1,876	2,187	1,356	1,498
Grants	25	3,478	14,052	0	0
Deferred tax liabilities	30	6,497	6,691	405	492
Total non-current liabilities		**295,149**	**262,862**	**273,475**	**232,743**
Current liabilities					
Suppliers	26	137,562	171,189	118,754	149,742
Short term loans	21	43,931	89,054	42,929	89,054
Long term liabilities payable during the next financial year	21	10,468	7,893	10,468	7,856
Short-term part liabilities from leases	22	3,069	2,834	2,662	2,262
Liabilities from contracts with customers	17	324,114	213,820	219,753	182,486
Accrued and other short term liabilities	27	50,642	40,146	39,264	36,820
Income tax payable		470	2,837	35	2,561
Total Liabilities		**570,256**	**527,773**	**433,865**	**470,781**
Total Liabilities		**865,405**	**790,635**	**707,340**	**703,524**
TOTAL EQUITY AND LIABILITIES		**1,007,933**	**900,112**	**842,811**	**854,747**

** The comparative figures of the Statement of Financial Position of the Group and the Company for the year 2020 have been revised by the change of the accounting policy of IAS 19 (see Note 2.7.3).*

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 2021

		GROUP		COMPANY	
	Note	**1.1-31.12.2021**	**1.1-31.12.2020 ***	**1.1-31.12.2021**	**1.1-31.12.2020 ***
Turnover	31	483,777	504,725	427,664	445,082
Cost of sales	32	(433,183)	(470,849)	(386,254)	(416,006)
Gross profit/(loss)		**50,594**	**33,876**	**41,410**	**29,076**
Administrative and distribution expenses	32	(28,884)	(33,772)	(23,136)	(24,895)
Research and development expenses	32	(1,266)	(1,177)	(1,126)	(1,017)
Other income/(expenses)	34	11,670	(8,784)	(2,279)	2,556
Results before taxes, financing and investing activities		**32,114**	**(9,857)**	**14,869**	**5,720**
Net financial income/(expenses)	36	(5,842)	(6,514)	(6,285)	(3,821)
Profit / (loss) from sale of participations and securities		(60)	160	(60)	(140)
Profit / (loss) from valuation of participations and securities	35	0	0	(19,572)	(18,645)
Profit / (loss) from the consolidation of joint ventures under the equity method	13.1	10,634	307	0	0
Earnings/(Losses) before taxes		**36,846**	**(15,904)**	**(11,048)**	**(16,886)**
Income tax	30	(9,397)	(6,951)	(5,921)	(5,409)
Net Earnings/(losses) after taxes		**27,449**	**(22,855)**	**(16,969)**	**(22,295)**
Other Comprehensive Income/(Expenses)					
a) Amounts that will be reclassified in the Income Statement of subsequent periods					
Valuation of cash flow hedging contracts		0	759	0	759
Translation differences from incorporation of foreign entities		(477)	3,760	(32)	2,795
Tax corresponding to the above results	30	0	(182)	0	(182)
Total		**(477)**	**4,337**	**(32)**	**3,372**
b) Other Comprehensive Income/(expenses) that will be not transferred to Income Statement in subsequent periods					

Valuation of investments in equity interests	19	1,328	107	1,328	107
Actuarial gains/(losses) on defined benefit pension plan	23	(61)	44	(61)	28
Proportion in Other comprehensive income of joint ventures	13.1	52	4	0	0
Tax corresponding to the above results	30	(222)	(35)	(221)	(33)
Total		**1,097**	**120**	**1,046**	**102**
Net Other Comprehensive Income		**620**	**4,457**	**1,014**	**3,474**
TOTAL COMPREHENSIVE INCOME		**28,069**	**(18,398)**	**(15,955)**	**(18,821)**
Net earnings/(losses) attributed to:					
Shareholders of the parent		29,346	(15,511)		
Non-controlling interests		(1,897)	(7,344)		
Total		**27,449**	**(22,855)**		
Total comprehensive income/(losses) attributed to:					
Shareholders of the parent		29,964	(11,083)		
Non-controlling interests		(1,895)	(7,315)		
Total		**28,069**	**(18,398)**		

** The comparative figures of the Statement of Comprehensive Income of the Group and the Company for the year 2020 have been revised by the change of the accounting policy of IAS 19 (see Note 2.7.3).*

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 CASH FLOWS FOR THE FISCAL YEAR 2021

		GROUP		COMPANY	
	Note	**1.1-31.12.2021**	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020 ***
Cash flows from operating activities					
Profit/(loss) before tax		**36,846**	**(15,904)**	**(11,048)**	**(16,886)**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation	8,9,10	13,113	13,989	9,412	9,732
Fixed assets grants amortization	25	(95)	(153)	(2)	0
Provisions		1,085	1,704	67	312
Impairments/ (Recovery of impairments)		(9,056)	5,307	27,641	19,100
Other non-cash expenses/(revenue)		(913)	(2,185)	(1,913)	(6,142)
Interest and related revenue	36	(4,130)	(5,212)	(3,437)	(6,460)
Interest and other financial expenses	36	9,972	12,401	9,722	10,955
Results from derivatives	36	0	(674)	0	(674)
Results from associates and joint ventures	13.1	(10,634)	(307)	0	0
Results from participations and securities		60	(160)	60	139
Results from investment property	11	77	98	77	98
Results from fixed assets		(731)	(604)	(38)	(270)
Foreign exchange differences		(3,179)	5,541	(1,687)	3,351
Cost of stock options	29, 32	1,608	479	1,608	479
Operating profit/(loss) before changes in		**34,023**	**14,320**	**30,462**	**13,734**
(Increase)/Decrease in:					
Inventories		(4,270)	(448)	(1,425)	(436)
Trade receivables		(31,660)	65,951	2,155	30,429
Prepayments and other receivables		(18,116)	(12,711)	(18,975)	(3,460)
Increase/(Decrease) in:					
Suppliers		(33,681)	(28,838)	(30,076)	(22,935)
Accruals and other liabilities		125,891	58,215	45,190	81,603

(Amounts in thousands Euro, unless otherwise stated)

Income tax (Payments)/Receipts		(1,373)	(823)	(1,431)	(236)
Net cash flows from operating activities		**70,814**	**95,666**	**25,900**	**98,699**
Cash flows from investing activities					
Proceeds from disposals of fixed assets		1,471	1,620	313	672
Payments for purchases of fixed assets		(12,277)	(10,146)	(6,141)	(3,654)
Proceeds from grants		2	0	2	0
Interest and related income received		309	2,583	303	2,564
Payments for acquisition or increase in participating interest in associates and joint ventures (JVs)	13	0	(41,520)	0	(41,520)
Proceeds from sale of shares, bonds and other securities		0	199	0	199
Payments for acquisition of shares, bonds and other securities	19	(194)	0	(194)	0
Proceeds from issued loans		17	84,609	901	84,609
Issued loans		(32,977)	0	(40,107)	(10,320)
Net cash flows for investing activities		**(43,649)**	**37,345**	**(44,923)**	**32,550**
Cash flows from financing activities					
Payments from changes in subsidiaries without loss of control	12	0	0	(4,001)	(24,655)
Receipts from increase of share capital in subsidiaries from non-controlling interests		0	20,467	0	0
Proceeds for short term loans	21	2,009	50,620	1,007	50,620
Payments for short term loans	21	(46,335)	(41,768)	(46,335)	(26,747)
Proceeds for long term loans	21	50,048	106,590	49,928	96,000
Payments for long term loans	21	(7,707)	(178,858)	(7,169)	(142,923)
Payments for leases	22	(3,391)	(10,011)	(2,943)	(9,094)
Interest and other financial expenses paid		(11,496)	(10,992)	(11,088)	(9,741)
Payments for hedging derivatives		0	(374)	0	(374)

(Amounts in thousands Euro, unless otherwise stated)

Net cash flows from financing activities		**(16,872)**	**(64,326)**	**(20,601)**	**(66,914)**
Effect of foreign exchange rate differences in cash		(974)	(903)	(1,382)	(506)
Net increase /(decrease) of cash and cash equivalents		**9,319**	**67,782**	**(41,006)**	**63,829**
Cash and cash equivalents at the beginning of the period	20	267,726	199,944	177,795	113,966
Cash and cash equivalents at the end of the period	**20**	**277,045**	**267,726**	**136,789**	**177,795**

** The comparative figures of the Statement of Cash Flows of the Group and the Company for the year 2020 have been revised by the change of the accounting policy of IAS 19 (see Note 2.7.3).*

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 CHANGES IN EQUITY FOR FISCAL YEAR 2021

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2021		**55,460**	**62,702**	**53,775**	**(20,714)**	**151,223**
Total comprehensive income		0	0	1,014	(16,969)	**(15,955)**
Stock options	29	0	0	272	0	**272**
Change in interest of consolidated entity		0	0	0	(69)	**(69)**
31st December 2021		**55,460**	**62,702**	**55,061**	**(37,752)**	**135,471**

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2020		**55,460**	**62,702**	**52,778**	**518**	**171,458**
Change in accounting policy (Note 2.7.3)		0	0	18	1,063	**1,081**
Restated Balances 1.1.2020		**55,460**	**62,702**	**52,796**	**1,581**	**172,539**
Total comprehensive income		0	0	3,474	(22,295)	**(18,821)**
Stock options	29	0	0	479	0	**479**
Formation of reserves		0	0	(2,974)	0	**(2,974)**
31st December 2020*		**55,460**	**62,702**	**53,775**	**(20,714)**	**151,223**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2021*		**55,460**	**62,702**	**57,102**	**(86,733)**	**88,531**	**20,946**	**109,477**
Total comprehensive income		0	0	618	29,346	**29,964**	(1,895)	**28,069**
Stock options	29	0	0	272	0	**272**	0	**272**
Change in interest of consolidated entity		0	0	0	(69)	**(69)**	0	**(69)**
Formation of reserves		0	0	245	(245)	**0**	0	**0**
Transfers/Other movements	13.1	0	0	0	4,779	**4,779**	0	**4,779**
31st December 2021		**55,460**	**62,702**	**58,237**	**(52,922)**	**123,477**	**19,051**	**142,528**

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2020		**55,460**	**62,702**	**54,391**	**(71,565)**	**100,988**	**7,770**	**108,758**
Change in accounting policy (Note 2.7.3)		**0**	**0**	**56**	**1,066**	**1,122**	**24**	**1,146**
Restated Balances 1.1.2020		**55,460**	**62,702**	**54,447**	**(70,499)**	**102,110**	**7,794**	**109,904**
Total comprehensive income		0	0	4,428	(15,511)	**(11,083)**	(7,315)	**(18,398)**

(Amounts in thousands Euro, unless otherwise stated)

Share capital increase of subsidiaries		0	0	0	0	**0**	20,467	**20,467**
Stock options	29	0	0	479	0	**479**	0	**479**
Formation of reserves		0	0	(2,252)	(723)	**(2,975)**	0	**(2,975)**
31st December 2020*		**55,460**	**62,702**	**57,102**	**(86,733)**	**88,531**	**20,946**	**109,477**

** The comparative figures of the Statement of Changes in Equity of the Group and the Company for the year 2020 have been revised by the change of the accounting policy of IAS 19 (see Note 2.7.3).*

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

NOTES ON THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION FOR THE GROUP AND THE COMPANY

"TERNA TOURIST TECHNICAL AND MARITIME S.A." (the "Company" or "TERNA"), as renamed from LITHOS SOCIETE ANONYME COMPANY by virtue of the decision dated 06.11.2008 by the Extraordinary General Shareholders Meeting, which was published in the Government Gazette Issue 14207/30.12.2008 (SA & LTD Issue), is registered in 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 it was approved, the merger through absorption of the construction activities' part of the company TERNA TOURIST TECHNICAL AND MARITIME S.A., and at the same time the increase of the share capital by 28,388,000.00 euro which in total 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 absorption of the company HERON HOLDINGS S.A. was approved, as well as the increase of the share capital by 11,100,000.00 euro, which now amounted to a total of 40,010,000.00 euro 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) Euro 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 27.06.2017, 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 LEFKOLITHI SA.

Furthermore, the Group through its participation in jointly controlled 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 reporting date of the Statement of Financial Position, owned 100% of its share capital.

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the preparation of the Financial Statements

The Company’s consolidated and separate Financial Statements as of 31.12.2021 covering the financial year starting on January 1st until December 31st 2021, have been prepared according to the International Financial Reporting Standards (IFRS), which were published by the International Accounting Standards Board (IASB) and according to their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union until 31.12.2021.

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.

2.2 Going concern

The Group's management estimates that the Company and its subsidiaries hold sufficient resources, which ensure their smooth continued operation as "Going Concern" in the foreseeable future.

The decision of the Management to use the principle of "going concern" is based on the assessments related to the possible effects from the appearance and spread of COVID-19. The Management has estimated that there is no substantial uncertainty regarding the continuation of the business activity of the Group and the Company.

2.3 Basis of measurement

The accompanying separate and consolidated financial statements as of December 31st 2021 have been prepared according to the principle of historical cost, apart the from investment property, and investments in equity securities which are measured at fair value.

2.4 Presentation currency

The presentation currency is Euro (the currency of the Group's parent domicile) and all the amounts are presented in thousand Euro unless otherwise mentioned.

2.5 Comparability

The comparative items of the separate and consolidated Financial Statements have been restated to reflect the retroactive adjustment due to a change in the accounting policy of IAS 19 (see Note 2.7.3 for details).

2.6 Use of estimates

The preparation of the Financial Statements according to IFRS requires the use of estimates and judgments on the application of the Company's accounting policies. 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.

2.7 New Standards, Interpretations and Amendments to Standards

The accounting principles applied for the preparation of the financial statements are the same as those applied for the preparation of the annual financial statements of the Group and the Company for the year that ended as at 31 December 2021, apart from the adoption of amendments of certain accounting standards, whose application was mandatory in the European Union for fiscal years beginning as at January 1st, 2021 (see Noted 2.7.1, 2.7.2 and 2.7.3).

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

The following new Standards, Interpretations and amendments of Standards that have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01.01.2021 or subsequently.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – Phase 2" (effective for annual periods starting on or after 01.01.2021)

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

Amendments to IFRS 16 "Leases": Covid-19 – Related Rent Concessions beyond 30 June 2021 (effective for annual periods starting on or after 01.04.2021)

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

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

The Committee for the Interpretation of International Financial Reporting Standards issued in May 2021 the final decision on the agenda entitled "Attributing benefits to periods of service (IAS 19)" which includes explanatory material regarding the attribution of benefits to periods of service with regard to a plan of defined benefits analogous to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Plan of Fixed Benefits of Labor Law"). This explanatory information differentiates the way in which the basic principles and rules of IAS 19 have been applied in Greece in the past in this regard, and therefore the economic entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. The effect from the above change is presented analytically in Note 2.7.3.

2.7.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union up until 31.12.2021

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

Amendments in IFRS 3 "Business Combinations", in IAS 16 "Property, Plant and Equipment", in IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and in the "Annual Improvements 2018 – 2020" (applied for annual periods beginning on or after 01.01.2022)

In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three Standards, as well as the Council's Annual Improvements. These amendments provide clarification regarding the wording of the Standards or correct minor consequences, omissions or inconsistencies between the requirements of the Standards. More specifically:

- **The amendments to IFRS 3 "Business Combinations"** update a reference to IFRS 3 to the Conceptual Framework of the Financial Reporting without amending the accounting requirements relating to business combinations.
- **Amendments to IAS 16 "Property, Plant and Equipment"** prohibit a company from deducting from the cost of fixed assets amounts received from the sale of items produced during the preparation of those fixed assets to be ready for use. Instead, the company recognizes these sales revenues and related costs in the Income Statement.
- The **amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** determine the costs that a company should include in assessing whether a contract is loss-making.
- **The Annual Improvements of IFRS - Cycle 2018-2020** make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and on the explanatory examples accompanying IFRS 16 "Leases".

The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2022.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (effective for annual periods starting on or after 01.01.2023)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

Amendments to IAS 1 "Presentation of Financial Statements" (effective for annual periods starting on or after 01.01.2023)

In February 2021, the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2023.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (effective for annual periods starting on or after 01.01.2023)

In February 2021, the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2023.

Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (effective for annual periods starting on or after 01.01.2023)

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

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

The IASB issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods of service on a specific plan of defined benefits proportional to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Plan of Fixed Benefits of Labor Law").

The above decision differs from the way by which the basic principles of IAS 19 have been applied in Greece in the past in this regard, and consequently, the entities that prepare their financial statements in accordance with IFRS are required to proceed with amendments depending on their accounting policy.

(Amounts in thousands Euro, unless otherwise stated)

Until the issuance of the daily agenda's decision, the Group applied IAS 19 distributing the benefits defined by article 8 of L.3198/1955, L.2112/1920 and its amendment by L.4093/2012 in the period from the recruitment until the date of retirement of the employees.

The application of this final decision in the attached consolidated and separate financial statements, has resulted in the distribution of benefits over the last 16 years until the date of retirement of employees in accordance with the respective scale of Law 4093/2012.

