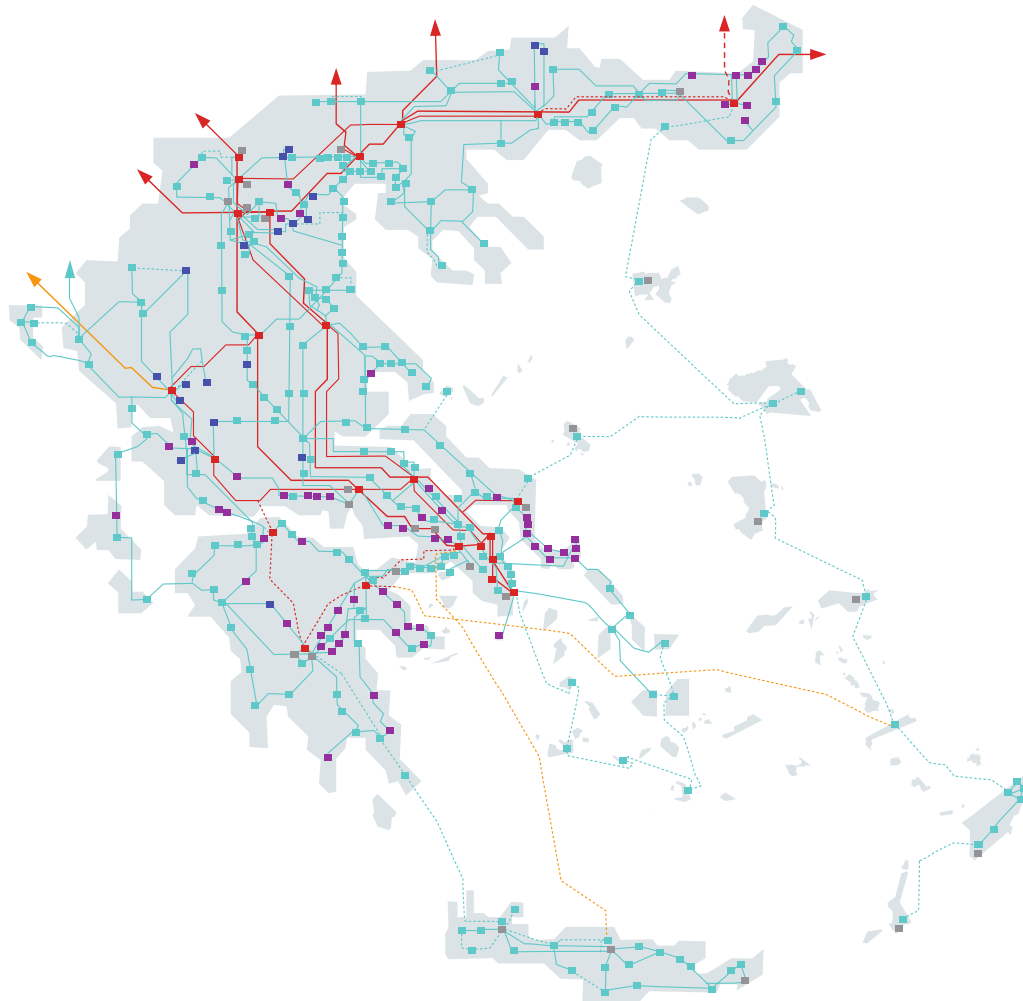


ANNUAL FINANCIAL REPORT

for the period
January 1st to December 31st 2019



*This is a translation from the original version in Greek language. In case of a discrepancy, the Greek original will prevail.

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ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS

INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) S.A.

Management report of the Board of Directors

for the period 01/01/2019 – 31/12/2019

to the ordinary Annual General Meeting of Shareholders

Dear Shareholders,

This Annual Management Report, which follows, (hereinafter referred for brevity as “the Report”) was prepared in accordance with the applicable Law and the Articles of Incorporation of the company “**Independent Power Transmission Operator**” (hereinafter referred as “IPTO” or “the Company”) and contains in a concise but meaningful, substantive and comprehensive manner all relevant information required by Law, in order to provide substantial and detailed information about the activity during the ninth fiscal year ended at December 31, 2019.

The companies of the Group included in the consolidated financial statements are “ARIADNE INTERCONNECTION S.P.L.C” and “GRID TELECOM S.M.S.A. ”. The Annual Financial Statements of the subsidiaries are posted online at the following websites:

ARIADNE INTERCONNECTION S.P.L.C.: <http://www.ariadne-interconnection.gr>

GRID TELECOM S.M.S.A.: <http://www.grid-telecom.com>

The Consolidated and Separate Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

1. Changes to the existing institutional Framework within 2019

A detailed disclosure of the changes in the existing institutional framework is included in Note 2 of the Financial Statements.

