TERNA TOURIST TECHNICAL AND MARITIME S.A.

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General Commerce Reg. No. 8554301000

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ANNUAL FINANCIAL REPORT

For the period

1 January to 31 December 2023

In accordance with the International Financial Reporting Standards

that have been adopted by the European Union

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I. ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2023 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 TERNA TOURIST TECHNICAL AND MARITIME SOCIETE ANONYME (hereinafter "the Company"), we submit the annual management report of the Board of Directors for the closing year from 01.01.2023 to 31.12.2023.

The present Report contains financial and non-financial information of the Group TERNA for the fiscal year 2023 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 2024.

A. Financial Developments and Performance for the year 2023

Despite the ongoing geopolitical uncertainties and high inflation in 2023, along with the subsequent strict monetary policy, the Greek economy maintained a significant portion of the developmental momentum from the previous year, but at a milder rate compared to the rates of the post-pandemic period of the previous year. As a result, the real GDP in 2023 strengthened by 2% on an annual basis (compared to 5.9% in 2022), surpassing the European average by a considerable margin (estimated increase of 0.5%). It is worth noting that the growth rate exceeds the initial estimates of the Greek government's budget for 2023, which set the bar at 1.8%, indicative of the resilience and dynamism of the economy.

In terms of components contributing to the GDP growth in 2023, significant factors included: a) investments, mainly due to the construction activity, b) the increase in exports, which was supported by the strong impact of tourism, c) the increase in consumption, as a result of increased wages and pensions, and d) the reduction of energy prices.

On the inflation front, the downward trend that started at the end of 2022 continued mainly as a result of the significant decline in international energy prices. Specifically, the Harmonized Consumer Price Index (CIP) decreased to 4.2% in 2023 from 9.3% in 2022, lower than the corresponding average of 5.4% in the Eurozone according to the estimates of the Bank of Greece, for the period 2024 – 2025, it is expected to decrease to 2.3% and 2% respectively.

In the fiscal sector, Greece recorded a primary surplus of 1.1% of GDP for 2023, compared to initial estimates of 0.7% for the year, in contrast to 0.1% in 2022, with the main factor being the rational management of parameters positively affecting its course.

A significant event for the Greek economy in 2023 was the upgrade of the country's credit rating, which returned to investment grade after 13 years. Thus, during the second half of the year, credit rating agencies S&P (BBB-), Fitch (BBB-), DBRS (BBB low) and Scope (BBB-) upgraded the credit rating of the Greek State in the investment category. As a result of this upgrade, the yields of Greek government bonds have reduced borrowing costs compared to other eurozone countries, and at the same time, investment activity has increased due to lower interest rates.

The Greek economy is expected to maintain a growth rate in the coming years higher than the European average, with the latest estimates from the Bank of Greece aiming for GDP growth of 2.3% for 2024 and 2.5% for 2025 (compared to 0.8%-1.5% for the eurozone according to the ECB). Key driving forces of the economy in the coming years are expected to continue to be investments, exports, and private consumption.

Investments in the coming years are expected to increase significantly due to the fact that Greece is among the leaders in the EU in terms of absorbing funds from the Recovery and Resilience Mechanism, which provide a significant fiscal stimulus to the economy, having received 41% of the available funds (15 bn euros, of which 7.7 bn euros in grants and 7.3 bn euros in low-interest loans) after completing the agreed goals/milestones of its program. Finally, it should be noted that after the final revision of the national recovery and resilience plan, new investment projects have been incorporated to absorb additional funds from the European program Repower EU, totaling 5.8 bn euros, bringing the total available funds to 36 bn euros, of which 18.2 bn euros for grants and 17.7 euros bn for loans.

It should be noted that the moderation of inflation in food items has not directly followed the general inflation index, exerting significant pressure on households' disposable income. However, all indications suggest that this particular inflation will also trend downwards, allowing for greater disposable income to be available for increased consumption.

The European Central Bank, as part of its efforts to further reduce inflation, continues to implement measures to restrict liquidity, maintaining elevated interest rates, resulting in an increase in financial costs. Current indications from the ECB suggest that within 2024, it will make the first reduction in interest rates, without ruling out additional reductions, as long as the level of inflation continues to moderate. The anticipated decision by the ECB will have a direct impact on the growth rates of eurozone economies.

The potential deterioration of international trade conditions due to the ongoing hostilities in Ukraine, as well as a possible escalation of geopolitical tensions in the Middle East and the Red Sea, through which a significant portion of global trade passes, could lead to a slowdown in growth and weaken the GDP of the Greek economy.

Despite the uncertainties stemming from structural weaknesses in the Greek economy (high public debt, high current account deficits), adverse geopolitical developments and the existence of extreme weather events, the prospects for the Greek economy remain positive in the medium term due to significant projects that are implemented, with a leading role played by: a) Increased investments for i) the construction or improvement of infrastructure, ii) the production of clean electricity through renewable energy sources, iii) the increase of energy storage capacity, and iv) the development of upgraded tourist accommodations, allowing Greece to leverage its comparative advantages over other countries (geographical location, climatic conditions, high level of education of the workforce), b) the increase in exports, which was also supported by the strong impact of tourism, c) the reduction of energy prices and d) the increase in consumption, as a result of rising wages and pensions.

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

(Amounts in thousands Euro, unless otherwise stated)

The main consolidated Financial Results from continuing operations of the year 2023 based on the International Financial Reporting Standards compared to the corresponding period of 2022, are as follows:

Turnover amounted to 1,321.8 million euros compared to 828.8 million euros in 2022, posting an increase of 493 million euros.

Turnover, which amounted to 1,321.8 million euros, was attributed to activities in Greece by 94.9% (versus 91.9% in the previous period), to activities in Balkan countries by 3.9% (5.9% in the comparative period) and to activities in Middle East countries by 0% (0.1% during the previous comparative period), while 1.2% (2.1% in the comparative period) concerned Other regions.

The backlog of signed construction contracts on 31.12.2023 amounts to approximately 3,356 million euros compared to the amount of 2,836 million euros at the end of 2022.

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 Foreign exchange differences, the Impairments/(Recoveries of impairments) of tangible assets, intangible right-of-use assets and goodwill 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 2023 and 2022 for the Group are presented as follows:

	31.12.2023	**31.12.2022**
Gross profit	142,737	80,123
Administrative and distribution expenses	(24,965)	(31,340)
Research and development expenses	(1,363)	(2,018)
Other income/(expenses) attributable to EBIT	(4,527)	(2,890)
Earnings Before Interest and Taxes (EBIT)	**111,882**	**43,875**
Net depreciation	20,495	14,620
EBITDA	**132,377**	**58,495**

Profit before taxes amounted to 103.3 million euros compared to 61.8 million euros in year 2022. The increase in Profit before taxes is mainly due to the increase in turnover and operational profitability of construction projects.

Profit after taxes amounted to 73.4 million euros compared to 44.5 million euros in 2022, of which profit attributable to owners of the Parent was 79.5 million euros, compared to 51.5 million euros in 2022.

The Group's Net Debt Position (loan liabilities, including lease liabilities due to banks less cash and cash equivalents) amounted to minus 15.4 million euros on 31.12.2023 compared to minus 16.2 million euros on 31.12.2022, since the cash and cash equivalents exceed the loan liabilities of the Group.

The Total Assets of the Group on 31.12.2023 amounted to 1,394.3 million euros compared to 1,163.8 million euros on 31.12.2022.

In the section *"B. Significant events for the financial year 2023"*, the most important events of the period are presented in detail.

B. Significant Events for the Financial Year 2023

During the financial year 2023 the following significant events took place:

- On 04.02.2023, the Company signed a contract with BLUE IRIS INVESTMENTS S.M.S.A. for the construction of the project *"5-Star Luxury Resort in Kalo Livadi Mykonos",* with a budget of 78.6 million euros. Additionally, on October 31, 2023, a contract for supplementary works amounting to 6.5 million euros was signed, bringing the total budget to 85.1 million euros.
- On 16.03.2023, the joint venture TERNA - EKTER, in which the Company participates with a 70% stake, signed a contract with the IONIAN CENTER CIVIL NON-PROFIT COMPANY for the construction of the project *"Ionian Center - Creation of a Culture and Youth Center"*, with a budget of 29.4 million euros and a construction duration of 27 months.
- On 31.03.2023, the joint venture TERNA - INTRAKAT, in which the Company participates with a 65% stake, signed a contract with the MINISTRY OF CITIZEN PROTECTION for the construction of the project "*Construction of Artificial Barrier and Associated Works, along the Methori E/T, in the area of Psathades Didymoteicho until Kornofolia Soufli, in the Regional Unit of Evros",* with a budget of 78 million euros and a construction duration of 14 months.
- On 21.04.2023, the joint venture TERNA S.A. - AKTOR S.A. - INTRAKAT VOAK PPP, in which the Company participates with a 55% stake, signed a contract with PASIFAI ODOS S.A. for the project *"Northern Road Axis of Crete (BOAK): Study, Construction, Financing, Operation and Maintenance of* Hersonissos - Neapolis, with PPP", with a contract value of 240.4 million euros.
- On 21.04.2023, the Company signed a contract with PUMPED STORAGE I S.M.S.A for the construction of the *"Amfilochia Pumped Storage Electric Station",* with a capacity of 680 MW. This project involves Road Construction and Tunnel Projects for the Amfilochia Pumped Storage Project, with a budget of 587.3 million euros. This agreement constitutes an extension of the existing contract for preliminary works signed on 10.11.2022, with a budget of 36.3 million euros. The total budget for the project amounts to 623.58 million euros.
- On 19.05.2023, the joint venture TERNA S.A. - AKTOR S.A. - METKA S.A., in which the Company participates with a percentage of 40%, signed a contract with the MUNICIPALITY OF ATHENS for the construction of the project *"Construction of the New Football Stadium of Panathinaikos in Votanikos"*, amounting to 96.8 million euros with a construction duration of 36 months.

- On 31.05.2023, the Joint Venture TERNA S.A. - FOTAGONLED S.A., in which the Company participates with a 50% stake, signed a contract with the MUNICIPALITY OF IOANNINA for the implementation of the project *"Provision of Energy Efficiency Upgrade Services for the road and urban lighting system of the Municipality of Ioannina"*, with a budget of 15.3 million euros and a construction duration of 12 months.
- On 30.06.2023, the joint venture TERNA S.A. – P and C DEVELOPMENT S.A., in which the Company participates with a 50% stake, signed a contract with the company AMFIKTYONIES S.A. for the construction of the *"Exploitation of the Panhellenic Exhibition area of Lamia"* project, amounting to 38.2 million euros with a construction duration of 32 months.
- On 03.07.2023, the Company a contract with FOIVI ENERGY S.P.E. S.A. for the construction of the project *"Study, Civil Engineering Works, Procurement (except PV Panels), Transport, Installation, and Commissioning of one (1) Photovoltaic (PV) Station, with a total nominal power of 550 MW, within Lignitic Center of Western Macedonia, in the location "PPC Ptolemaida Mine" of the Municipalities of Eordaia and Kozani, of the Region of Western Macedonia and Projects of Connecting it to the System",* amounting to 178.1 million euros.
- On 12.07.2023, the Company signed a Preliminary Share Transfer Agreement for the acquisition of 49.99% of the societe anonyme company AIGISTOS S.A., which concerns its construction objective, subject to the fulfillment of specific terms and conditions, such as the approval by the Commission of Competition, without reservation, conditions or limitations. On 28.12.2023, the acquisition of 49.99% of the shares of AIGISTOS S.A. by the Company was completed.
- On 07.08.2023, the Company signed a Contract with ELEKTRA NORTHERN GREECE HOTELS S.A., for the construction of the project *"Construction of a Hotel Unit of "ELEKTRA NORTHERN GREECE HOTELS S.A."* at the junction of Tsimiski and Ethnikis Amynis streets", amounting to 20 million euros.
- On 07.08.2023, the Company signed a Contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Western Sector and on the Vertical Axis A29, year 2023 (no. 6073)"*, amounting to 10 million euros.
- On 07.08.2023, the Company signed a Contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Western Sector and on the Vertical Axes A1, A25 and A23, year 2023 (no. 6074)",* amounting to 7.5 million euros.
- On 09.08.2023, the Company signed a Contract with the TECHNICAL CHAMBER OF GREECE, for the construction of the *"Property Utilization through Consideration, TCoGE Ownership"* project, amounting to 43.5 million euros.

  Subsequently, the company DI TERNA S.M.S.A.S.P. was established, to which the Company assigned the Contract with the TECHNICAL CHAMBER OF GREECE, and on 16.11.2023 signed the construction contract with DI TERNA S.M.S.A.S.P. for the construction of the project *“Construction of a new office building complex with two underground levels, green roof, and surrounding area”*, amounting to 38.9 million euros.

- On 12.09.2023, the Company signed a Contract with ADMIE S.A., for the construction of the project *“Study, Supply of Equipment and Installation for section A: “Y/S GIS 150kv/MT Folegandros and Milos” within the framework of the 4th Fase of interconnection of the Cyclades”,* amounting to 40.9 million euros.
- On 27.10.2023, the Company signed a contract with TRANS ADRIATIC PIPELINE A.G. for the construction of the *"TAPX1 Expansion - Construction Works (Greece)"* project, amounting to 20 million euros with a construction duration of 19 months. This is an expansion of the existing compression station in Kipoi, Evros.
- On 21.12.2023, the Company signed a contract with the Ministry of Culture for the construction of the *"Conversion of the "SILO" building into a Museum of Marine Antiquities"* project, amounting to 66.8 million euros with a construction duration of 24 months.
- On 22.12.2023, the Company signed a contract with AMYNTEO SOLAR PARK NINE S.M.S.A. for the construction of the *"Engineering, Procurement and Construction of the 449.98 MWp Oricheio Amyntaio Solar PV Plant"* project, amounting to 133 million euros with a construction duration of 22 months.
- On 28.12.2023, the Company signed a contract with THE GRID S.A. for the construction of the *"Construction of a five-story complex of office buildings with three underground parking spaces on Heimaras 10-12, Amarousiou-Chalandriou and Gravia streets"* project, amounting to 96.5 million euros with and construction duration of 17 months.
- Within 2023, the Company signed new contracts of small value, as well as extensions of existing project execution contracts, amounting to 290 million euros.

C. Significant Events after the end of the period 01.01 – 31.12.2023

From 01.01.2024 until the date of approval of the attached financial statements, the following important events took place:

- On 12.01.2024, the Joint Venture TERNA S.A. – INTRAKAT S.A., in which the Company participates with a percentage of 50%, signed a contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Western Sector and on the Vertical Axis A29, year 2023-2025 (code 6060)"*, amounting to 68.7 million euros.
- On 12.01.2024, the Joint Venture INTRAKAT S.A. – TERNA S.A., in which the Company participates with a percentage of 50%, signed a contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Eastern Sector and on the Vertical Axes A1, A25 and A23, year 2023-2025 (code 6061)",* amounting to 57.1 million euros.
- On 25.01.2024 the Company signed a Preliminary Share Transfer Agreement for the acquisition of 100% of the shares of the anonymous company P & C DEVELOPMENT, concerning its construction part, subject to the approval of the relevant acquisition from Competition Commission.
- On 19.03.2024, the RENCO - TERNA Joint Venture was established, in which the Company participates with a percentage of 50% and is expected to sign a contract for the construction of the first Microsoft Data Center in Greece and specifically in Spata, Attica.

It is an industrial-type facility, consisting mainly of mechanical and electrical equipment for data storage and processing in the Cloud and is structured as an Equipment Building (ATH04 Building) and an Administration Building (Admin Block) accompanied by a number of supporting facilities and infrastructure in the surrounding area, while its design follows the LEED (Gold Grade) certification requirements. The project budget amounts to 79.6 million euros and foresees the completion of the design, the construction and commissioning of Microsoft's first Data Center, with a total installed capacity of 19.2MW.

- On 16.04.2024 the Company signed a contract with PPC S.A for the lease of three (3) GE Gas Turbine Units, with a total delivered net power of 130MW to cover the additional power needs of the AES Linoperamaton of Crete, for a period of time until 31.12.2025.

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 and the uncertainty of the results from the impact of emergency events which may have a prolonged and unforeseen term.

1) Financial Risks

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

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

Credit Risk

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

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

The Group is not exposed to significant credit risk arising from trade receivables. This is attributed, on the one hand, to the Group’s policy, which is focused on cooperation with reliable clients and, on the other hand, to the nature of the Group’s operations.

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

The 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 or companies of the broader public sector and strong Groups of companies.

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

Liquidity risk

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

The Group manages liquidity needs by closely monitoring the progress of the 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 the next year are determined on a monthly basis.

The Group maintains cash and cash available in banks to meet liquidity needs for periods of up to 30 days. The funds for the medium-term liquidity needs are released from the Group's time deposits.

Market risk analysis

Foreign exchange risk

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

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

Interest rate risk

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

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

The biggest component of the Group's short-term debt is in Euro at a floating base interest rate linked to Euribor. Short-term loans are mainly issued as working capital.

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

(Amounts in thousands Euro, unless otherwise stated)

Sensitivity analysis of interest rate risk

The following table presents the sensitivity of profit or loss for the period against the Groups short-term debt and deposits, towards a change in variable interest rates amounting to +20% –20% (2022: +/-20%). The changes in interest rates are estimated to be logical in relation to the current market conditions and until now they have been consistent with the previous year.

	2023		**2022**	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(440.0)	440.0	(32.0)	32.0
Net earnings after income tax (from interest earning assets)	1,257.0	(1,257.0)	92.0	(92.0)

The Group is not exposed to other significant interest rate risks.

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

The performance of the Greek economy for the year 2023 was positive, since the achieved GDP growth rate settled at 2% following another positive growth in 2022 (5.9%) and according to estimates of the Bank of Greece GDP growth is expected to settle at 2.3% in 2024 and at 2.5% in 2025.

To date, with the existing expectations for continuation of the energy crisis, given the duration and intensity of hostilities in Ukraine, no potential favorable outcome appears to be in sight for the near future. Therefore, the lower supply of natural gas from Russia to the countries of the European Union and, to a significant extent, the substitution of natural gas by liquefied natural gas (LNG), will continue to affect the prices of the generated electricity, as well as the prices of all products affected by the use of electricity. This is the case despite the efforts that have already been made by government authorities to minimize these problems.

As a result of the above, inflation, based on the harmonized Consumer Price Index, settled at 4.2% in 2023, in relation to 9.6% in 2022, due to the upward trend in energy needs as well as due to price increases in food items.

The estimated inflation based on the harmonized Consumer Price Index for the period in the Eurozone for the period 2024-2025 is expected to settle at 2.3% and 2% respectively, mainly due to the anticipated decline in energy prices and also due to the negative effect on the comparison basis.

The European Central Bank's efforts to control inflationary pressures with consecutive interest rate hikes, which in September 2023 set the interest rate level at 4% to reduce increased demand, which is seen as the cause of inflationary pressures, have not has yet produced the desired results in reducing the inflation rate. On the contrary, however, the increase in financial costs results in a significant reduction in the growth of certain European countries.

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

- Failure to enhance competitiveness, so that the economy becomes export-oriented and addresses the current account deficit.
- Delay in reducing the public debt level.
- The maintenance of high borrowing rates, which leads borrowers to face difficulties in repaying installments of their mortgage loans for the first residence and the agricultural land.
- The continued increase in the prices of consumer goods, which reduces the real disposable income and household purchasing power and deprives the ability to create savings for future investment.
- The weakening of disposable income of citizens, mainly in the European Union, will result in a reduction of revenues from tourism.
- The lack of acceleration towards the structural reforms and the government's inability for the timely disbursement of European funds and any obstacles in the implementation of the investment plans.
- The continuing delay in the process of granting justice.
- The inability of certain sections of the Public Administration to overcome the bureaucracy for solving significant problems that require immediate actions and long-term planning (e.g., natural disasters, fires, climate change).

Despite the new conditions that have arisen due to the geopolitical developments along with the ongoing energy crisis and inflationary pressures and given that the Group does not have any meaningful activity in Russia, Ukraine, Belarus and the Middle East, the outlook for the Group remains positive in the medium and long term due to the following factors: a) The upgrading of the investment grade regarding the creditworthiness of the Greek economy, which entails more inflows of investment capital with favorable lending terms required for investments and b) Significant signed and pending construction contracts for execution.

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

The experience gained in protecting the population from virus transmission, the mass vaccination programs initiated since 2021 and the provision of new medicines to the patients have reduced the severity of the risk, as well as the percentage of cases, resulting that a possible appearance of a new virus within the same category is no longer considered a significant threat.

4) Other risks and uncertainties

<u>Consequences of the war in Ukraine</u>

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

The adoption of restrictive measures by the European Union and the U.S.A. regarding the international circulation of funds of Russian origin, as well as the additional restrictive measures towards the same direction (asset freezes, convictions, etc.), as well as the bans on the sale of Russian products in the European Union and other countries, resulted in countermeasures taken by Russia against the European Union, including the reduction of natural gas' sold quantities.

It should be noted that the embargo against Russia did not provide the expected solution, resulting in the continuation of the war two years after its inception, with no estimation for an immediate resolution of the issues. At the same time, the generated electricity continues to be very expensive for the end consumer, fueling the existing inflation, in which the price of energy is one of the main factors in the cost of producing products.

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

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

Uncertainty due to hostilities in the Middle East

After the unprovoked attack by the Palestinian Islamist movement Hamas on October 7, 2023 in Israel, a counterattack by the Israeli army on the Gaza Strip was triggered, resulting in the loss of thousands of lives causing a humanitarian catastrophe for Gaza residents. In these hostilities, neighboring countries Lebanon and Yemen have also participated with the support of Iran, with the result that, among other things, problems have been created navigation and consequently in the transportation of goods. A possible direct involvement in the hostilities by Iran could further exacerbate the overall problems in the region and by extension in the global economy, indirectly affecting the Greek economy as well.