Based on the above, the implementation of the above final decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

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

GROUP

Abstract of Consolidated Statement of Financial Position	Balance 01.01.2020	IAS 19 adjustment	Adjusted balance 01.01.2020
Provision for staff indemnities	4,935	(1,506)	3,429
Actuarial gains/(losses) from defined benefit plan reserves plus deferred tax	(37)	56	19
Deferred tax assets	25,384	(359)	25,024
Retained earnings	(71,565)	1,066	(70,499)
Non-controlling interests	7,770	24	7,794

Abstract of Consolidated Statement of Financial Position	Balance 31.12.2020	IAS 19 adjustment	Adjusted balance 31.12.2020
Provision for staff indemnities	3,617	(1,430)	2,187

Abstract of Standalone Statement of Comprehensive Income	Balance 31.12.2020	IAS 19 adjustment	Adjusted balance 31.12.2020
Cost of sales	470,876	(27)	470,849
Administrative and distribution expenses	33,772	(0)	33,772
Financial expenses	12,414	(15)	12,399
Deferred income tax on the aforementioned expense	3,058	10	3,068
Actuarial (gains)/losses from defined benefit plans	(161)	117	(44)
Deferred income tax on actuarial (gains)/losses from defined benefit plan reserves	38	(28)	10

(Amounts in thousands Euro, unless otherwise stated)

COMPANY			
Abstract of Standalone Statement of Financial Position	**Balance 01.01.2020**	**IAS 19 adjustment**	**Adjusted balance 01.01.2020**
Provision for staff indemnities	3,384	(1,422)	1,962
Actuarial gains/(losses) from defined benefit plan reserves plus deferred tax	(18)	18	0
Deferred tax assets	17,114	(341)	16,773
Retained earnings	518	1,063	1,581

Abstract of Standalone Statement of Financial Position	**Balance 31.12.2020**	**IAS 19 adjustment**	**Adjusted balance 31.12.2020**
Provision for staff indemnities	2,868	(1,370)	1,498

Abstract of Standalone Statement of Comprehensive Income	**Balance 31.12.2020**	**IAS 19 adjustment**	**Adjusted balance 31.12.2020**
Cost of sales	415,998	8	416,006
Administrative and distribution expenses	24,895	(0)	24,895
Financial expenses	10,969	(14)	10,955
Deferred income tax on the aforementioned expense	2,414	1	2,415
Actuarial (gains)/losses from defined benefit plans	(87)	59	(28)
Deferred income tax on actuarial (gains)/losses from defined benefit plan reserves	21	(14)	7

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, disclosures on contingent receivables and liabilities 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 are judged to be reasonable in the specific circumstances while are being 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:

4.2 3.1 Significant judgments of the Management

Key judgments carried out by the Management during the application of the accounting policies of the Group and Company which have the most significant impact on the financial statements (besides those analyzed in Note 3.2) 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 tax frameworks, within which the Group operates (for further information please refer to Note 31).

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. The goodwill is examined for impairment at least on an annual basis.

4.3 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, meetings with specialists, applying trends and other methods considered reasonable in the specific circumstances, as well as projections regarding potential changes of those 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 in order to determine at the percentage of completion. 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 31.12.2021, 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 of 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 41).

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, joint ventures 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 (for further information please refer to Note 12).

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 31).

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 operations. Determining contingent liabilities and receivables is a complex process that includes judgments about future events, laws, regulations, etc. Changes in judgments or interpretations are likely to lead to an increase or decrease in the Company's contingent liabilities in the future. When additional information becomes available, the Group's Management reviews the facts based on which it may also be led to a review of its estimates (see Note 43).

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 based on which the provision for impairment is measured at an amount equal to the expected lifetime credit losses 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 16, 17 and 18).

4 SUMMARY OF KEY ACCOUNTING PRINCIPLES

4.4 Basis for consolidation

The accompanying consolidated financial statements include the financial statements of TERNA SA and its subsidiaries as at 31.12.2021. The date of preparation of the financial statements of the subsidiaries coincides with that of the parent.

Intra-group transactions and balances have been eliminated in the accompanying consolidated financial statements. Where required, the accounting policies of subsidiaries have been amended to ensure consistency with the accounting policies adopted by the Group. Note 5 provides a complete list of consolidated subsidiaries in line with the participating interest, held by the Group.

Subsidiaries are consolidated from the date the Group acquires control over them and 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 this has as a result, such non-controlling interests to present deficit.

(a) Subsidiaries

Subsidiaries are all the companies, in which the Parent has the power to exercise control on their operations 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 level of its performance. This is the result of decision-making on subsidiary's 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 different case, namely when 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, if any. 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 it participates. 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 of production from the joint operation, and (iv) its expenses (including its share in any jointly incurred expenses). Essentially, these are, mostly, tax joint operations, which do not constitute a separate entity within the framework of the IFRS. Their assets and liabilities are incorporated according to the effective proportions in the financial statements of the Company.

Joint ventures: Joint ventures are accounted for using the equity method, under which participating interests in joint ventures are initially recognized at cost and subsequently readjusted in compliance with the Group's share of the profits (or losses) and other comprehensive income of the joint ventures. Under the joint venture model, joint venture schemes are the ones in which members have rights over the net assets of the investments and are liable up to the extent of their contribution to the capital of the company. If the Group's participating interest in joint venture losses exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has 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, if any. Impairment test is carried out in accordance with the provisions of IAS 36.

4.5 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 closing 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 and liabilities 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, including as well the fair value adjustments due to business combinations, of the foreign subsidiaries are translates to Euro based on the foreign exchange rate effective at the Statement of Financial Position reporting date. Revenue and expenses are translated into the presentation currency of the Group based on the average exchange rates for the reported period. Any differences arising from this procedure are charged / (credited) to the foreign currency translation differences' reserves from incorporation of foreign exploitation, of equity, while there are recognized in other comprehensive income in the Statement of Comprehensive Income. Upon the disposal, write off or de-recognition of a foreign subsidiary, the above reserves are transferred to profit or loss for the period.

4.3 Goodwill

Goodwill arises from acquisition and gain of control on a company.

Goodwill is recognized as a difference among acquisition cost and fair value of assets, liabilities and contingent liabilities of the acquired company as at the acquisition date. In the case of a subsidiary's acquisition, goodwill is recorded as a separate asset, while in the case of an associate's acquisition, goodwill is included in the value of the Group's investments in associates.

As at the acquisition date (or at the date of the completion of the relative consideration allocation), acquired goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from that business combination. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that a potential impairment may have been incurred (see Note 4.6 for the procedures applied for goodwill's impairment test).

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 annual reporting period. Changes in the expected useful life of each intangible asset are accounted for as a change in accounting estimates.

Methods of amortization and useful lives of the Group's intangible assets can be summarized as follows:

Category	**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 acquired construction contract' right is amortized 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 performance 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 quarry-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 quarries 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- quarries is included in the costs of minerals mining and extraction costs. Operating costs arising from development of mines - quarries 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, if any. 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 benefits 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 is 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 (see note 4.6). 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 (goodwill, intangible and tangible assets/investments in consolidated companies)

In respect of tangible and intangible fixed assets subject to depreciation/amortization, 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 among that 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 exceeds their recoverable amount. 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 imply 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 (capital enhancement) or for both purposes and are not held: a) to be used for production or raw materials' procurement / 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 of Financial Position. Every profit or loss arising from the fair value revaluations of the investment property 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 permanently and it is 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 to be developed that is 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 de-recognition

Financial assets and financial liabilities are recognized in the Statement of Financial Position when, and only when, the Group becomes counterparty to the financial instrument.

The Group ceases to recognize a financial asset when and only when the contractual rights to the cash flows of the financial asset expire or when the financial asset is transferred and 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 de-recognition (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 item "Financial income/(expense)", except from 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 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. Financial liabilities are initially recognized at cost, which is the fair value of the consideration received apart from the issuance cost regarding debt. 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.

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.

(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 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 carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

The liability recognized in the Statement of financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (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 2021 fiscal year, the selected interest rate follows the trend of European Bonds with a 10-year expiration on December 31, 2021, 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.

(c) Benefits settled with equity instruments

The Group provides to its personnel compensation with remuneration in equity securities. Specifically, the Group provides to its personnel, based on the stock option scheme approved by the General Meeting of shareholders of the parent Company, the option to purchase the parent Company's own shares.

These remunerations are settled by the sale of the Company's own shares by the parent Company if the employee fulfills certain securing conditions and exercises his/her rights. The total amount of expenditure during the maturity period of the entitlement is determined on the basis of the fair value of the scheme during the entitlement period. Non-market conditions are included in the assumptions for determining the number of rights to be exercised. At each reporting date, the Group reviews the estimates for the number of rights that are expected to be exercised. It recognizes the effect of revising the initial estimates, if any, on the results by adjusting equity accordingly.

As at 31.12.2021, there is an active program of shares' distribution of the parent Company (see Note 29).

4.12 Leases

Recognition and initial measurement of the right-of-use asset

At the lease period commencement date, the Group recognizes a right-of-use asset and a lease liability, measuring the right-of-use asset at cost.

The cost of the right-of-use asset comprises:

- the amount of the initial measurement of the lease liability (see below),
- any lease payments made at or before the commencement date, less any lease incentives received,
- the initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group 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. In any other case the Group's marginal borrowing rate will be used.

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 provided that they have not been 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 subsequent re-measurement 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. re-measuring 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.

4.13 Government grants

Government grants are recorded at fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all the relevant conditions.

Grants that are related to tangible assets' subsidy 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 and are transferred 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 Liabilities and Assets

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

In accordance with IFRS 15 a five-step model is established 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 counterparty. When awarding a contract, it is defined the accounting monitoring of additional costs as well as direct costs required to complete the contract.

As revenues 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 weighted-based on probability-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 secures additional performance provision or not).

The Group and the Company recognize revenue when it satisfies the performance of the contractual obligation by transferring the goods or services on the basis of this obligation. Acquisition of control by the client occurs when it has the ability to direct the use and to derive virtually all the economic benefits from this good or service. Control is passed over a period or at a specific time. Revenue from the sale of goods is recognized when the control of the goods is transferred to the client, usually with their delivery to him/her 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 (i.e. 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.

Revenue 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 revenue 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:

- 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 input method of measurement in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers".

The input method recognizes revenue based on the entity's efforts or inflows towards fulfilling an implementation commitment (for example, the resources consumed, the hours worked, the costs incurred the time spent or the hours of operation of the machines consumed) in relation to the total expected inputs to fulfill this implementation commitment.

- 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 benefits of ownership of the goods are transferred to the buyer.

- Income from rentals

It refers to income 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.

- 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.

- 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 audit differences from previous years.

Current Tax

The current tax is calculated based on the tax Statements of Financial Position of each company included in the consolidated Financial Statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. 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 calculated based on 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 cancelled 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 31.12.2021 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, tax legislation and other untaxed 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.

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 participations will be transferred.

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) empirical adjustments (the effect of differences between previous actuarial assumptions and those eventually occurring) and (b) changes in actuarial assumptions.
2. Changes in fair value of investments classified as equity investments.

Dividends distributed to the Company's shareholders are recognized in the financial statements as a liability in the period in which the distribution proposal of the Management is approved by the Annual General Meeting of the Shareholders.

Also, at the same time, the financial statements reflect the effect of the approved by the Shareholders’ General Assembly distribution of the results and the possible formation of reserves.

(Amounts in thousands Euro, unless otherwise stated)

5 GROUP AND COMPANY STRUCTURE

The following tables is presented as of 31.12.2021 the total participating interests of parent company TERNA SA, direct and indirect, in the economic entities, which were included in the consolidation or incorporated as joint operations.

5.1 Company Structure

COMPANY NAME	DOMIC ILE	DIRECT PARTI- CIPATION %	INDIRECT PARTI- CIPATION %	TOTAL PARTI- CIPATION %	CONSOLI- DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION - JOINT VENTURES						
J/V TERNA - AKTOR - POWELL (CHAIDARI METRO)	Greece	66.00	0.00	66.00	Proportional consolidation	2016-2021
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	55.00	0.00	55.00	Proportional consolidation	2016-2021
J/V ALPINEMAYREDERBAUGmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V TERNA AE - WAYSS (PERISTERI METRO)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	Proportional consolidation	2016-2021
J/V TERNA - PANTECHNIKI (OAKA SUR. AREAS)	Greece	83.50	0.00	83.50	Proportional consolidation	2016-2021
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportional consolidation	2016-2021
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V ALPINEMAYREDERBAUGmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	49.00	0.00	49.00	Proportional consolidation	2016-2021
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	25.00	0.00	25.00	Proportional consolidation	2016-2021
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	37.40	0.00	37.40	Proportional consolidation	2016-2021
J/V TERNA SA-AKTOR ATE J&P AVAX-TREIS GEFYRES	Greece	33.33	0.00	33.33	Proportional consolidation	2016-2021
J/V METKA-TERNA	Greece	90.00	0.00	90.00	Proportional consolidation	2016-2021

(Amounts in thousands Euro, unless otherwise stated)

COMPANY NAME	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
J/V APION KLEOS	Greece	20.00	0.00	20.00	Proportional consolidation	2016-2021
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	33.33	0.00	33.33	Proportional consolidation	2017-2021
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0.00	50.00	Proportional consolidation	2017-2021
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0.00	50.00	Proportional consolidation	2017-2021
J/V AKTOR-TERNA (Patras Port)	Greece	70.00	0.00	70.00	Proportional consolidation	2016-2021
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0.00	33.33	Proportional consolidation	2016-2021
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0.00	49.00	Proportional consolidation	2017-2021
J/V AKTOR ATE - TERNA SA (Lignite works)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V AKTOR ATE - TERNA SA (Thriasio B’)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V AKTOR SA - J&P AVAX - TERNA SA (Tithorea Domokos)	Greece	33.33	0.00	33.33	Proportional consolidation	2016-2021
J/V AKTOR SA - J&P AVAX - TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	44.56	0.00	44.56	Proportional consolidation	2016-2021
J/V AKTOR SA - TERNA SA (Thriasio B’ ERGOSE)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V AKTOR - TERNA (Joint Venture ERGOSE No. 751)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V RENCO TERNA (Construction of compression Station of TAP in Greece and in Albania)	Greece	50.00	0.00	50.00	Proportional consolidation	2016-2021
J/V J&P AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT (Mosque)	Greece	25.00	0.00	25.00	Proportional consolidation	2016-2021
J/V AVAX-TERNA INTRAKAT-MYTILINAIOS (Construction of an artificial barrier on the Greek-Turkish border of Evros)	Greece	25.00	0.00	25.00	Proportional consolidation	2021
JV TERNA CC CHR D CONSTANTINIDIS	Greece	55.00	0.00	55.00	Proportional consolidation	2021
J/V TERNA GCC WAC	Qatar	0.00	30.00	30.00	Proportional consolidation	2016-2021
J/V VINCI TERNA DOO	Serbia	49.00	0.00	49.00	Proportional consolidation	2018-2021
J/V AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS)	Cyprus	40.00	0.00	40.00	Proportional consolidation	2019-2021

(Amounts in thousands Euro, unless otherwise stated)

5.2 Group Structure

COMPANY NAME	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONSTRUCTION - SUBSIDIARIES						
J/V EUROIONIA	Greece	95.00	0.00	95.00	Full	2016-2021
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0.00	95.00	Full	2016-2021
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	Full	2013-2021
TERNA BAHRAIN HOLDING WLL	Bahrain	0.00	99.99	99.99	Full	-
TERNA CONTRACTING CO WLL	Bahrain	0.00	100.00	100.00	Full	-
TERNA VENTURES WLL	Bahrain	0.00	100.00	100.00	Full	-
TERNA QATAR LLC (see Note 12.2)	Qatar	0.00	35.00	35.00	Full	2013-2021
AEROZEPHIROS LTD	Cyprus	0.00	100.00	100.00	Full	-
REAL ESTATE- SUBSIDIARIES						
MANTOUDI BUSINESS PARK S.A.	Greece	0.00	100.00	100.00	Full	2015-2021
INDUSTRIAL-MINES - SUBSIDIARIES						
TERNA MAG SA (see Note 12.2)	Greece	48.98	0.00	48.98	Full	2016-2021
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	Full	2016-2021
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full	2013-2021
CEMENT PRODUCTION AND EXPORT FZC	Libya	0.00	75.00	75.00	Full	-
HOLDING - SUBSIDIARIES						
QE ENERGY EUROPE LTD	Cyprus	0.00	100.00	100.00	Full	2013-2021
CONSTRUCTION - JOINT VENTURES						
J/V TERNA - CGCE (AMAS 2)	Bahrain	0.00	50.00	50.00	Proportional consolidation	-
JV TERNA-CGCE JOINT VENTURE (AMAS 3)	Bahrain	0.00	50.00	50.00	Proportional consolidation	-

(Amounts in thousands Euro, unless otherwise stated)

COMPANY NAME	DOMICILE	DIRECT PARTI-CIPATION %	INDIRECT PARTI-CIPATION %	TOTAL PARTI-CIPATION %	CONSOLI-DATION METHOD	TAX UNAUDITED YEARS
CONCESSION - JOINT VENTURES						
INTERNATIONAL AIRPORT OF HERAKLION CRETE CONCESSION S.A.	Greece	32.46	0.00	32.46	Equity	2019-2021
THERMAL ENERGY - JOINT VENTURES						
HERON II VIOTIA THERMOELECTRIC STATION S.A.	Greece	25.00	0.00	25.00	Equity	2015-2021
REAL ESTATE- JOINT VENTURES AND ASSOCIATES						
GEKA S.A.	Greece	33.34	0.00	33.34	Equity	2015-2021

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

Assessment of control

The companies TERNA LEFKOLITHI SA and TERNA QATAR LLC are fully consolidated as subsidiaries as the Group exercises control over them in accordance with the requirements of IFRS 10. Within the current year, no changes were made to the above estimates, compared to 31.12.2020 (see note 12.2).

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 for which they have been 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 MAIN ARROGATION CANAL D 1	75.00%
J/V AKTOR, AEGEK, EKTER, TERNA AIRPORT INSTAL. SPATA	20.00%
J/V FRAGMATOS PRAMORITSA	33.33%
J/V VIOTER SA – TERNA SA	50.00%
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%

(Amounts in thousands Euro, unless otherwise stated)

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 TERNA-Al OMAIER	60.00%

5.3 Changes in the structure of the Group within 2021

Within 2021, the following change took place in the structure of the Group in relation to the comparative year 2020:

On 16.06.2021 TERNA KONSTANTINIDIS J/V was founded with the business objective of constructing a technical project. TERNA subgroup owns 55% of this consortium.