2. Analysis of the development & the Group's activities

2.1. Business model description, goals and core values

The Group besides the Company consists of the subsidiaries “ARIADNE INTERCONNECTION S.P.L.C” and “GRID TELECOM S.M.S.A.

The Company is a continuation of “PPC TELECOMMUNICATIONS SOCIETE ANONYME”, established in 2000 in Greece following a change in its trade name, according to the decision published in GG 10787/11.10.2011, and its operation is governed by the Greek Law.

The purpose of the Company is to engage in the activities and perform the duties of Owner and Operator of the “**Hellenic Electricity Transmission System**” (**HETS - ESMIE in Greek**), as stipulated in Law 4001/2011. IPTO in its capacity as Operator of the Hellenic Electricity Transmission System performs all duties stipulated in Article 94 of Law 4001/2011. These duties are:

- Ensuring the long term ability of the System to meet reasonable demand for electricity transmission in a financially and environmentally sustainable manner.
- Granting access to the System to all electricity generation and supply permit holders as well as to those parties which have been legally exempted from permit holding obligations and to High Voltage consumers.
- Allowing the connection of the Hellenic Electricity Distribution Network to the System in compliance with the Hellenic Electricity Transmission System Operation Code
- Managing electricity flows on the System, taking into account exchanges with other interconnected systems.

- Ensuring the safe, reliable and efficient operation of the System as well as the availability of necessary ancillary services including those provided by demand response, insofar as such availability is independent from any other transmission system.
- Preparing the dispatch schedule for generation plant connected to the System, determination of interconnections usage and performance of real-time dispatching of available generation plant.
- Providing other system and network operators, with which the System is interconnected, with all information pertinent to safe and efficient operation as well as to the coordinated development and interoperability of the System with aforementioned systems and networks.
- Providing System Users with all necessary information to ensure their effective access to the System.
- Provision of all services under transparent, objective and non-discriminatory criteria so as to avoid any discrimination among Users or User categories, especially with regard to entities affiliated with IPTO.
- Collection of System access charges and conduct of all relevant transactions under the inter-transmission system operator compensation mechanism, in compliance with Article 13 of Regulation (EC) No. 714/2009.
- Granting and managing third party access to the System and giving reasoned explanations when such access is denied.
- Participation in unions, organizations or other entities with the purpose of developing common action rules which are conducive to the creation of a unified internal electricity market, within the auspices of European Community law, and especially to the allocation and provision of electricity transmission rights via the corresponding interconnections as well as to the management of such rights on behalf of the aforementioned operators and especially in the European Network of Electricity Transmission System Operators (ENTSO-E)
- Preparing on an annual basis, upon prior consultation with all current and potential System Users, of the Hellenic Electricity Transmission System Ten-Year Network Development Plan.
- Maintaining of necessary ledger accounts pertaining to the collection of interconnection congestion charges or any other charges relevant to the operation of the Hellenic Electricity Transmission System.
- Posting on IPTO's website, of all RAE approved amounts charged to System Users.
- Calculating the ex-post System Marginal Price (SMP).
- Clearing of generation-demand imbalances and conduct of all relevant transactions for the settlement of said imbalances in cooperation with the Market Operator and the Hellenic Electricity Distribution Network Operator.
- Entering, subject to a relevant tender process, into electricity trading agreements, including agreements for demand management insofar as this is required for the provision of ancillary services with the purpose of generation-demand imbalance settlement during real-time system operation and in compliance with the Hellenic Electricity Transmission System Operation Code
- Cooperation with the Market Operator according to the stipulations of the Market Operation and Hellenic Electricity Transmission System Codes.
- Provision of technical consulting services on issues pertaining to IPTO's duties, to Transmission System Operators or Owners on a fee and participation in research programs as well as in programs funded by the European Union, insofar as such activities do not hinder the appropriate execution of IPTO's duties.

The Company's registered address is located at 89, Dyrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. On December 31st, 2019, the Group employed 1.252 employees, and the Company 1.232 employees, 7 of whom were seconded to Public Sector services while 6 of them were paid by the Company. Their total payroll cost was 163 thousand euros approximately and is included in the Income Statement.

Regarding the subsidiaries, the company "ARIADNE INTERCONNECTION S.P.L.C" was established in September 2018 by IPTO in compliance with RAE's decisions 816/2018 and 838/2018, with single purpose the construction and finance of the Crete-Attica interconnection project as described by the Ten-Year Development Plan (DPA) of the

National Electricity Transmission System for the period 2018-2027 and in the Energy Regulatory Authority (RAE) decisions.