Despite this, the Group's prospects remain positive and not directly dependent on hostilities in the Middle East. However, due to the dynamics of hostilities, new risks may potentially arise. The Group's management, taking into account the existing uncertainty in the broader economic climate, seeks to assess any indirect consequences on the Group in a timely manner, in order to take necessary measures to minimize the consequences.

Backlog of the construction contracts

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

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

Climate change risk

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

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

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, through its 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.

E. Non-Financial Information Report 2023

TERNA Group is one of the largest business Groups in Greece with presence as well in Southeastern Europe.

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

The current construction backlog of the Group at the date of approval of the Financial Statements amounts to 5.3 bn euros and concerns both signed and new contracts to be signed.

This present report of Non-Financial information relates to the fiscal year ended on 31st of December 2023. The Statement has been prepared in accordance with the provisions of Law 4403/2016 and includes information related to the following sections:

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

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, which 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.

Supply Chain Issues

To address the new challenges arising by supply chain issues, the Group makes sure to incorporate new criteria into its supply chain management procedures, such as the new terms of engagement with suppliers and preference for domestic suppliers to help the Group contribute to stimulating the local economy.

The Group seeks responsible collaboration with all parties involved in the supply chain. The Code of Ethics and Conduct constitutes the basic framework of principles and values that must characterize, among others, the Group's suppliers, subcontractors, and partners to maintain transparent and responsible business relations with it.

As of 2023, the Group applies a Procurement Policy that incorporates ESG (Environmental, Social and Governance) criteria for the evaluation and selection of suppliers and partners, with the ultimate goal of contributing to the creation of a supply chain that respects the principles of sustainability and social responsibility.

The Group monitors, assesses and reviews supply chain risks on an annual basis.

Among other incidents that have a significant impact on the achievement of the Group's strategic objectives and may affect its reputation, as well as its business operations, and which are related to the supply chain, the following have been identified:

- Shortages of goods, products and raw materials.
- Inability to execute contracts from approved suppliers due to climate disruptions, unstable geopolitical environment, etc.

In addition, the Group acknowledges the risk of incidents of violation of international standards and/or legislation related to the practices of its suppliers as well as the non-sharing of common policies/values with its suppliers. It is noted that potential risks including in the supply chain may arise from not supporting local and domestic suppliers, with a potential reduction in their purchasing power and the wider economic growth and prosperity of the regions of operation. Therefore, the Group consistently prefers to work with local suppliers.

To this end, the Group communicates 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 9001, ISO 14001 and ISO 50001.
- The implementation of policies and procedures targeting the protection of the environment and the society.
- The availability and use of materials and equipment that, apart from their suitability and usability, have high health and safety standards, are environmentally friendly and belong to a high energy class with low energy consumption.
- Full compliance with the Health and Safety regulatory framework and adherence to the Group's Code of Ethics and Conduct.

Human Rights

Risk management is an important factor for TERNA Group in the protection of human rights. The Group is committed to identifying, preventing and addressing the risks that may cause human rights violations.

To better manage these risks, the Group adopts a number of measures, including:

- Analysis of risks that may affect human rights in all its activities. This analysis helps to identify potential problems and risks that may arise.
- Policies and procedures that promote the protection of human rights. These policies and procedures set out the requirements and practices to be followed to protect workers' rights and prevent violations.
- Educating and raising awareness among its employees about human rights and the importance of protecting them. This helps to increase awareness and compliance with the Group's policies and procedures.
- Audits and evaluations to verify compliance with policies and procedures relating to the protection of human rights. This ensures that the Group's practices comply with standards and requirements.

Social and Labor Issues

Through the adoption of responsible policies, the Group supports the development of both its human capital and the local communities in which it operates and interacts with. Through continuous consultation and efforts to identify and respond to the real needs but also through its own activities, the Group actively participates, supports and considers as a high priority the investment in its people by providing the necessary resources to promote the continuous improvement of the working environment. The Group, to manage social and labor issues:

- Continuously increases its socio-economic footprint.
- Implements a Recruitment and Evaluation Policy with objective and fair selection criteria.
- Implements a Remuneration and Benefits Policy.
- Seeks to increase workplace diversity.
- Provides equal training and education opportunities.
- Implements a Health and Safety Policy.
- Implements a Data Protection and Cookies policy.

Environmental and Energy Issues

The Group's environmental compliance is an integral part of its strategy and is visible through its policies, strategies and business decisions and actions. Thus, the Group acts purposefully by taking measures that lead to the reduction of adverse environmental effects to ensure both its business continuity and compliance with environmental legislation.

In particular, the Group's environmental strategy on environmental compliance includes:

- Environmental and Energy Management
- Responsible Energy Management
- Mitigation and Adaptation to Climate Change
- Protection and Conservation of Biodiversity
- Resource Management and Circular Economy

To ensure environmental compliance both on activity and operational level, internal and external environmental audits are carried out on an annual basis and at regular intervals. Internal environmental inspections are carried out by QHSE Department, while external audits are conducted by accredited Certification Bodies and other auditing authorities.

The Group has a Unified Systems Management Policy that commits it to reducing the environmental impact of its operations, reducing energy consumption and greenhouse gas emissions in its buildings and facilities, with the aim of promoting sustainable development within its operating model.

For the immediate achievement of these objectives, the parent company of TERNA Group is certified according to the international standard ISO 50001:2018, in order to achieve the most efficient energy management of their operations. Furthermore, the Group invests in the renewal and regular maintenance of its machinery, aiming to improve its energy efficiency and increase its useful lifetime.

F. Outlook and Prospects

TERNA Group is one of the largest corporate groups in Greece, with a selective presence in Central and Southeastern Europe as well as in 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 5.3 bn euros including both the already signed contracts and the new contracts to be signed.

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.

It is worth noting, however, that the boost of investment activity in the construction sector in which the Group operates constitute a priority for both the Greek State and the European Union. Infrastructure projects, through their higher multiplier effect, contribute significantly to the increase in GDP and to the strengthening of employment.

In 2024, TERNA Group will continue to implement its strategy for continuous development in the Greek and international markets.

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

The prospects for achieving the targets for 2024 and beyond are positive given that:

In the Construction Sector:

TERNA S.A. is one of the strongest Greek construction company specializing in the execution of large and complex public and private projects of wide range, large budget and complex expertise, such as including road and railway networks, buildings, hospitals, museums, industrial facilities, hydroelectric projects, dams, power plants, etc.

The prospects for the coming years are in favor of improving the financial performance of this operating segment, while the backlog of construction objects is maintained at high levels, amounting to approximately 3.4 bn euros on 31.12.2023 with the contrasts to third parties. The above backlog does not include the sectoral backlog of approximately 1.9 bn euros for new contracts awaiting signature, for projects for which the Group has already been declared the contractor or preferred investor and the signing of construction contracts is expected.

In addition, the prospects of the construction segment in Greece are particularly positive, as in the coming years the budget of the new projects to be auctioned may exceed under certain conditions the level of 20 bn euros, of which a significant part is estimated to be executed by the Group.

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

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

In the Quarry/Industrial Sector:

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

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

Dear Shareholders,

2023 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 the Board of Directors thanks to 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, 24th of May 2024

On behalf of the Board of Directors

Georgios Perdikaris

Chairman of the BoD

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II. INDEPENDENT AUDITOR'S REPORT

(This report has been translated from Greek original version)

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

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of TERNA TOURIST TECHNICAL AND MARITIME S.A. (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2023, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying 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, 2023, their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Opinion

We 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 is included in the Board of Directors Report, also referred to in the section "Report on Other Legal and Regulatory Requirements", the Representations of the Members of the Board of Directors, 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 31/12/2023.

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, 24 May 2024

The Chartered Accountant

Panagiotis Noulas

Registry Number SOEL 40711

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 2023 (1 January - 31 December 2023)

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 24th May 2024 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 S.A. 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 2023

		GROUP		COMPANY	
	Note	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Non-current assets					
Intangible fixed assets	8	27,983	33,848	1,942	2,061
Right of use assets	9	59,190	27,598	58,545	26,964
Tangible fixed assets	10	94,332	97,776	49,346	51,792
Goodwill	7	2,380	2,380	0	0
Investment property	11	8,169	8,079	7,545	7,455
Participations in subsidiaries	12	0	0	73,935	79,823
Participations in associates	13	44,595	43,667	3,499	13,056
Participations in joint ventures	13	22,716	2,716	22,716	2,716
Investment in equity interests	19	29,571	21,263	25,512	17,205
Other long-term assets	14	16,013	64,497	77,646	119,715
Deferred Tax Assets	30	3,898	5,647	3,849	3,016
Total non-current assets		**308,847**	**307,471**	**324,535**	**323,803**
Current assets					
Inventories	15	20,247	20,432	3,938	5,738
Trade receivables	16	363,701	227,870	332,587	202,467
Receivables from contracts with customers	17	324,262	223,970	305,005	200,800
Advances and other receivables	18	109,336	157,193	108,939	155,650
Income tax receivables		17,193	20,037	17,148	20,017
Financial assets at fair value through profit & loss	19	10,000	10,000	10,000	10,000
Cash and cash equivalents	20	240,670	196,857	173,197	120,972
Total current assets		**1,085,409**	**856,359**	**950,814**	**715,644**
TOTAL ASSETS		**1,394,256**	**1,163,830**	**1,275,349**	**1,039,447**
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	61,194	57,875	57,950	54,691
Retained earnings		77,151	(2,285)	41,401	(26,278)
Total equity attributable to the owners of parent		**256,507**	**173,752**	**217,513**	**146,575**
Non-controlling interests		9,692	12,031	0	0
Total equity		**266,199**	**185,783**	**217,513**	**146,575**

(Amounts in thousands Euro, unless otherwise stated)

		GROUP		COMPANY	
	Note	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Non-current liabilities					
Long-term loans	21	128,030	135,646	127,371	135,007
Liabilities from leases	22	46,973	21,591	46,551	21,165
Other long-term liabilities	27	214,133	207,819	205,901	199,587
Other provisions	24	8,441	8,374	7,241	7,174
Provisions for staff leaving indemnities	23	2,557	2,225	2,029	1,584
Grants	25	3,213	3,346	0	0
Deferred tax liabilities	30	32,411	16,050	27,099	10,760
Total non-current liabilities		**435,758**	**395,051**	**416,192**	**375,277**
Current liabilities					
Suppliers	26	304,252	197,600	285,366	175,999
Short term loans	21	38,571	12,118	38,034	11,616
Long term liabilities payable during the next financial year	21	14,063	15,980	14,063	15,980
Short-term part liabilities from leases	22	11,362	5,951	11,106	5,708
Liabilities from contracts with customers	17	253,401	298,566	226,160	263,171
Accrued and other short term liabilities	27	69,462	52,451	65,859	44,944
Income tax payable		1,188	330	1,056	177
Total Liabilities		**692,299**	**582,996**	**641,644**	**517,595**
Total Liabilities		**1,128,057**	**978,047**	**1,057,836**	**892,872**
TOTAL EQUITY AND LIABILITIES		**1,394,256**	**1,163,830**	**1,275,349**	**1,039,447**

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 2023

		GROUP		COMPANY	
	Note	**1.1-31.12.2023**	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Turnover	31	1,321,764	828,759	1,282,083	770,704
Cost of sales	32	(1,179,027)	(748,636)	(1,147,189)	(700,226)
Gross profit/(loss)		**142,737**	**80,123**	**134,894**	**70,478**
Administrative and distribution expenses		(24,965)	(31,340)	(18,523)	(23,393)
Research and development expenses		(1,363)	(2,018)	(1,095)	(1,760)
Other income/(expenses)	34	(14,141)	(9,828)	(3,974)	40
Results before taxes, financing and investing activities		**102,268**	**36,937**	**111,302**	**45,365**
Net financial income/(expenses)	36	(10,747)	(3,859)	(8,391)	(2,238)
Profit / (loss) from sale of participations and securities	13	0	2,751	0	1,809
Profit / (loss) from valuation of participations and securities	12,13,35	0	0	(9,118)	(17,452)
Income / (losses) from participations and other securities		805	475	805	475
Profit / (loss) from the consolidation of joint ventures and associates under the equity method	13	10,927	25,478	0	0
Earnings/(Losses) before taxes		**103,253**	**61,782**	**94,598**	**27,959**
Income tax	30	(29,878)	(17,270)	(26,919)	(15,706)
Net Earnings/(losses) after taxes		**73,375**	**44,512**	**67,679**	**12,253**
Other Comprehensive Income/(Expenses)					
a) Amounts that will be reclassified in the Income Statement of subsequent periods					
Translation differences from incorporation of foreign entities		130	(2,327)	175	(2,212)
Total		**130**	**(2,327)**	**175**	**(2,212)**
b) Other Comprehensive Income/(expenses) that will be not transferred to Income Statement in subsequent periods					
Valuation of investments in equity interests	19	3,769	1,927	3,769	1,927
Actuarial gains/(losses) on defined benefit pension plan	23	(142)	26	(142)	18
Proportion in Other comprehensive income of joint ventures and associates	13	0	1	0	0

(Amounts in thousands Euro, unless otherwise stated)

		GROUP		COMPANY	
	Note	**1.1-31.12.2023**	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Tax corresponding to the above results	30	(798)	(430)	(798)	(428)
Total		**2,829**	**1,524**	**2,829**	**1,517**
Net Other Comprehensive Income		**2,959**	**(803)**	**3,004**	**(695)**
TOTAL COMPREHENSIVE INCOME		**76,334**	**43,709**	**70,683**	**11,558**
Net earnings/(losses) attributed to:					
Shareholders of the parent		79,541	51,534		
Non-controlling interests		(6,166)	(7,022)		
Total		**73,375**	**44,512**		
Total comprehensive income/(losses)					
Shareholders of the parent		82,500	50,729		
Non-controlling interests		(6,166)	(7,020)		
Total		**76,334**	**43,709**		

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 2023

		GROUP		COMPANY	
	Note	**1.1-31.12.2023**	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Cash flows from operating activities					
Profit/(loss) before tax		**103,253**	**61,782**	**94,598**	**27,959**
Adjustments for the agreement of the net flows from the operating activities					
Depreciation		20,600	14,724	16,603	11,086
Fixed assets grants amortization		(105)	(104)	0	0
Provisions		893	(3,495)	875	(3,023)
Impairments/ (Recovery of impairments)		8,177	16,918	8,883	23,141
Other non-cash expenses/(revenue)		(88)	(108)	(82)	(105)
Interest and related revenue	36	(1,868)	(3,333)	(3,880)	(4,708)
Interest and other financial expenses	36	12,615	7,192	12,271	6,946
Results from associates and joint ventures	13	(10,927)	(25,478)	0	0
Results from participations and securities		(805)	(3,226)	(805)	(2,284)
Results from investment property	11	(90)	(94)	(90)	(94)
Results from fixed assets		(236)	(10)	328	8
Foreign exchange differences		659	(4,203)	471	(3,039)
Cost of stock options	29	255	614	255	614
Operating profit/(loss) before changes in working capital		**132,333**	**61,179**	**129,427**	**56,501**
(Increase)/Decrease in:					
Inventories		909	1,695	1,966	1,899
Trade receivables		(235,048)	(138,958)	(233,180)	(141,411)
Prepayments and other receivables		78,129	(76,997)	75,647	(78,147)
Increase/(Decrease) in:					
Suppliers		107,498	57,719	109,720	55,140
Accruals and other liabilities		(59,314)	60,207	(47,158)	134,270
Income tax (Payments)/Receipts		(9,143)	(10,269)	(8,741)	(9,615)
Net cash flows from operating activities		**15,364**	**(45,424)**	**27,681**	**18,637**

(Amounts in thousands Euro, unless otherwise stated)

		GROUP		COMPANY	
	Note	**1.1-31.12.2023**	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Cash flows from investing activities					
Proceeds from disposals of fixed assets		1,584	848	670	76
Payments for purchases of fixed assets		(12,392)	(15,073)	(5,761)	(8,230)
Interest and related income received		1,713	3,108	1,692	2,632
Payments for acquisition of subsidiaries	14	(7,500)	0	(7,500)	0
Proceeds from sale or decrease in participating interest in associates and joint ventures (JVs)	13	50	46,329	50	46,329
Payments for acquisition or increase in participating interest in associates and joint ventures (JVs)	13	(10,050)	0	(10,050)	0
Proceeds from capital return of associates	13	10,000	8,050	10,000	8,050
Payments for acquisition of shares, bonds and other securities	19	(4,539)	(15,584)	(4,539)	(15,584)
Receipts of Dividends		604	447	604	447
Proceeds from issued loans	14	41,300	22,990	42,470	23,180
Issued loans		0	(15,000)	(4,200)	(21,220)
Proceeds from lease receivables		10,102	1,626	10,102	1,626
Payments for acquisition of assets for issued leases		0	(27,292)	0	(27,292)
Net cash flows for investing activities		**30,872**	**10,449**	**33,538**	**10,014**
Cash flows from financing activities					
Payments from changes in subsidiaries without loss of control		0	0	(3,673)	0
Receipts from increase of share capital in subsidiaries from non-controlling interests		3,827	0	0	0
Proceeds for short term loans	21	37,760	25,522	37,725	25,522
Payments for short term loans	21	(11,616)	(57,451)	(11,616)	(56,951)
Proceeds for long term loans	21	1,215	40	0	0
Payments for long term loans	21	(14,187)	(4,850)	(12,972)	(4,850)
Payments for leases	22	(10,359)	(5,010)	(10,036)	(4,627)
Interest and other financial expenses paid		(8,745)	(3,945)	(8,384)	(3,691)

(Amounts in thousands Euro, unless otherwise stated)

		GROUP		COMPANY	
	Note	**1.1-31.12.2023**	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Net cash flows from financing activities		**(2,105)**	**(45,694)**	**(8,956)**	**(44,597)**
Effect of foreign exchange rate differences in cash		(318)	481	(38)	129
Net increase /(decrease) of cash and cash equivalents		**43,813**	**(80,188)**	**52,225**	**(15,817)**
Cash and cash equivalents at the beginning of the period	20	196,857	277,045	120,972	136,789
Cash and cash equivalents at the end of the period	**20**	**240,670**	**196,857**	**173,197**	**120,972**

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 2023

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2023		**55,460**	**62,702**	**54,691**	**(26,278)**	**146,575**
Total comprehensive income		0	0	3,004	67,679	**70,683**
Stock options	29	0	0	255	0	**255**
31st December 2023		**55,460**	**62,702**	**57,950**	**41,401**	**217,513**

COMPANY	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1st January 2022		**55,460**	**62,702**	**55,061**	**(37,752)**	**135,471**
Total comprehensive income		0	0	(695)	12,253	**11,558**
Stock options	29	0	0	325	0	**325**
Change in interest of consolidated entity		0	0	0	(779)	**(779)**
31st December 2022		**55,460**	**62,702**	**54,691**	**(26,278)**	**146,575**

(Amounts in thousands Euro, unless otherwise stated)

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2023		**55,460**	**62,702**	**57,875**	**(2,285)**	**173,752**	**12,031**	**185,783**
Total comprehensive income		0	0	2,959	79,541	**82,500**	(6,166)	**76,334**
Share capital increase of subsidiaries		0	0	0	0	**0**	3,827	**3,827**
Stock options	29	0	0	255	0	**255**	0	**255**
Formation of reserves		0	0	105	(105)	**0**	0	**0**
31st December 2023		**55,460**	**62,702**	**61,194**	**77,151**	**256,507**	**9,692**	**266,199**

GROUP	Note	Share capital	Share premium	Reserves	Retained earnings	Sub-Total	Non-Controlling Interest	Total
1st January 2022		**55,460**	**62,702**	**58,237**	**(52,922)**	**123,477**	**19,051**	**142,528**
Total comprehensive income		0	0	(805)	51,534	**50,729**	(7,020)	**43,709**
Stock options	29	0	0	325	0	**325**	0	**325**
Change in interest of consolidated entity		0	0	0	(779)	**(779)**	0	**(779)**
Formation of reserves		0	0	118	(118)	**0**	0	**0**
31st December 2022		**55,460**	**62,702**	**57,875**	**(2,285)**	**173,752**	**12,031**	**185,783**

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 (S.A. & 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, the merger was approved through absorption of the construction activities' part of the company TERNA TOURIST TECHNICAL AND MARITIME S.A. In addition, on 28.06.2013, the merger through absorption of the company HERON HOLDINGS S.A. was approved.

The share capital of the Company 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 each.

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

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

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

Furthermore, the Group through its participation in the affiliated company HERON ENERGY S.A., 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 S.A., which during the reporting date of the Statement of Financial Position, owned 100% of its share capital (31.12.2022: 100%).

2 BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the Presentation of financial statements

The Company's separate and consolidated Financial Statements as of 31st December 2023 covering the annual period starting on January 1st until December 31st 2023 have been prepared according to the

International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and according to their interpretations, published by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union until 31st December 2023.

The Group applies all the International Accounting Standards, International Financial Reporting Standards, and their Interpretations, which apply to the Group's activities. The relevant accounting policies, a summary of which is presented below in Note 4, have been applied consistently in all the periods presented.

2.2 Going concern

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

The decision of the Management to use the going concern principle is based on the estimates related to potential effects of the war conflict raging both in the broader region of Ukraine and in the Middle East.

The Management has estimated that there is no substantial uncertainty regarding the continuation of the business activity of the Group and the Company, thus implementing the framework for preparing the financial statements for the financial year ended on 31.12.2023.

2.3 Basis of measurement

The accompanying separate and consolidated Financial Statements as of December 31st, 2023 have been prepared according to the principle of historical cost, apart from the cases of investment property, investments in equity securities and the financial assets recorded at fair value through profit or loss, which are measured at fair value.

2.4 Presentation currency

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

2.5 Comparability

The comparative items of the Financial Statements for the year ended 31.12.2023 have not been revised.

2.6 Use of estimates

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

Assumptions and estimates are assessed on an on-going basis according to historic experience and other factors, including expectations of future event outcomes, considered reasonable given the current conditions. The estimates and assumptions relate to the future and, consequently, the actual results may differ from the accounting calculations.

The areas that require the highest degree of judgment as well as the areas in which estimates and assumptions have a significant effect on the Consolidated Financial Statements are presented in Note 3 of the Financial Statements.