During the fiscal year 2021, the following non-consolidated joint ventures were liquidated:

COMPANY NAME	TOTAL PARTICIPATION % (Indirect)
J/V ARTA-FILIPPIADA BY-PASS	98.00%
J/V AEGEK-TERNA (SIATISTA – KRYSTALLOPIGI CONNECTION)	45.00%
J/V EVINOU-AEGEK-METON SA-TERNA SA-EYKLEIDIS SA	33.33%

6 GEOGRAPHICAL SEGMENTS

The following table lists selected information for the Group by geographical area.

Geographical segments 31.12.2021	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Consolidated total**
Turnover from external customers	422,662	41,121	10,488	860	8,647	**483,777**
Non-current Assets (excl. deferred tax assets and financial assets)	200,078	30,790	226	0	0	**231,095**
Capital expenditure	11,431	506	255	0	0	**12,192**

Geographical segments 31.12.2020	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Consolidated total**
Turnover from external customers	437,715	32,262	28,645	698	5,405	**504,725**
Non-current Assets (excl. deferred tax assets and financial assets)	181,438	31,436	942	0	0	**213,816**
Capital expenditure	8,618	885	285	0	0	**9,788**

(Amounts in thousands Euro, unless otherwise stated)

7 GOODWILL

On 31.12.2021, the Group has recognized in the consolidated financial statements goodwill of 2,380 (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 2021 and 2020 is as follows:

	Construction
Net book value at 01.01.2020	3,025
Impairment of Goodwill	0
Net book value at 31.12.2020	**3,025**
Net book value at 01.01.2021	3,025
Impairment of Goodwill	(645)
Net book value at 31.12.2021	**2,380**
Gross book value on 31.12.2021	9,759
Accumulated impairment losses	(7,379)
Net book value at 31.12.2021	**2,380**

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 relevant work, the need arose to recognize within the current year, an impairment loss of 664 (31.12.2020: 0).

(Amounts in thousands Euro, unless otherwise stated)

8 INTANGIBLE FIXED ASSETS

Intangible assets of the Group and the relative changes for the periods January 1 to December 31, 2021 and 2020, 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 2021	**35,389**	**88,022**	**2,754**	**7,662**	**133,827**
Additions	1	0	1,228	283	**1,512**
Sales	0	0	(19)	0	**(19)**
Write offs	0	0	(101)	(182)	**(283)**
Transfers	0	0	(145)	6,997	**6,852**
Foreign exchange differences	0	0	18	0	**18**
31st December 2021	**35,390**	**88,022**	**3,735**	**14,760**	**141,907**
Accumulated amortization and impairments					
1st January 2021	**(10,539)**	**(86,782)**	**(1,993)**	**(1,119)**	**(100,433)**
Amortization	(579)	(137)	(220)	(924)	**(1,860)**
Sales	0	0	17	0	**17**
Write offs	0	0	101	103	**204**
Transfers	0	0	66	0	**66**
Foreign exchange differences	0	0	(18)	0	**(18)**
31st December 2021	**(11,118)**	**(86,919)**	**(2,047)**	**(1,940)**	**(102,024)**

(Amounts in thousands Euro, unless otherwise stated)

Net book value

31st December 2021	**24,272**	**1,103**	**1,688**	**12,820**	**39,883**

	GROUP				
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Total**
Acquisition Value					
1st January 2020	**35,384**	**88,022**	**2,516**	**7,378**	**133,300**
Additions	5	0	380	143	**528**
Sales	0	0	(52)	0	**(52)**
Write offs	0	0	(66)	0	**(66)**
Transfers	0	0	0	141	**141**
Foreign exchange differences	0	0	(24)	0	**(24)**
31st December 2020	**35,389**	**88,022**	**2,754**	**7,662**	**133,827**
Accumulated amortization and impairments					
1st January 2020	**(9,100)**	**(86,401)**	**(2,000)**	**(976)**	**(98,477)**
Amortization	(598)	(381)	(201)	(143)	**(1,323)**
Sales	0	0	52	0	**52**
Write offs	0	0	66	0	**66**
Impairments	(841)	0	0	0	**(841)**
Transfers from/(to) assets	0	0	66	0	**66**
Foreign exchange differences	0	0	24	0	**24**
31st December 2020	**(10,539)**	**(86,782)**	**(1,993)**	**(1,119)**	**(100,433)**

(Amounts in thousands Euro, unless otherwise stated)

Net book value					
31st December 2020	**24,850**	**1,240**	**761**	**6,543**	**33,394**

The amortization for the financial years 2021 and 2020 has been recognized in Cost of sales by 1,307 (31.12.2020: 1,085), in Administrative and distribution expenses by 172 (31.12.2020: 138), R&D expenses by 20 (31.12.2020: 14), Other Income / (expenses) by 125 (31.12.2020: 95) and Inventory by 236 (31.12.2020: (9)).

The respective amounts for the Company is 80 (31.12.2020: 84) in Cost of Sales and 137 (31.12.2020: 130) in Administrative and distribution expenses.

The account Concessions and Other Rights in the Company refers to paid rights for exploitation of quarries by 341 (31.12.2020: 375) and in the Group to magnesite mining right by 23,931 (31.12.2020: 24,475).

Development costs mainly refer to costs incurred in magnesite mines.

9 RIGHT OF USE ASSETS

The rights of use assets and their movement for the period 1 January until 31 December 2021 and 2020 presented in the accompanying financial statements are amazed as follows:

	GROUP					
	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2021	**1,046**	**8,788**	**3,469**	**1,891**	**0**	**15,194**
Additions	81	5,746	7	419	0	**6,253**
Transfers	0	0	(3,250)	(530)	0	**(3,780)**
Termination of contracts	(671)	(1,521)	(1)	(77)	0	**(2,270)**
Foreign exchange differences	27	32	0	0	0	**59**
31st December 2021	**483**	**13,045**	**225**	**1,703**	**0**	**15,456**
Accumulated amortization and impairments						
1st January 2021	**(671)**	**(3,969)**	**(914)**	**(1,129)**	**0**	**(6,683)**
Amortization	(180)	(2,417)	(129)	(454)	0	**(3,180)**
Transfers	0	0	883	397	0	**1,280**
Termination of contracts	513	748	0	42	0	**1,303**

(Amounts in thousands Euro, unless otherwise stated)

Foreign exchange differences	(20)	(22)	0	0	0	**(42)**
31st December 2021	**(358)**	**(5,660)**	**(160)**	**(1,144)**	**0**	**(7,322)**
Net book value						
31st December 2021	**125**	**7,385**	**65**	**559**	**0**	**8,134**

	GROUP					
	Land-Plots	**Buildings and Installations**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Total**
Acquisition Value						
1st January 2020	**1,053**	**7,777**	**25,919**	**7,792**	**2**	**42,543**
Additions	184	1,988	145	206	0	**2,523**
Transfers	0	0	(21,070)	(5,898)	0	**(26,968)**
Termination of contracts	(134)	(939)	(1,522)	(209)	(2)	**(2,806)**
Foreign exchange differences	(57)	(38)	(3)	0	0	**(98)**
31st December 2020	**1,046**	**8,788**	**3,469**	**1,891**	**0**	**15,194**
Accumulated amortization and impairments						
1st January 2020	**(406)**	**(2,248)**	**(10,242)**	**(3,746)**	**(2)**	**(16,644)**
Amortization	(439)	(2,300)	(1,244)	(682)	0	**(4,665)**
Transfers	0	0	9,119	3,099	0	**12,218**
Termination of contracts	134	560	1,451	200	2	**2,347**
Foreign exchange differences	40	19	2	0	0	**61**
31st December 2020	**(671)**	**(3,969)**	**(914)**	**(1,129)**	**0**	**(6,683)**
Net book value						
31st December 2020	**375**	**4,819**	**2,555**	**762**	**0**	**8,511**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
Acquisition Value						
1st January 2021	**146**	**7,878**	**2,124**	**1,382**	**0**	**11,530**
Additions	81	5,202	7	405	0	**5,695**
Transfers	0	0	(2,114)	(125)	0	**(2,239)**
Termination of contracts	(98)	(1,476)	(1)	(64)	0	**(1,639)**
Foreign exchange differences	0	14	0	0	0	**14**
31st December 2021	**129**	**11,618**	**16**	**1,598**	**0**	**13,361**
Accumulated amortization and impairments						
1st January 2021	**(94)**	**(3,511)**	**(607)**	**(779)**	**0**	**(4,991)**
Amortization	(67)	(2,179)	(71)	(424)	0	**(2,741)**
Transfers	0	0	663	85	0	**748**
Termination of contracts	70	723	0	36	0	**829**
Foreign exchange differences	0	(7)	0	0	0	**(7)**
31st December 2021	**(91)**	**(4,974)**	**(15)**	**(1,082)**	**0**	**(6,162)**
Net book value						
31st December 2021	**38**	**6,644**	**1**	**516**	**0**	**7,199**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
Acquisition Value						
1st January 2020	**183**	**6,732**	**24,222**	**7,223**	**2**	**38,362**
Additions	99	1,939	106	181	0	**2,325**
Transfers	0	0	(21,070)	(5,898)	0	**(26,968)**
Termination of contracts	(134)	(778)	(1,134)	(124)	(2)	**(2,172)**
Foreign exchange differences	(2)	(15)	0	0	0	**(17)**
31st December 2020	**146**	**7,878**	**2,124**	**1,382**	**0**	**11,530**
Accumulated amortization						
1st January 2020	**(103)**	**(1,977)**	**(9,791)**	**(3,389)**	**(2)**	**(15,262)**
Amortization	(126)	(2,032)	(1,069)	(605)	0	**(3,832)**
Transfers	0	0	9,119	3,099	0	**12,218**
Termination of contracts	134	489	1,134	116	2	**1,875**
Foreign exchange	1	9	0	0	0	**10**
31st December 2020	**(94)**	**(3,511)**	**(607)**	**(779)**	**0**	**(4,991)**
Net book value						
31st December 2020	**52**	**4,367**	**1,517**	**603**	**0**	**6,539**

Group's amortization for the year 2021 have been recorded in Cost of sales by 1,826 (31.12.2020: 3,126), in Administrative and distribution expenses by 1,224 (31.12.2020: 1,433), in Research and development expenses by 8 (31.12.2020: 0), in Other income/(expense) by 121 (31.12.2020: 120) and in inventory by 1 (31.12.2020: (14)).

Company's amortization for the year 2021 has been recorded in Cost of sales by 1,595 (31.12.2020: 2,755), in Administrative expenses by 1,040 (31.12.2020: 1,009) and in Other income/(expense) by 106 (31.12.2020: 68).

The total amount of transfers of the Group and Company in year 2021 of the unamortized balance of 2,500 (2020: 14,750), refers to acquired assets of bank leases which were transferred to the item "Tangible assets".

(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 2021 and 2020, in the accompanying financial statements, are analyzed as follows:

	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 2021	**13,104**	**8,595**	**172,347**	**35,351**	**15,576**	**7,009**	**251,982**
Additions	0	0	4,406	700	546	5,030	**10,682**
Sales	0	(70)	(3,535)	(1,292)	(625)	0	**(5,522)**
Write offs	0	(68)	(941)	(110)	(2,491)	(458)	**(4,068)**
Transfers	0	131	5,543	530	(490)	(8,333)	**(2,619)**
Foreign exchange differences	0	(323)	(637)	(196)	68	0	**(1,088)**
31st December 2021	**13,104**	**8,265**	**177,183**	**34,983**	**12,584**	**3,248**	**249,367**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated amortization and impairments							
1st January 2021	**(3,906)**	**(3,426)**	**(102,966)**	**(26,331)**	**(11,597)**	**0**	**(148,226)**
Depreciation	(280)	(248)	(5,592)	(1,458)	(930)	0	**(8,508)**
Sales	0	22	3,332	883	522	0	**4,759**
Write offs	0	68	931	105	2,288	0	**3,392**
Transfers	0	0	(947)	(397)	64	0	**(1,280)**
Foreign exchange differences	0	220	401	120	(65)	0	**676**
31st December 2021	**(4,186)**	**(3,364)**	**(104,841)**	**(27,078)**	**(9,718)**	**0**	**(149,187)**
Net book value							
31st December 2021	**8,918**	**4,901**	**72,342**	**7,905**	**2,866**	**3,248**	**100,180**

(Amounts in thousands Euro, unless otherwise stated)

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 2020	**13,104**	**8,978**	**160,618**	**29,282**	**19,344**	**6,954**	**238,280**
Additions	0	7	1,438	517	1,248	6,050	**9,260**
Sales	0	(625)	(9,021)	(1,627)	(1,526)	0	**(12,799)**
Write offs	0	(61)	(5,621)	(437)	(3,352)	0	**(9,471)**
Transfers	0	337	25,441	7,730	7	(5,995)	**27,520**
Foreign exchange differences	0	(41)	(508)	(114)	(145)	0	**(808)**
31st December 2020	**13,104**	**8,595**	**172,347**	**35,351**	**15,576**	**7,009**	**251,982**
Accumulated depreciations and impairments							
1st January 2020	**(3,626)**	**(3,819)**	**(102,884)**	**(23,846)**	**(15,097)**	**0**	**(149,272)**
Depreciation	(280)	(272)	(4,898)	(1,356)	(1,092)	0	**(7,898)**
Sales	0	587	7,863	1,456	1,121	0	**11,027**
Write offs	0	61	5,605	437	3,335	0	**9,438**
Impairments	0	0	(48)	0	(1)	0	**(49)**

(Amounts in thousands Euro, unless otherwise stated)

Reversal of Impairments	0	0	20	5	0	508	**533**
Transfers	0	(13)	(9,106)	(3,134)	1	(508)	**(12,760)**
Foreign exchange differences	0	30	482	107	136	0	**755**
31st December 2020	**(3,906)**	**(3,426)**	**(102,966)**	**(26,331)**	**(11,597)**	**0**	**(148,226)**
Net book value							
31st December 2020	**9,198**	**5,169**	**69,381**	**9,020**	**3,979**	**7,009**	**103,756**

COMPANY

	Quarries/Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for	Total
Acquisition Value							
1st January 2021	**9,538**	**3,443**	**128,591**	**32,196**	**11,742**	**631**	**186,140**
Additions	0	0	4,126	365	511	151	**5,153**
Sales	0	(59)	(540)	(417)	(264)	0	**(1,280)**
Write offs	0	(68)	(246)	(8)	(2,201)	(456)	**(2,979)**
Transfers	0	129	2,892	125	(490)	(241)	**2,415**
Foreign exchange differences	0	(324)	(764)	(233)	21	0	**(1,300)**
31st December 2021	**9,538**	**3,121**	**134,059**	**32,028**	**9,319**	**85**	**188,149**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated depreciation and impairments							
1st January 2021	**(3,908)**	**(2,436)**	**(94,224)**	**(24,983)**	**(8,306)**	**0**	**(133,856)**
Depreciation	(280)	(121)	(4,064)	(1,189)	(800)	0	**(6,454)**
Sales	0	10	449	355	175	0	**989**
Write offs	0	68	236	7	1,998	0	**2,309**
Transfers	0	0	(727)	(85)	64	0	**(748)**
Foreign exchange differences	0	221	528	157	(19)	0	**887**
31st December 2021	**(4,188)**	**(2,258)**	**(97,802)**	**(25,738)**	**(6,888)**	**0**	**(136,873)**
Net book value							
31st December 2021	**5,350**	**863**	**36,257**	**6,290**	**2,431**	**85**	**51,276**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Quarries/Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed	Total
Acquisition Value							
1st January 2020	**9,538**	**4,163**	**117,613**	**27,076**	**14,686**	**242**	**173,317**
Additions	0	7	1,285	500	1,207	460	**3,459**
Sales	0	(626)	(5,669)	(828)	(761)	0	**(7,884)**
Write offs	0	(61)	(5,615)	(424)	(3,340)	0	**(9,440)**
Transfers	0	0	21,134	5,905	0	(71)	**26,968**
Foreign exchange differences	0	(40)	(157)	(33)	(50)	0	**(280)**
31st December 2020	**9,538**	**3,443**	**128,591**	**32,196**	**11,742**	**631**	**186,140**
Accumulated depreciation and impairments							
1st January 2020	**(3,628)**	**(2,961)**	**(93,099)**	**(21,964)**	**(11,376)**	**0**	**(133,027)**
Depreciation	(280)	(152)	(3,314)	(1,026)	(913)	0	**(5,685)**
Sales	0	587	5,553	657	614	0	**7,411**
Write offs	0	61	5,600	424	3,323	0	**9,408**
Reversal of Impairments	0	0	20	0	0	0	**20**

(Amounts in thousands Euro, unless otherwise stated)

Transfers	0	0	(9,119)	(3,099)	1	0	**(12,217)**
Foreign exchange differences	0	29	135	25	45	0	**234**
31st December 2020	**(3,908)**	**(2,436)**	**(94,224)**	**(24,983)**	**(8,306)**	**0**	**(133,856)**
Net book value							
31st December 2020	**5,630**	**1,007**	**34,367**	**7,213**	**3,436**	**631**	**52,284**

(Amounts in thousands Euro, unless otherwise stated)

Depreciation of the Group for year 2021 has been recognized in Cost of sales by 5,974 (31.12.2020: 6,255), in Administrative and distribution expenses by 1,687 (31.12.2020: 930), in Research and development expenses by 39 (31.12.2020: 59), in Other income/ (expense) by 609 (31.12.2020: 734) and in inventory by 199 (31.12.2020: (79)).