The company "GRID TELECOM S.M.S.A." was established in January 2019 by IPTO with the purpose of the operation, management and development of optical fiber networks, in order to provide integrated electronic communications services. The purpose of the newly established company is disclosed in detail below in section 4.6.

3. Principles of management and internal management systems

3.1. HETS Development and decision-making

IPTO, following consultation with all interested parties, submits to RAE (Regulatory Authority for Energy), by March 31st of each year, a Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS), which covers the period starting from January 1st of the following year and is based upon existing and projected Supply and Demand. The Plan contains effective measures aiming at ensuring the System's adequacy and the security of the supply.

Specifically, HETS Ten-Year Network Development Plan:

- a) identifies the main transmission infrastructure to be built or upgraded over the next ten (10) years including the necessary infrastructure for the penetration of RES,
- b) contains all investments already included in previous Development Programs and identifies new investments whose implementation is expected to begin within the next three years,
- c) provides technical and economic feasibility analysis for major transport projects of the above (b) section, and in particular those related to international and island interconnections with the Transmission System, including implementation schedule, estimated cash flows for investing purposes.

In case that RAE, within the framework of its competence, identifies that IPTO does not ensure the implementation of the investments that are planned to be executed within three years, according to the TYNDP, unless this delay is due to events beyond control, shall take at least one of the following measures:

- a) Imposes to IPTO the obligation to execute these investments,
- b) Organizes an open tender for these investments and
- c) Obliges IPTO to proceed to capital increase in order to finance the necessary investments, allowing independent investors to participate in the corporate capital.

In case that RAE makes use of its power as per (b) section, it may oblige IPTO to accept one or more of:

- a) Finance the investment by any third party,
- b) Finance and construction of the investment by any third party,
- c) To undertake the contract for the construction of the investment's fixed assets, or
- d) To undertake the operation and management of the investment's fixed assets.

3.2. Board of Directors

The Board of Directors manages each Company of the Group as a collective body, taking its decisions in accordance with the current legislation and RAE's decisions.

The members of the Board of Directors acquire all relevant information relevant to the operation of the Company. Moreover, they must exercising their duties at the interests of the Company and its shareholders. The Board of Directors primarily formulates the strategy and development plans and supervises and controls the Company's asset

management. The composition and duties of the members of the Board of Directors are determined by the Law and the Company's Articles of Association.

3.3. Internal Audit

Internal audit is performed by independent Internal Audit Office.

In the performance of its duties, the internal audit office becomes aware of the necessary documents to carry out its audit, accounting books, bank statements and portfolios and requests management to cooperate and provide all the necessary means to facilitate its work, in order to receive all requested information to ensure the drafting of a report free of material misstatements with respect to the information and conclusions disclosed therein.

4. Description of past performance and tangible and intangible assets

4.1. Economic Review of year 2019

The Group's and Company's total revenue remained at approximately the same level as prior year's revenue with a slight increase of approximately 0,96% for the Group and 0,66% for the Company.

Operating expenses further decreased at Group level by 14,93% to Euro 115 million in 2019 compared to Euro 135 million in 2018 while at Company level decreased by 14,32% to Euro 116 million in 2019 compared to Euro 135 million in 2018.

The above fluctuations led to 23,89% increase for the Group and 22,97% for the Company in EBITDA, which amounted to Euro 224 million compared to Euro 181 million the previous year at Group level and Euro 223 million compared to Euro 181 million the previous year for the Company, with the EBITDA margin reaching 89,74% in 2019 compared to 73,13% in 2018 at Group level and 89,44% in 2019 compared to 73,21% in 2018 for the Company. Earnings before Interest and Depreciation continue to still cover the Group's debt as arises from the Net Debt / EBITDA ratio of 0,90 in 2019 versus 0,47 in 2018 while the corresponding figures for the company are 1,80 in 2019 versus 1,58 in 2018. The net profit margin increased significantly to 42,27% in 2019, versus 33,24% in 2018 for the Group and 41,33 % in 2019, versus 33,13% in 2018 for the Company. Return on Equity increased to 10,30% in 2019, compared to 10,14% in 2018 for the Group and 10,05% in 2019, compared to 10,11% in 2018 for the Company, while there was a small increase in ROCE of 6,89 % in 2019, compared to 6,53% in 2018 for the Group and 6,83 % in 2019, compared to 6,54% in 2018 for the Company.