2.7 New Standards, Interpretations and Amendments to Standards

The accounting principles applied for the preparation of the Financial Statements are the same as those applied for the preparation of the Financial Statements of the Group and the Company for FY ended as of 31 December 2022, apart from the adoption of amendments to certain standards, whose application was mandatory in the European Union for FYs beginning as at January 1st, 2023 (see Notes 2.7.1 and 2.7.2).

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

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union and their application is mandatory from or after 01.01.2023.

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 financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The amendments affect the consolidated and separate 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 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 amendments have no impact on the consolidated and separate 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 amendments do not affect the consolidated and separate Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2023.

Amendments in IAS 12 "Income Taxes" - International Tax Reform - Pillar II Model Rules (effective immediately and for annual periods beginning on or after 01.01.2023)

In May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 "Income Taxes": International Tax Reform - Pillar Two Model Rules. The amendments introduced a) a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and b) targeted disclosure requirements for affected entities. Companies may apply the temporary exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023. Given the above exception, the amendments have no impact on the consolidated and company financial statements. The tax legislation for the application of the rules of the Pillar II Model is expected to enter into force in Greece in 2024. The Group is in the process of assessing the impact that may arise from the adoption of the Rules. The above have been adopted by the European Union with effective date of 01.01.2023.

Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (effective for annual periods beginning on or after 01.01.2024)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 "Leases" which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The issued amendments add to the sale and leaseback requirements in IFRS 16, thereby supporting the consistent application of the Accounting Standard. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01.01.2024.

Amendments in IAS 1 'Classification of Liabilities as Current or Long-Term' (effective for annual periods beginning on or after 01.01.2024)

In January 2020, the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period, (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (c) clarifying how lending conditions affect classification and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. Furthermore, in July 2020, the IASB issued an amendment to defer by one year the effective date of the initially issued amendment to IAS 1, in response to the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment that aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with early adoption permitted. The Group will examine the impact of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 01.01.2024.

2.7.2 New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union until 31.12.2023

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

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier Finance Arrangements (effective for annual periods beginning on or after 01.01.2024)

In May 2023, the International Accounting Standards Board (IASB) issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The IASB issued Supplier Finance Arrangements to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments require additional disclosures that complement the existing disclosures in these two standards. They require entities to provide users of financial statements with information that enable them a) to assess how supplier finance arrangements affect an entity's liabilities and cash flows and b) to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. The amendments to IAS 7 and IFRS 7 are effective for accounting periods on or after 1 January 2024. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods starting on or after 01.01.2025)

In August 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" that require entities to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments introduce a definition of currency exchangeability and the process by which an entity should assess this exchangeability. In addition, the amendments provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable and require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments to IAS 21 are effective for accounting periods on or after 1 January 2025. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

3 SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT ASSESSMENTS

Preparation of Financial Statements in accordance with the International Financial Reporting Standards (IFRS) requires the Management to make judgments, estimates and assumptions which affect assets and liabilities, contingent receivables and liabilities disclosures, as well as revenue and expenses during the presented periods.

In particular, the amounts included in or affecting the financial statements, as well as the related disclosures, are estimated through making assumptions about values or conditions that cannot be known with certainty at the time of preparation of the financial statements and, therefore, actual results may differ from what has been estimated. An accounting estimate is considered significant when it is material to the financial position and income statement of the Group and requires the most difficult, subjective, or complex judgments of the Management. Estimates and judgments of the Management are based on past experience and other factors, including expectations for future events, judged to be reasonable in the circumstances. Estimates and judgments are continually reassessed on the basis of all the available data and information.

Key estimates and evaluations referring to the data whose development could affect the financial statements items in the upcoming 12 months are as follows:

3.1 Significant judgments of the Management

Key judgments of the Management, applied while implementing the Group and the Company accounting policies, which have the most significant impact on the financial statements (apart from those analyzed in Note 3.2) are analyzed as follows:

i) Recognition of 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) Consolidation of subsidiaries in which the Group holds a non-majority percentage of voting rights (de facto control)

The Group assesses in each reporting period the existence of control over subsidiaries in which it holds a participation percentage of voting rights of less than 50%, based on the conditions specified in IFRS 10. Specifically, the Group, based on its existing rights, assesses whether it has the possibility to direct any business activities that significantly affect the return of the subject companies, i.e. the relevant activities, assessing in addition any cases where the Group maintains significant participation / investment, has the right to receive variable returns from its participation in the subject companies and has the ability to influence the level of their returns.

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 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 30).

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 31.12.2023, 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 of financial instruments

The Management uses valuation techniques to determine the fair value of financial instruments (when no active market prices are available) and non-financial assets. This procedure involves making estimates and assumptions about the price that market participants would pay to acquire these financial instruments.

The Management bases its assumptions on observable data, but this is not always feasible. In such cases, the Management uses the best available information for its estimates, based on its past experience and taking into account available information. Estimated fair values may differ from the actual values that would be made in the ordinary course of transactions as at the reporting date of the financial statements (further information is presented in Note 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 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 30).

viii) 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).

ix) 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

A. Significant Accounting Principles

The principal accounting policies adopted in the preparation of the accompanying Separate and Consolidated Financial Statements are as follows:

4.1 Basis for consolidation

The accompanying consolidated financial statements include the financial statements of TERNA S.A. and its subsidiaries as at 31.12.2023. The date of preparation of the financial statements of the subsidiaries coincides with that of the parent.

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

Subsidiaries are consolidated from the date the Group acquires control over them and they cease to be consolidated at the date of termination of this control.

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

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

(a) Subsidiaries

Subsidiaries are all the companies, in which the Parent has the power to control directly or indirectly through other subsidiaries and they are fully consolidated (full consolidation). The Company has and exercises control through its ownership of the majority of the subsidiaries' voting rights. In order to define the control, the following conditions are examined, as recorded in IFRS 10:

i) The parent company has authority over the investee, since it can direct the related (operational and financial) activities. This is achieved through appointing the majority of the members of the Board of Directors and the directors of the subsidiary by the Management of the parent.

ii) The parent company holds rights with variable returns from its investment in the subsidiary. Other non-controlled investments are greatly dispersed and, therefore, cannot materially influence decision-making.

iii) The parent company may exercise its authority over the subsidiary to influence the amount of its returns. This is the result of decision-making on subsidiary's related matters through controlling the decision-making bodies (Board of Directors and Directors).

Changes in a parent's ownership 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 sale 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 (if it is a joint operation) in the Company or the equity method (if it is a joint venture) in the Group.

Joint operations: Joint operations are accounted for using the proportional consolidation method. In particular, the Group recognizes in the consolidated financial statements: (i) its assets (including its share in any of its assets it holds jointly), (ii) its liabilities (including its share of any jointly held liabilities), (iii) its share in the proceeds of the sale 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 acquisition 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.

(c) Associates

Associates are entities over which the Group exercises significant influence but does not exercise control. The Group's investments in associates are accounted for using the equity method. The assumptions used by the Group suggest that holding participating interest of between 20% and 50% of a company's voting rights implies a significant influence over the investee unless it can be clearly demonstrated that this is not the case. Investments in associates are initially recognized at acquisition cost and then consolidated using the equity method. According to this method, investments in associates are recognized at acquisition cost plus any changes in the Group's participating interest in Equity after the initial acquisition date, less any provisions for impairment of those participating interests' value.

Consolidated statement of comprehensive income includes the proportion of the Group in the total income of associates. If the Group's participating interest in an Associate's loss exceeds the value of the participating interest, the Group discontinues recognizing further losses unless it has settled liabilities or made payments on the part of the affiliate and, in general, settled the payments arising from the shareholding. If the associate subsequently produces profits, the investor starts once again recognizing its share of profits only if its share of profits equals the share of losses it had not recognized.

Unrealized gains on transactions between the Group and associates are eliminated according to the Group's participating interest in associates. Unrealized losses are eliminated unless the transaction provides evidence of impairment of the transferred asset.

Accounting policies followed by associates do not differ from those used by the Group and the date of preparation of the financial statements of associates is the same as that of the parent.

Investments in associates in the separate financial statements

Investments of the parent in consolidated associates are measured at acquisition cost less any accumulated impairment losses, if any. Impairment test is carried out in accordance with the provisions of IAS 36.

4.2 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 4.5 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.

4.3 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 acquisition 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.

4.4 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 4.5).

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.

4.5 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.

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.

4.6 Financial instruments

4.6.1 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.

4.6.2 Classification and initial recognition of financial assets

With the exception of trade receivables that do not include a significant finance item and are measured at the transaction price in accordance with IFRS 15, other financial assets are initially measured at fair value by adding the relevant transaction cost except in the case of financial assets measured at fair value through profit or loss.

Financial assets, except those defined as effective hedging instruments, are classified into the following categories:

- Financial assets at amortized cost,
- Financial assets at fair value through profit or loss,
- 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.

4.6.3 Subsequent measurement of financial assets

Financial assets at amortized cost

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

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

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

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

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for sale, financial assets designated at initial recognition at fair value through profit or loss or financial assets that are required to be measured at fair value.

Financial assets are classified as held for sale if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for sale, unless defined as effective hedging instruments.

Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets classified at fair value through total income (equity interests)

In accordance with the relevant provisions of IFRS 9, at initial recognition, the Group may irrevocably choose to 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)

4.6.4 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.

4.6.5 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.

4.6.6 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.

4.7 Leases

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

The Group applies a single recognition and measurement approach for all leases (including short-term and low-value leases). The Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the underlying assets.

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, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of a low-value underlying asset. For these leases, the Group recognizes rentals as operating expenses using the straight-line method over the lease term.

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 the:

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

Leases in which the Group is the lessor are classified as either finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessee, it accounts for the master lease and sublease as two separate contracts. A sublease is classified as either a finance lease or an operating lease depending on the right-of-use asset arising from the head lease.

Revenue from operating leases is recognized on a straight-line basis over the term of the lease. The initial direct costs of negotiating and arranging an operating lease agreement are added to the carrying amount of the underlying asset and recognized using the straight-line method over the lease term.

Amounts due from lessees under finance leases are recognized as receivables in the amount of the Group's net investment in the finance lease. The finance income from the lease is allocated to the reporting periods to reflect the Group's constant periodic rate of return on its remaining net investment in the finance leases.

When the lease includes both leasehold and non-leasehold elements, the Group applies IFRS 15 in order to allocate the contract price to each element separately.

Furthermore, the Group as a developer, provides its customers with the option to lease an asset, in addition to option of purchasing the asset. The ultimate lessee has the right to purchase the leased asset at a price sufficiently below its fair value on the exercise date so that, at the commencement of the lease, it is reasonably certain that the right will be exercised.

The aforementioned transactions bear the characteristics of an alternative form of sale, where the Company acknowledges the following:

- Income from the sale, which is recognized at the beginning of the lease period at the lower value between the fair value and the present value of the receivables to which the Company is entitled, discounted at an interest rate deemed appropriate based on market standards.
- Financial income recognized throughout the lease period from the subsequent measurement of the receivable at amortized cost.

The receivables recognized, as a result of the above contracts, are included in their long-term part in the "Other long-term financial receivables" fund and in their short-term part in the "Advances and other receivables" item. At the same time, the collections of the related receivables and of the corresponding interest income are presented as inflows from investment activities.

4.8 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.

4.9 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:

i. Revenue from contracts with customers related to construction operations

It relates to revenue from contracts with customers and results from implementation commitments that are fulfilled over time. Subsidiaries and joint ventures engaged in the implementation of constructions recognize revenue from construction contracts in their tax records on the basis of customer invoices resulting from relevant sectional project implementation certifications issued by accredited engineers and responsive to the work carried out until the closing date. For the purpose of complying with IFRS, the proceeds from the construction activity are accounted for in the accompanying financial statements progressively during construction, based on the 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.

ii. Sale of goods

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

iii. 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.

iv. Dividends

Dividends are accounted for, when the right to collect them is finalized. It is possible that the financial benefits associated with the transaction will flow to the entity and the amount of revenue can be calculated reliably.

v. Interest

Interest income is recognized on an accrual basis.

4.10 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 related to financial burdens or benefits accruing in the year but already been accounted for or to be accounted for by the tax authorities in different years.

Deferred income taxes are calculated using the liability method in 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 taxable temporary differences.

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 tax assets are recognised to the extent that there will be a future taxable profit for the utilisation of the temporary difference that gives rise to the deferred tax asset.

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

Deferred tax assets and obligations are calculated at the tax rates expected to be effective for the year in which the asset is incurred or the liability will be settled and are based on the tax rates (and tax laws) that are in effect or effectively in force as at the financial statements reporting date. In the event the time of reversing temporary differences cannot be clearly identified, the tax rate applicable on the next FY date of the Statement of Financial Position will be applied.

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

4.11 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 31.12.2023 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

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.

(3) Reserves formed based on the expenses recognized by the Company and the Group from services acquired in exchange for stock options. See more detailed Note 4.16(c).

Dividends-Distribution

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.

B. Other accounting principles

The other accounting policies adopted in the preparation of the accompanying Company and Consolidated Financial Statements are as follows:

4.12 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.

4.13 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.

4.14 Inventory

Inventory items include constructed or real estate property items kept for sale, idle mines and quarries materials, building materials, spare parts and raw and auxiliary materials. Inventories are measured at the lower amount between the cost and net realizable value. The cost of raw materials, semi-finished and finished products is determined applying the weighted average cost method.

The cost of finished and semi-finished products includes all the costs incurred in order to bring the products to their current state, condition and processing stage and contains raw materials, labor, general industrial expenses and other costs directly affecting acquisition of materials.

The net realizable value of finished products is their estimated selling price during the Company's normal course of business less the estimated costs for their completion and the estimated necessary costs for their sale.

The net realizable value of raw materials is their estimated replacement cost during the normal course of business.

Appropriate provisions are formed for obsolete inventory, if necessary. Impairment of inventory in net realizable value and other losses from inventory are recognized in profit or loss for the period in which they are incurred.

4.15 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, sight deposits, term deposits, bank overdrafts and other highly liquid investments that are directly convertible into particular amounts of cash equivalents which are not subject to significant value change risk.

The Group considers term deposits and other highly liquid investments less than three months maturity as cash available, as well as time deposits over three months maturity for which it has the right to early liquidation without loss of capital.

For the purposes of preparing the consolidated Statements of Cash Flows, cash and cash equivalents consist of cash in hand, bank deposits as well as cash equivalents as defined above.

The Group's restricted deposits, irrespective of the nature of their commitment are not included in the cash and cash equivalents but are classified in the item "Prepayments and other receivables" (please refer to Note 18).

4.16 Employee benefits

Short-term benefits: Short-term employee benefits (except for termination of employment benefits) in cash and in kind are recognized as an expense when deemed accrued. Any unpaid amount is recorded as a liability, whereas in case the amount already paid exceeds the benefits' amount, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a future payments' reduction or refund.

Retirement Benefits: Benefits following termination of employment include lump-sum severance grants, pensions and other benefits paid to employees after termination of employment in exchange for their service. The Group's liabilities for retirement benefits cover both defined contribution plans and defined benefit plans. The defined contribution plan's accrued cost is recognized as an expense in the period to which it relates. Pension plans adopted by the Group are partly financed through payments to insurance companies or state social security funds.

(a) Defined Contribution Plan

Defined contribution plans pertain to contribution payment to Social Security Organizations and therefore, the Group does not have any legal obligation in case the Fund is incapable of paying a pension to the insured person. The employer's obligation is limited to paying the employer's contributions to the Funds. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as expenses in the income statement.

(b) Defined Benefit Plan (non-funded)

Under Laws 2112/20 and 4093/2012, the Company must pay compensation to its employees upon their dismissal or retirement. The amount of compensation paid depends on the years of service, the level of wages and the way of leaving service (dismissal or retirement). The entitlement to participate in these plans is carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

The liability recognized in the Statement of Financial Position for defined benefit plans is the present value of the liability for the defined benefit less the plan assets' fair value (reserves from payments to an insurance company), the changes deriving from any actuarial profit or loss and the previous service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary through the use of the projected unit credit method. Regarding FY 2023 the selected interest rate follows the tendency of European Bonds of 10-year maturity as at December 31 2023, which is regarded as consistent with the provisions of IAS 19, i.e. is based on bonds corresponding to the currency and the estimated term relative to employee benefits as well as appropriate for long-term provisions.

A defined benefit plan establishes, based on various parameters, such as age, years of service and salary, the specific obligations for payable benefits. Provisions for the period are included in the relative staff costs in the accompanying separate and consolidated Income Statements and comprise the current and past service cost, the relative financial cost, the actuarial gains or losses and potentially arising additional charges. Regarding unrecognized actuarial gains or losses, the revised IAS 19 is applied, which includes a number of changes to accounting treatment of defined benefit plans, including as follows:

i. recognition of actuarial gains/losses in other comprehensive income and their permanent exclusion from the Income Statement,
ii. non-recognition of the expected returns on the plan investment in the Income Statement but recognition of the relative interest on net liability/(asset) of the benefits calculated based on the discount rate used to measure the defined benefit obligation,
iii. recognition of past service cost in the Income Statement at the earliest between the plan modification date or when the relative restructuring or terminal provision are recognized,
iv. other changes include new disclosures, such as quantitative sensitivity analysis.

(c) Share-based Payments (IFRS 2)

The Group provides to its senior personnel compensation with remuneration in equity securities. Specifically, the Group provides to its senior 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 senior 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.

(Amounts in thousands Euro, unless otherwise stated)

The expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to be granted. Non-market conditions are included in the assumptions for determining the number of options expected to be exercised. The fair value of options is measured by adopting an appropriate valuation model to reflect the number of options for which the performance conditions of each plan are expected to be met. Estimates of the number of options expected to be exercised are revised if there is any indication that the number of stock options expected to be granted differs from previous estimates. Any adjustment made to the cumulative share-based compensation resulting from a review is recognized in the current period.

The above Stock Option Plans take into account the following variables: Exercise Price, Share Price on the granting date, Granting Date, Maturity Date(s) of Options, Expected Volatility of Stock Price, Dividend Yield, and Risk Free Rate.

On 31.12.2023, there is an active share distribution plan of the parent company (see Note 29).

4.17 Government grants

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

Government grants related to the grants for tangible fixed assets are recognized, when there is reasonable assurance that the grant will be collected and all relevant conditions will be met. These grants are recognized as deferred income and are transferred to the income statement during the period based on the expected useful life of the asset, for which the grant was received.

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

5 GROUP AND COMPANY STRUCTURE

The following tables is presented as of 31.12.2023 the total participating interests of parent company TERNA S.A., direct and indirect, in the economic entities, which were included in the consolidation or incorporated as joint operations.

5.1 Company Structure

COMPANY NAME	DOMICILE	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	2018-2023
J/V TERNA - IMPEGILOSPA (TRAM)	Greece	55.00	0.00	55.00	Proportional consolidation	2018-2023

(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 ALPINE MAYREDER BAU GmbH-TERNA (ANCIENT OLYMPIA BYPASS)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V TERNA SA - WAYSS (PERISTERI METRO)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V ETETH-TERNA-AVAX -PANTECHNIKI HORSE RIDING CENTRE	Greece	35.00	0.00	35.00	Proportional consolidation	2018-2023
J/V TERNA - PANTECHNIKI (OAKA SUR. AREAS)	Greece	83.50	0.00	83.50	Proportional consolidation	2018-2023
J/V TERNA-MICHANIKI AGRINIO BY-PASS	Greece	65.00	0.00	65.00	Proportional consolidation	2018-2023
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (CHAIDARI METRO STATION, PART A')	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARADEISIA TSAKONA)	Greece	49.00	0.00	49.00	Proportional consolidation	2018-2023
J/V AKTOR-DOMOTECHNIKI-THEMELIODOMI-TERNA-ETETH (THESSAL. MEG. MUNICIPALITY)	Greece	25.00	0.00	25.00	Proportional consolidation	2018-2023
J/V TERNA - AKTOR (SUBURBAN SKA)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V TERNA - AKTOR (R.C. LIANOKLADI - DOMOKOS)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V TERNA SA- THALES AUSTRIA (ETCS SYSTEM PROCUREMENT)	Greece	37.40	0.00	37.40	Proportional consolidation	2018-2023
J/V TERNA SA-AKTOR ATE J&P AVAX-TREIS GEFYRES	Greece	33.33	0.00	33.33	Proportional consolidation	2018-2023
J/V METKA-TERNA	Greece	90.00	0.00	90.00	Proportional consolidation	2018-2023
J/V APION KLEOS	Greece	28.60	0.00	28.60	Proportional consolidation	2018-2023
J/V TERNA SA-SICES CONSTRUCTIONS (HELPE REF. UPGR.)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V AKTOR-TERNA-PORTO KARRAS (Florina-Niki road)	Greece	33.33	0.00	33.33	Proportional consolidation	2018-2023
J/V AKTOR-TERNA (PATHE at Stylida road)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V TERNA - AEGEK Constructions (Promachonas road)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V AKTOR-TERNA (Patras Port)	Greece	70.00	0.00	70.00	Proportional consolidation	2018-2023
J/V AKTOR ATE-J&P AVAX - TERNA SA (Koromilia-Kristalopigi project)	Greece	33.33	0.00	33.33	Proportional consolidation	2018-2023
J/V IMPREGILO SpA-TERNA SA (Cultural center of Stavros Niarchos Foundation)	Greece	49.00	0.00	49.00	Proportional consolidation	2018-2023
J/V AKTOR ATE - TERNA SA (Lignite works)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V AKTOR ATE - TERNA SA (Thriasio B’)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V AKTOR SA - J&P AVAX - TERNA SA (Tithorea Domokos)	Greece	33.33	0.00	33.33	Proportional consolidation	2018-2023
J/V AKTOR SA - J&P AVAX - TERNA SA (Bridge RL 26, TITHOREA - DOMOKOS)	Greece	44.56	0.00	44.56	Proportional consolidation	2018-2023
J/V AKTOR SA - TERNA SA (Thriasio B’ ERGOSE)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V AKTOR - TERNA (Joint Venture ERGOSE No. 751)	Greece	50.00	0.00	50.00	Proportional consolidation	2018-2023
J/V RENCO TERNA (Construction of compression Station of TAP in Greece and in Albania)	Greece	50.00	0.00	50.00	Proportional consolidation	2022-2023
J/V AVAX SA-TERNA SA-AKTOR ATE-INTRAKAT (Mosque)	Greece	25.00	0.00	25.00	Proportional consolidation	2018-2023