Depreciation of the Company are presented in the Statement of Total Comprehensive Income by 4,838 (31.12.2020: 4,835) in the Cost of sales, by 1,516 (31.12.2020: 619) in the Administrative and distribution expenses and in the Other income/(expense) by 100 (31.12.2020: 232).

There are no encumbrances on property, plant and equipment.

11 INVESTMENT PROPERTY

The movement of the investment property for the fiscal years 2021 and 2020 for the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
Balance 1st January	**8,061**	**8,160**	**7,438**	**7,536**
Fair value adjustments	(76)	(99)	(77)	(98)
Balance 31st December	**7,985**	**8,061**	**7,361**	**7,438**

Investment property is measured at fair value method in accordance with the requirements 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 within the fiscal year 2021, made a revaluation of the fair value of its property portfolio by assigning its valuation work to independent property appraisers. Revaluation of fair value of investment property resulted in a loss of 76 (2020: loss of 99) (see Note 34).

The following table presents data concerning the key assumptions taken into consideration for the valuation of the investment properties on 31.12.2021:

Property	Fair Value 31.12.2021	Method	Market value	Interest rate	Return
Kos - Land	824	Real estate market	30,0 euro per sqm	-	-
Building and Plot position of Lezides Aliveri Evoia	1,087	Real estate market and capitalization of revenues	Building 2.00-5 euro/sqm, land 4.8-11.4 euro/sqm, lease of building 1.6 euro/sqm	12.25	12.25%
Plot in Posidonia position, Laurio,	13	Real estate market	1.87 euro per sqm	-	-
Madoudi, (Evoia) –	624	Real estate market	5.50 euro per sqm	-	-

(Amounts in thousands Euro, unless otherwise stated)

Bulgaria-Plots (Batac)	5,437	Real estate market /Exploitation	34.85 euro per sqm	-	-
	7,985				

The relative data regarding the key assumptions taken into consideration for the valuation of the investment properties on 31.12.2020 is as follows:

Property	Fair Value 31.12.2020	Method	Market value	Interest rate	Return
Kos - Land	900	Real estate market	26,5 euro per sqm	-	-
Building and Plot position of Lezides Aliveri Evoia	1,087	Real estate market and capitalization of revenues	Building 2.00-5 euro/sqm, land 4.8-11.4 euro/sqm, lease of building 1.6 euro/sqm	12.25	12.25%
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 (Batac)	5,437	Real estate market /Exploitation	34.85 euro per sqm	-	-
	8,061				

There are no encumbrances on investment property.

12 PARTICIPATIONS IN SUBSIDIARIES

12.1 Analysis of changes of investments in subsidiaries for the year 2021

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:

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY	
	2021	**2020**
Balance 1st January	**123,529**	**117,768**
Additions	4,001	24,655
Sales / Write Off	0	(248)
Impairment loss	(30,255)	(18,645)
Balance 31st December	**97,275**	**123,529**

The additions of the item within the year 2021 concern a share capital increase in the subsidiary TERNA OVERSEAS LTD.

Impairment losses recognized during the year amounted to 30,255 and concern by an amount of 30,027 the subsidiary TERNA OVERSEAS LTD and by an amount of 228 the subsidiary EUROIONIA J/V. The corresponding losses for the year 2020 amounted to 18,645 and concerned the subsidiary TERNA LEFKOLITHI SA.

12.2 Control's assessment based on IFRS 10

- The Group holds 48.98% in the issued share capital of TERNA LEFKOLITHI SA. According to the requirements of IFRS 10, the parent company exercises control over TERNA LEFKOLITHI SA as it has the ability to direct the respective activities through appointing the members of the Board of Directors.
- The company TERNA QATAR LLC, in the share capital of which the Group participates by 35% is fully consolidated as a subsidiary, as control is presumed in accordance with the requirements of IFRS 10 "Consolidated Financial Statements". More specifically, on a contract basis, the Group essentially holds control of the management and operation of the company in question.

  During the year, no changes were made in the above estimates, compared to 31.12.2020.

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.

Regarding the impairment losses amounting to 30,255 concerning the subsidiary TERNA OVERSEAS LTD, these mainly concern the incorporation of losses from the subsidiaries based in the Middle East, TERNA BAHRAIN HOLDING WLL and TERNA QATAR LLC, in relation to share capital reduction by offsetting losses and writing off intragroup loans respectively. In order to determine the recoverable amount of the company, appropriate adjustments were made to the Company's Equity based on future profits from the completion of its construction contracts.

(Amounts in thousands Euro, unless otherwise stated)

12.4 Subsidiaries with significant percentage of non-controlling interests

The data and the accounts of the financial statements of the significant subsidiary TERNA LEFKOLITHI SA (with scope of business mining and magnesite exploitation), in which there are minority interests of third parties, and in which the highest seated parent company being GEK TERNA SA, have as follows:

	31.12.2021	31.12.2020
Percentage of non-controlling interests	51.02%	51.02%
Statement of Financial Position		
Non-current assets	62,871	69,776
Current assets	18,356	14,951
(Long-term liabilities)	(55,271)	(57,288)
(Short-term liabilities)	(12,708)	(9,330)
Net fixed assets	**13,248**	**18,109**
Equity corresponding to non-controlling interests	**16,810**	**19,155**
Statement of Comprehensive Income		
Turnover	9,848	6,824
Net Profit/(Loss)	(4,910)	(13,196)
Other Comprehensive Income	0	71
TOTAL COMPREHENSIVE INCOME	**(4,910)**	**(13,125)**
Non-controlling interests from continuing operations	**(2,369)**	**(7,404)**
Statement of Cash Flows		
Net cash flows from operating activities	(478)	(4,312)
Net cash flows from investing activities	(5,450)	(5,601)
Net cash (outflows) /inflows from financing activities	6,186	8,750
Net increase/(decrease) in cash and cash equivalents	**258**	**(1,163)**
Opening cash and cash equivalents	252	1,415
Closing cash and cash equivalents	**510**	**252**

(Amounts in thousands Euro, unless otherwise stated)

The above financial accounts of the subsidiary 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 28which are presented in Note 5 to the Financial Statements.

Changes in investments in joint ventures in 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	2021	2020	2021	2020
Balance 1st January	**57,069**	**15,237**	**57,659**	**16,139**
Additions	0	41,520	0	41,520
Recovery of impairment	0	0	10,683	0
Results from the application of the equity consolidation method	10,686	312	0	0
Movements directly to Equity from the application of the equity consolidation method	4,778	0	0	0
Balance 31st December	**72,533**	**57,069**	**68,342**	**57,659**

The recovery of impairment within the year 2021 concerns an amount of 10,683 relating to the recovery of impairment of participation in the joint venture HERON II VIOTIA SA. It is noted that the amount of 10,683 refers to recovery of impairment on the equity participation that was recognized in previous years, and the recovery of impairment does not exceed the initial acquisition cost of the participation. The above recovered amount arose as the difference between the acquisition cost recorded in the separate financial statements and the fair value of Equity of the Joint Venture with the corresponding participation percentage (25%).

The determination of fair value is based on significant assumptions not observable in the market. The main estimates and assumptions are related to the evolution of the company's future income which are expected to be formed based on the estimated representation that the company is expected to achieve in the total estimated electricity generation of the country as it is affected by national energy policy and gas prices. Estimated future cash flows are discounted at a discount rate of 9.50%. The amount of the impairment recovery was recorded in the results of the year in the item "Profits/(Losses) from valuation of participations and securities" (see note 35).

As a result of the acquisition of HERON II by GEK TERNA, the old shareholders waived part of the accrued but unpaid interest on a Bond Loan issued by HERON II to the Company's shareholders, as a

(Amounts in thousands Euro, unless otherwise stated)

Second Debt under the Debt of the power plant. The Management of HERON II, evaluating the principles of the Conceptual Framework and the accounting standards, considered that this benefit does not constitute income, but a capital contribution and proceeded to the recognition of the amount of the benefit directly in the Equity. From the incorporation of HERON II in the financial statements of the Group, an amount of 4,778 ("Movements directly to Equity from the application of equity consolidation method ") concerning the ratio of benefit to the Group was recognized in the Group's Equity and is included in "Transfers / other movements ".

The most important joint ventures included in this item are HERON II VIOTIA S.A. and INTERNATIONAL AIRPORT HERAKLION CRETE SA CONCESSION (see details Note 5). 100% of the data and items of the financial statements of these joint ventures, for the fiscal year 2021 and 2020 are as follows:

	HERON II VOIOTIA SA		**HERAKLION CRETE INTERNATIONAL AIRPORT SA CONCESSION**	
Interest	**25.00%**	**25.00%**	**32.46%**	**32.46%**
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Non-current assets	116,155	123,170	135,808	109,186
Cash and cash equivalents	31,805	8,466	115,450	37,921
Other current assets	95,344	27,213	29,568	27,562
Total assets	**243,304**	**158,849**	**280,826**	**174,668**
Long-term financial liabilities (less trade and other liabilities and provisions)	54,327	67,144	543	228
Other long-term liabilities	22,848	25,982	204,878	100,000
Short-term financial liabilities (less trade and other liabilities and provisions)	11,603	15,293	129	60
Other short-term liabilities	49,572	7,279	2,701	1,847
Total liabilities	**138,350**	**115,698**	**208,251**	**102,135**
Net assets	**104,954**	**43,151**	**72,575**	**72,534**
Carrying amount of investments in financial statements	**26,239**	**10,788**	**43,579**	**43,566**
Turnover	288,230	74,260	35,041	17,262
(Depreciation / Amort.)	(10,595)	(9,694)	(151)	(43)
(Financial expenses)	(6,642)	(8,868)	(22)	(9)
Financial income	0	28	8	0

(Amounts in thousands Euro, unless otherwise stated)

Tax expenses	3,049	(3,379)	(163)	51
Results after taxes	**42,484**	**1,441**	**(1,253)**	**(162)**
Other comprehensive income	(4)	18	0	0
Total Results	**42,480**	**1,459**	**(1,253)**	**(162)**
Share in the results of the Group	10,621	360	13	(53)
Share in the other comprehensive results of the Group	(1)	5	0	0
Share in the total comprehensive results of the Group	**10,620**	**365**	**13**	**(53)**

INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION SA:

It is noted that after the start date of the concession and in accordance with the provisions of the concession agreement, the percentages of participation in the share capital were formed in: TERNA SA. 32.46%, GMR Airports Limited 21.64%, and Greek State with 45.9%. The above percentages are valid as of 06.02.2020. However, according to the Concession Agreement, TERNA and GMR Airports Limited have undertaken the obligation to fully cover the amount of the share capital increase in proportion (pro rata) to the previous participation percentage of each, i.e. percentages of 60% and 40% respectively.

In the years 2021 and 2020, no dividends were received from the above joint ventures.

13.2 Investments in joint operations – Proportional consolidation

The companies accounted for using the proportionate consolidation method in consolidated and separate financial statements of the Company are analytically presented in Note 5. These companies refer to joint operations' schemes with partners-shareholders and basically are tax construction 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-before omissions- are included in the consolidated and separate Financial Statements for FYs 2021 and 2020 and represent the Group's share in assets and liabilities as well as on profit after tax of the jointly controlled entities.

	GROUP		**COMPANY**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Non-current assets	5,948	7,815	5,948	7,093
Other current assets	107,093	153,577	102,199	146,864
Total assets	**113,040**	**161,392**	**108,147**	**153,958**

(Amounts in thousands Euro, unless otherwise stated)

Long-term liabilities	5,237	16,892	5,237	16,770
Other short-term liabilities	107,387	143,989	106,898	141,232
Total liabilities	**112,625**	**160,881**	**112,135**	**158,002**
Equity	**416**	**511**	**(3,988)**	**(4,044)**
Turnover	116,041	95,592	115,961	87,302
Total income after tax	3,032	1,236	3,863	448
Profit after tax	**3,754**	**(2,147)**	**4,263**	**(3,516)**

14 OTHER LONG-TERM RECEIVABLES

The account “Other long-term receivables” on 31.12.2021 and 31.12.2020 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Loans to subsidiaries, joint ventures and other related companies	52,077	17,366	101,131	58,620
Approved but not collected grants	0	10,441	0	0
Given guarantees	830	1,039	461	591
Withheld amounts of invoiced receivables	2,745	9,810	0	0
Other long-term receivables	355	861	354	862
Provision for impairment of long-term financial assets	0	(12)	0	(16)
Total	**56,007**	**39,505**	**101,946**	**60,057**

The Company participates in the issuance of bond loans to subsidiaries and other affiliated companies, which will be repaid either by obtaining a bank loan or through early repayments or at their maturity. The change in the Company in the account "Loans to joint ventures and other related companies" concerns the granting of loans amounting to 37.130 and the collection of an amount of capital and interest of 901.

The change on the Group level regarding the account "Withheld amounts of invoiced receivables" mainly concerns a transfer to the item "Trade receivables", as an amount to be collected in the next 12 months.

(Amounts in thousands Euro, unless otherwise stated)

The reversal of the amount of 10,441 in the account "Approved but not received grants" comes from the subsidiary TERNA LEFKOLITHI (see details in Note 25).

15 INVENTORY

The account “inventories” on 31.12.2021 and 31.12.2020 in the accompanying financial statements is analyzed as follows:

	GROUP		**COMPANY**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Raw-auxiliary materials	5,776	4,056	4,971	3,172
Spare parts of fixed assets	32	25	32	25
Merchandise and Finished and semi-finished products	24,066	21,597	3,910	4,290
Property under construction	2,196	2,196	0	0
Impairment	(10,150)	(9,829)	(1,050)	(1,050)
Total	**21,920**	**18,045**	**7,863**	**6,437**

The account "Merchandise and Finished and semi-finished products” relates mainly to mined magnesite ore (processed and unprocessed).

In total the Group recognized, during the annual procedure of net realizable value audit for its inventories and property, losses of 343 (31.12.2020: 4,509) in Other income/(expenses) in Total Comprehensive Income Statement (see note 34).

With the exception of the above cases, there was no need for impairment of inventories on 31.12.2021.

The inventories are not burdened with liens.

16 TRADE RECEIVABLES

The “Trade receivables” of the Group and the Company on 31.12.2021 and 31.12.2020 in the accompanying financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Trade receivables	173,209	173,368	150,271	198,822
Customers – Doubtful and litigious	4,800	4,903	4,546	4,659
Notes / Checks Receivable overdue	824	824	824	824
Checks Receivable	0	1,100	0	1,100
Minus: Provisions for doubtful trade receivables	(19,507)	(19,376)	(18,313)	(18,848)
Total	**159,326**	**160,819**	**137,328**	**186,557**

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 2021 and 2020 are analyzed as follows:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**242**	**18,975**	**19,217**
Provision of credit loss	0	711	0	711
Recovery of provision of credit loss	0	(115)	(306)	(421)
Other transfers	0	3	48	51
Foreign exchange differences	0	(1)	(181)	(182)
Balance 31.12.2020	**0**	**840**	**18,536**	**19,376**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2021	**0**	**840**	**18,536**	**19,376**
Provision of credit loss	0	1,092	0	1,092
Recovery of provision of credit loss	0	(688)	(227)	(915)
Eliminations	0	(3)	(118)	(121)
Foreign exchange differences	0	29	46	75
Balance 31.12.2021	**0**	**1,270**	**18,237**	**19,507**

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**242**	**18,484**	**18,726**
Provision of credit loss	0	668	0	668
Recovery of provision of credit loss	0	(120)	(306)	(426)
Other transfers	0	1	48	49
Foreign exchange differences	0	0	(169)	(169)
Balance 31.12.2020	**0**	**791**	**18,057**	**18,848**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2021	**0**	**791**	**18,057**	**18,848**
Provision of credit loss	0	19	0	19
Recovery of provision of credit loss	0	(241)	(227)	(468)
Eliminations	0	(3)	(118)	(121)
Foreign exchange differences	0	0	35	35
Balance 31.12.2021	**0**	**566**	**17,747**	**18,313**

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Non outstanding balances	144,989	143,032	115,910	151,645
Outstanding balances	33,844	37,163	39,731	53,760
Total trade receivables	**178,833**	**180,195**	**155,641**	**205,405**

The maturity of outstanding postdated trade receivables is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP 2021					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	144,989	2,212	8,816	3,173	19,643	178,833
Expected credit loss	(511)	(1)	(4,330)	(313)	(14,352	(19,507)
Total	**144,478**	**2,211**	**4,486**	**2,860**	**5,291**	**159,326**

	GROUP 2020					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	143,032	1,559	10,838	5,957	18,809	180,195
Expected credit loss	(292)	(8)	(1,691)	(3,231)	(14,154	(19,376)
Total	**142,740**	**1,551**	**9,147**	**2,726**	**4,655**	**160,819**

	COMPANY 2021					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	115,910	2,260	9,993	8,407	19,072	155,641
Expected credit loss	(313)	(1)	(4,315)	(310)	(13,374	(18,313)
Total	**115,597**	**2,258**	**5,678**	**8,097**	**5,698**	**137,328**

	COMPANY 2020					
	Non outstanding balances	**< 6 months**	**6 - 12 months**	**12 - 24 months**	**>24 months**	**Total**
Total amount of receivables	151,645	11,160	15,192	6,466	20,942	205,405
Expected credit loss	(272)	(8)	(1,691)	(3,228)	(13,649	(18,848)
Total	**151,373**	**11,151**	**13,501**	**3,238**	**7,293**	**186,557**

The non-post-dated amounts include an amount of 39.3 million euros (31.12.2020: 35.9 million euros), which relates to withholdings for good performance (retained guarantees).

As a total, as far as the Group is concerned, receivables after impairment that are post-dated for longer than 12 months stand at 8,151 for the Group and at 13,795 for the Company. These receivables relate to Public Bodies, Related Parties and Third Parties and are, according to the Management's estimates, recoverable.

(Amounts in thousands Euro, unless otherwise stated)

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

Finally, an important guarantee for the collection of balances are the received advances concerning construction contracts, which on 31.12.2021 amounted to 308.7 million euros (31.12.2020: 251.7 million euros) (see Notes 17 & 27).

17 RECEIVABLES / LIABILITIES FROM CONTRACTS WITH CUSTOMERS

The receivables from contracts with customers are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Receivables from construction contracts with customers	146,533	108,307	122,118	76,618
Receivables from other contracts with customers	4,918	451	1,489	450
Less: Impairments of receivables from contracts with customers	(46)	(10,030)	(46)	(60)
Total	**151,405**	**98,728**	**123,561**	**77,008**

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

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**10,512**	**(75)**	**10,437**
Provision of credit loss	0	58	75	133
Recovery of provision of credit loss	0	(31)	0	(31)
Other transfers	0	(2)	0	(2)
Foreign exchange differences	0	(507)	0	(507)
Balance 31.12.2020	**0**	**10,030**	**0**	**10,030**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2021	**0**	**10,030**	**0**	**10,030**
Recovery of provision of credit loss	0	(10,491)	0	(10,491)
Foreign exchange differences	0	507	0	507
Balance 31.12.2021	**0**	**46**	**0**	**46**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2020	**0**	**32**	**(75)**	**(43)**
Provision of credit loss	0	58	75	133
Recovery of provision of credit loss	0	(30)	0	(30)
Balance 31.12.2020	**0**	**60**	**0**	**60**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2021	**0**	**60**	**0**	**60**
Recovery of provision of credit loss	0	(14)	0	(14)
Balance 31.12.2021	**0**	**46**	**0**	**46**

The reversal of provisions amounting to approximately 10 million euros within the current year, concerns the court claim of contractual receivables of the TERNA Group in Bahrain. In particular within 2017, the Group launched a lawsuit, claiming contractual claims (plus interest and arbitration costs) relating to a construction project carried out by TERNA Group (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). The Group on the above balance has recognized cumulative provisions for possible credit losses of Euro 10.5 million (BD 4.6 million). On 25.05.2020 it was issued the multi-page court decision of the ICC International Court of Arbitration and states that the amount of Euro 11.1 million (BD 4.7 million) is awarded for the benefit of the Group. The company initiated the proceedings for the execution of the above decision of the I.C.A., while the opposing company in October 2020 filed an appeal to the High Court against the execution of the decision, and after the 29 December rejection decision in February 2021 filed a second appeal with the Supreme Court, again seeking a suspension of execution. The second appeal was also rejected and so the Execution Court, after the first instance acquittal of the company by the High Court, has started the process of execution of the decision of the ICA, having submitted an application to the CENTRAL BANK OF BAHRAIN to investigate and find the deposits of the other party SHARAKA FOR HOUSING PROJECTS BSCC in the commercial banks, in order to satisfy the decision of the ICA.

(Amounts in thousands Euro, unless otherwise stated)

Subsequently, on 12.05.2021, the other party filed an appeal with the Cassation Court against the decision of the Supreme Court of 28.03.2021, the hearing of which was announced for 04.10.2021. The above appeal is not of a suspensive nature for the enforcement proceedings of the decision, which are expected to be completed with the issuance of the decision of the Cassation Court.

On 24.11.2021 the clear decision of the Cassation Court was issued, which rejects the appeal of SHARAKA FOR HOUSING PROJECTS BSCC. The decision for the execution of the decision was then submitted to the Execution Court, as well as against the parent company of SHARAKA, which as a parent company has the obligation to cover the obligation of its subsidiary, in case of failure of SHARAKA. Due to the entry into force of new legislation on the operation of the Execution Court, which provides this court with additional powers and will facilitate the execution of the decision, the implementation of the above procedures is expected to accelerate.

Summarizing all the above, the positive effect on the Group's financial results within the current year amounted to approximately 5.7 million euros (reversal of provisions by 10 million euros, de-recognition of non-invoiced receivables of 15.3 million euros and recognition of receivables of 11 million euros).

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

	GROUP		**COMPANY**	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Customer advances	183,039	129,968	79,805	110,665
Non-completed liabilities from construction	141,075	83,852	139,948	71,821
Total	**324,114**	**213,820**	**219,753**	**182,486**

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 01.01.2020	**90,463**
Effect due to execution of existing contracts	18,606
Income for the period from new contracts	1,099
Foreign exchange differences	(1,409)
Balance 31.12.2020	**108,758**

(Amounts in thousands Euro, unless otherwise stated)

Balance 01.01.2021	**108,758**
Effect due to execution of existing contracts	35,358
Income for the period from new contracts	6,794
Foreign exchange differences	540
Balance 31.12.2021	**151,451**

Liabilities due to contracts with customers	**GROUP**
Balance 01.01.2020	**92,457**
Effect due to execution of existing contracts	(19,051)
Income for the period from new contracts	10,522
Foreign exchange differences	(76)
Balance 31.12.2020	**83,852**
Balance 01.01.2021	**83,852**
Effect due to execution of existing contracts	(22,816)
Income for the period from new contracts	80,030
Foreign exchange differences	9
Balance 31.12.2021	**141,075**

The contractual liabilities of the Group amount to 141,075 (31.12.2020: 83,852). The income recognized during the year 2021, which relates to contractual obligations that existed on 31.12.2020 amounts to 83,582.

18 PREPAYMENTS AND OTHER RECEIVABLES

The "Prepayments and other receivables" on 31st December 2021 and 31st December 2020 in the accompanying financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
Prepayments and other short-term non-financial receivables	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Advances to suppliers	47,186	27,286	45,916	24,607
VAT for rebate – offsetting	4,493	5,716	3,212	4,716
Prepayment to insurance funds (Social Security Organization of technical works)	4,056	4,316	4,056	4,316
Accounts for the management of prepayments and credits	756	1,183	696	868
Other deferred and prepaid expenses	11,842	5,458	10,078	4,785
Other transitory asset accounts	217	314	221	318
Total (a)	**68,550**	**44,273**	**64,179**	**39,610**

	GROUP		COMPANY	
Other short-term financial receivables	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Receivables from J/V, related companies and other associates	5,154	10,918	6,807	22,453
Short-term part of granted long-term loans	143	351	143	351
Financial receivables from other various debtors	9,654	9,700	11,955	11,847
Blocked bank deposit accounts	83	210	25	24
Doubtful – Litigious other receivables	351	1,111	351	1,111
Less: Impairments of other short-term financial receivables	(10,570)	(12,083)	(10,493)	(11,930)
Total (b)	**4,815**	**10,207**	**8,788**	**23,856**
Total prepayments and other receivables (a+b)	**73,365**	**54,480**	**72,967**	**63,466**

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 01.01.2020	**0**	**193**	**12,123**	**12,316**
Provision of credit loss	0	100	0	100
Recovery of provision of credit loss	0	(177)	0	(177)
Eliminations	0	0	(98)	(98)
Other transfers	0	0	(48)	(48)
Foreign exchange differences	0	0	(10)	(10)
Balance 31.12.2020	**0**	**116**	**11,967**	**12,083**

	GROUP			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2021	**0**	**116**	**11,967**	**12,083**
Provision of credit loss	0	72	0	72
Recovery of provision of credit loss	0	(12)	(724)	(736)
Eliminations	0	0	(726)	(726)
Foreign exchange differences	0	1	(124)	(123)
Balance 31.12.2021	**0**	**177**	**10,393**	**10,570**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2020	**0**	**213**	**11,933**	**12,146**
Provision of credit loss	0	103	0	103
Recovery of provision of credit loss	0	(173)	0	(173)
Eliminations	0	0	(98)	(98)
Other transfers	0	0	(48)	(48)
Balance 31.12.2020	**0**	**143**	**11,787**	**11,930**

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2021	**0**	**143**	**11,787**	**11,930**
Provision of credit loss	0	60	0	60
Recovery of provision of credit loss	0	(47)	(724)	(771)
Eliminations	0	0	(726)	(726)
Balance 31.12.2021	**0**	**156**	**10,337**	**10,493**

19 EQUITY INTERESTS

The movement of investments in equity interests in 2021 and 2020 is analyzed as follows:

	GROUP		COMPANY	
	2021	**2020**	**2021**	**2020**
Balance 1st January	**12,230**	**12,176**	**8,172**	**8,118**
Additions	194	0	194	0
Reductions	0	(53)	0	(53)
Adjustment at fair through the Other Comprehensive Income	1,328	107	1,328	107
Balance 31st December	**13,752**	**12,230**	**9,694**	**8,172**

Of the total investments as per above, 51% of the value on the Group level and 30.5% of the value on the Company level relates to shares of non-publicly traded securities, the most important of which are presented in detail in note 41.

Profit from the measurement at fair values was included in the other comprehensive income in the Statement of Comprehensive Income, which is not reclassified to profit or loss in subsequent periods.

20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents on 31 December 2021 and 31 December 2020 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Cash in hand	70	86	39	60
Sight Deposits	276,497	266,587	136,750	177,735
Term Deposits	478	1,053	0	0
Total	**277,045**	**267,726**	**136,789**	**177,795**

(Amounts in thousands Euro, unless otherwise stated)

Furthermore, The Group holds blocked deposits amounting to 83 (210 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" (see note 18).

21 LONG-TERM LOANS

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Long-term loans	153,366	111,762	152,785	110,605
Less: Long term liabilities payable during the next financial year	(10,468)	(7,893)	(10,468)	(7,856)
Long-term part of loan	**142,898**	**103,869**	**142,317**	**102,749**

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Up to 1 Year	10,468	7,893	10,468	7,856
Between 1 - 5 Years	84,530	38,720	83,949	38,045
Over 5 Years	58,368	65,149	58,368	64,704
Total	**153,366**	**111,762**	**152,785**	**110,605**

The Group has the obligation to maintain specific financial ratios relating to bond loans. As of December 31st, 2021, the Group was in full compliance with the required limits of these ratios, according to the provisions of the respective loan agreements.

The total financial cost of long-term and short-term loan liabilities, for the year 2021, and the corresponding comparative period of 2020 is included in the account "Net financial income / (expenses)" of the consolidated and separate Income Statement. The average interest rate for the Group for the period ended 31.12.2021 stood at 3.4% (31.12.2020: 3.9%).

The Group’s long term debt is by 100% in euro (100% at the end of the previous year) and represents approximately 77.73% of the Group’s total debt (55.65% at the end of the previous year). The long term debt mainly covers financing needs for the investments of the construction and the industrial segments of the Group.

(Amounts in thousands Euro, unless otherwise stated)

Within the year 2021, the amount of 7.7 million euro was repaid for long-term bank debt (2020: 178.8 million euro), whereas the amount of 50.0 million euro was collected from new bank loans (2020: 106.6 million euro).

As at 31.12.2021 the total loan liabilities of the Group amount to 197,297 (2020: 200,816) of which an amount of 153,366 (2020: 111,762) relates to long-term bank loans and an amount of 43,931 (2020: 89,054) relates to short-term bank loans.

Of the amount of 153,366 (2020: 111,762) relating to long-term bank loans, an amount of 62,545 (2020: 17,133) relates to bond bank loans and an amount of 90,821 (2020: 94,629) relates to intra-group loans mainly from the parent company GEK TERNA.

The condensed movement of short-term and long-term borrowing of the Group and the company on 31.12.2021 and 31.12.2020 was as follows:

	GROUP		COMPANY	
Long-term loans	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Opening balance	**111,762**	**169,044**	**110,605**	**157,794**
Capital withdrawals	50,048	106,590	49,928	96,000
Capital payments	(7,707)	(178,858)	(7,169)	(142,923)
Interest payments	(4,797)	(6,130)	(4,604)	(6,023)
Loan interest in financial results (note 36)	3,987	6,244	3,953	5,757
Foreign exchange differences	1	(5)	0	0
Transfers	72	14,877	72	0
Closing balance	**153,366**	**111,762**	**152,785**	**110,605**

	GROUP		COMPANY	
Short-term loans	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Opening balance	**89,054**	**94,179**	**89,054**	**64,094**
Capital withdrawals	2,009	50,620	1,007	50,620
Capital Payments	(46,335)	(41,768)	(46,335)	(26,747)
Interest payments	(3,488)	(3,410)	(3,488)	(2,881)
Loan interest in financial results	2,763	4,311	2,763	3,968
Transfers	(72)	(14,878)	(72)	0
Closing balance	**43,931**	**89,054**	**42,929**	**89,054**

(Amounts in thousands Euro, unless otherwise stated)

22 LEASE LIABILITES

Lease liabilities as at 31 December 2021 and 31 December 2020 are analyzed as following in the accompanying financial statements:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Liabilities from bank leases (long-term)	0	200	0	200
Liabilities from bank leases (short-term)	217	326	202	310
Sub-total of bank leases (a)	**217**	**526**	**202**	**510**
Liabilities from third parties leases (long-term)	5,495	3,657	4,924	3,211
Liabilities from third parties leases (short-term)	2,852	2,508	2,460	1,952
Sub-total of third parties leases (b)	**8,347**	**6,165**	**7,384**	**5,163**
Total leases (a)+(b)	**8,564**	**6,691**	**7,586**	**5,673**

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Up to 1 Year	3,069	2,834	2,662	2,262
Between 1 - 5 Years	5,276	3,457	4,705	3,011
Over 5 Years	219	400	219	400
Total	**8,564**	**6,691**	**7,586**	**5,673**

The movement of the respective liabilities during the fiscal years 2021 and 2020 is presented as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
Liabilities from leases	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Opening balance	**6,691**	**14,691**	**5,673**	**12,756**
Repayments of lease contracts	(3,391)	(10,011)	(2,943)	(9,094)
Payments of interest	(313)	(497)	(281)	(430)
Liabilities from new contracts	6,253	2,524	5,695	2,325
Foreign exchange differences	17	(39)	3	(7)
Financial cost for the period (note 36)	314	497	281	430
Termination of lease	(1,007)	(474)	(842)	(307)
Closing balance	**8,564**	**6,691**	**7,586**	**5,673**
Long-term liabilities from leases	**5,495**	**3,857**	**4,924**	**3,411**
Short-term liabilities from leases	**3,069**	**2,834**	**2,662**	**2,262**

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, 2021 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 2021.

The expense for staff indemnities recognized by the Group in the Statement of Comprehensive Income and recorded in Cost of sales by 384, in Administration and distribution expenses by 367, in Research and development expenses by 7, in Other income / (expenses) by 24 and in financial expenses by 7 (1,681, 734, 0, 0 and 11 in the previous year, respectively) and recognized by the Company in Cost of sales by 384, in Administration and distribution expenses by 304 and in financial expenses by 7 (666, 322 and 10 in the previous year, respectively) is analysed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2021	1.1-31.12.2020 *	1.1-31.12.2021	1.1-31.12.2020 *
Current service cost	351	669	287	374
Financial cost	7	11	7	10
Effect of cut-backs or settlements	433	1,841	400	614
Recognition of actuarial (profits) / losses	61	(44)	61	(28)
Total	**852**	**2,477**	**755**	**970**

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

	GROUP		COMPANY	
	2021	2020 *	2021	2020 *
Balance as at 1 January	**2,187**	**4,935**	**1,498**	**3,384**
Adjustments due to retrospective application of change in IAS 19 accounting policy (please see 2.7.3)	0	(1,506)	0	(1,422)
Adjusted opening balance	**2,187**	**3,429**	**1,498**	**1,962**
Provision recognized in Net earnings	790	2,426	694	998
Provision recognized in Other Comprehensive Income	61	(44)	61	(28)
Provision recognized in inventories	0	95	0	0
Foreign exchange differences	61	(115)	15	(47)
Compensation payments	(1,230)	(3,607)	(906)	(1,390)
Transfers	7	3	(6)	3
Balance 31 December	**1,876**	**2,187**	**1,356**	**1,498**

* The comparative figures of the Group and the Company for the year 2020 have been revised by the change of the accounting policy of IAS 19 (see Note 2.7.3).

The key actuarial assumptions for the years 2021 and 2020 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	2021	2020
Discount rate	0.60%	0.60%
Future salaries increases	1.80%	1.25%
Inflation	1.80%	1.50%
Movement of salaried workers (departure under their own will)	Table 1	Table 1
Mortality	EVK 2000	EVK 2000

Years of Service	**Leaving rate**
From 0 to 1 years	1.50%
From 1 to 5 years	1.00%
From 5 to 10 years	0.50%
From 10 years and above	0.00%

24 OTHER PROVISIONS

The changes in the relevant provisions in the Statement of financial position for 2021 and 2020 are as follows:

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
1st January 2021	**114**	**10,187**	**10,301**	**114**	**8,987**	**9,101**
Provision recognized in the results	0	449	**449**	0	(473)	**(473)**
Transfer from/ (to) another account	0	427	**427**	0	1,350	**1,350**
Unused provisions recognized in profit	0	(147)	**(147)**	0	(147)	**(147)**
Foreign exchange differences	0	(1,775)	**(1,775)**	0	(1,776)	**(1,776)**
31st December 2021	**114**	**9,141**	**9,255**	**114**	**7,941**	**8,055**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	Other provisions	Total	Provisions for environmental rehabilitation	Other provisions	Total
1st January 2020	**114**	**12,193**	**12,307**	**114**	**10,993**	**11,107**
Provision recognized in the results	0	(704)	**(704)**	0	(676)	**(676)**
Transfer from/ (to) another account	0	(1,135)	**(1,135)**	0	(1,162)	**(1,162)**
Foreign exchange differences	0	(167)	**(167)**	0	(168)	**(168)**
31st December 2020	**114**	**10,187**	**10,301**	**114**	**8,987**	**9,101**

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Provisions for tax for tax non-	2,250	2,250	2,050	2,050
Provisions for litigations	5,601	5,392	4,601	4,392
Provision for loss-bearing	490	0	490	0
Other provisions	800	2,545	800	2,545
Total	**9,141**	**10,187**	**7,941**	**8,987**

25 GRANTS

The changes in grants in the Statement of financial position for 2021 and 2020 are as follows:

	GROUP	
	2021	**2020**
Balance 1st January	**14,052**	**14,185**
Receipts of grants	2	0
De-recognition not collected grants	(10,441)	0
Amortization of grants on fixed assets recognized in net results (Note 34)	(95)	(153)
Amortization of grants on fixed assets recognized in inventories	(40)	20
Balance 31st December	**3,478**	**14,052**

(Amounts in thousands Euro, unless otherwise stated)

The grants are amortized in accordance to the granted assets' depreciation or utilization rates.