(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 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	2020-2023
JV TERNA CC CHR D CONSTANTINIDIS	Greece	55.00	0.00	55.00	Proportional consolidation	2021-2023
J/V TERNA-THEMELI (Extention of the tram station in Hellinikon)	Greece	50.00	0.00	50.00	Proportional consolidation	2022-2023
J/V TERNA-MYTILINEOS (ELECTRICAL OPERATION OF RAILROAD KIATO-RODODAFNI)	Greece	50.00	0.00	50.00	Proportional consolidation	2022-2023
J/V TERNA-DAMCO	Greece	50.00	0.00	50.00	Proportional consolidation	2022-2023
J/V TERNA-MYTILINEOS (ELECTRICAL OPERATION OF RAILROAD RODODAFNI-RIO)	Greece	50.00	0.00	50.00	Proportional consolidation	2022-2023
J/V TERNA-FOTAGONLED (IOANNINA LICHTING)	Greece	50.00	0.00	50.00	Proportional consolidation	2023
J/V TERNA-INTRAKAT (Evros fence)	Greece	65.00	0.00	65.00	Proportional consolidation	2023
J/V TERNA-EKTER (Construction of Ionian Center)	Greece	70.00	0.00	70.00	Proportional consolidation	2023
J/V TERNA-P&C DEVELOPMENT (Construction of Lamia Exhibition)	Greece	50.00	0.00	50.00	Proportional consolidation	2023
J/V TERNA-AKTOR-INTRAKAT (VOAK SDIT)	Greece	55.00	0.00	55.00	Proportional consolidation	2023
J/V TERNA-AKTOR-METKA (PANATHINAIKOS STADIUM)	Greece	40.00	0.00	40.00	Proportional consolidation	2023
JV TERNA–INTRAKAT (EGNATIA ROAD-EAST SECTOR OPEREATION AND MAINTAINANCE)	Greece	50.00	0.00	50.00	Proportional consolidation	2023
JV TERNA–INTRAKAT (EGNATIA ROAD-EAST SECTOR OPEREATION AND MAINTAINANCE)	Greece	50.00	0.00	50.00	Proportional consolidation	2023
JV THALIS-TERNA–CONSTANTINIDIS (E.E.N AMARIOU)	Greece	30.00	0.00	30.00	Proportional consolidation	2023
JV TERNA–INTRAKAT (EGNATIA ROAD-EAST SECTOR 6061 OPEREATION AND MAINTAINANCE)	Greece	50.00	0.00	50.00	Proportional consolidation	2023
J/V VINCI TERNA DOO	Serbia	49.00	0.00	49.00	Proportional consolidation	2018-2023
J/V AVAX-TERNA (MEDITERRANEAN CITY OF DREAMS)	Cyprus	40.00	0.00	40.00	Proportional consolidation	2019-2023

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	2018-2023
J/V CENTRAL GREECE MOTORWAY E-65	Greece	95.00	0.00	95.00	Full	2018-2023
TERNA OVERSEAS LTD	Cyprus	100.00	0.00	100.00	Full	2014-2023
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	Qatar	0.00	35.00	35.00	Full	2013-2023
AEROZEPHIROS LTD	Cyprus	0.00	100.00	100.00	Full	2019-2023

(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
REAL ESTATE- SUBSIDIARIES						
MANTOUDI BUSINESS PARK S.A.	Greece	0.00	100.00	100.00	Full	2018-2023
INDUSTRIAL-MINES - SUBSIDIARIES						
TERNA MAG SA	Greece	48.98	0.00	48.98	Full	2018-2023
VRONDIS QUARRY PRODUCTS SA	Greece	100.00	0.00	100.00	Full	2018-2023
MALCEM CONSTRUCTION MATERIALS LTD	Malta	0.00	75.00	75.00	Full	2013-2023
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	2014-2023
CONSTRUCTION - JOINT VENTURES						
AIGISTOS S.A.	Greece	49.99	0.00	49.99	Equity	2018-2023
THERMAL ENERGY - ASSOCIATES						
HERON ENERGY S.A.	Greece	13.82	0.00	13.82	Equity	2019-2023
REAL ESTATE- ASSOCIATES						
GEKA S.A.	Greece	33.34	0.00	33.34	Equity	2018-2023

The percentages of voting rights of TERNA S.A. 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 MAG S.A. 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 31.12.2022 (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.

(Amounts in thousands Euro, unless otherwise stated)

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 J&P AVAX SA – TERNA SA – EFKLEIDIS	35.00%
J/V J&P AVAX-VIOTER-TERNA (OLYMPIC VILLAGE CONSTRUCTION)	37.50%
J/V TERNA-MOCHLOS-AKTOR TUNNEL KIATO-AIGIO	35.00%
J/V J&P AVAX-TERNA-AKTOR PLATANOS TUNNEL	33.33%
J/V ALPINE MAYREDER BAU GmbH-TERNA SA (PARAD. TSAKONA RING ROAD)	49.00%
J/V TERNA SA-NEON STAR SA-RAMA (OPAP 1)	51.00%
J/V TERNA-Al OMAIER	60.00%

5.3 Changes in the structure of the Group within 2023

Within 2023 the following change took place in the structure of the Group in relation to the comparative year 2022:

- On 15.02.2023 the J/V TERNA-FOTAGONLED (Lighting of Ioannina) was founded with the purpose of constructing a technical project. The Company holds 50% of the joint venture.
- On 01.03.2023 the J/V TERNA-INTRAKAT (Evros Fence) was founded with the purpose of constructing a technical project. The Company holds 65% of the joint venture.
- On 20.03.2023 the J/V of TERNA-EKTER (Construction of the Ionic Center) was founded with the purpose of constructing a technical project. The Company holds 70% of the joint venture.
- On 27.03.2023 the J/V TERNA – P&C DEVELOPMENT (Construction of the Panhellenic Exhibition of Lamia) was founded with the purpose of constructing a technical project. The Company holds 50% of the respective joint venture.
- On 20.04.2023 the J/V TERNA-AKTOR-INTRAKAT (VOAK PPP) was founded with the purpose of the construction of a technical project. The Company holds 55% of the joint venture.
- On 19.05.2023 the J/V TERNA-AKTOR-METKA (PANATHINAIKO STADIUM) was founded with the purpose of constructing a technical project. The Company holds 40% of the joint venture.
- During the first half of 2023, the liquidation of the joint operation J/V TERNA GCC WAC was completed, in which the Company indirectly held 30% without having a substantial impact on the Group.
- On 12.09.2023, the J/V TERNA-INTRAKAT (EGNATIA ODOS – EASTERN SECTION OPERATION AND MAINTENANCE) was established. The Company owns 50% of the joint venture.
- On 12.09.2023, the J/V TERNA-INTRAKAT (EGNATIA ODOS – WESTERN SECTION OPERATION AND MAINTENANCE) was established. The Company owns 50% of the joint venture.
- On 20.12.2023, the J/V THALIS-TERNA–KONSTANTINIDIS (E.E.N. AMARIOU) was founded. The Company owns 30% of the joint venture.

(Amounts in thousands Euro, unless otherwise stated)

- On 20.12.2023, the J/V INTRAKAT-TERNA (EGNANTIA ODOS – EASTERN SECTION 6061 OPERATION AND MAINTENANCE) was established. The Company owns 50% of the joint venture.
- On 21.12.2023 a merger was completed via the absorption of the affiliated company HERON II THERMOELECTRIC STATION VIOTIAS S.A. by the company HERON ENERGY S.A.. From the exchange taking place between old and new shareholders, it emerged that TERNA S.A. which held 25% of the shares of HERON II THERMOELECTRIC STATION VIOTIAS S.A., will now own an equity stake of 13.82% of HERON ENERGY S.A. whereas the parent company GEK TERNA will own the remaining equity stake of 86.18%.
- On 28.12.2023 the acquisition of 49.99% of the share capital of the company AIGISTOS S.A. from the company was completed. The company is active in the construction segment and treated as a joint venture for consolidation purposes at Group level. The consideration accounted for 20,000, of which an amount of 10,000 was paid by 31.12.2023, while an amount of 10,000 is to be paid within the financial 2024.
- During the second half of 2023, the liquidation of the joint operation JV TERNA-CGCE JOINT VENTURE (AMAS 3) was completed. The company indirectly held 50%, without however having any substantial impact on the Group.

6 GEOGRAPHICAL SEGMENTS

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

Geographical segments 31.12.2023	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Consolidated total**
Turnover from external customers	1,254,234	51,234	378	1,262	14,656	**1,321,764**
Non-current Assets (excl. deferred tax assets and financial assets)	253,036	6,304	25	0	0	**259,365**
Capital expenditure	11,537	171	0	0	0	**11,708**

Geographical segments 31.12.2022	**Greece**	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Consolidated total**
Turnover from external customers	761,768	48,714	566	1,216	16,495	**828,759**
Non-current Assets (excl. deferred tax assets and financial assets)	209,130	6,863	70	0	0	**216,064**
Capital expenditure	14,259	79	0	0	0	**14,338**

(Amounts in thousands Euro, unless otherwise stated)

7 GOODWILL

On 31.12.2023, the Group has recognized in the consolidated financial statements goodwill of 2,380 (in previous years, the company TERNA S.A. 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 2023 and 2022 is as follows:

	Construction
Net book value at 01.01.2022	2,380
Impairment of Goodwill	0
Net book value at 31.12.2022	**2,380**
Net book value at 01.01.2023	2,380
Impairment of Goodwill	0
Net book value at 31.12.2023	**2,380**
Gross book value on 31.12.2023	9,759
Accumulated impairment losses	(7,379)
Net book value at 31.12.2023	**2,380**

Goodwill Impairment Test

Management reviews goodwill for impairment annually (on December 31) or more frequently if events or changes in circumstances indicate that the carrying amount may have depreciated, in accordance with the accounting practice as described in note 4.5.

The Group reviewed the goodwill for impairment on 31.12.2023 and the key assumptions used to determine the recoverable amount are disclosed below. The audit did not reveal any impairment loss. The recoverable values of cash-generating units are determined according to value in use calculations using appropriate estimates regarding future cash flows and discount rates.

In particular, the goodwill that arises during the consolidation process of subsidiaries resulting from an acquisition has been divided into the following cash flow generation units (CFUs) per operating segment according to the above Table. The goodwill impairment test is carried out at the subsidiary company level.

The recoverable value of each Cash Flow Generating Unit is determined according to value in use calculations. The determination is made through the present value of the estimated future cash flows, as expected to be generated by each unit (discounted cash flow method – DCF). Cash flows are extracted from the most recent budgets approved by the management. Cash flow projections beyond the period covered by the most recent budgets are estimated by discounting the projections based on the budgets, using a constant or declining growth rate for the following years, which does not exceed the long-term average growth rate for the broader business sectors in which the Group operates. The cash flow projections are based on reasonable and justified assumptions, which represent the best possible information available and most updated at the reporting date of the Financial Statements.

(Amounts in thousands Euro, unless otherwise stated)

The management evaluates the rationality of the underlying assumptions with regard to the projected cash flows by examining the causes of differences between past projected cash flows and currently projected cash flows. Also, the management ensures that the assumptions underlying the currently projected cash flows are consistent with past actual results. From the carried out impairment test, no need to derecognize goodwill emerged (31.12.2022:0).

Assumptions used to determine value in use

The Group, in order to determine the recoverable value of each Cash Flow Generating Unit, calculates the value in use, through the method of the present value of the estimated future cash flows. The main assumptions that the Group uses to determine the estimated future cash flows are as follows:

This methodology of determining value-in-use is based on the following key assumptions as adopted by the Management to determine future cash flows: (a) the projected revenue under the existing construction contracts of two joint ventures, b) the budgeted operating profit margins of construction projects, which are also calculated on the basis of the results of the last years. Estimated future cash flows are determined up to the completion of the construction projects of the joint ventures and have been discounted at a discount rate of 8.0%.

The Group analyzed the sensitivity of recoverable amounts according to a 0.5% change in the basic assumption of the discount rate. From the relevant analysis, it does not appear that an impairment amount may arise.

8 INTANGIBLE FIXED ASSETS

Intangible assets of the Group and the relative changes for the periods January 1 to December 31, 2023 and 2022, presented in the accompanying financial statements, are analyzed as follows:

	GROUP					
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Other**	**Total**
Acquisition Value						
1st January 2023	**28,767**	**88,022**	**4,463**	**21,076**	**334**	**142,662**
Additions	0	0	180	4,320	578	**5,078**
Write offs	0	0	(3)	0	0	**(3)**
Foreign exchange differences	0	0	(8)	0	0	**(8)**
31st December 2023	**28,767**	**88,022**	**4,632**	**25,396**	**912**	**147,729**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP					
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Other**	**Total**
Accumulated amortization and impairments						
1st January 2023	**(16,519)**	**(86,919)**	**(2,210)**	**(3,166)**	**0**	**(108,814)**
Amortization	(285)	0	(339)	(1,921)	0	**(2,545)**
Write offs	0	0	3	0	0	**3**
Impairments	(8,398)	0	0	0	0	**(8,398)**
Foreign exchange differences	0	0	8	0	0	**8**
31st December 2023	**(25,202)**	**(86,919)**	**(2,538)**	**(5,087)**	**0**	**(119,746)**
Net book value						
31st December 2023	**3,565**	**1,103**	**2,094**	**20,309**	**912**	**27,983**

	GROUP					
	Concessions and other Rights	**Rights from construction contract**	**Software**	**Research and development**	**Other**	**Total**
Acquisition Value						
1st January 2022	**35,390**	**88,022**	**3,735**	**14,760**	**0**	**141,907**
Additions	0	0	859	4,735	211	**5,805**
Write offs	(6,623)	0	(149)	0	0	**(6,772)**
Transfers	0	0	0	1,581	123	**1,704**
Foreign exchange differences	0	0	18	0	0	**18**
31st December 2022	**28,767**	**88,022**	**4,463**	**21,076**	**334**	**142,662**
Accumulated amortization and impairments						
1st January 2022	**(11,118)**	**(86,919)**	**(2,047)**	**(1,940)**	**0**	**(102,024)**
Amortization	(570)	0	(272)	(1,226)	0	**(2,068)**
Write offs	6,308	0	127	0	0	**6,435**
Impairments	(11,139)	0	0	0	0	**(11,139)**
Foreign exchange differences	0	0	(18)	0	0	**(18)**
31st December 2022	**(16,519)**	**(86,919)**	**(2,210)**	**(3,166)**	**0**	**(108,814)**
Net book value						
31st December 2022	**12,248**	**1,103**	**2,253**	**17,910**	**334**	**33,848**

Amortization for the Group for the financial years 2023 and 2022 has been recorded in the Cost of Sales by 1,937 (31.12.2022:1,432), in Administrative and Distribution Expenses by 81 (31.12.2022:213), in Research and Development Expenses by 124 (31.12.2022:95), in Other Income/(Expenses) by 18 (31.12.2022:76) and in the Inventory by 385 (31.12.2022:251).

The account “Concessions and Rights” in the Group concerns magnesite mining rights.

Development costs mainly refer to costs incurred in magnesite mines.

Impairment test of amortizable intangible assets

For amortizable intangible assets, the Group carries out relevant impairment tests in accordance with the requirements of IAS 36, only when and where relevant indications of impairment arise.

Within the financial year 2023, the total impairment losses recognized on the value of intangible assets amounted to 8,398 (31.12.2022:11,139). These losses burdened the Group's consolidated results and have been recognized in the "Other Income/(Expenses)" of the Income Statement for the year (Note 34). The particular amount relates to impairment losses on rights to exploit quarries and magnesite mines of the subsidiary company TERNA MAG. The assumptions used in determining the value in use and the factors that led to the recognition of the respective loss are set out in section 12.3.

(Amounts in thousands Euro, unless otherwise stated)

9 RIGHT OF USE ASSETS

The rights of use assets and their movement for the period 1 January until 31 December 2023 and 2022 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 2023	**762**	**16,398**	**17,414**	**4,406**	**0**	**38,980**
Additions	485	5,393	23,840	10,874	1,144	**41,736**
Termination of contracts	(97)	(1,212)	(39)	0	0	**(1,348)**
Foreign exchange differences	(4)	(20)	0	0	0	**(24)**
31st December 2023	**1,146**	**20,559**	**41,215**	**15,280**	**1,144**	**79,344**
Accumulated amortization and impairments						
1st January 2023	**(382)**	**(8,439)**	**(686)**	**(1,875)**	**0**	**(11,382)**
Amortization	(308)	(3,798)	(2,968)	(1,690)	(807)	**(9,571)**
Termination of contracts	40	701	34	0	0	**775**
Foreign exchange differences	4	20	0	0	0	**24**
31st December 2023	**(646)**	**(11,516)**	**(3,620)**	**(3,565)**	**(807)**	**(20,154)**
Net book value						
31st December 2023	**500**	**9,043**	**37,595**	**11,715**	**337**	**59,190**

(Amounts in thousands Euro, unless otherwise stated)

GROUP

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
Acquisition Value						
1st January 2022	**483**	**13,045**	**225**	**1,703**	**0**	**15,456**
Additions	472	3,820	17,189	2,787	0	**24,268**
Termination of contracts	(200)	(493)	0	(84)	0	**(777)**
Foreign exchange differences	7	26	0	0	0	**33**
31st December 2022	**762**	**16,398**	**17,414**	**4,406**	**0**	**38,980**
Accumulated amortization and impairments						
1st January 2022	**(358)**	**(5,660)**	**(160)**	**(1,144)**	**0**	**(7,322)**
Amortization	(165)	(3,061)	(526)	(775)	0	**(4,527)**
Termination of contracts	148	301	0	44	0	**493**
Foreign exchange differences	(7)	(19)	0	0	0	**(26)**
31st December 2022	**(382)**	**(8,439)**	**(686)**	**(1,875)**	**0**	**(11,382)**
Net book value						
31st December 2022	**380**	**7,959**	**16,728**	**2,531**	**0**	**27,598**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
<u>**Acquisition Value**</u>						
1st January 2023	**567**	**14,907**	**17,205**	**4,262**	**0**	**36,941**
Additions	410	5,211	23,840	10,790	1,144	**41,395**
Termination of contracts	(97)	(1,207)	0	0	0	**(1,304)**
Foreign exchange differences	0	(10)	0	0	0	**(10)**
31st December 2023	**880**	**18,901**	**41,045**	**15,052**	**1,144**	**77,022**
<u>**Accumulated amortization and impairments**</u>						
1st January 2023	**(212)**	**(7,502)**	**(483)**	**(1,780)**	**0**	**(9,977)**
Amortization	(289)	(3,543)	(2,965)	(1,644)	(807)	**(9,248)**
Termination of contracts	40	699	0	0	0	**739**
Foreign exchange differences	0	9	0	0	0	**9**
31st December 2023	**(461)**	**(10,337)**	**(3,448)**	**(3,424)**	**(807)**	**(18,477)**
<u>**Net book value**</u>						
31st December 2023	**419**	**8,564**	**37,597**	**11,628**	**337**	**58,545**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY

	Land-Plots	Buildings and Installations	Technological and mechanical equipment	Vehicles	Other	Total
Acquisition Value						
1st January 2022	**129**	**11,618**	**16**	**1,598**	**0**	**13,361**
Additions	472	3,757	17,189	2,748	0	**24,166**
Termination of contracts	(34)	(480)	0	(84)	0	**(598)**
Foreign exchange differences	0	12	0	0	0	**12**
31st December 2022	**567**	**14,907**	**17,205**	**4,262**	**0**	**36,941**
Accumulated amortization and impairments						
1st January 2022	**(91)**	**(4,974)**	**(15)**	**(1,082)**	**0**	**(6,162)**
Amortization	(129)	(2,813)	(468)	(742)	0	**(4,152)**
Termination of contracts	8	293	0	44	0	**345**
Foreign exchange differences	0	(8)	0	0	0	**(8)**
31st December 2022	**(212)**	**(7,502)**	**(483)**	**(1,780)**	**0**	**(9,977)**
Net book value						
31st December 2022	**355**	**7,405**	**16,722**	**2,482**	**0**	**26,964**

The Group's depreciation for the financial year 2023 has been recorded in the Cost of Sales by 7,265 (31.12.2022:2,709), in the Administrative and Distribution Expenses by 1,715 (31.12.2022:1,000), in Research and Development Expenses by 7 (31.12.2022:6), in the Other Income / (Expense) by 551 (31.12.2022:791) and in the Inventory by 33 (31.12.2022:22).

(Amounts in thousands Euro, unless otherwise stated)

The Company's depreciation for the financial year 2023 has been recorded in the Cost of Sales by 7,141 (31.12.2022:2,526), in the Administrative Expenses by 1,562 (31.12.2022:836) and in the Other Income / (Expense) by 545 (31.12.2022:791).

The additions of the year mainly concern the commencement of new bank related lease contracts for machineries of TERNA S.A. which are used in the construction projects carried out by the Company.