An amount of 10,441 was recognized in this item, which was related to a subsidy for the magnesium industrial segment and which was included respectively in the long-term receivables of the Group (see Note 14). This grant was recognized on the basis of the certainty of the Management that the conditions for their collection are to be met. During the current year, the Management reversed this amount from both the long-term liabilities and the long-term receivables of the Group, as on the one hand this grant has not been yet collected and on the other hand due to the legitimate postponement with regard to the completion date of the investment plans. It is pointed out that this reversal did not lead to any change in the Statement of Comprehensive Income, in the Statement of Changes in Equity or in the calculation of the working capital of the Group.

26 SUPPLIERS

As at 31 December 2021 and 31 December 2020, the account of Suppliers in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Suppliers	130,585	166,508	111,817	145,170
Checks and notes payable	6,977	4,681	6,937	4,572
Total	**137,562**	**171,189**	**118,754**	**149,742**

The balance of the item arises by amount of 128,782 (31.12.2020: 164,306) from the construction segment, and by amount of 8,780 (31.12.2020: 6,883) from the industrial segment of the Group.

27 ACCRUED AND OTHER LIABILITIES

As at 31st December 2021 and 31st December 2020, Accrued and other liabilities (long and short term) in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
Other long-term financial liabilities	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Withheld amounts and guarantees to suppliers	0	122	0	0
Other long-term financial liabilities	0	0	0	1,709
Total (a)	**0**	**122**	**0**	**1,709**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
Other long-term non-financial liabilities	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Collected advances from contracts with customers	125,650	121,783	116,418	113,783
Total (b)	**125,650**	**121,783**	**116,418**	**113,783**
Total other long-term liabilities (a+b)	**125,650**	**121,905**	**116,418**	**115,492**

The balance of the account "Collected advances from customers relating to construction agreements" concerns mainly the collected advance from the client of the project INTERNATIONAL AIRPORT OF IRAKLEION CRETE of amount 82,272.

	GROUP		COMPANY	
Accrued and other short-term financial liabilities	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Liabilities to members of j/v and other associates	3,460	2,849	3,386	7,383
Accrued expenses	16,664	12,732	12,495	8,835
Acquisition under settlement	1,486	630	1,486	630
Sundry Creditors	10,129	8,138	4,395	4,671
Total (a)	**31,739**	**24,349**	**21,762**	**21,519**

	GROUP		COMPANY	
Other short-term non-financial liabilities	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Liabilities from taxes and duties	10,512	7,332	10,311	7,165
Social security funds	3,526	3,213	3,249	2,884
Liabilities for litigations	347	0	347	0
Provisions for loss-bearing construction contracts	4,518	5,252	3,595	5,252
Total (b)	**18,903**	**15,797**	**17,502**	**15,301**
Total Accrued and other short-term liabilities (a+b)	**50,642**	**40,146**	**39,264**	**36,820**

28 SHARE CAPITAL

As of 31.12.2021, 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 31.12.2021.

(Amounts in thousands Euro, unless otherwise stated)

29 RESERVES

The Group and the Company reserves in 2021 and 2020 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 from participating interest in other comprehensive income of associates and joint ventures	Reserves of foreign currency translation differences from incorporation of foreign operations	Development and tax legislation reserves	Actuarial revenue/losses from defined benefit plan reserves & other reserves	Total
1st January 2020	**14,698**	**2,089**	**(577)**	**(20)**	**95**	**38,142**	**(36)**	**54,391**
Change in accounting policy (Note 2.7.3)	0	0	0	0	0	0	56	56
Restated Balances 1st January 2020	**14,698**	**2,089**	**(577)**	**(20)**	**95**	**38,142**	**20**	**54,447**
Earnings from other comprehensive income	0	81	577	4	3,760	0	6	4,428
Formation of reserves	570	0	0	0	0	(2,822)	0	(2,252)
Stock options	0	0	0	0	0	0	479	479
31st December 2020 *	**15,268**	**2,170**	**0**	**(16)**	**3,855**	**35,320**	**505**	**57,102**

(Amounts in thousands Euro, unless otherwise stated)

1st January 2021 *	**15,268**	**2,170**	**0**	**(16)**	**3,855**	**35,320**	**505**	**57,102**
Earnings from other comprehensive income	0	1,093	0	52	(477)	0	(50)	618
Formation of reserves	149	0	0	0	0	93	3	245
Stock options	0	0	0	0	0	0	272	272
31st December 2021	**15,417**	**3,263**	**0**	**36**	**3,378**	**35,413**	**730**	**58,237**

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**
1st January 2020	**13,350**	**2,089**	**(577)**	**253**	**37,680**	**(16)**	**52,778**
Change in accounting	0	0	0	0	0	18	18
Restated Balances 1st	**13,350**	**2,089**	**(577)**	**253**	**37,680**	**2**	**52,796**
Earnings from other comprehensive income for the year	0	81	577	2,794	0	22	3,474
Formation of reserves	0	0	0	0	(2,974)	0	(2,974)
Stock options	0	0	0	0	0	479	479

(Amounts in thousands Euro, unless otherwise stated)

31st December 2020 *	**13,350**	**2,170**	**(0)**	**3,047**	**34,706**	**503**	**53,775**
1st January 2021 *	**13,350**	**2,170**	**(0)**	**3,047**	**34,705**	**503**	**53,775**
Earnings from other comprehensive income for the year	0	1,093	0	(31)	0	(48)	1,014
Stock options	0	0	0	0	0	272	272
31st December 2021	**13,350**	**3,263**	**(0)**	**3,016**	**34,705**	**727**	**55,061**

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.

Stock Options scheme:

The Extraordinary General Meeting of 09.12.2019 of the parent company GEK TERNA SA approved the Remuneration Policy of the said company, in accordance with articles 110 and 111 of law 4548/2018. In the context of the preparation of the Remuneration Policy, a new program was approved (abolished by the approved by the 26.06.2018 General Meeting) to provide a stock option up to the limit of 4,000,000 shares of GEK TERNA SA for the five years 2019-2023, which will be addressed to up to 20 executives.

During its meeting of 20.02.2020, the Board of Directors of GEK TERNA SA approved the offering price of the shares to the beneficiaries in the amount of 2.00 euro per share and initially appointed 16 executives for their inclusion in the Program, as well as specific terms of the program mainly related to the fulfilment of performance conditions that are not related to the market (i.e. EBITDA of operating sectors, distributions in the parent company, etc.). On 08.07.2020 in a new meeting, the Board of Directors of GEK TERNA SA approved further terms of the program related to the fulfilment of market performance conditions (share price). Furthermore, there is an obligation of two years to hold the shares.

At its meeting of 23.12.2020, the Board of Directors of GEK TERNA SA determined the final beneficiaries of the program and the distribution percentage according to the suggestion of the Nominations and Remuneration Committee (hereinafter "CN & R").

As part of this program concerned remuneration of TERNA SA executives, the Company for the measurement of the Program applied the requirements of IFRS 2 "Share based payments ".

Below information is provided regarding the Stock Option Scheme.

Within the current fiscal year 2021, the achievement of three (3) 6-month VWAP targets, as they were set in the plan, was confirmed along with the attainment of the targets related to the construction sector, the energy sector, the concessions sector as well as the debt service ratio.

Specifically, according to the decision of the Board of Directors of GEK TERNA dated on 27.04.2021, stock options were secured for 16 beneficiaries defined by the decision of the Board of Directors dated 23.12.2020, to whom a total of 1,876,000 treasury shares were allocated and sold, for a total price of 3,752,000 euros. The exercise of the stock options took place through an over-the-counter transaction on 11.06.2021, with a market value of 9.98 euros per share. More specifically, 1,561,000 shares were distributed to senior executives and members of the Board of Directors of GEK TERNA and 315,000 shares to the other beneficiaries of the stock option plan, i.e. to executives of the company TERNA, corresponding to the 2-year period of 2019-2020.

During the meeting of the Board of Directors of GEK TERNA from 27.04.2021, it was decided to add to the beneficiaries another member of the Board of Directors of the Company for the rest of the program, to fill one of the 4 vacancies.

For the valuation of the existing shares related to the share price of GEK TERNA (VWAP), the fair value of the options was calculated using the Monte Carlo Black – Scholes simulation as the most appropriate method in predicting the probability of different results when random variables intervene. The entry data in this model are the share price at the announcement date, the exercise price, the dividend yield 0%, the discount rate or risk-free rate (-0.447%) and the volatility of the share price (volatility) that amounted to 49.824%. Based on the above, the fair value was determined in the range of 3.57 to 3.95.

For the valuation of shares related to other vesting conditions that do not include market conditions (non-market equity KPIs), fair value was determined using the Black-Scholes valuation model. The entry data in this model, is the price of the share which on the date of announcement amounted to 6.20 euro, the exercise price (2.00 euro), the discount rate or risk-free rate (-0.447%) and the volatility of the share price which amounted to 49.824%. Based on the above, the fair value was determined in the range of 4.20 to 4.34.

The benefits in the form of shares, which were recognized in the results of the year ended 31.12.2021, amounted to 1,608 for the Group and the Company (31.12.2020: 479) and are included in the Administrative and Distribution Expenses in the item "Cost of stock options" (see note 32), of which an amount of 272 relates to valuation expense (2020: 479).

30 INCOME TAX– DEFERRED TAXATION

Following the vote of the L. 4799/2021, from which paragraph 1 of the article 58 of the L. 4172/2013 was amended, the tax rate for the income of the legal entities in Greece for the year 2021 and now on is reduced by 2% and it is now set to 22%, while for the year 2020 it was 24%.

The effect from the reduction of the tax rate from 24% to 22% brought by the Law 4799/2021 in 2021, on the results and other comprehensive income for the Group amounted to a loss of 1,360 and an income of 59 respectively.

The effective tax rate differs from the nominal. The calculation of the effective tax rate is affected by several factors, the most important of which are 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	
	1.1-31.12.2021	**1.1-31.12.2020 ***	**1.1-31.12.2021**	**1.1-31.12.2020 ***
Current tax	898	1,333	439	949
Tax adjustments of previous years	1	303	0	(438)
Adjustments for tax audit differences	(973)	2,247	(973)	2,483
Total	**(74)**	**3,883**	**(534)**	**2,994**
Deferred tax expense/(income)	9,471	3,068	6,455	2,415
Total expenses/(income)	**9,397**	**6,951**	**5,921**	**5,409**

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Profit before income tax expense	**36,846**	**(15,904)**	**(11,048)**	**(16,886)**
Nominal tax rate	**22%**	**24%**	**22%**	**24%**
Income tax expense/(income) based on the nominal tax rate	**8,106**	**(3,817)**	**(2,431)**	**(4,053)**
Results not included in the calculation of tax	2,486	1,909	65	1,817
Impact due to change in tax rate	1,360	0	1,211	0
Adjustments of tax of previous years and additional taxes	0	304	0	(438)
Difference in taxation of foreign companies	(148)	(2,563)	(60)	(2,160)
Write-off/(Offsetting) of tax losses	3,899	7,287	3,511	2,902
Adjustments for tax audit differences	(973)	2,247	(973)	2,483
Taxable differences of previous years for which no deferred tax has been recognized	(202)	(8)	0	(8)
Effect of net temporary tax differences for which no deferred tax has been recognized	(2,658)	1,666	4,731	4,866
Effect of participating in net results of associates and joint venture	(2,473)	(74)	(133)	0
Income tax expense	**9,397**	**6,951**	**5,921**	**5,409**

(Amounts in thousands Euro, unless otherwise stated)

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. Information on non-audited tax years is presented in Notes 5 and 44.1 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 Group offsets the deferred tax assets and liabilities, 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 31.12.2021 and 31.12.2020 for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020 ***	**31.12.2021**	**31.12.2020 ***
Deferred tax assets	12,059	21,877	7,423	14,116
Deferred tax liabilities	(6,497)	(6,691)	(405)	(492)
Net deferred asset/ (liability)	**5,562**	**15,186**	**7,018**	**13,624**

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

	GROUP		COMPANY	
	31.12.2021	**31.12.2020 ***	**31.12.2021**	**31.12.2020 ***
Net deferred tax asset / (liability)	**5,562**	**15,186**	**7,018**	**13,624**
Opening Balance	**15,186**	**18,831**	**13,624**	**16,596**
Change in accounting policy (Note 2.7.3)	0	(359)	0	(341)
Opening Balance	**15,186**	**18,472**	**13,624**	**16,255**
Change in interest of joint operation entity	70	0	70	0
(Expense)/Income recognized in net earnings	(9,472)	(3,068)	(6,455)	(2,415)
(Expense)/Income recognized in Other comprehensive income	(222)	(218)	(221)	(216)
Closing Balance	**5,562**	**15,186**	**7,018**	**13,624**

(Amounts in thousands Euro, unless otherwise stated)

Deferred taxes (assets and liabilities) in 2021 and 2020 are analyzed as follows:

	GROUP					
Deferred tax	**01.01.2021**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2021**
Investment property	(71)	0	(71)	14	0	(57)
Tangible and Intangible Assets	(7,061)	0	(7,061)	(529)	0	(7,590)
Investments	(4,887)	0	(4,887)	350	(236)	(4,773)
Contract Assets/Contract Liabilities	16,156	0	16,156	(16,099)	0	57
Recognized tax losses	5,277	70	5,347	6,939	0	12,286
Recognition of assets from concession contracts	526	0	526	(92)	0	434
Provision for staff indemnities	272	0	272	18	14	304
Companies' acquisitions and sales	(2,942)	0	(2,942)	636	0	(2,306)
Trade receivables	4,661	0	4,661	(657)	0	4,004
Other Provisions	1.361	0	1.361	(388)	0	973
Lease Contracts	(569)	0	(569)	612	0	43
Other	2,463	0	2,463	(276)	0	2,187
Total	**15,186**	**70**	**15,256**	**(9,472)**	**(222)**	**5,562**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP					
Deferred tax	**01.01.2020**	**Change in accounting policy (Note 2.7.3)**	**Statement of Profit or loss (Debit)/Credit**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2020 ***
Investment property	96	0	96	(167)	0	(71)
Tangible and Intangible Assets	(2,423)	0	(2,423)	(4,638)	0	(7,061)
Investments	(4,709)	0	(4,709)	(152)	(26)	(4,887)
Contract Assets/Contract	22,963	0	22,963	(6,807)	0	16,156
Recognized tax losses	1,214	0	1,214	4,063	0	5,277
Recognition of assets from	579	0	579	(53)	0	526
Provision for staff indemnities	625	(359)	266	16	(10)	272
Companies’ acquisitions and	(3,230)	0	(3,230)	288	0	(2,942)
Derivatives	344	0	344	(162)	(182)	0
Trade receivables	4,690	0	4,690	(29)	0	4,661
Other Provisions	1,485	0	1,485	(124)	0	1,361
Lease Contracts	(4,338)	0	(4,338)	3,769	0	(569)
Other	1,535	0	1,535	928	0	2,463
Total	**18,831**	**(359)**	**18,472**	**(3,068)**	**(218)**	**15,186**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

Deferred tax	**01.01.2021**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2021**
Investment property	353	0	353	(21)	0	332
Tangible and Intangible Assets	(4,997)	0	(4,997)	141	0	(4,856)
Investments	(4,887)	0	(4,887)	350	(235)	(4,772)
Contract Assets/Contract Liabilities	13,289	0	13,289	(14,209)	0	(920)
Recognized tax losses	4,326	70	4,396	7,892	0	12,288
Recognition of assets from concession contracts	500	0	500	(86)	0	414
Provision for staff indemnities	262	0	262	17	14	293
Companies' acquisitions and sales	(897)	0	(897)	133	0	(764)
Trade receivables	4,570	0	4,570	(649)	0	3,921
Other Provisions	1,361	0	1,361	(388)	0	973
Lease Contracts	(331)	0	(331)	371	0	40
Other	75	0	75	(6)	0	69
Total	**13,624**	**70**	**13,694**	**(6,455)**	**(221)**	**7,018**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

Deferred tax	**01.01.2020**	**Change in accounting policy (Note 2.7.3)**	**Statement of Profit or loss (Debit)/Credit**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2020 ***
Investment property	520	0	520	(167)	0	353
Tangible and Intangible Assets	(1,366)	0	(1,366)	(3,631)	0	(4,997)
Investments	(4,709)	0	(4,709)	(152)	(26)	(4,887)
Contract Assets/Contract Liabilities	19,064	0	19,064	(5,775)	0	13,289
Recognized tax losses	551	0	551	3,775	0	4,326
Recognition of assets from	549	0	549	(49)	0	500
Provision for staff indemnities	589	(341)	248	22	(8)	262
Companies' acquisitions and sales	(961)	0	(961)	64	0	(897)
Derivatives	344	0	344	(162)	(182)	0
Trade receivables	4,603	0	4,603	(33)	0	4,570
Other Provisions	1,485	0	1,485	(124)	0	1,361
Lease Contracts	(4,083)	0	(4,083)	3,752	0	(331)
Other	10	0	10	65	0	75
Total	**16,596**	**(341)**	**16,255**	**(2,415)**	**(216)**	**13,624**

(Amounts in thousands Euro, unless otherwise stated)

31 TURNOVER

The turnover as at 31 December 2021 and 2020 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	**1.1-31.12.2021**	**1.1-31.12.2020**
Revenues from construction services		
Infrastructure Projects– Motorways - Airport	322,719	277,786
Industrial –Energy	144,918	213,906
Other services of construction services' segment	6,103	4,587
	473,740	**496,279**
Revenues from industry		
Sales of industrial products - quarries	10,037	6,978
	10,037	**6,978**
Revenues from thermo-electric energy power production and trading of electric energy		
Trading of electric energy	0	1,468
	0	**1,468**
Total revenues from contracts with customers	**483,777**	**504,725**

	GROUP	
2)The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:	**1.1-31.12.2021**	**1.1-31.12.2020**
Transfer of goods and services at a specific time	15,113	12,006
Services rendered with the passage of time	468,664	492,719
Total turnover from contracts with customers	**483,777**	**504,725**

3) The backlog of the projects from construction contracts of the Group amounts to Euro 2,422 million on 31.12.2021 (see Note 44.2). The time analysis of the expected implementation of the backlog of contracts with customers is analyzed as: (a) Euro 835 million in 2021 and b) Euro 1,587 million for a period until 2026.

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP					
	1.1-31.12.2021					
	Greece	Balkans	Middle East	Eastern Europe	Other regions	Total
Revenue of Construction	422,205	41,072	10,463	0	0	473,740
Revenue of Industry	457	48	25	860	8,647	10,037
Total	**422,662**	**41,120**	**10,488**	**860**	**8,647**	**483,777**

	GROUP					
	1.1-31.12.2020					
	Greece	Balkans	Middle East	Eastern Europe	Other regions	Total
Revenue of Construction	435,698	32,168	28,413	0	0	496,279
Revenue of Industry	549	94	232	698	5,405	6,978
Revenue of Electricity from thermal energy and HP trading	1,468	0	0	0	0	1,468
Total	**437,715**	**32,262**	**28,645**	**698**	**5,405**	**504,725**

*The Other regions refer to sales to customers which are located outside Greece, Balkans, Middle East, and Eastern Europe.

(Amounts in thousands Euro, unless otherwise stated)

32 COST OF SALES – ADMINISTRATIVE AND DISTRIUTION EXPENSES– RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales of the financial years 2021 and 2020 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2021	1.1-31.12.2020 *	1.1-31.12.2021	1.1-31.12.2020 *
Inventory cost-construction materials	109,802	157,901	99,856	145,755
Employee remuneration	47,536	49,590	40,200	39,744
Sub-contractors	154,374	150,491	138,417	129,134
Fees of civil engineers, technical consultants and other third parties	67,124	55,593	62,143	52,221
Other third-party expenses	5,898	5,162	4,680	4,277
Taxes-duties	1,203	1,368	1,174	1,331
Provisions	(250)	(1,264)	(1,173)	(1,236)
Transportation expenses	706	1,120	595	961
Lab audit expenses	179	300	179	300
Depreciation	9,108	10,466	6,511	7,674
Litigation and other indemnities	96	20	96	20
Expenses concerning litigation cases	95	510	95	510
Leases	10,032	14,041	9,107	12,347
Insurance premiums	3,958	3,164	3,016	2,556
Transportation expenses	6,288	5,204	5,830	4,743
Repairs-Maintenance expenses	4,152	4,031	3,933	3,789
Commissions and other financial expenses	10,590	11,135	9,650	10,106
Other	2,292	2,017	1,945	1,774
Total	**433,183**	**470,849**	**386,254**	**416,006**

Administrative and distribution expenses of the financial years 2021 and 2020 in the accompanying financial statements are analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Employee remuneration	8,077	10,642	6,043	7,234
Fees of civil engineers, technical consultants and other third parties	8,549	11,015	7,855	9,124
Stock options expense	1,608	479	1,608	479
Other third-party expenses	816	1,024	518	569
Travel expenses	117	92	75	35
Subscriptions and contributions	441	228	427	214
Promotion and advertising expenses	549	499	543	494
Depreciation	3,082	2,501	2,694	1,758
Repairs - Maintenance	446	475	281	422
Insurance Premiums	85	352	178	147
Leases	424	616	355	426
Taxes - Duties	568	685	308	341
Transport expenses	1,775	1,130	219	155
Expenses concerning litigation cases	17	257	17	246
Other	2,330	3,777	2,015	3,251
Total	**28,884**	**33,772**	**23,136**	**24,895**

Research and Development expenses of the financial years 2021 and 2020 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Employee remuneration	7	20	0	20
Fees of civil engineers, technical consultants and other third parties	948	795	933	745
Other third party expenses	2	3	0	0
Depreciation	68	73	0	0
Taxes - Duties	2	3	0	0
Transportation expenses	19	14	0	1
Travel expenses	26	21	22	19
Insurance Premiums	0	1	0	0
Other	194	247	171	232
Total	**1,266**	**1,177**	**1,126**	**1,017**

(Amounts in thousands Euro, unless otherwise stated)

33 AUDITORS' FEE

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Total	365	388	250	276

The above remuneration, refer to fees to Auditors for all the Group's companies.

For the year ended December 31, 2021, these include the fees of the statutory auditor and the auditing firm amounting to 20.5 for the Group and 15 for the Company, which relate to authorized non-auditing services (excluding compulsory and tax audit services).

34 OTHER INCOME /(EXPENSE)

Other income/ (expenses) of the financial years of 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Other income				
Amortization of grants on fixed assets	95	153	2	0
Income from insurance indemnities	4,650	788	544	454
Income from legal indemnities	5	0	5	0
Foreign exchange differences on payments	3,098	0	1,632	0
Recovery of impairments of fixed, intangible assets,	43	548	36	29
Recovery of impairments of assets	1,675	681	1,268	790
Gains from sale of fixed assets	860	730	168	399
Gains from valuation of Investment Property	0	2	0	2
Earnings from elimination of liabilities	913	2,185	1,913	6,142
Other services rendered	3,538	2,091	2,552	74
Income from CO2 right sales	2,192	0	0	0
Other revenue	3,334	2,621	3,031	1,367
Total	**20,403**	**9,799**	**11,151**	**9,257**

(Amounts in thousands Euro, unless otherwise stated)

Other Expenses				
Depreciation not included in the cost	(855)	(951)	(206)	(300)
Expenses related to insurance indemnities	0	(77)	0	(74)
Foreign exchange differences on payments	0	(5,462)	0	(3,206)
Impairments/Write off of fixed, intangible assets,	(1,403)	(922)	(752)	(33)
Impairments/Write off of inventories	(343)	(4,509)	0	(181)
Impairments/Write off of receivables	(1,390)	(1,101)	(8,619)	(1,061)
Other impairments	(553)	(560)	(553)	(560)
Losses from sale of fixed assets	(129)	(126)	(129)	(129)
Loss from valuation of Investment Property	(77)	(99)	(77)	(100)
Taxes – duties	(35)	(54)	(196)	(56)
Employee remuneration	(1,998)	(2,384)	(1,671)	(215)
Cost of CO2 Emission Rights	(453)	0	0	0
Other expenses	(1,497)	(2,338)	(1,227)	(786)
Total	**(8,733)**	**(18,583)**	**(13,430)**	**(6,701)**
Total other income / (expenses)	**11,670**	**(8,784)**	**(2,279)**	**2,556**

35 GAINS/(LOSSES) FROM VALUATION OF PARTICIPATIONS AND SECURITIES

Gains / (losses) from the valuation of participations and securities, of the financial year 2021 and 2020, in the accompanying financial statements are analysed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Loss /reverse of loss from valuation on interest in	0	0	(30,255)	(18,645)
Loss/reverse of loss from valuation on interest in joint	0	0	10,683	0
Total	**0**	**0**	**(19,572)**	**(18,645)**

36 FINANCIAL INCOME / (EXPENSE)

Financial income / (expenses) of the financial year 2021 and 2020 are analyzed in the accompanying financial statements as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020 ***	**1.1-31.12.2021**	**1.1-31.12.2020 ***
Deposit interest	55	133	49	114
Loan interest	1,696	4,028	3,249	5,295
Other financial income	2,380	1,050	140	1,051
Total financial income (a)	**4,131**	**5,211**	**3,438**	**6,460**
Interest and expenses of short-term loans	(2,763)	(4,311)	(2,763)	(3,968)
Interest and expenses of long-term loans	(3,987)	(6,244)	(3,953)	(5,757)
Financial cost from lease contracts	(314)	(497)	(281)	(430)
Bank commissions and expenses	(2,897)	(963)	(2,714)	(415)
Contracts of interest/financial instruments swaps services expenses	0	(374)	0	(374)
Other financial expenses	(12)	(10)	(12)	(11)
Total financial expenses (b)	**(9,973)**	**(12,399)**	**(9,723)**	**(10,955)**
Net interest income/(expenses) (a+b)	**(5,842)**	**(7,188)**	**(6,285)**	**(4,495)**
Gains from financial instruments measured at fair value	0	674	0	674
Derivatives valuation results (c)	**0**	**674**	**0**	**674**
Net financial income/(expenses) (a+b+c)	**(5,842)**	**(6,514)**	**(6,285)**	**(3,821)**

37 PERSONNEL COST

Expenses for employee remuneration of the financial years of 2021 and 2020 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.202**	**1.1-31.12.2020 ***
Wages and related employee benefits	46,394	49,938	37,839	36,779
Social security fund contributions	10,440	10,283	9,388	9,446
Provision for employee indemnities	784	2,415	687	988
Total	**57,618**	**62,636**	**47,914**	**47,213**

(Amounts in thousands Euro, unless otherwise stated)

At the end of the closing period, the Group employed 2,046 people worldwide and the Company 1,791. Respectively, at the end of the previous year, the Company employed 1,644 and the Group 2,004 people worldwide.

38 TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period ending on 31.12.2021 and 31.12.2020, as well as the balances of receivables and liabilities which have derived from such transactions on 31.12.2021 and 31.12.2020 are as follows:

Sales-Purchases of goods and services

Year 31.12.2021	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	12,633	2,529	3,559	2,135	12,633	2,348	3,559	2,033
Subsidiaries	0	0	0	0	66,479	2,371	21,737	15,988
Joint Ventures	30,279	277	1,240	108,268	30,279	277	1,240	108,268
Other Related Parties	154,073	5,827	47,109	124,693	86,062	1,288	33,140	1,909

Year 31.12.2020	**GROUP**				**COMPANY**			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	1,682	770	2,068	1,875	1,682	648	2,068	1,722
Subsidiaries	0	0	0	0	89,287	3,328	64,836	23,910
Joint Ventures	15,140	426	495	115,203	15,140	426	495	115,203
Other Related Parties	110,100	3,574	18,957	42,157	18,127	1,299	8,442	1,760

Loans and interest

Year 31.12.2021	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	0	3,003	0	90,365	0	2,999	0	90,240
Subsidiaries	0	0	0	0	1,553	0	49,053	0

(Amounts in thousands Euro, unless otherwise stated)

Joint Ventures	1,574	0	18,996	0	1,574	0	18,996	0
Other Related Parties	121	29	30,248	455	121	0	30,248	0

Year 31.12.2020	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	2,312	1,043	0	93,621	2,312	1,039	0	93,500
Subsidiaries	0	0	0	0	1,267	0	41,254	0
Joint Ventures	1,699	0	17,422	0	1,699	0	17,422	0
Other Related	17	32	295	1,008	17	6	295	9

Transactions with related parties are made on the same terms as transactions with third parties.

During the year, the Company participated in the share capital increase of subsidiaries by 4,001 (31.12.2020: 24,655) and of joint ventures by 0 (31.12.2020: 41,520), respectively. Also, the Company granted loans amounting to 37,130 (31.12.2020: 10,320) to subsidiaries and other related parties, and received from repayments of loans and interest 1,015 (31.12.2020: 87,060) from the parent company GEK TERNA SA, subsidiaries and other related parties. Respectively, the Company received loans amounting to 0 (31.12.2020: 96,150) from the parent company GEK TERNA SA and other related parties and repaid the amount of 6,268 (31.12.2020: 14,125) with regard to loans and interest to the parent company. These amounts are not included in the tables above.

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 31.12.2021 and 31.12.2020, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2021 and 31.12.2020 are as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2021	**1.1-31.12.2020**	**1.1-31.12.2021**	**1.1-31.12.2020**
Remuneration for services rendered	2,690	3,726	2,541	3,423
Remuneration of employees	532	520	532	520
Stock options expense	1,608	479	1,608	479
Total	**4,831**	**4,725**	**4,682**	**4,422**
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Liabilities	1	111	1	110
Receivables	11	15	11	9

39 OBJECTIVES AND RISK MANAGEMENT POLICIES

The Group is exposed to multiple financial risks such as market risk (fluctuations in exchange rates, interest rates, market prices, etc.), credit risk and liquidity risk. The Group's risk management program aims to reduce the negative impact on financial results resulting from the inability to predict financial markets and fluctuations in cost and sales variables. The risk management policy is implemented by the Group's financial services.

The procedure applied is the following:

- risk assessment related to the activities and operations of the group,
- design of the methodology and selection of the appropriate financial products for risk reduction and
- execution / implementation, in accordance with the procedure approved by the Management, of the risk management process

The group's financial instruments consist mainly of bank deposits, short-term financial products of high liquidity traded on the money market, commercial debtors and creditors, loans to affiliates, equity investments, dividends payable, and lease liabilities.

39.1 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 with 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.

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:

(Amounts in thousands Euro, unless otherwise stated)

	2021										
	AED	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Financial assets	999	35	32,509	1	749	2,306	2,530	178	1,089	1,388	6,191
Financial liabilities	(1,075)	(3,352)	(12,406)	(28)	(2)	(2,298)	(2,004)	(186)	(3,365)	(696)	(5,736)
Total current assets	**(76)**	**(3,317)**	**20,103**	**(27)**	**747**	**8**	**526**	**(8)**	**(2,276)**	**692**	**455**
Financial assets	58	0	3	8	0	0	9	4	0	0	0
Financial liabilities	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	**58**	**0**	**3**	**8**	**0**	**0**	**9**	**4**	**0**	**0**	**0**

	2020										
	AED	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Financial assets	3,397	77	36,919	1	2,381	2,305	19,698	1	10,713	1,428	14,990
Financial liabilities	(3,078)	(5,263)	(14,819)	(79)	(7)	(2,318)	(15,394)	(209)	(4,407)	(701)	(13,357)
Total current assets	**319**	**(5,186)**	**22,100**	**(78)**	**2,374**	**(13)**	**4,304**	**(208)**	**6,306**	**727**	**1,633**
Financial assets	116	0	727	68	0	0	10	3	0	0	0
Financial liabilities	(533)	0	(180)	0	0	0	(388)	0	0	(23)	(1,071)
Total non-current assets	**(417)**	**0**	**547**	**68**	**0**	**0**	**(378)**	**3**	**0**	**(23)**	**(1,071)**

The following table presents the sensitivity of Net Earnings as well as other comprehensive income of the year 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 presented sign.

	2021										
	AED	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Effect on Net earnings	5	0	0	0	0	0	0	0	0	0	(96)
Effect on other comprehensive income	(3)	340	(1,956)	65	(75)	(1)	(54)	1	228	(123)	0

	2020										
	AED	**ALL**	**BHD**	**IQD**	**LYD**	**MKD**	**QAR**	**RON**	**RSD**	**SAR**	**USD**
Effect on Net earnings	9	0	0	0	0	0	0	0	0	(0)	(89)
Effect on other comprehensive income	(38)	754	(2,205)	167	(237)	0	(485)	20	707	(122)	0

(Amounts in thousands Euro, unless otherwise stated)

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.

39.2 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 31.12.2021, 100% of the Group's total bank debt carries floating interest rate (stable spread).

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% (2020: +/-20%) on the variable part of the interest rate (i.e. Euribor 6M). The changes in interest rates are estimated to be normal in relation to current market conditions.

	2021		**2020**	
	20%	-20%	20%	-20%
Net earnings after income tax (from interest bearing liabilities)	0.0	0.0	(0.4)	0.4
Net earnings after income tax (from interest earning assets)	0.0	0.0	0.5	(0.5)

The Group is not exposed to other interest rate risks or variation of securities' prices the price of which is traded on a financial market.

39.3 CREDIT RISK

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

	31.12.2021	**31.12.2020**
Cash and cash equivalents	277,045	267,726
Loans and receivables	371,553	309,259
Total	**648,598**	**576,985**

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.

(Amounts in thousands Euro, unless otherwise stated)

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

39.4 LIQUIDITY RISK

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

The Group 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 2021 is analyzed as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	10,468	84,530	58,368	153,366
Liabilities from leases	3,069	5,276	219	8,564
Short-term borrowing	43,931	0	0	43,931
Suppliers	137,562	0	0	137,562
Accrued and other short-term financial liabilities	31,739	0	0	31,739
Total	**226,769**	**89,806**	**58,587**	**375,162**

The respective maturity of financial liabilities for 31st December 2020 was as follows:

(Amounts in thousands Euro, unless otherwise stated)

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	7,893	38,720	65,149	111,762
Liabilities from leases	2,834	3,457	400	6,691
Short-term borrowing	89,054	0	0	89,054
Suppliers	171,189	0	0	171,189
Accrued and other short-term financial liabilities	24,349	0	0	24,349
Total	**295,319**	**42,177**	**65,549**	**403,045**

The above contractual maturities reflect the gross cash flows, which may differ from the book values of liabilities at the date of the Statement of Financial Position.