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 2023 and 2022, 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 2023	**13,317**	**7,224**	**179,203**	**36,090**	**15,537**	**2,155**	**253,526**
Additions/Changes in advances to suppliers of fixed assets	60	16	2,141	959	2,439	1,014	**6,629**
Sales	0	(286)	(965)	(609)	(517)	0	**(2,377)**
Write offs	0	0	(8)	0	(38)	0	**(46)**
Transfers	0	18	1,431	0	125	(1,574)	**0**
Foreign exchange differences	0	(3)	(9)	(5)	0	0	**(17)**
31st December 2023	**13,377**	**6,969**	**181,793**	**36,435**	**17,546**	**1,595**	**257,715**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated amortization and impairments							
1st January 2023	**(4,466)**	**(2,425)**	**(109,945)**	**(28,309)**	**(10,605)**	**0**	**(155,750)**
Depreciation	(280)	(204)	(6,084)	(1,351)	(1,140)	0	**(9,059)**
Sales	0	43	487	404	431	0	**1,365**
Write offs	0	0	4	0	38	0	**42**
Foreign exchange differences	0	3	8	5	3	0	**19**
31st December 2023	**(4,746)**	**(2,583)**	**(115,530)**	**(29,251)**	**(11,273)**	**0**	**(163,383)**
Net book value							
31st December 2023	**8,631**	**4,386**	**66,263**	**7,184**	**6,273**	**1,595**	**94,332**

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 2022	**13,104**	**8,265**	**177,183**	**34,983**	**12,584**	**3,248**	**249,367**
Additions/Changes in advances to suppliers of fixed assets	213	258	2,088	1,235	2,889	1,852	**8,535**
Sales	0	0	(1,141)	(159)	(43)	0	**(1,343)**
Write offs	0	(1,309)	(69)	(82)	(79)	0	**(1,539)**
Transfers	0	8	1,067	67	99	(2,945)	**(1,704)**
Foreign exchange differences	0	2	75	46	87	0	**210**
31st December 2022	**13,317**	**7,224**	**179,203**	**36,090**	**15,537**	**2,155**	**253,526**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated depreciations and impairments							
1st January 2022	**(4,186)**	**(3,364)**	**(104,841)**	**(27,078)**	**(9,718)**	**0**	**(149,187)**
Depreciation	(280)	(238)	(5,838)	(1,330)	(904)	0	**(8,590)**
Sales	0	0	770	65	32	0	**867**
Write offs	0	1,178	36	78	67	0	**1,359**
Foreign exchange differences	0	(1)	(72)	(44)	(82)	0	**(199)**
31st December 2022	**(4,466)**	**(2,425)**	**(109,945)**	**(28,309)**	**(10,605)**	**0**	**(155,750)**
Net book value							
31st December 2022	**8,851**	**4,799**	**69,258**	**7,781**	**4,932**	**2,155**	**97,776**

COMPANY

	Quarries/ Land-Plots	Buildings and Facilities	Technological and mechanical equipment	Vehicles	Other	Assets under construction and prepayments for acquisition of fixed asset	Total
Acquisition Value							
1st January 2023	**9,751**	**2,058**	**136,501**	**33,098**	**12,182**	**550**	**194,139**
Additions/Changes in advances to suppliers of fixed assets	60	0	2,328	868	2,413	(46)	**5,623**
Sales	0	(286)	(788)	(512)	(517)	0	**(2,103)**
Write offs	0	0	0	0	(37)	0	**(37)**
Transfers	0	0	0	0	125	(125)	**0**
Foreign exchange differences	0	(3)	(7)	(1)	11	0	**0**
31st December 2023	**9,811**	**1,769**	**138,034**	**33,453**	**14,177**	**379**	**197,622**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated depreciation and impairments							
1st January 2023	**(4,468)**	**(1,192)**	**(102,182)**	**(26,851)**	**(7,655)**	**0**	**(142,347)**
Depreciation	(280)	(76)	(4,561)	(1,158)	(1,009)	0	**(7,084)**
Sales	0	43	327	315	431	0	**1,116**
Write offs	0	0	0	0	37	0	**37**
Foreign exchange differences	0	3	7	0	(8)	0	**2**
31st December 2023	**(4,748)**	**(1,222)**	**(106,409)**	**(27,694)**	**(8,204)**	**0**	**(148,276)**
Net book value							
31st December 2023	**5,063**	**547**	**31,625**	**5,759**	**5,973**	**379**	**49,346**

COMPANY

	Quarries/ Land-Plots	**Buildings and Facilities**	**Technological and mechanical equipment**	**Vehicles**	**Other**	**Assets under construction and prepayments for acquisition of fixed asset**	**Total**
Acquisition Value							
1st January 2022	**9,538**	**3,121**	**134,059**	**32,028**	**9,319**	**85**	**188,149**
Additions/Changes in advances to suppliers of fixed assets	213	244	2,429	1,218	2,826	550	**7,480**
Sales	0	0	(17)	(167)	(30)	0	**(214)**
Write offs	0	(1,309)	(45)	(33)	(65)	0	**(1,452)**
Transfers	0	0	2	19	65	(85)	**1**
Foreign exchange differences	0	2	73	33	67	0	**175**
31st December 2022	**9,751**	**2,058**	**136,501**	**33,098**	**12,182**	**550**	**194,139**

(Amounts in thousands Euro, unless otherwise stated)

Accumulated depreciation and impairments							
1st January 2022	**(4,188)**	**(2,258)**	**(97,802)**	**(25,738)**	**(6,888)**	**0**	**(136,873)**
Depreciation	(280)	(111)	(4,331)	(1,186)	(778)	0	**(6,686)**
Sales	0	0	6	76	20	0	**102**
Write offs	0	1,178	16	28	53	0	**1,275**
Foreign exchange differences	0	(1)	(71)	(31)	(62)	0	**(165)**
31st December 2022	**(4,468)**	**(1,192)**	**(102,182)**	**(26,851)**	**(7,655)**	**0**	**(142,347)**
Net book value							
31st December 2022	**5,283**	**866**	**34,319**	**6,247**	**4,527**	**550**	**51,792**

(Amounts in thousands Euro, unless otherwise stated)

The depreciation of the Group for the year 2023 has been recorded in the Cost of Sales by 7,179 (31.12.2022:6,902), in the Administration and Distribution Expenses by 604 (31.12.2022:739), in the Research and Development Expenses by 48 (31.12.2022:38) and in Other Income / (Expenses) by 1,070 (31.12.2022:721) and in the Inventory 158 (31.12.2022:189).

The depreciation charge of the Company is depicted in the Statement of total comprehensive income by 6,380 (31.12.2022:5,855), in the Cost of Sales 462 (31.12.2022:602) in the Administration and Distribution Expenses and in Other Income / (Expenses) by 242(31.12.2022:229).

There are no encumbrances on property, plant and equipment.

11 INVESTMENT PROPERTY

The movement of the investment property for the fiscal years 2023 and 2022 for the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Balance 1st January	**8,079**	**7,985**	**7,455**	**7,361**
Fair value adjustments	90	94	90	94
Balance 31st December	**8,169**	**8,079**	**7,545**	**7,455**

Investment property is measured at fair value according to 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 feasible. The Group made a revaluation of the fair value of its property portfolio in 2023 assigning the valuation work to independent property appraisers. Revaluation of fair value of investment property resulted into a capital gain of 90 (2022: gain 94) (see Note 34).

The following table presents data regarding the key assumptions taken into consideration for the valuation of the investment property on 31.12.2023:

Property	Fair Value 31.12.2023	Method	Market value	Interest rate	Return
Kos - Land	976	Real estate market	35.0 euro per sqm	-	-
Building and Plot position of Lezides Aliveri Evoia	1,119	Income based on Direct Capitalization	Building 161.00/sq.m. , plot 5.85 euros/sq.m., building rent 1.64 euros. /sq.m.	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	-	-

(Amounts in thousands Euro, unless otherwise stated)

Property	Fair Value 31.12.2023	Method	Market value	Interest rate	Return
Bulgaria-Plots (Samokov)	5,437	Real estate market	34.85 euro per sqm	-	-
	8,169				

The relevant data regarding the key assumptions taken into consideration for the valuation of the investment property 31.12.2022, are as follows:

Property	Fair Value 31.12.2022	Method	Market value	Interest rate	Return
Kos - Land	905	Real estate market	33.0 euro per sqm	-	-
Building and Plot position of Lezides Aliveri Evoia	1,100	Real estate market and capitalization of revenues	Building 122.00/sq.m. , plot 5.68 euros/sq.m., building rent 1.6 euros. /sq.m.	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 (Samokov)	5,437	Real estate market	34.85 euro per sqm	-	-
	8,079				

Generally, a change in the assumptions about the estimated rental value of investment properties is accompanied by a similar commensurate change in the annual increase of the rent and in the discount rate, and by an opposite change in the long-term lease availability rate.

There are no encumbrances on investment property.

12 PARTICIPATIONS IN SUBSIDIARIES

12.1 Analysis of changes of investments in subsidiaries for the year 2023

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	
	2023	**2022**
Balance 1st January	**79,823**	**97,275**
Additions	3,674	0
Impairment loss	(9,562)	(17,452)
Balance 31st December	**73,935**	**79,823**

The impairment losses recognized within the financial year 2023 amounted to 9,562 (2022: 17,452) and concern the following: a) by the amount of 3,326 (2022: 5,116) the subsidiary company TERNA OVERSEAS LTD, b) by the amount of 322 (2022: 1,891) the subsidiary company J/V EUROIONIA and c) by an amount of 5,914 the subsidiary company TERNA MAG S.A. (2022:10,445). The amounts of impairments are included in the item "Gains/(Losses) from the valuation of participations and securities" in the Company's Income Statement (see Note 35).

12.2 Control's assessment based on IFRS 10

- The Group holds 48.98% in the issued share capital of TERNA MAG S.A. According to the requirements of IFRS 10, the parent company exercises control over TERNA MAG S.A. 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 31.12.2022.

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.

Assumptions used to determine the value in use

For subsidiaries that are a separate and distinct Cash Flow Generating Unit (CFGU), the determination of recoverable amount was based on value in use. The value in use was calculated using the discounted cash flow method, i.e. cash flow projections based on Management's budgets and forecasts. The determination is made through the present value of the estimated future cash flows, as expected to be produced by each CFGU (discounted cash flow method). The specific method for determining the value in use is affected by (is sensitive to) the following basic assumptions, as these were adopted by the Management to determine the future cash flows: a) Preparation of business plans per CFGU: The calculations to determine the recoverable value of the CFGU were based on business plans approved by the Management, which are based on recently prepared budgets and estimates made by the Management from which budgeted operating profit and EBITDA margins are being extracted and applied, as well as future estimates using reasonable assumptions. b) Weighted average cost of capital (WACC): WACC reflects the discount rate of future cash flows of each CFGU, according to which the cost of equity and the cost of long-term borrowing are weighted, in order to calculate the company's total cost of capital. The discount rate used for the purpose of determining the value in use for the impairment test of the subsidiary TERNA MAG was 9.7% and of the subsidiary J/V EUROIONIA 8.0%.

(Amounts in thousands Euro, unless otherwise stated)

Impairment test results

Within the year ended 31.12.2023 here was an impairment of the value of the participations in subsidiaries totaling 9,562 (31.12.2022: 17,452), with an analysis presented in Note 12.1.

With regard to the subsidiary company TERNA MAG, the Management within the financial year 2023 considered that there were indications of impairment on its assets and for this reason it carried out a relevant impairment test in accordance with the requirements of IAS 36 (the company as a whole is a separate and individual Cash Flow Generating Unit - CFGU).

Sensitivity analysis of recoverable amounts

The Management is not currently aware of any other events or conditions that would reasonably and likely cause a change in any of the key assumptions on which the determination of the recoverable amount of CFGU was based. Despite the above, on 31.12.2023, the Company analyzed the sensitivity of the recoverable amounts per CFGU in relation to a change in some of the basic assumptions presented previously. For example, a change of (i) 0.25 percentage point in the Weighted Average Cost of Capital (WACC), (ii) 25 percentage in the EBITDA margin to perpetuity, or (iii) 0.25 percentage point in the growth rate in perpetuity may affect the valuation by an amount of impairment for the Company between 0.4 million euros to a maximum of 5.2 million euros.

12.4 Subsidiaries with significant percentage of non-controlling interests

The data and the accounts of the financial statements of the significant subsidiary TERNA MAG S.A. (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 S.A., have as follows:

	31.12.2023	31.12.2022
Percentage of non-controlling interests	51.02%	51.02%
Statement of Financial Position		
Non-current assets	70,265	66,610
Current assets	27,870	22,444
(Long-term liabilities)	(70,820)	(64,148)
(Short-term liabilities)	(17,647)	(16,835)
Net fixed assets	**9,668**	**8,071**
Equity corresponding to non-controlling interests	**6,888**	**9,524**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2023	31.12.2022
Statement of Comprehensive Income		
Turnover	16,542	18,504
Net Profit/(Loss)	(5,904)	(5,183)
Other Comprehensive Income	0	6
TOTAL COMPREHENSIVE INCOME	**(5,904)**	**(5,177)**
Non-controlling interests from continuing operations	**(6,463)**	**(7,286)**
Statement of Cash Flows		
Net cash flows from operating activities	494	2,248
Net cash flows from investing activities	(6,704)	(6,420)
Net cash (outflows) /inflows from financing activities	10,020	5,755
Net increase/(decrease) in cash and cash equivalents	**3,810**	**1,583**
Opening cash and cash equivalents	2,093	510
Closing cash and cash equivalents	**5,903**	**2,093**

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

13 INVESTMENTS IN JOINT ARRANGEMENTS AND AFFILIATED COMPANIES

13.1 Investments in joint ventures

The Group holds rights in joint ventures, consolidated under Equity method in accordance with the provisions of IAS 28 which are presented in Note 5 to the Financial Statements.

Changes in investments in joint ventures in 2023 and 2022 are analyzed as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
Balance 1st January	**2,716**	**72,533**	**2,716**	**68,342**
Additions	20,050	0	20,050	0
Sales / Write Off	(50)	(43,579)	(50)	(44,520)
Transfer from/(to) Participations in associates	0	(26,238)	0	(21,106)
Balance 31st December	**22,716**	**2,716**	**22,716**	**2,716**

(Amounts in thousands Euro, unless otherwise stated)

The additions for the Group mainly concern an amount of 20,000 for the acquisition of a 49.99% stake in AIGISTOS S.A. by the company (of which an amount of 10,000 has been paid by 31.12.2023).

13.2 Investments in associates

The change in investments in associates in 2023 and 2022 is as follows:

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Balance 1st January	**43,667**	**0**	**13,056**	**0**
Capital return	(10,000)	(8,050)	(10,000)	(8,050)
Recovery of impairment	0	0	443	0
Transfer from/(to) Participations in joint ventures	0	26,238	0	21,106
Results from the application of the equity consolidation method	10,927	25,479	0	0
Balance 31st December	**44,595**	**43,667**	**3,499**	**13,056**

During the year 2023 the company collected an amount of 10,000 as capital return from the associated company HERON II THERMOELECTRIC STATION VIOTIA SA., which was absorbed on 21.12.2023 by HERON ENERGY S.A. (see Note 5 for details).

The most significant associate company included in this item is HERON ENERGY S.A. (TERNA had a stake in HERON II VOIOTIA S.A. as of 31.12.2022, before it was absorbed on 21.12.2023 by HERON ENERGY S.A. (see Note 5 for details, which is why its comparative figures are presented). The 100% of the figures and items of the financial statements of these joint ventures for the fiscal years 2023 and 2022 are as follows:

	HERON ENERGY SA	HERON II VOIOTIA SA
Interest	**13.82%**	**25.00%**
	31.12.2023	**31.12.2022**
Non-current assets	190,849	226,860
Cash and cash equivalents	60,958	73,678
Other current assets	453,839	46,093
Total assets	**705,646**	**346,631**
Long-term financial liabilities (less trade and other liabilities and provisions)	14,681	28,643
Other long-term liabilities	23,699	21,592
Short-term financial liabilities (less trade and other liabilities and provisions)	75,300	8,509
Other short-term liabilities	281,553	117,376
Total liabilities	**395,233**	**176,120**
Net assets	**310,413**	**170,511**
Carrying amount of investments in financial statements	**44,595**	**43,667**

(Amounts in thousands Euro, unless otherwise stated)

	HERON ENERGY SA	HERON II VOIOTIA SA
Interest	**13.82%**	**25.00%**
	31.12.2023	**31.12.2022**
Turnover	1,479,904	772,253
(Depreciation / Amort.)	(11,657)	(14,178)
(Financial expenses)	(10,455)	(1,984)
Financial income	5,921	1,622
Tax expenses	(19,489)	(25,565)
Results after taxes	**64,119**	**97,915**
Other comprehensive income	4	3
Total Results	**64,123**	**97,918**
Share in the results of the Group	10,927	25,478
Share in the other comprehensive results of the Group	0	1
Share in the total comprehensive results of the Group	**10,927**	**25,479**

13.3 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 2023 and 2022 and represent the Group's share in assets and liabilities as well as on profit after tax of the jointly controlled entities.

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Non-current assets	5,220	9,583	5,220	9,583
Other current assets	127,899	104,763	127,899	103,047
Total assets	**133,119**	**114,347**	**133,119**	**112,631**
Long-term liabilities	1,976	8,116	1,976	8,116
Other short-term liabilities	167,688	127,746	167,688	127,648
Total liabilities	**169,664**	**135,862**	**169,664**	**135,764**
Equity	**(36,545)**	**(21,515)**	**(36,545)**	**(23,134)**
Turnover	101,667	93,081	101,667	93,047
Total income after tax	(13,478)	(18,833)	(13,478)	(18,814)
Profit after tax	**(14,169)**	**(16,612)**	**(14,221)**	**(16,847)**

(Amounts in thousands Euro, unless otherwise stated)

14 OTHER LONG-TERM RECEIVABLES

The account "Other long-term receivables" on 31.12.2023 and 31.12.2022 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
Other long-term financial receivables	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Loans to subsidiaries, joint ventures and other related companies	3,151	44,453	65,145	101,380
Receivables from financial leasing	0	12,422	0	12,422
Given guarantees	1,092	1,011	732	634
Withheld amounts of invoiced receivables	4,269	3,355	4,269	2,022
Other long-term receivables	341	339	340	340
Provision for impairment of long-term financial assets	(340)	(340)	(340)	(340)
Total (a)	**8,513**	**61,240**	**70,146**	**116,458**

	GROUP		COMPANY	
Other long-term non-financial receivables	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Long-term advance payments to suppliers	0	3,257	0	3,257
Advance payments for businesses acquisition	7,500	0	7,500	0
Total (b)	**7,500**	**3,257**	**7,500**	**3,257**
Total Other long-term assets (a+b)	**16,013**	**64,497**	**77,646**	**119,715**

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 Group with regard to the account "Loans to subsidiaries, joint ventures and other related companies" mainly concerns the collection of an amount of capital of 41,300.

The change in the account "Receivables from finance leases" of the Company and the Group relates to a reclassification to "Advances and other receivables" as the subject receivable is to be collected within 2024.

The account "Advance payments for businesses acquisition" refers to an advance paid during 2023 and is related to the Group's investment plans in the Construction sector.

(Amounts in thousands Euro, unless otherwise stated)

15 INVENTORY

The account “Inventories” on 31.12.2023 and 31.12.2022 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Raw-auxiliary materials	772	3,073	434	2,692
Spare parts of fixed assets	718	559	25	31
Merchandise and Finished and semi-finished products	25,948	24,154	3,766	3,465
Properties (Land-Buildings) as inventories	2,196	2,196	0	0
Impairment	(9,387)	(9,550)	(287)	(450)
Total	**20,247**	**20,432**	**3,938**	**5,738**

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

The item "Properties (Lands-Buildings) as “inventory" includes properties for development and then for sale.

In total the Group recognized, during the annual procedure of net realizable value audit for its inventories and property, a total gain of 163 (31.12.2022: 227 loss) 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 31.12.2023.

The inventories are not burdened with liens.

16 TRADE RECEIVABLES

The “Trade receivables” of the Group and the Company on 31.12.2023 and 31.12.2022 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Trade receivables	378,871	244,367	346,994	218,184
Customers – Doubtful and litigious	3,269	3,275	3,012	3,012
Notes / Checks Receivable overdue	821	821	821	821
Checks Receivable	24	4	24	4
Minus: Provisions for doubtful trade receivables	(19,284)	(20,597)	(18,264)	(19,554)
Total	**363,701**	**227,870**	**332,587**	**202,467**

The book values of trade receivables represent their fair value.

The increase in receivables comes from the construction sector and is due to the delay in repayment of debts, mainly from the public and from customers of the broader public sector. Already within 2024 a large part of the trade receivables have been collected.

(Amounts in thousands Euro, unless otherwise stated)

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 2023 and 2022 are analyzed as follows:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2022	**0**	**1,270**	**18,237**	**19,507**
Provision of credit loss	0	183	2,730	2,913
Recovery of provision of credit loss	0	(221)	0	(221)
Eliminations	0	(7)	(1,674)	(1,681)
Foreign exchange differences	0	44	35	79
Balance 31.12.2022	**0**	**1,269**	**19,328**	**20,597**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**0**	**1,269**	**19,328**	**20,597**
Provision of credit loss	0	93	38	131
Recovery of provision of credit loss	0	(5)	(1,451)	(1,456)
Foreign exchange differences	0	(18)	30	12
Balance 31.12.2023	**0**	**1,339**	**17,945**	**19,284**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2022	**0**	**566**	**17,747**	**18,313**
Provision of credit loss	0	167	2,730	2,897
Recovery of provision of credit loss	0	(2)	0	(2)
Eliminations	0	(7)	(1,673)	(1,680)
Foreign exchange differences	0	0	26	26
Balance 31.12.2022	**0**	**724**	**18,830**	**19,554**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**0**	**724**	**18,830**	**19,554**
Provision of credit loss	0	93	38	131
Recovery of provision of credit loss	0	(5)	(1,451)	(1,456)
Foreign exchange differences	0	0	35	35
Balance 31.12.2023	**0**	**812**	**17,452**	**18,264**

(Amounts in thousands Euro, unless otherwise stated)

The following table analyzes the total of receivables from customers and an aging analysis of the overdue trade receivables:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Non outstanding balances	304,545	172,213	267,980	144,545
Outstanding balances	78,440	76,254	82,871	77,477
Total trade receivables	**382,985**	**248,467**	**350,851**	**222,021**

The aging analysis of overdue trade receivables is as follows:

GROUP 2023	Non outstanding balances	< 6 months	6 - 12 months	12 - 24 months	>24 months	Total
Total amount of receivables	304,545	23,126	28,368	7,643	19,303	382,985
Expected credit loss	(453)	(1)	(6,067)	(237)	(12,526)	(19,284)
Total	**304,092**	**23,125**	**22,301**	**7,406**	**6,777**	**363,701**

GROUP 2022	Non outstanding balances	< 6 months	6 - 12 months	12 - 24 months	>24 months	Total
Total amount of receivables	172,213	25,642	26,559	3,055	20,998	248,467
Expected credit loss	(504)	0	(7,358)	(311)	(12,424)	(20,597)
Total	**171,709**	**25,642**	**19,201**	**2,744**	**8,574**	**227,870**

COMPANY 2023	Non outstanding balances	< 6 months	6 - 12 months	12 - 24 months	>24 months	Total
Total amount of receivables	267,980	22,239	34,188	5,970	20,474	350,851
Expected credit loss	0	0	(6,067)	(237)	(11,960)	(18,264)
Total	**267,980**	**22,239**	**28,121**	**5,733**	**8,514**	**332,587**

COMPANY 2022	Non outstanding balances	< 6 months	6 - 12 months	12 - 24 months	>24 months	Total
Total amount of receivables	144,545	25,500	25,697	4,280	22,000	222,021
Expected credit loss	(1)	0	(7,240)	(300)	(12,013)	(19,554)
Total	**144,543**	**25,500**	**18,458**	**3,980**	**9,987**	**202,468**

(Amounts in thousands Euro, unless otherwise stated)

The non-post-dated amounts of the Group include an amount of 45.5 million euros (31.12.2022: 38.8 million euros), which relates to withheld amounts for purposes of good performance (retained guarantees).

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 31.12.2023 amounted to 345.5 million euros (31.12.2022: 321.9 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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Receivables from construction contracts with customers	324,016	217,826	304,738	199,523
Receivables from other contracts with customers	430	6,333	313	1,323
Less: Impairments of receivables from contracts with customers	(184)	(189)	(46)	(46)
Total	**324,262**	**223,970**	**305,005**	**200,800**

The increase of the account “Receivables from construction contracts with customers” is due to the delay in approval of certification of completed works, mainly from the public and from customers of the wider public sector, despite the intensification of operations in the fourth quarter of 2023. Already within 2024 the approval procedures have progressed and part of the relevant works have been invoiced.

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 01.01.2022	**0**	**46**	**0**	**46**
Provision of credit loss	0	143	0	143
Balance 31.12.2022	**0**	**189**	**0**	**189**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**0**	**189**	**0**	**189**
Foreign exchange differences	0	(5)	0	(5)
Balance 31.12.2023	**0**	**184**	**0**	**184**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2022	**0**	**46**	**0**	**46**
Balance 31.12.2022	**0**	**46**	**0**	**46**

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY			
	Stage 1	Stage 2	Stage 3	Total
Balance 01.01.2023	**0**	**46**	**0**	**46**
Balance 31.12.2023	**0**	**46**	**0**	**46**

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

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Customer advances	168,452	197,041	144,417	161,849
Non-completed liabilities from construction contracts	84,901	101,476	81,695	101,274
Non-completed liabilities from other contracts with customers	48	49	48	48
Total	**253,401**	**298,566**	**226,160**	**263,171**

The changes in Receivables and Liabilities from Construction Contracts with customers (short-term and long-term (Note 27)) within the current fiscal year are due to the following factors:

Receivables from construction contracts with customers	**GROUP**
Balance 01.01.2022	**146,533**
Effect due to execution of existing contracts	62,840
Income for the period from new contracts	8,434
Foreign exchange differences	20
Balance 31.12.2022	**217,826**
Balance 01.01.2023	**217,826**
Effect due to execution of existing contracts	92,405
Income for the period from new contracts	13,788
Foreign exchange differences	(3)
Balance 31.12.2023	**324,016**

Liabilities due to construction contracts with customers	**GROUP**
Balance 01.01.2022	**141,075**
Effect due to execution of existing contracts	33,924
Income for the period from new contracts	9,345
Foreign exchange differences	69
Balance 31.12.2022	**184,413**
Liabilities due to construction contracts with customers-Short term portion	**101,476**
Liabilities due to construction contracts with customers-Long term portion	**82,937**

(Amounts in thousands Euro, unless otherwise stated)

Balance 01.01.2023	**184,413**
Effect due to execution of existing contracts	(66,395)
Income for the period from new contracts	3,916
Foreign exchange differences	91
Balance 31.12.2023	**122,024**
Liabilities due to construction contracts with customers-Short term portion	**84,901**
Liabilities due to construction contracts with customers-Long term portion	**37,123**

18 PREPAYMENTS AND OTHER RECEIVABLES

The “Prepayments and other receivables” on 31st December 2023 and 31st December 2022 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
Prepayments and other short-term non-financial receivables	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Advances to suppliers	55,785	107,491	55,113	106,032
VAT for rebate – offsetting	5,114	5,360	4,010	3,837
Prepayment to insurance funds (Social Security Organization of technical works)	8,271	5,183	8,208	5,121
Transitional asset accounts	20,391	23,061	18,329	20,079
Other non-financial receivables	718	704	620	626
Total (a)	**90,279**	**141,799**	**86,280**	**135,695**

	GROUP		COMPANY	
Other short-term financial receivables	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Receivables from J/V, related companies and other associates	6,272	5,877	7,743	8,032
Short-term part of granted long-term loans	13	6	13	11
Short-term part of receivables from financial leasing	12,422	10,102	12,422	10,102
Financial receivables from other various debtors	11,240	10,597	13,356	12,985
Blocked bank deposit accounts	2,182	623	2,126	564
Doubtful – Litigious other receivables	121	121	121	121
Less: Impairments of other short-term financial receivables	(13,193)	(11,932)	(13,122)	(11,860)
Total (b)	**19,057**	**15,394**	**22,659**	**19,955**
Total prepayments and other receivables (a+b)	**109,336**	**157,193**	**108,939**	**155,650**

(Amounts in thousands Euro, unless otherwise stated)

The change in the account "Advances to Suppliers" of the Company and the Group concerns the reduction of advances to suppliers in the construction sector due to the amortization of the above advances within the financial year under consideration as a result of progress in the execution of works.

The movement in the provision for impairment of these current assets of the Group and the Company, following the application of the requirements of IFRS 9, is as follows:

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2022	**0**	**177**	**10,393**	**10,570**
Provision of credit loss	0	0	1,718	1,718
Recovery of provision of credit loss	0	(20)	(107)	(127)
Eliminations	0	0	(231)	(231)
Foreign exchange differences	0	1	1	2
Balance 31.12.2022	**0**	**158**	**11,774**	**11,932**

	GROUP			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**0**	**158**	**11,774**	**11,932**
Provision of credit loss	0	13	1,362	1,375
Recovery of provision of credit loss	0	0	(113)	(113)
Foreign exchange differences	0	0	(1)	(1)
Balance 31.12.2023	**0**	**171**	**13,022**	**13,193**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2022	**0**	**156**	**10,337**	**10,493**
Provision of credit loss	0	0	1,718	1,718
Recovery of provision of credit loss	0	(13)	(107)	(120)
Eliminations	0	0	(231)	(231)
Balance 31.12.2022	**0**	**143**	**11,717**	**11,860**

	COMPANY			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance 01.01.2023	**0**	**143**	**11,717**	**11,860**
Provision of credit loss	0	13	1,362	1,375
Recovery of provision of credit loss	0	0	(113)	(113)
Balance 31.12.2023	**0**	**156**	**12,966**	**13,122**

19 EQUITY INTERESTS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH RESULTS

19.1 Equity Interests

The movement of investments in equity interests in financial years 2023 and 2022 is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	2023	2022	2023	2022
Balance 1st January	**21,263**	**13,752**	**17,205**	**9,694**
Additions	4,539	5,584	4,538	5,584
Adjustment at fair through the Other Comprehensive Income	3,769	1,927	3,769	1,927
Balance 31st December	**29,571**	**21,263**	**25,512**	**17,205**

The additions of an amount of 4,539 concern the purchase of shares of the parent company GEK TERNA.

The most important investments are listed in more 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.

19.2 Financial assets at fair value through results

The movement of financial assets at fair value through results in financial years 2023 and 2022 relates to shares and is analyzed as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
Balance 1st January	**10,000**	**0**	**10,000**	**0**
Additions	0	10,000	0	10,000
Balance 31st December	**10,000**	**10,000**	**10,000**	**10,000**

20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents on 31 December 2023 and 31 December 2022 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Cash in hand	48	69	35	53
Sight Deposits	240,622	196,585	173,162	120,919
Term Deposits	0	203	0	0
Total	**240,670**	**196,857**	**173,197**	**120,972**

The Group holds blocked deposits amounting to 2.182 (623 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).

(Amounts in thousands Euro, unless otherwise stated)

21 LONG-TERM LOANS

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

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Long-term loans	142,093	151,626	141,434	150,987
Less: Long term liabilities payable during the next financial year	(14,063)	(15,980)	(14,063)	(15,980)
Long-term part of loan	**128,030**	**135,646**	**127,371**	**135,007**

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

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Up to 1 Year	14,063	15,980	14,063	15,980
Between 1 - 5 Years	77,822	80,638	77,163	79,999
Over 5 Years	50,208	55,008	50,208	55,008
Total	**142,093**	**151,626**	**141,434**	**150,987**

The Group has the obligation to maintain specific financial ratios relating to bond loans. As of December 31st, 2023, 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 2023 and the corresponding comparative period of 2022 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 31.12.2023 stood at 4.6% (31.12.2022: 2.8%).

The Group's long-term debt is by 100% in euro (100% at the end of the previous year) and represents approximately 78.7% of the Group's total debt (83.9% 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.

Within the year 2023 the amount of 14,187 was repaid for long-term bank debt (2022: 4,850), whereas the amount of 1,215 was collected from new bank loans (2022: 40).

As of 31.12.2023 the total loan liabilities of the Group amount to 180,664 (2022: 163,744) of which an amount of 142,093 (2022: 151,626) relates to long-term bank loans and an amount of 38,571 (2022: 12,118) relates to short-term bank loans.

On the amount of 142,093 (2022: 151,626) relating to long-term bank loans, an amount of 55,602 (2022: 57,791) relates to bond bank loans and an amount of 86,491 (2022: 93,835) relates to intra-group loans mainly from the parent company GEK TERNA.

(Amounts in thousands Euro, unless otherwise stated)

The condensed movement of short-term and long-term borrowing of the Group and the Company on 31.12.2023 and 31.12.2022 was as follows:

	GROUP		COMPANY	
Long-term loans	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Opening balance	**151,626**	**153,366**	**150,987**	**152,785**
Capital withdrawals	1,215	40	0	0
Capital payments	(14,187)	(4,850)	(12,972)	(4,850)
Interest payments	(2,846)	(1,607)	(2,833)	(1,605)
Loan interest in financial results (note 36)	6,285	4,677	6,252	4,657
Closing balance	**142,093**	**151,626**	**141,434**	**150,987**

	GROUP		COMPANY	
Short-term loans	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Opening balance	**12,118**	**43,931**	**11,616**	**42,929**
Capital withdrawals	37,761	25,522	37,725	25,522
Capital Payments	(11,616)	(57,451)	(11,616)	(56,951)
Interest payments	(1,513)	(162)	(1,479)	(135)
Loan interest in financial results (note 36)	1,787	251	1,788	251
Other loan interest (capitalized)	34	27	0	0
Closing balance	**38,571**	**12,118**	**38,034**	**11,616**

22 LEASE LIABILITIES

Lease liabilities as at 31 December 2023 and 31 December 2022 are analyzed as following in the accompanying financial statements:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Liabilities from bank leases (long-term)	38,548	14,662	38,548	14,662
Liabilities from bank leases (short-term)	6,015	2,210	5,999	2,195
Sub-total of bank leases (a)	**44,563**	**16,872**	**44,547**	**16,857**
Liabilities from third parties leases (long-term)	8,425	6,929	8,003	6,503
Liabilities from third parties leases (short-term)	5,347	3,741	5,107	3,513
Sub-total of third parties leases (b)	**13,772**	**10,670**	**13,110**	**10,016**
Total leases (a)+(b)	**58,335**	**27,542**	**57,657**	**26,873**

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Up to 1 Year	11,362	5,951	11,106	5,708
Between 1 - 5 Years	36,525	16,781	36,103	16,355
Over 5 Years	10,448	4,810	10,448	4,810
Total	**58,335**	**27,542**	**57,657**	**26,873**

The movement of the respective liabilities during the fiscal years 2023 and 2022 is presented as follows:

	GROUP		COMPANY	
Liabilities from leases	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Opening balance	**27,542**	**8,564**	**26,873**	**7,586**
Repayments of lease contracts	(10,359)	(5,010)	(10,036)	(4,627)
Payments of interest	(2,344)	(515)	(2,322)	(488)
Liabilities from new contracts	41,735	24,269	41,395	24,167
Foreign exchange differences	0	8	0	3
Financial cost for the period (note 36)	2,344	515	2,322	488
Termination of lease	(583)	(289)	(575)	(256)
Closing balance	**58,335**	**27,542**	**57,657**	**26,873**
Long-term liabilities from leases	**46,973**	**21,591**	**46,551**	**21,165**
Short-term liabilities from leases	**11,362**	**5,951**	**11,106**	**5,708**

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, 2023 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 2023.

The expense for staff indemnities recognized by the Group in the Statement of Comprehensive Income and recorded in Cost of sales by 704, in Administration and distribution expenses by 300, in Other income / (expenses) by 10 and in financial expenses by 46 (489, 367, 21 and 8 in the previous year, respectively) and recognized by the Company in Cost of sales by 692, in Administration and distribution expenses by 176, in Other income / (expenses) by 10 and in financial expenses by 44 (481, 112, 21 and 8 in the previous year, respectively) is analyzed as follows:

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Current service cost	510	519	366	270
Financial cost	46	8	44	8
Effect of cut-backs or settlements	514	360	512	345
Recognition of actuarial (profits) / losses	142	(26)	142	(18)
Total	**1,212**	**861**	**1,064**	**605**

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

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
Balance as at 1 January	**2,225**	**1,876**	**1,584**	**1,356**
Provision recognized in Net earnings	1,060	886	922	622
Provision recognized in Other Comprehensive Income	142	(26)	142	(18)
Provision recognized in inventories	10	1	0	0
Foreign exchange differences	(18)	14	0	0
Compensation payments	(862)	(526)	(619)	(376)
Balance 31 December	**2,557**	**2,225**	**2,029**	**1,584**

The key actuarial assumptions for the years 2023 and 2022 are as follows:

	2023	**2022**
Discount rate	2.98%	2.90%
Future salaries increases	2.50%	2.50%
Inflation	2.10%	2.80%
Mortality	EVK 2000	EVK 2000
Movement of salaried workers (departure under their own will)	Table 1	Table 1

Years of Service (Table 1)	**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%

(Amounts in thousands Euro, unless otherwise stated)

24 OTHER PROVISIONS

The changes in the relevant provisions in the Statement of financial position for 2023 and 2022 are as follows:

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
1st January 2023	**114**	**8,260**	**8,374**	**114**	**7,060**	**7,174**
Provision recognized in the results	0	(122)	**(122)**	0	(4)	**(4)**
Provisions used	0	(12)	**(12)**	0	(12)	**(12)**
Transfer from/ (to) another account	0	229	**229**	0	111	**111**
Foreign exchange differences	0	(28)	**(28)**	(1)	(27)	**(28)**
31st December 2023	**114**	**8,327**	**8,441**	**113**	**7,128**	**7,241**

	GROUP			COMPANY		
	Provisions for environmental rehabilitation	**Other provisions**	**Total**	**Provisions for environmental rehabilitation**	**Other provisions**	**Total**
1st January 2022	**114**	**9,141**	**9,255**	**114**	**7,941**	**8,055**
Provision recognized in the results	0	(4,015)	**(4,015)**	0	(3,278)	**(3,278)**
Provisions used	0	(44)	**(44)**	0	(44)	**(44)**
Transfer from/ (to) another account	0	3,526	**3,526**	0	2,790	**2,790**
Unused provisions recognized in profit	0	(357)	**(357)**	0	(357)	**(357)**
Foreign exchange differences	0	9	**9**	0	8	**8**
31st December 2022	**114**	**8,260**	**8,374**	**114**	**7,060**	**7,174**

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Provisions for tax for tax non-inspected years	2,250	2,250	2,050	2,050
Provisions for litigations	5,284	5,199	4,284	4,199
Other provisions	793	811	794	811
Total	**8,327**	**8,260**	**7,128**	**7,060**

25 GRANTS

The changes in grants in the Statement of financial position for 2023 and 2022 are as follows:

	GROUP	
	2023	**2022**
Balance 1st January	**3,346**	**3,478**
Amortization of grants on fixed assets recognized in Other Income/Expenses (Note 34)	(105)	(104)
Amortization of grants on fixed assets recognized in inventories	(28)	(28)
Balance 31st December	**3,213**	**3,346**

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

26 SUPPLIERS

As at 31 December 2023 and 31 December 2022, the account of "Suppliers" in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Suppliers	304,192	195,654	285,347	174,097
Checks and notes payable	60	1,946	19	1,902
Total	**304,252**	**197,600**	**285,366**	**175,999**

The balance of the item arises by amount of 291,092 (31.12.2022: 185,977) from the construction segment, and by amount of 13,160 (31.12.2022: 11,623) from the industrial segment of the Group.

(Amounts in thousands Euro, unless otherwise stated)

27 ACCRUED AND OTHER LIABILITIES

As at 31st December 2023 and 31st December 2022, Accrued and other liabilities (long term and short term) in the accompanying financial statements, are analyzed as follows:

	GROUP		COMPANY	
Other long-term financial liabilities	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Total (a)	**0**	**0**	**0**	**0**

	GROUP		COMPANY	
Other long-term non-financial liabilities	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Collected advances from contracts with customers	177,010	124,882	168,778	116,649
Liabilities from construction agreements	37,123	82,937	37,123	82,938
Total (b)	**214,133**	**207,819**	**205,901**	**199,587**
Total other long-term liabilities (a+b)	**214,133**	**207,819**	**205,901**	**199,587**

The balance in "Collected advances from contracts with customers" mainly consists of:

(a) Collected advances from customer of the project INTERNATIONAL AIRPORT HERAKLION CRETE of amount 53,689.

(b) Collected advances from customer of the project TERNA ENERGY PUMPED STORAGE PROJECT I S.M.S.A of amount 63,528, for the construction of the "Amfilochia Pumped Storage Electric Station."

The balance in the account "Liabilities from construction agreements" refers to invoicing of advances for construction projects which are expected to be executed beyond the next 12 months.

	GROUP		COMPANY	
Accrued and other short-term financial liabilities	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Liabilities to members of j/v and other associates	2,797	2,450	3,222	2,859
Accrued expenses	18,312	21,419	17,217	16,337
Acquisition under settlement	1,548	7,150	1,548	7,150
Liabilities from acquisition of companies	10,000	0	10,000	0
Sundry Creditors	12,324	7,151	10,138	5,078
Total (a)	**44,981**	**38,170**	**42,125**	**31,424**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
Other short-term non-financial liabilities	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Liabilities from taxes and duties	16,554	8,842	16,109	8,520
Social security funds	6,751	4,080	6,517	3,827
Liabilities for litigations	404	368	404	368
Provisions for loss-bearing construction contracts	772	991	704	805
Total (b)	**24,481**	**14,281**	**23,734**	**13,520**
Total Accrued and other short-term liabilities (a+b)	**69,462**	**52,451**	**65,859**	**44,944**

The account "Liabilities from acquisitions of companies" includes an amount of 10,000, which relates to the acquisition of 49.99% of the shares of AIGISTOS S.A. by the company TERNA S.A. (see Note 5).

28 SHARE CAPITAL

As of 31.12.2023, 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 31.12.2023.

(Amounts in thousands Euro, unless otherwise stated)

29 RESERVES

The Group and the Company reserves in 2023 and 2022 in the accompanying financial statements are analyzed as follows:

GROUP	Statutory reserves	Reserves from fair value difference of assets through Other Comprehensive Income	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 2022	**15,417**	**3,263**	**36**	**3,378**	**35,413**	**730**	**58,237**
Earnings from other comprehensive income	0	1,503	1	(2,326)	0	17	(805)
Formation of reserves	16	0	0	0	102	0	118
Stock options	0	0	0	0	0	325	325
31st December 2022	**15,433**	**4,766**	**37**	**1,052**	**35,515**	**1,072**	**57,875**
1st January 2023	**15,433**	**4,766**	**37**	**1,052**	**35,515**	**1,072**	**57,875**
Earnings from other comprehensive income	0	2,940	0	131	0	(112)	2,959
Formation of reserves	0	0	0	0	105	0	105
Stock options	0	0	0	0	0	255	255
31st December 2023	**15,433**	**7,706**	**37**	**1,183**	**35,620**	**1,215**	**61,194**

(Amounts in thousands Euro, unless otherwise stated)

COMPANY	Statutory reserves	Reserves from fair value difference of assets through Other Comprehensive Income	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 2022	**13,350**	**3,263**	**3,016**	**34,705**	**727**	**55,061**
Earnings from other comprehensive income for the year	0	1,503	(2,212)	0	14	(695)
Stock options	0	0	0	0	325	325
31st December 2022	**13,350**	**4,766**	**804**	**34,705**	**1,066**	**54,691**
1st January 2023	**13,350**	**4,766**	**804**	**34,705**	**1,066**	**54,691**
Earnings from other comprehensive income for the year	0	2,940	175	0	(111)	3,004
Stock options	0	0	0	0	255	255
31st December 2023	**13,350**	**7,706**	**979**	**34,705**	**1,210**	**57,950**

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 S.A. 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 27.06.2018 General Meeting) to provide a stock option up to the limit of 4,000,000 shares of GEK TERNA S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. 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 fiscal year 2023, the following were confirmed: the achievement of part of the business objectives related to construction operating segment, energy segment and concession segment as well as the targeted debt service ratio. The program expired on December 31, 2023, and rights for all 4,000,000 shares have been secured.