39.5 GLOBAL PUBLIC HEALTH CRISIS FROM THE CORONAVIRUS PANDEMIC (COVID-19)

The Group is one of the most significant Greek business groups, which holds a leading position in the segment of infrastructure projects. The Group has already proved during the Greek financial crisis, (namely the most difficult and longest financial crisis in Europe), its ability to develop and strengthen its position in the market.

Following the rapid spread of COVID-19 cases and its mutations worldwide in 2020, the World Health Organization declared COVID-19 a Pandemic. In addition to the significant number of deaths, the pandemic led to an unprecedented crisis in the global health and economy. Specifically, in 2020 the negative effects resulted into a decrease of GDP by 6% in the world economy and by 8.2% in the Greek economy.

The global impact of the pandemic has resulted in the European Union being forced to approve Euro 1.824 billion in funding to help its members deal with the effects of the COVID-19 pandemic on the European economy. Greece is expected to raise Euro 72 billion, Euro 31 billion from all of this funding through the Recovery and Sustainability Fund Euro 18 billion in grants, Euro 13 billion in loans and Euro 40 billion through the NSRF Cohesion Fund for the period 2021-2027.

Although the problems of the COVID-19 pandemic and its mutations were not eliminated in 2021, the experience gained in protecting the population from coronavirus infections, as well as finding effective vaccines for at least a certain period of time, ensured the protection of a significant proportion of those vaccinated, either as a whole or by minimizing the complications of the disease.

The significant increase in the percentage of vaccinated people in all developed countries has enabled the free transportation of populations, significantly improving the functionality of economies worldwide. At the same time the restrictions in products transportation have been lifted, aimed to prevent transmission of the virus from one region to another.

The increase in the percentage of the vaccinated people in Greece resulted in the partial and / or total lifting of travel restrictions, which resulted in the first signs of recovery during the first half of 2021. During the second half of 2021, the free movement of tourists was allowed, which due to its nature had a significant impact on the Greek economy, resulting into a growth rate of 8.3% for the year 2021.

The Management of the Group with an extremely high sense of responsibility, towards its customers, employees, suppliers and partners, monitors the developments regarding the coronavirus pandemic (COVID-19), studying the possible risk factors that could affect the financial position, activities and results of the Group.

(i) Group Organizational Planning

The Group, faithful to its development strategy and the implementation of its vision, constantly improves and modernizes its structures and operating systems, carefully selects the executives needed from the market, trains its staff in modern digital systems and the obligation compliance with the provisions of the corporate governance system, the other provisions of the Internal Regulation of Operation, as well as the rules imposed by the competent bodies of the State for the relations of companies with the members of their Board of Directors. Also, reacting quickly and sensitively to its human resources, it took all the necessary measures, set up a special committee to deal with the coronavirus and made sure that ALL of its employees have the absolute protection and care against COVID-19 and its mutations. The Committee systematically monitors the development of the pandemic, is immediately informed of each critical factor of its spread and guides the necessary actions to be taken by the Management and each employee throughout the Group in order to minimize the risks of the phenomenon and their impact on the course of the company.

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.

(ii) Effects of COVID-19 per basic operating segment of the Group and 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.

- **Constructions**

In the Construction Segment of the Group, some small delays occurred, however none of the existing signed contracts were cancelled and at the same time the tender procedures were completed, and new construction contracts were signed. In this context, the construction works continued smoothly within the year 2021 as well, but without achieving in some cases the rate of execution envisaged under the original program.

Regarding the delays that occurred, it is noted that the Group does not face the risk of non-compliance with the contractual schedules, as the relevant deadlines are extended accordingly. It should be noted that the construction contracts also include relevant terms regarding force majeure events, providing an additional contractual level of security regarding the progress of the projects and their performance / compensation.

The need to boost the economic recovery as a result of the COVID-19 crisis, according to the competent Minister of Infrastructure and Transport, requires the initiation of major projects, which is one of the immediate priorities of the Greek Government. Towards this end, the Greek Government has changed the institutional framework of the tender procedures, in order to speed up the licensing to include in the law of strategic investments the large infrastructure projects, which exceed Euro 30 billion, of which a significant part is estimated to be executed by the Group.

(Amounts in thousands Euro, unless otherwise stated)

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

- **Quarry / Industry**

The activities of the Group in relation to the extraction and processing of magnesite and then to the production of magnesite products, which are almost entirely exported to various countries, has decreased significantly due to the COVID-19 pandemic, as a result of the problems created in the transfer of goods in customers.

The particular activity of the Group decreased in terms of the production of limestone products for the first half of 2021, pending the normalization of the market, while at the same time it restructured the production process for the optimal use of the existing equipment for the extraction of stocks of limestone. In the second half of 2021, the Group increased production to some extent in the above operating segment, expecting the gradual normalization of the market in which these products are used.

Summary

The coronavirus pandemic (COVID-19) continues to negatively, although with decelerating intensity, affect the global economy, the consequences of which, unless a new variant emerges that is not covered by the existing drugs and vaccines, will allow for a positive outlook in relation to dealing with the pandemic. The Management estimates that the operation, the financial performance, the cash flows and the financial position of the Group will not be significantly affected.

40 FINANCIAL ASSETS AND FINANCIAL LIABILITIES: PRESENTATION

The financial assets as well as the financial liabilities of the Group per categories have as follows:

	31.12.2021		
Financial Assets	**Amortized cost**	**Fair value through other comprehensive income**	**Total**
Investments in securities	0	13,752	**13,752**
Other long-term receivables	56,007	0	**56,007**
Trade and other receivables	315,546	0	**315,546**
Cash and cash equivalents	277,045	0	**277,045**
Total	**648,598**	**13,752**	**662,350**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2020		
Financial Assets	**Amortized cost**	**Fair value through other comprehensive income**	**Total**
Investments in securities	0	12,230	**12,230**
Other long-term receivables	39,505	0	**39,505**
Trade and other receivables	269,754	0	**269,754**
Cash and cash equivalents	267,726	0	**267,726**
Total	**576,985**	**12,230**	**589,215**

	31.12.2021		
Financial Liabilities	**Amortized cost**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	153,366	0	**153,366**
Trade and other receivables	169,301	0	**169,301**
Short-term borrowing	43,931	0	**43,931**
Liabilities from leases	8,564	0	**8,564**
Total	**375,162**	**0**	**375,162**

	31.12.2020		
Financial Liabilities	**Amortized cost**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	111,762	0	**111,762**
Other long-term liabilities	122	0	**122**
Trade and other receivables	195,538	0	**195,538**
Short-term borrowing	89,054	0	**89,054**
Liabilities from leases	6,691	0	**6,691**
Total	**403,167**	**0**	**403,167**

(Amounts in thousands Euro, unless otherwise stated)

41 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:** fair value based on quoted (unadjusted) prices in active markets for comparable assets or liabilities.
- **Level 2:** fair value using valuation models for which all inputs that significantly affect the fair value, are based (either directly or indirectly) on observable market data.
- **Level 3:** fair value based on valuation models 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 31.12.2021 and 31.12.2020 are classified in the aforementioned levels of hierarchy as follows:

	31.12.2021			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in securities	6,740	0	7,012	13,752
Total	**6,740**	**0**	**7,012**	**13,752**
Net fair value	**6,740**	**0**	**7,012**	**13,752**

	31.12.2020			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments in securities	5,423	0	6,807	12,230
Total	**5,423**	**0**	**6,807**	**12,230**
Net fair value	**5,423**	**0**	**6,807**	**12,230**

There were no changes in valuation technique applied by the Group within the period. There were no amount transfers between Levels 1 and 2 during the period ended as at 31.12.2021 and within financial year 2020.

Fair value measurement of Level 3 financial instruments

The changes in the Group's financial instruments classified in Level 3 during the year ended as at 31.12.2021 and within financial year 2020 are as follows:

(Amounts in thousands Euro, unless otherwise stated)

	1.1-31.12.2021	1.1-31.12.2020
	Investments in securities	**Investments in securities**
Opening balance	**6,807**	**6,966**
Reductions	0	(53)
Profit /(loss) in Other Comprehensive Income	205	(106)
Closing balance	**7,012**	**6,807**

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

	Fair value of investment 31.12.2021	Fair value of investment 31.12.2020	Fair value calculation method	Other Information
ILIOHORA SA	2,954	2,749	Equity method at fair values	Fair value of equity on 31.12.2021/31.12.2020
EKEPY	15	15	Equity method at fair values	Fair value of equity on 31.12.2021/31.12.2020
ICON EOOD	4,043	4,043	Equity method at fair values	Fair value of equity on 31.12.2021/31.12.2020
Total	**7,012**	**6,807**		

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

(Amounts in thousands Euro, unless otherwise stated)

42 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.

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 Group monitors the capital on the basis of financial leverage ratio which is defined as: Adjusted Net Debt/Adjusted Equity. As "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. As "Adjusted Equity" is defined as Equity plus Grants.

The ratio at the end of 2021 and 2020 was as follows:

	2021	**2020***
Interest bearing debt	197,514	201,342
Minus:		
Cash and Cash equivalents	(277,045)	(267,726)
Adjusted Net Debt	**(79,531)**	**(66,384)**
Equity	142,528	109,477
Grants	3,478	14,052
Adjusted Equity	**146,006**	**123,529**
Leverage ratio	**(54.47)%**	**(53.74)%**

43 CONTINGENT LIABILITIES AND ASSETS

43.1 Tax unaudited years

The tax obligations of the Group are not definitive as there are unaudited tax years, which are analyzed in Note 5 of the Financial Statements for the period ended as at 31.12.2021.

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 2,250 (31.12.2020: 2,250).

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

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 Circ. 1192/2017, the right of the State for tax attribution until the fiscal year 2015 has expired within the fiscal year 2021, 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 being included in 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 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 while for the fiscal years 2018 until 2020, received Tax Compliance Certificate the parent company and most of the Group’s companies operating in Greece.

The special audit for the issuance of the Tax Compliance Certificate for the year 2021 for the Group’s companies operating in Greece is in progress and the relative tax certificates are expected to be issued after the publication of the financial statements of 31.12.2021. 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 1192/2017, the right of the State for a tax charge up to and including the year 2015 has lapsed unless the specific provisions on 10-year, 15-year, and 20-year limitation periods apply.

43.2 Commitments from construction contracts

The backlog of the construction contracts of the Group amounts to Euro 2,422 million on 31.12.2021 (31.12.2020: 1,510 million euro). Under these commitments, the Group has issued letters of guarantee of good performance at an amount of EUR 991 million (31.12.2020: 972 million euro).

43.3 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 31.12.2021 provisions of 5,601 (31.12.2020: 5,392) 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 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 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 had already been rescheduled for hearing on 18.03.2021, which was postponed for the trial of 17.03.2022 and was then postponed for 19.10.2023.

At a stage prior to the aforementioned OSE litigation, the joint venture contractor of the project and the companies participating in it, as 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 it was issued the no.330/2020 decision which refers to trial the said appeal to the Piraeus Court of Appeal in a three-member panel. After that, the Joint Venture filed a relevant summons to determine a judicial at the Piraeus Court of Appeals in a three-member composition and it was set for trial on 17.03.2022 when it was accordingly discussed. 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.

VIOTEK's potential claim against the joint venture amounts to 14,534 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.

On 25.05.2021 before the Athens Multi-Member Court of First Instance, VIOTEK filed a lawsuit again, with the same requests. The deadline for the submission of proposals was set on 04.10.2021 during which VIOTEK did not submit any proposals and the date of formal discussion was set on 27.10.2021. The decision is expected to be issued and the Court is likely to dismiss the lawsuit. 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.

43.4 Tender procedures' evolution

With the law 4782/2021, which was published on 9.3.2021, it was reformed the existing regulatory framework for public contracts, of the law 4412/2016, which incorporates in Greek law Directives 2014/24/EU(L94/65) and 2014/25 /EU(L94/243) as well as laws 3433/2006 (A' 20), 3883/2010 (A' 167) and 3978/2011 (A' 137) which regulate issues of public agreement in the sectors of defense and security. According to the explanatory memorandum with Part A ', the provisions of law 4412/2016 are reformed, which constitutes the existing regulatory framework for issues of public contracts of procurement, services and projects in order to simplify and clarify the provisions, reduce bureaucracy, increase the effectiveness of public contracts' award and execution procedures, the expansion of the use of electronic tools (e-procurement), the increase of the participation of small and medium-sized enterprises in public contracts' procedures and the treatment of pathogens, such as the issue of too low bids and the excessive attachment to formality versus the substance of the offers. Law 4412/2016 presented a number of problems that had been identified by the contracting authorities as well as the economic operators. The effort to address them has been fragmented and, in many cases, insufficient. It is characteristic that the provisions of law 4412/2016 had been amended more than 300 times. However, the current economic situation has led to the need to increase the efficiency of the procedures for the preparation, award and execution of public contracts in order to speed up the relevant procedures, while improving the quality of goods, services and works supplied to the State without discounts in the terms of transparency and integrity. In addition, the effectiveness of the public contracts system is expected to strengthen the capacity of the Greek State to make public investments but also to faster absorption and utilization of EU funds and financial facilities, in particular, in view of the NSRF 2021-2027 program period and the exploitation of Recovery and Resilience Fund's (RRF) capabilities for the support of reorganization and strengthening the resilience of the economies of the Member States of the European Union against crises. The realization of the above objectives will be seen in the implementation of the above institutional framework.

It is noted that with Law 4903/2022 (Part A', articles 1 to 14 thereof), a framework for the submission, evaluation and approval of innovation proposals was established, at the initiative of the private sector, regarding large infrastructure projects which exceed the amount of two hundred million (200,000,000) euros (without VAT), which characteristics of innovation and complexity, promote regional development, contribute to the national economy and are to be implemented through contracts, concessions and public-private partnerships (P.P.P.). This legislation regulates the minimum content of an innovation proposal (minimum level of maturity), incentives for the submission of innovation proposals, as well as procedures aimed at respecting the principles of transparency and equal treatment of tenderers, at the stage of tendering projects, which have been proposed in the context of the submission of an innovation proposal.

44 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION'S REPORTING DATE

Since 01.01.2022 and up until the approval date of the accompanying financial statements, the following significant events were noted:

- On 12.01.2022 the Company signed a contract with OURANIA INVESTMENT SA. for the project "Demolition of a Building (gas station), Metal Roofs & Demolition of Asphalt / Construction of a New Complex of Office Buildings with 2 basements at 64, October 26 Street & Frixou Street in Thessaloniki" of an indicative contractual amount of 42.6 million euro with a planned duration of up to 30.06.2023.
- On 20.01.2022 the first phase of the corporate transformation pf GEK TERNA Group was completed, i.e. the transfer to GEK TERNA KASTELI SMSA of the interests held by TERNA SA in the company under the name "INTERNATIONAL AIRPORT HERAKLION CRETE CONCESSION SA" and of the secondary subordinated debt securities of the above company undertaken by TERNA SA.
- On 26.01.2022 the Company signed the contract for the construction of the 6th Electricity Generation Unit at the Vasilikos Power Plant, with the Cyprus Electricity Authority (CEA).

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

  The unit, with a total maximum power capacity of 160 MW, will consist of two gas turbines, two heat recovery boilers and a steam turbine and will run on natural gas as the main fuel, while it will be able to operate on diesel as alternative fuel.
- On 11.02.2022 PIRAEUS TOWER SA and TERNA SA signed the contract for the 2nd phase of the Construction and electromechanical works for the completion of communal installations, basements, roofs and premises of Piraeus Tower.
  This agreement is an extension of the existing contract from 06.08.2021 (A' Phase) with TERNA SA with budget of 15.4 million euro and provides for an additional construction object with a respective budget of 26.1 million euro and delivery on 30.06.2023. The total budget of the project (A' & B' Phase) amounts to 41.6 million euro.
- On 15.03.2022 the Joint Venture APION KLEOS, in which TERNA participates with 28.7%, signed with the Concession company OLYMPIA ODOS SA the amendment of the Construction & Planning Agreement Contract (CPA) of the project "Elefsina-Corinth-Patra-Pyrgos-Tsakona" for the re-inclusion of Patras-Pyrgos road section in the project of Olympia Odos, with a contractual price of 295 million euro.
- On 31.03.2022 the Joint Venture TERNA - THEMELI, in which TERNA participates with 50%, signed with ATTICA METRO a contract for the execution of the project "Extension of a Tram depot to Elliniko", a contractual amount of 10.3 million euros.
- In mid-February 2022, recent geopolitical developments in Ukraine caused a significant increase in the prices of certain imported products (fuel, wheat, fertilizers, etc.) from the countries involved, resulting in a significant burden on the economies of the countries, the European

Union and among them the Greek economy, in line with the degree of dependence they had on these countries. The magnitude of the impact on the development of the European Union and consequently of the Greek economy, will depend on the magnitude of the escalation and its duration, as well as the cost of substituting products that will not be exported by the parties involved. The Group continuously evaluates the geopolitical risks to which it is exposed, having formulated specific policies and procedures, in order to mitigate the risk to the extent possible.

45 APPROVAL OF THE FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the year ended 31.12.2021 were approved by the Board of Directors of TERNA SA on April 27, 2022.

THE CHAIRMAN OF THE BoD	THE EXECUTIVE DIRECTOR
MICHAIL GOURZIS	ALEXANDROS MICHAILIDIS
THE CHIEF FINANCIAL OFFICER	THE DIRECTOR OF ACCOUNTING DEPARTMENT
PANAGIOTIS KAZANTZIS	ANASTASIA GKAMARI