In the corresponding comparative year of 2022, the achievement of some of the targets related to the construction sector, the energy sector, the concessions sector, as well as the debt service ratio, was confirmed. According to the decision of the Board of Directors on 28.04.2022, a total of 528,034 treasury shares were vested and subsequently allocated to 17 beneficiaries, for a total price of 1,056,068 euros. The rights were exercised through an over-the-counter transaction on 01.07.2022, with a share price of 9.38 euros. In more detail, 422,644 treasury shares were allocated to senior executives and members of the Board of Directors of the parent company GEK TERNA and 105,390 shares were allocated to the other beneficiaries of the stock option plan, i.e. to executives of the Company, corresponding to the financial year 2021.

(Amounts in thousands Euro, unless otherwise stated)

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 31.12.2023, amounted to 255 for the Group and the Company (31.12.2022: 615) and are included in the Administrative and Distribution Expenses in the item "Cost of stock options" (see note 32), of which an amount of 255 relates to valuation expense (2022: 325).

30 INCOME TAX – DEFERRED TAX

The tax rate for legal entities in Greece both for the year 2023 and for the year 2022 after the enactment of Law 4799/2021 which amended par. 1, no. 58 of Law 4172/2013 is set at 22%.

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

(a) Income Tax Expense

Income tax in the Statement of comprehensive income is analyzed as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Current tax	14,074	1,846	13,715	1,476
Tax adjustments of previous years	(1,949)	0	(1,945)	0
Adjustments for tax audit differences	441	(234)	441	(228)
Total	**12,566**	**1,612**	**12,211**	**1,248**
Deferred tax expense/(income)	17,312	15,658	14,708	14,458
Total expenses/(income)	**29,878**	**17,270**	**26,919**	**15,706**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit before income tax expense	**103,253**	**61,782**	**94,598**	**27,959**
Nominal tax rate	**22%**	**22%**	**22%**	**22%**
Income tax expense/(income) based on the nominal tax rate	**22,716**	**13,592**	**20,812**	**6,151**
Results not included in the calculation of tax	1,866	1,073	1,689	2,563
Adjustments of tax of previous years and additional taxes	(1,949)	0	(1,945)	0
Difference in taxation of foreign companies	(5,728)	(24)	(5,728)	(22)
Write-off/(Offsetting) of tax losses	7,407	6,261	3,989	3,240
Adjustments for tax audit differences	441	(234)	441	(228)
Taxable differences of previous years for which no deferred tax has been recognized	2,200	1,749	0	0
Effect of net temporary tax differences for which no deferred tax has been recognized	5,329	458	7,661	4,002
Effect of participating in net results of associates and joint venture	(2,404)	(5,605)	0	0
Income tax expense	**29,878**	**17,270**	**26,919**	**15,706**

Tax return statement is submitted on an annual basis, but declared profits or losses remain provisional until the tax authorities inspect the taxpayer’s books and records and issue a final audit report. The Group annually estimates any contingent liabilities, expected to arise from the audit of past years, making relevant provisions where appropriate. Information on the unaudited tax years is listed in Notes 5 and 43.1 of the Financial Statements.

Legislation relating to Pillar II rules has been enacted or substantially enacted in certain jurisdictions where the Group operates. The legislation will be implemented for the Group’s fiscal year commencing on January 1, 2024. As the Pillar II legislation was not implemented at the reporting date, the Group has no relevant current output tax. The Group applies the exception to the recognition and disclosure of information on deferred tax assets and liabilities related to Pillar II income taxes, as provided for in the amendments of IAS 12 issued in May 2023.

According to the legislation, the Group is required to pay additional tax on the difference between the actual GIoBE tax rate per jurisdiction and the minimum rate of 15%. Most of the Group’s entities have an effective tax rate that exceeds 15%. The Group does not expect significant exposure to Pillar II income taxes.

(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.

(Amounts in thousands Euro, unless otherwise stated)

A deferred tax asset is recognized for the transferred tax losses to the extent that a respective tax benefit can be realized via future taxable profit.

The Group offsets deferred tax assets and obligations, when there is an effective legal right to offset the current tax assets against current liabilities provided that the deferred taxes relate to the same tax authority. The offset amounts in 31.12.2023 and 31.12.2022 for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Deferred tax assets	3,898	5,647	3,849	3,016
Deferred tax liabilities	(32,411)	(16,050)	(27,099)	(10,760)
Net deferred asset/ (liability)	**(28,513)**	**(10,403)**	**(23,250)**	**(7,744)**

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

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Net deferred tax asset / (liability)	**(28,513)**	**(10,403)**	**(23,250)**	**(7,744)**
Opening Balance	**(10,403)**	**5,562**	**(7,744)**	**7,018**
Change in interest of joint operation entity	0	123	0	124
(Expense)/Income recognized in net earnings	(17,312)	(15,658)	(14,708)	(14,458)
(Expense)/Income recognized in Other comprehensive income	(798)	(430)	(798)	(428)
Closing Balance	**(28,513)**	**(10,403)**	**(23,250)**	**(7,744)**

(Amounts in thousands Euro, unless otherwise stated)

Deferred taxes (assets and liabilities) in 2023 and 2022 are analyzed as follows:

	GROUP				
Deferred tax	**01.01.2023**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2023**
Investment property	(86)	0	(29)	0	(115)
Tangible and Intangible Assets	(8,426)	0	(714)	0	(9,140)
Investments	(3,447)	0	2,102	(829)	(2,174)
Contract Assets/Contract Liabilities	(4,146)	0	(18,913)	0	(23,059)
Recognized tax losses	383	0	(66)	0	317
Recognition of assets from concession contracts	17	0	(1)	0	16
Provision for staff indemnities	347	0	67	31	445
Companies' acquisitions and sales	(1,429)	0	(136)	0	(1,565)
Trade receivables	4,015	0	520	0	4,535
Other Provisions	392	0	75	0	467
Lease Contracts	66	0	59	0	125
Other	1,911	0	(276)	0	1,635
Total	**(10,403)**	**0**	**(17,312)**	**(798)**	**(28,513)**

(Amounts in thousands Euro, unless otherwise stated)

	GROUP				
Deferred tax	**01.01.2022**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2022**
Investment property	(57)	0	(29)	0	(86)
Tangible and Intangible Assets	(7,590)	0	(836)	0	(8,426)
Investments	(4,773)	0	1,750	(424)	(3,447)
Contract Assets/Contract Liabilities	57	0	(4,203)	0	(4,146)
Recognized tax losses	12,286	123	(12,026)	0	383
Recognition of assets from concession contracts	434	0	(417)	0	17
Provision for staff indemnities	304	0	49	(6)	347
Companies’ acquisitions and sales	(2,306)	0	877	0	(1,429)
Trade receivables	4,004	0	11	0	4,015
Other Provisions	973	0	(581)	0	392
Lease Contracts	43	0	23	0	66
Other	2,187	0	(276)	0	1,911
Total	**5,562**	**123**	**(15,658)**	**(430)**	**(10,403)**

(Amounts in thousands Euro, unless otherwise stated)

			COMPANY		
Deferred tax	**01.01.2023**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2023**
Investment property	302	0	(29)	0	273
Tangible and Intangible Assets	(4,909)	0	86	0	(4,823)
Investments	(3,447)	0	2,102	(829)	(2,174)
Contract Assets/Contract Liabilities	(4,093)	0	(17,575)	0	(21,668)
Recognized tax losses	382	0	(65)	0	317
Provision for staff indemnities	339	0	61	31	431
Companies' acquisitions and sales	(703)	0	59	0	(644)
Trade receivables	3,931	0	520	0	4,451
Other Provisions	392	0	75	0	467
Lease Contracts	62	0	58	0	120
Total	**(7,744)**	**0**	**(14,708)**	**(798)**	**(23,250)**

(Amounts in thousands Euro, unless otherwise stated)

	COMPANY				
Deferred tax	**01.01.2022**	**Change in interest of consolidated entity**	**Statement of Profit or loss (Debit)/Credit**	**Other comprehensive income (Debit)/Credit**	**31.12.2022**
Investment property	332	0	(30)	0	302
Tangible and Intangible Assets	(4,856)	0	(53)	0	(4,909)
Investments	(4,772)	0	1,749	(424)	(3,447)
Contract Assets/Contract Liabilities	(920)	0	(3,173)	0	(4,093)
Recognized tax losses	12,288	124	(12,030)	0	382
Recognition of assets from concession contracts	414	0	(414)	0	0
Provision for staff indemnities	293	0	50	(4)	339
Companies' acquisitions and sales	(764)	0	61	0	(703)
Trade receivables	3,921	0	10	0	3,931
Other Provisions	973	0	(581)	0	392
Lease Contracts	40	0	22	0	62
Other	69	0	(69)	0	0
Total	**7,018**	**124**	**(14,458)**	**(428)**	**(7,744)**

(Amounts in thousands Euro, unless otherwise stated)

31 TURNOVER

Turnover of years 2023 and 2022 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	**1.1-31.12.2023**	**1.1-31.12.2022**
Revenues from construction services		
Infrastructure Projects– Motorways - Airport	704,973	481,477
Industrial –Energy	593,687	325,433
Other services of construction services' segment	2,468	3,184
Total	**1,301,128**	**810,094**
Revenues from industry		
Sales of industrial products - quarries	20,636	18,665
Total	**20,636**	**18,665**
Total revenues from contracts with customers	**1,321,764**	**828,759**

	GROUP	
2)The analysis of turnover from contracts with customers at the time of income recognition is analyzed as follows:	**1.1-31.12.2023**	**1.1-31.12.2022**
Transfer of goods and services at a specific time	21,756	20,913
Services rendered with the passage of time	1,300,008	807,846
Total turnover from contracts with customers	**1,321,764**	**828,759**

3) The backlog of the Group's construction contracts amounts to 3,356 million euro on 31.12.2023 (see Note 43.2). The predicted execution course of the above backlog is analyzed as follows: (a) 1,403 million euro in 2024, and b) 1,953 million euro for a period until 2028.

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

(Amounts in thousands Euro, unless otherwise stated)

	GROUP					
	1.1-31.12.2023					
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Total**
Revenue of Construction	1,249,536	51,214	378	0	0	1,301,128
Revenue of Industry	4,698	20	0	1,262	14,656	20,636
Total	**1,254,234**	**51,234**	**378**	**1,262**	**14,656**	**1,321,764**

	GROUP					
	1.1-31.12.2022					
	Greece	**Balkans**	**Middle East**	**Eastern Europe**	**Other regions**	**Total**
Revenue of Construction	761,142	48,635	318	0	0	810,095
Revenue of Industry	626	79	248	1,216	16,495	18,664
Total	**761,768**	**48,714**	**566**	**1,216**	**16,495**	**828,759**

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 DISTRIBUTION EXPENSES– RESEARCH AND DEVELOPMENT EXPENSES

The cost of sales of the financial years 2023 and 2022 in the accompanying financial statements is analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Inventory cost-construction materials	565,567	331,075	557,727	320,716
Employee remuneration	85,751	61,400	81,670	55,578
Fees of civil engineers, technical consultants and other third parties	406,095	277,937	392,776	255,831
Other third-party expenses	8,226	7,977	7,347	6,211
Taxes-duties	2,315	1,450	2,289	1,410
Provisions/ (Reversal of provisions)	(219)	(4,016)	(101)	(3,280)
Depreciation	16,381	11,044	13,767	8,391
Leases	32,202	20,520	31,649	19,916
Insurance premiums	9,074	8,858	7,247	4,991
Transportation and travel expenses	28,340	11,252	27,902	10,586
Repairs-Maintenance expenses	8,410	6,266	8,166	6,006
Commissions and other financial expenses	11,849	10,939	11,790	10,035
Other	5,036	3,934	4,960	3,835
Total	**1,179,027**	**748,636**	**1,147,189**	**700,226**

The increase in construction activity was mainly accompanied by a corresponding increase in inventory consumption costs, third-party fees and expenses related to subcontractor fees, personnel fees and transportation costs.

Administrative and distribution expenses of the financial years 2023 and 2022 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Employee remuneration	4,699	5,495	2,668	3,490
Fees and expenses of third parties	8,322	12,798	6,982	11,277
Stock options expense	255	615	255	615
Other third-party expenses	822	1,174	691	1,018
Promotion and advertising expenses	702	585	684	572
Depreciation	2,400	1,952	2,035	1,601
Repairs - Maintenance	318	324	287	210

(Amounts in thousands Euro, unless otherwise stated)

	GROUP		COMPANY	
	1.1-31.12.2023	1.1-31.12.2022	1.1-31.12.2023	1.1-31.12.2022
Insurance Premiums	354	464	335	453
Remuneration of BoD	110	101	0	0
Leases	225	1,026	390	855
Taxes - Duties	1,090	690	809	375
Transportation and travel expenses	2,849	3,711	788	748
Expenses concerning litigation cases	16	28	16	28
Other	2,803	2,377	2,583	2,151
Total	**24,965**	**31,340**	**18,523**	**23,393**

Research and Development expenses of the financial years 2023 and 2022 in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	1.1-31.12.2022	1.1-31.12.2023	1.1-31.12.2022
Employee remuneration	40	75	0	11
Fees and expenses of third parties	806	1,293	788	1,285
Other third party expenses	6	8	0	0
Depreciation	179	139	0	0
Taxes - Duties	4	4	0	0
Transportation expenses	13	21	0	0
Travel expenses	1	15	1	15
Insurance Premiums	2	2	0	0
Other	312	461	306	449
Total	**1,363**	**2,018**	**1,095**	**1,760**

33 AUDITORS' FEE

	GROUP		COMPANY	
	1.1-31.12.2023	1.1-31.12.2022	1.1-31.12.2023	1.1-31.12.2022
Total	367	370	282	269

The above fees relate to all Group companies and are related to the statutory audit, tax audit and other permitted services provided by all audit firms.

(Amounts in thousands Euro, unless otherwise stated)

34 OTHER INCOME /(EXPENSE)

Other income/ (expenses) of the financial years of 2023 and 2022 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Other income				
Amortization of grants on fixed assets	105	104	0	0
Income from insurance and legal indemnities	471	217	192	209
Foreign exchange differences on payments	0	4,714	0	3,498
Recovery of impairments of fixed, intangible assets, right of use assets and goodwill	10	5	10	3
Recovery of impairments of inventories	181	0	181	0
Recovery of impairments of assets	1,569	348	1,569	122
Recovery of other provisions	0	357	0	357
Gains from valuation of Investment Property	90	94	90	94
Earnings from elimination of liabilities	88	108	82	105
Gains from CO2 right sales	0	492	0	0
Other revenue	1,972	6,217	1,945	5,632
Total	**4,486**	**12,656**	**4,069**	**10,020**
Other Expenses				
Depreciation not included in the cost	(1,640)	(1,589)	(800)	(1,094)
Expenses related to insurance indemnities	(72)	(124)	(72)	(124)
Foreign exchange differences on payments	(1,223)	0	(990)	0
Impairments/Write off of fixed, intangible assets, right of use assets and goodwill	(8,401)	(11,655)	0	(512)
Impairments/Write off of inventories	(17)	(227)	(17)	(227)
Impairments/Write off of receivables	(1,518)	(5,390)	(1,507)	(5,075)
Other impairments	(97)	0	(97)	0
Other expenses	(5,659)	(3,499)	(4,560)	(2,948)
Total	**(18,627)**	**(22,484)**	**(8,043)**	**(9,980)**
Total other income / (expenses)	**(14,141)**	**(9,828)**	**(3,974)**	**40**

The change in the account "Impairments/Write off of fixed, intangible assets, right of use assets and goodwill" concerns impairment losses on rights to exploit quarries and magnesium mines in relation to the subsidiary TERNA MAG (see note 8).

(Amounts in thousands Euro, unless otherwise stated)

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

Gains / (losses) from the valuation of participations and securities, of the financial year 2023 and 2022, in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Loss /reverse of loss from valuation on interest in subsidiaries (Note 12)	0	0	(9,562)	(17,452)
Loss/reverse of loss from valuation on interest in associates	0	0	444	0
Total	**0**	**0**	**(9,118)**	**(17,452)**

36 FINANCIAL INCOME / (EXPENSE)

Financial income / (expenses) of the financial year 2023 and 2022 are analyzed in the accompanying financial statements as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Deposit interest	128	38	103	38
Loan interest	557	2,205	2,595	4,053
Finance income from lease contracts	682	483	682	483
Other financial income	501	607	500	134
Total financial income (a)	**1,868**	**3,333**	**3,880**	**4,708**
Interest and expenses of short-term loans	(1,787)	(251)	(1,788)	(251)
Interest and expenses of long-term loans	(6,285)	(4,677)	(6,252)	(4,657)
Financial cost from lease contracts	(2,344)	(515)	(2,322)	(488)
Commissions and Other financial expenses	(2,199)	(1,749)	(1,909)	(1,550)
Total financial expenses (b)	**(12,615)**	**(7,192)**	**(12,271)**	**(6,946)**
Net financial income/(expenses) (a+b)	**(10,747)**	**(3,859)**	**(8,391)**	**(2,238)**

The change in the Group's net financial income/(expenses) is attributed to an increase in financial expenses mainly due to: a) the rise in interest rates on bank borrowings, and b) the conclusion of new lease agreements.

(Amounts in thousands Euro, unless otherwise stated)

37 PERSONNEL COST

Expenses for employee remuneration of the financial years of 2023 and 2022 are analyzed as follows:

	GROUP		COMPANY	
	1.1-31.12.2023	1.1-31.12.2022	1.1-31.12.2023	1.1-31.12.2022
Wages and related employee benefits	73,905	54,470	68,234	47,530
Social security fund contributions	18,454	13,538	17,723	12,584
Provision for employee indemnities	1,014	878	878	615
Total	**93,373**	**68,886**	**86,835**	**60,729**

At the end of the closing period, the Group employed 3,297 people worldwide and the Company 3,058. Respectively, at the end of the previous year, the Group employed 2,621 and the Company 2,373 people worldwide.

The change in both the number of personnel and payroll expenses for the Group and the Company is linked to the increase in construction activity of the parent company TERNA S.A.

38 TRANSACTIONS WITH RELATED PARTIES

The Company's and the Group's transactions with related parties for the period ending on 31.12.2023 and 31.12.2022, as well as the balances of receivables and liabilities which have derived from such transactions on 31.12.2023 and 31.12.2022 are as follows:

Sales-Purchases of goods and services

Period 31.12.2023	GROUP				COMPANY			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	34,396	2,234	27,157	7,252	34,396	2,007	27,157	6,709
Subsidiaries	0	0	0	0	151,942	2,711	28,379	15,508
Other Related Parties	408,033	4,916	123,173	210,889	249,867	1,604	78,306	156,066

Period 1.1-31.12.2022

Year 31.12.2022	GROUP				COMPANY			
Related party	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**	**Revenue**	**Purchases**	**Debit Balances**	**Credit Balances**
Parent Company	26,736	1,766	11,030	4,573	26,746	1,568	11,030	4,266
Subsidiaries	0	0	0	0	98,254	2,782	15,323	47,893
Other Related Parties	263,718	5,995	49,618	180,097	161,984	1,486	31,643	91,607

(Amounts in thousands Euro, unless otherwise stated)

Loans and interest

Period 31.12.2023	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	0	2,958	0	85,967	0	2,944	0	85,832
Subsidiaries	0	0	0	0	2,038	0	61,993	0
Other Related Parties	478	28	187	524	478	10	187	0

Period 1.1-31.12.2022

Year 31.12.2022	**GROUP**				**COMPANY**			
Related party	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**	**Finance Revenue**	**Finance expense**	**Loans receivable**	**Loans payable**
Parent Company	0	2,960	0	93,326	237	2,956	0	93,196
Subsidiaries	0	0	0	0	1,848	0	56,932	0
Other Related Parties	2,125	16	41,482	509	1,887	0	41,482	0

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

During the year, the Company paid for share capital increases of subsidiaries amounts 3,673 (31.12.2022: 0). It also granted loans amounting to 4,200 (31.12.2022: 21,220) to subsidiary companies and other related parties, whereas the Company collected from repayments of granted loans and from interest payments 42,949 (31.12.2022: 25,077) from the subsidiaries and other related parties. Similarly, it repaid loans and interest to the parent company GEK TERNA S.A. amounting to 10,272 (31.12.2022: 0). In addition, the Company and the Group received an amount of 10,000 as capital return from a related company (31.12.2022: 8,050). The amounts are not included in the above tables.

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 31.12.2023 and 31.12.2022, as well as the balances of receivables and liabilities that have emerged from such transactions on 31.12.2023 and 31.12.2022 are as follows:

	GROUP		**COMPANY**	
	1.1-31.12.2023	**1.1-31.12.2022**	**1.1-31.12.2023**	**1.1-31.12.2022**
Remuneration for services rendered	3,967	3,746	3,640	3,458
Remuneration of employees	730	833	730	667
Stock options expense	255	615	255	615
Total	**4,952**	**5,194**	**4,625**	**4,740**
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Liabilities	12	5	12	5
Receivables	76	59	61	59

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 transactions mainly concern purchases of fixed assets and inventories, commercial sales, investments in financial assets, loans, as well as net investments in foreign operations.

The Group operates through branches and companies in Greece 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.

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

(Amounts in thousands Euro, unless otherwise stated)

	2023										
	AED	ALL	BHD	IQD	LYD	MKD	QAR	RON	RSD	SAR	USD
Financial assets	206	79	7,084	0	632	8	105	81	6,100	1,839	1,553
Financial liabilities	(76)	(217)	(314)	(29)	(2)	0	(1,025)	(191)	(4,456)	(691)	(1,386)
Total current assets	**130**	**(138)**	**6,770**	**(29)**	**630**	**8**	**(920)**	**(110)**	**1,644**	**1,148**	**167**
Financial assets	27	0	12	0	9	0	0	9	4	0	0
Financial liabilities	0	0	(321)	0	0	0	0	0	0	0	0
Total non-current assets	**27**	**0**	**(309)**	**0**	**9**	**0**	**0**	**9**	**4**	**0**	**0**

	2022										
	AED	ALL	BHD	IQD	LYD	MKD	QAR	RON	RSD	SAR	USD
Financial assets	602	1	9,250	1	645	5	1,968	119	7,622	1,653	2,301
Financial liabilities	(1,169)	(3,427)	(777)	(18)	(2)	(6)	(1,941)	(188)	(6,583)	(711)	(1,969)
Total current assets	**(567)**	**(3,426)**	**8,473**	**(17)**	**643**	**(1)**	**27**	**(69)**	**1,039**	**942**	**332**
Financial assets	32	0	3	9	0	0	10	4	0	0	0
Financial liabilities	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	**32**	**0**	**3**	**9**	**0**	**0**	**10**	**4**	**0**	**0**	**0**

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.

.	2023										
	AED	ALL	BHD	IQD	LYD	MKD	QAR	RON	RSD	SAR	USD
Effect on Net earnings	(4)	0	0	0	0	0	0	0	0	0	112
Effect on other comprehensive income	7	(14)	628	(91)	63	1	(123)	(11)	164	170	0

	2022										
	AED	ALL	BHD	IQD	LYD	MKD	QAR	RON	RSD	SAR	USD
Effect on Net earnings	(4)	0	0	0	0	0	0	0	0	0	116
Effect on other comprehensive income	(50)	(350)	789	(83)	64	0	4	(7)	104	152	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 31.12.2023, 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% (2022: +/-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.

	2023		**2022**	
	20%	(20)%	20%	(20)%
Net earnings after income tax (from interest bearing liabilities)	(440.0)	440.0	(32.0)	32.0
Net earnings after income tax (from interest earning assets)	1,257.0	(1,257.0)	92.0	(92.0)

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:

	31.12.2023	**31.12.2022**
Cash and cash equivalents	240,670	196,857
Loans and receivables	715,533	528,474
Total	**956,203**	**725,331**

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

The Group is not exposed to significant credit risk from customers' receivables. This is attributed to the fact that one the hand to the Group's policy which is focused on the cooperation with reliable clients and on the other to the activities' nature of the Group.

In particular, the whole amount of receivables, whether related to the narrow or the broader public segment or clients with significant financial position in Greece and abroad, are under special monitoring and the Management constantly assesses the reliability of its customers, the size of each of them, regardless of whether they are a broader public or private entity, for possible implications, in order to take the necessary measures to minimize any implications for the Group.

(Amounts in thousands Euro, unless otherwise stated)

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 or the broader public sector and powerful business 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 debt, 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 2023 is analyzed as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	14,063	77,822	50,208	142,093
Liabilities from leases	11,362	36,525	10,448	58,335
Short-term borrowing	38,571	0	0	38,571
Suppliers	304,252	0	0	304,252
Accrued and other short-term financial liabilities	44,981	0	0	44,981
Total	**413,229**	**114,347**	**60,656**	**588,232**

The respective maturity of financial liabilities for 31st December 2022 was as follows:

	0 to 12 months	1 to 5 years	Over 5 years	Total
Long-term borrowing	15,980	80,638	55,008	151,626
Liabilities from leases	5,951	16,781	4,810	27,542
Short-term borrowing	12,118	0	0	12,118
Suppliers	197,600	0	0	197,600
Accrued and other short-term financial liabilities	38,170	0	0	38,170
Total	**269,819**	**97,419**	**59,818**	**427,056**

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 OTHER RISKS AND UNCERTAINTIES

(a) Special reference to the war in the Ukraine region

The ongoing and increasingly intense hostilities between Ukraine and Russia, with the indirect involvement of the European Union and the United States through the provision of support to the Ukrainian side, has resulted in the removal of the possibility of a ceasefire in the near future between the warring sides.

The adoption of restrictive measures by the European Union and the United States on the movement of funds of Russian origin, as well as additional restrictive measures in the same direction (asset freezes, convictions, etc.), as well as bans on the sale of Russian products in the European Union and other countries, have resulted in Russia taking countermeasures against the European Union, including a reduction in the quantities of natural gas sold.

It should be noted that the embargo on Russia did not provide the expected solution, so that the war continues two years after its beginning, without any assessment of an immediate solution to the problems. At the same time, the electricity produced continues to be very expensive for the final consumer, feeding the existing inflation in which the price of energy is one of the main factors in the cost of production of goods.

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

The Group has no direct operations in Russia, Ukraine and Belarus, however it continuously assesses the geopolitical risks to which it is exposed, having formulated specific policies and procedures in order to mitigate the risk to the extent possible.

(b) Special reference to the war in the Middle East region

After the unprovoked attack by the Palestinian Islamist movement Hamas on 07.10.2023 on Israel, a counter-offensive by the Israeli army in the Gaza Strip was triggered, which has claimed the lives of thousands of people while causing a humanitarian disaster for the people of Gaza. The neighboring states of Lebanon and Yemen, with the support of Iran, have also joined in these hostilities, which has resulted, among other things, in problems for navigation and, by extension, the movement of goods. A possible direct involvement in hostilities by Iran could exacerbate all the problems in the region and, by extension, in the global economy, indirectly affecting the Greek economy.

The Group's prospects, however, remain positive and not directly dependent on the hostilities in the Middle East. However, due to the dynamics of the hostilities, new risks may arise. The Group's management, taking into account the current uncertainty in the wider economic climate, seeks to assess any indirect consequences to the Group in a timely manner in order to take the necessary measures to minimize the impact.

(Amounts in thousands Euro, unless otherwise stated)

40 FINANCIAL ASSETS AND FINANCIAL LIABILITIES: PRESENTATION

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

	31.12.2023			
Financial Assets	**Amortized cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Listed shares	0	10,000	0	**10,000**
Investments in securities	0	0	29,571	**29,571**
Other long-term receivables	8,513	0	0	**8,513**
Trade and other receivables	707,020	0	0	**707,020**
Cash and cash equivalents	240,670	0	0	**240,670**
Total	**956,203**	**10,000**	**29,571**	**995,774**

	31.12.2022			
Financial Assets	**Amortized cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Listed shares	0	10,000	0	**10,000**
Investments in securities	0	0	21,263	**21,263**
Other long-term receivables	61,240	0	0	**61,240**
Trade and other receivables	467,234	0	0	**467,234**
Cash and cash equivalents	196,857	0	0	**196,857**
Total	**725,331**	**10,000**	**21,263**	**756,594**

	31.12.2023			
Financial Liabilities	**Amortized cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	142,093	0	0	**142,093**
Trade and other receivables	349,233	0	0	**349,233**
Short-term borrowing	38,571	0	0	**38,571**
Liabilities from leases	58,335	0	0	**58,335**
Total	**588,232**	**0**	**0**	**588,232**

(Amounts in thousands Euro, unless otherwise stated)

	31.12.2022			
Financial Liabilities	**Amortized cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Long-term borrowing	151,626	0	0	**151,626**
Trade and other receivables	235,770	0	0	**235,770**
Short-term borrowing	12,118	0	0	**12,118**
Liabilities from leases	27,542	0	0	**27,542**
Total	**427,056**	**0**	**0**	**427,056**

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's financial assets and liabilities measured at fair value on 31.12.2023 and 31.12.2022 are classified in the aforementioned levels of hierarchy as follows:

	31.12.2023			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed shares (Financial assets at fair value through results)	0	10,000	0	10,000
Investments in securities	22,309	0	7,262	29,571
Total	**22,309**	**10,000**	**7,262**	**39,571**
Net fair value	**22,309**	**10,000**	**7,262**	**39,571**

	31.12.2022			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Listed shares (Financial assets at fair value through results)	0	10,000	0	10,000
Investments in securities	14,251	0	7,012	21,263
Total	**14,251**	**10,000**	**7,012**	**31,263**
Net fair value	**14,251**	**10,000**	**7,012**	**31,263**

(Amounts in thousands Euro, unless otherwise stated)

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 31.12.2023 and within financial year 2022.

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 31.12.2023 and within financial year 2022 are as follows:

	1.1-31.12.2023	1.1-31.12.2022
	Investments in securities	**Investments in securities**
Opening balance	**7,012**	**7,012**
Profit /(loss) in Other Comprehensive Income	250	0
Closing balance	**7,262**	**7,012**

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 31.12.2023	Fair value of investment 31.12.2022	Fair value calculation method	Other Information
ILIOHORA SA	3,204	2,954	Equity method at fair values	Fair value of equity on 31.12.2023/31.12.2022
EKEPY	15	15	Equity method at fair values	Fair value of equity on 31.12.2023/31.12.2022
ICON EOOD	4,043	4,043	Equity method at fair values	Fair value of equity on 31.12.2023/31.12.2022
Total	**7,262**	**7,012**		

Level 2 financial assets refer to listed shares.

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 2023 and 2022 was as follows:

	2023	**2022**
Interest bearing debt	225,227	180,616
Minus:		
Cash and Cash equivalents	(240,670)	(196,857)
Adjusted Net Debt	**(15,443)**	**(16,241)**
Equity	266,199	185,783
Grants	3,213	3,346
Adjusted Equity	**269,412**	**189,129**
Leverage ratio	**(5.73)%**	**(8.59)%**

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 31.12.2023.

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 (31.12.2022: 2,250). The Management considers that in addition to the provisions made, any tax amounts that may arise will not have a material impact on equity, profit or loss and cash flows of the Group and the Company.

Pursuant to the relevant tax provisions of: a) paragraph 1 of article 84 of Law 2238/1994 (unaudited income tax cases), b) paragraph 1 of article 57 of Law 2859/2000 (unaudited VAT cases) and c) par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases), the State's right to impose the respective taxation for the years up to and including 2017 has time elapsed until 31.12.2023, with the reservation of special or exceptional provisions that may provide for a longer lapse period and under the conditions specified by such provisions.

In addition to the above, in the absence of a statute of limitations and lapse in the Code of Laws on Stamp Duties, the relevant claim of the State for imposition of stamp duties is subject to the twenty-year statute of limitations and lapse in accordance with the article 249 of the Civil Code for cases created up to the fiscal year 2013. From 01.01.2014 and after the entry into force of Law 4174/2013, the statute of limitations and lapse for the imposition of stamp duty is limited to 5 years, given that the procedures for imposing and collecting the stamp duty are now part of the provisions of Tax Procedures Code.

Tax Compliance Certificate

For the years 2011 and until 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 2022, 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 2023 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 31.12.2023. 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 2017 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 on 31.12.2023 amounts to 3,356 million euros (31.12.2022: 2,836 million euros). Under these commitments, the Group has issued letters of guarantee totaling 1,096 million euros (31.12.2022: 980 million euros).

43.3 Litigations

The Company and its consolidated companies are involved (in their capacity as defendant and plaintiff) in various court cases in the context of their normal operation. In particular, in the case of legal proceedings against the Group for accidents at work that occurred during the execution of construction works, it is noted that the Group is insured against accidents at work and, therefore, no significant burden is expected to arise from the potentially adverse outcome of such court cases.

The Group makes provisions in the financial statements for outstanding legal cases when it is probable that an outflow of resources will be required to settle the obligation and that the amount can be estimated reliably. In this context, the Group has recognized as of 31.12.2023 provisions of 5,284 (31.12.2022: 5,199) for litigations (see Note 24).

The Management, as well as legal consultants, consider that outstanding cases are expected to be settled without significant adverse effects on the consolidated financial position of the Group or the Company or the results of their operation apart from the provision already made for litigations.

Client claims against Joint Venture "SIEMENS A.G. - AKTOR S.A. - TERNA S.A." 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 S.A. - TERNA S.A., whose member is TERNA S.A.

The legal dispute arose from the project *"Renovation of a railway line and manufacture of signaling electrification, - telecommunication in the part of Piraeus - Athens - Three bridges - SKA - Acharnes / Three bridges - Ano Liossia (connection to SKA – Korinthos High Speed Railway Line)",* whose contractor was the aforementioned joint venture, following the decision made by OSE on the final cessation of operations and termination of no. 994/2005 project implementation agreement.

OSE demands that the joint venture should pay the amount of 22,062 plus interest as from 05.12.2014, otherwise from 31.12.2015, as unduly paid, on the ground that this amount does not correspond to a contractual benefit that OSE received from the joint venture. In particular, based on the aforementioned litigation, this amount constitutes a deviation, on the one hand between the work invoiced by the joint venture SIEMENS A.G. - AKTOR S.A. - TERNA S.A. and paid by OSE to the joint venture, and, on the other hand, the revised (by OSE) final measurement of the conducted work and the project.

In addition, a payment of Euro 624 plus interest is requested as from 01.09.2011, otherwise from 31.12.2015, which corresponds to the unamortized part of the prepayment that had been paid to the joint venture contractor of the project, in the context of its implementation.

The hearing of the case had been initially scheduled for 21.09.2017, however, after cancellations and postponements, was rescheduled for 05.12.2019, when it was also cancelled. It has already been rescheduled for hearing on 18.03.2021 and was postponed for the hearing of 17.03.2022 which was also postponed for the new hearing date which is expected on 19.10.2023.

At a stage prior to the aforementioned OSE litigation, the joint venture contractor of the project and the companies participating in it, as of 30.03.2012 have filed an appeal against OSE and against the final measurement of the project so that it should be revised. This appeal, initially rejected by the Piraeus Court of Appeal for formal reasons, was again referred to the five-member Piraeus Court of Appeal under no. 1038/2017 decision of the Supreme Court published on 16.06.2017. The above appeal was heard, after being postponed, on 17.01.2019 and the decision 330/2020 was issued which refers to hearing the said appeal at the Piraeus Court of Appeal in a three-member court panel.

Following the above, the Consortium (Joint Venture) filed a relevant summons for determination of a hearing date before the Piraeus Court of Appeal under a three-member composition and a hearing was set for 17.03.2022, where it was discussed and the decision No. 346/2022 was issued, which accepts partially the above appeal and cancels: a) the presumed implicit rejection by the Minister of Transport and Networks as of the 27.11.2011 application for treatment of the applicants against the decision 4766/25.08.2011 of the Board of Directors of the defendant – O.S.E. S.A., by which their applicants' objection from 30.06.2011 and with protocol number OSE - DIPAR 1845763 was rejected, b) the above decision of the Board of Directors of O.S.E. S.A. 4766/25.08.2011, by which the objection of the applicants dated 30.06.2011 and with protocol number OSE - DIPAR 1845763 was rejected, and c) the act with protocol number 1845244/16.06.2011 of the Managing Service of the project entitled *"Railway renovation and construction of electrical motion - signaling - remote control - in the section Piraeus - Athens – Treis Gefyres - Ska - Acharnes / Treis Gefyres - Ano Liosia - connection withS.Y.T. Ska - Korinthos",* which corrected the Final Measurement of this from 20.04.2011, as regards: a) the reduction of the contractually determined works performed, which also include those of articles 1NT/2, 1NT/9, 1NT/10, 1NT/16, 1NT/20, 1NT/21, 1NT/24, 1NT25/1, 1NT25/5, 1NT25/6, 1NT25/7, 1NT25/12 and 1NT25/15, b) in the materials on site and c) in the new works of articles 2NT/1, 2NT/18, 2NT/32, 2NT/33, 2NT/34, 2NT/35, 2NT/36 and 2NT/37, in order to accept the Final Measurement, as submitted by the contracting consortium, with regard to the above (a) contractually determined works that were performed and curtailed, which also include those of articles 1NT/2, 1NT/9, 1NT/10, 1NT/16, 1NT/20, 1NT/21, 1NT/24, 1NT25/1, 1NT25/5, 1NT25/6, 1NT25/7, 1NT25/12 and 1NT25/15, b) materials on site and c) new works of articles 2NT/1, 2NT/ 18, 2NT/32, 2NT/33, 2NT/34, 2NT/35 2NT/36 and 2NT/37.

Following the above decision of the Court, the contractor submitted to OSE S.A. a document with the subject: "Submission of the 67th Certification of Completed Works" for the project. With the letter numbered 9034826/31.08.2022 of the Managing Service Dept., the alleged "67th Certification" was returned with the reasons mentioned therein. Against the above-mentioned act under the number 9034826/31.08.2022 of the Managing Service Dept., the contractor legally filed its objection dated 15.09.2022. Also, the Contractor similarly requested in a relevant letter the return of the letters of guarantee of good performance and advance payment. With its letter numbered 9034926/31.08.2022, the Managing Service Dept. responded negatively to the return of the guarantees, with the reasons mentioned therein. Against the above-mentioned act No. 9034926/31.08.2022 of the Managing Service Dept., the Contractor legally filed its objection dated 15.09.2022. The Managing Service Dept. forwarded its suggestions on the objections, from 16.09.2022, of the contractor against the letters of the Managing Service Dept. where the 67th invoice was returned, and also against the non-return of the guarantee letters of the project respectively, on time, to the competent "Technical Council for Construction Projects and Studies of Supervised Bodies" of the General Secretariat of Infrastructure of the Ministry of Infrastructure and Transport, in order to issue its opinion before the issuance of a Decision by the competent ruling Body on the objections, in accordance with article 174 of Law 4412/16, as amended by article 87 of Law 4782/21.

On 09.12.2022 the Minister of Infrastructure and Transport (as the competent ruling body) with the decision numbered 395361, partially accepts the Contractor's objection as of 16.09.2022 against the letter numbered 9034826/31.08.2022 of the Managing Service Dept., with which the 67th Account of the project was returned. In view of the above, ultimately the Managing Service without delay and in full compliance with the final court decision number 346/2022 of the Piraeus Court of Appeal should:

a) draw up and competently submit for approval, a Protocol for the Regulation of Unit Prices for New Works, which will be approved as soon as possible by the Supervisory Authority.

b) carry out the redrafting and approval of the analytical measurements (to the extent required due to compliance with the final court decision), as well as the final measurement.

c) to draw up and submit for approval, a Summary Table of Works for the subsequent liquidation of the contractor consideration, which will be approved as soon as possible by the Supervisory Authority.

Appropriate actions should also be taken for the temporary and final acceptance of the project, according to the above rationale.

Also, on 09.12.2022 the Minister of Infrastructure and Transport with the decision number 395306, accepts the objection from 16.09.2022 of the Contractor Joint Venture against the letter numbered 9034926/31.08.2022 of the Managing Service Dept., by virtue of which the project's letters of guarantee are not returned and articulates the following view: *"....As it can be observed from the elements and data of the project's file, the amount recognized by the Managing Service Dept. as being payable to the contractor, according to the corrected Final Measurement, exceeds the amount of the letters of guarantee and therefore they should be returned, since there is no reason to continue withholding the letters of guarantee and furthermore since this is not deemed necessary in order to safeguard the interests of the project owner. At the same time the return of the letters is also in accordance with the final and immediately enforceable decision under number 346/2022 of the Piraeus Court of Appeal".*

It is noted that: a) the contractor joint venture, with regard to its requests which were rejected as indefinite according to the decision under no. 346/2022 of the Piraeus Court of Appeal, filed an appeal from 13.09.2022 before the Piraeus Court of Appeal where a trial date of was set for 15.02.2024 and was postponed to 20.03.2025 and b) OSE S.A. filed an appeal in the country's Supreme Court against the decision under no. 346/2022 of the Piraeus Court of Appeal.

There are processes and contacts among the parties following the aforementioned decisions of the Minister of Infrastructure and Transport, which due to the tragic train accident in Tempi have been suspended for the time being.

Additionally, it is noted that on 07.03.2024, two (2) appeals by OSE S.A. were submitted to the Contractor Joint Venture for consideration before the Administrative Court of Appeal of Piraeus against the respective decisions of the Minister of Infrastructure and Transport (as previously mentioned), the trial of which has been postponed to 09.10.2024.

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

Since 01.01.2024 and up until the approval date of the accompanying financial statements, the following significant events were noted:

- On 12.01.2024, the Joint Venture TERNA S.A. – INTRAKAT S.A., in which the Company participates with a percentage of 50%, signed a contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Western Sector and on the Vertical Axis A29, year 2023-2025 (code 6060)",* amounting to 68.7 million euros.
- On 12.01.2024, the Joint Venture INTRAKAT S.A. – TERNA S.A., in which the Company participates with a percentage of 50%, signed a contract with EGNATIA ODOS S.A., for the construction of the project *"Egnatia Odos: Operation and Maintenance of the Motorway in the Eastern Sector and on the Vertical Axes A1, A25 and A23, year 2023-2025 (code 6061)",* amounting to 57.1 million euros.
- On 25.01.2024, the Company signed a Preliminary Share Transfer Agreement for the acquisition of 100% of the shares of the anonymous company P & C DEVELOPMENT concerning its construction part, subject to the approval of the relevant acquisition from Competition Commission.
- On 19.03.2024, the RENCO - TERNA Joint Venture was established, in which the Company participates with a percentage of 50% and is expected to sign a Contract for the construction of the first Microsoft Data Center in Greece and specifically in Spata, Attica.

  It is an industrial-type facility, consisting mainly of mechanical and electrical equipment for data storage and processing in the Cloud and is structured as an Equipment Building (ATH04 Building) and an Administration Building (Admin Block) accompanied by a number of supporting facilities and infrastructure in the surrounding area, while its design follows the LEED (Gold Grade) certification requirements. The project budget amounts to 79.6 million and foresees the completion of the design, the construction and commissioning of Microsoft's first Data Center, with a total installed capacity of 19.2MW.
- On 16.04.2024, the Company signed a contract with PPC S.A. for the lease of three (3) GE Gas Turbine Units, with a total delivered net power of 130MW to cover the additional power needs of the AES Linoperamaton of Crete, for a period of time until 31.12.2025.

45 APPROVAL OF THE FINANCIAL STATEMENTS

The separate and consolidated Financial Statements for the year ended 31.12.2023 were approved by the Board of Directors of TERNA SA on May 24, 2024.

THE CHAIRMAN OF THE BoD	THE DEPUTY CHIEF EXECUTIVE OFFICER
GEORGIOS PERDIKARIS	ALEXANDROS MICHAILIDIS
THE CHIEF FINANCIAL OFFICER	THE DIRECTOR OF ACCOUNTING DEPARTMENT
PANAGIOTIS KAZANTZIS	ANASTASIA GKAMARI