The Alternative Performance Indicators together with their calculation method is disclosed in note 8.2

4.2. Evolution of debt

Net Debt (loans minus cash) remained at satisfactory levels due to high cash reserves and amounts for the Group to Euro 201 million in 2019 compared to Euro 86 million in 2018 while the Leverage ratio stood at 13% compared to 8% in 2018. The Company continues to serve its debt obligations smoothly. Net Debt of the Company amounts to Euro 402 million in 2019 against Euro 286 million in 2018 while the Leverage-ratio stood at 23% compared to 22% in 2018.

4.3. Cash flows

Net cash flows of the Group and the Company were sufficient to repay loans of Euro 64,2 million, expenses and interest of Euro 12,35 million and to pay dividends of Euro 42,79 million. During 2019, the Company maintained the amount of Euro 166 million in the Bank of Greece, pursuant to Article 15, paragraph 1 of Law. 2469/97 as applicable on the Common Fund.

4.4. Dividend policy

According to Article 31 of the Codified Articles of Association, the amount distributed to the shareholders as dividend will amount to fifty per cent (50%) of the Company's net annual profits.

The Board of Directors approved the Financial Statements for the fiscal year 2019 on May 11, 2020 and proposed to the Annual General Meeting of Shareholders the distribution of a dividend of Euro 51,45 million of the net profits for the year.

4.5. Tangible and intangible assets

The total investments of IPTO in the HETS' network amounted to Euro 249 million (2018:Euro 178 million), including third party projects, while the Company proceeded to the establishment of a second special purpose subsidiary by paying for its share capital the amount of Euro 0,3 million.

4.6. Significant events of fiscal year 2019

- In the context of the implementation of Group's strategic planning and in compliance with no. 5.241 / 2019 notarial deed, management decided to establish a subsidiary with title "GRID TELECOM S.M.S.A." which is fully consolidated in the Group's results. GRID's TELECOM share capital amounts to Euro three hundred thousand (€ 300.000) , paid in full and divided into 3.000 common shares of nominal value € 100 each. The Extraordinary General Meeting of the subsidiary GRID TELECOM that took place on January 2020, and approved a share capital increase of € 1.500.000 with the issuance of 15.000 new ordinary shares, with a nominal value of one hundred euros (€ 100) each.

The Company's scope and activity consists of:

- The provision of electronic communications services, products and integrated services/solutions, as well as broadband access.
- Installation, operation, exploitation, management and development of any kind of electronic communications networks and any kind of electronic communications infrastructure and related services, locally, nationally, cross-border and internationally.
- The development, installation, operation, management and exploitation of all types of mobile and fixed communication services.
- Undertaking activities related to the provision of electronic communications services, telecommunications, including system design, as well as the development, production, use, sale, rental, leasing and maintenance of telecommunications equipment.
- The acquisition of ownership of equipment and media for the provision of services that fall within the scope of the Company and the acquisition of ownership, use or exploitation rights through purchase, lease or otherwise of movable or immovable property or rights.
- The development, installation, operation, management and exploitation of new services, based on technological developments in the fields of telecommunications, information technology, multimedia and the Internet, as well as any other service that may be provided through the Company's network or other networks in the which the Company has or may have access to.
- The provision of electronic data processing services, databases and internet services.

- Provision of leased or subleased lines and network and leasing of capacity.
- The provision of consulting services or services related to line/network operations, to companies affiliated with the Company, operating domestically or abroad.
- In 2019, the Company signed a 20-year loan agreement with the European Investment Bank, amounting to Euro 178 million, for the interconnection Crete-Peloponnese (project analysis in note 4.7). The EIB loan will cover about half of the construction costs of the Crete interconnection.
- According to Law 4585/2018, article 4 of Government Gazette 216 / 24-12-2018, DAPEEP SA as of 01.04.2019 is automatically subrogated to all rights, obligations and legal relations of IPTO SA which derive from the responsibilities of managing the income of the RES and NGCCP Special Account of the Interconnected System and Network based on Article 143 of Law 4001/2011 generated by the Special Fee for the Reduction of Gas Emissions, the Average Variable Cost of Thermal Conventional Power Plans and the Special Lignite Fee, irrespective of the time of their generation.

4.7. Major projects completed in 2019 or projects in progress

Brief Description of the Most Important Projects

1. Cyclades Interconnection

Cyclades interconnection project concerns the interconnection of the Islands of Syros, Mykonos, Paros and Naxos with HETS and the strengthening of the Andros - Tinos interconnection, and it has been designated by a Ministerial Decision (November 2006) as a project of "major importance for the country's economy". The project aims to increase the reliability of power supply of the interconnected Islands and also to reduce production costs (oil substitution with other energy sources, depending on the evolution of the power generation mix in the mainland).

The project design was formed with a view to minimizing environmental disturbance on the Islands. In this regard, the new substations on the Islands have been located near the seashore to prevent the construction of overhead transmission lines on the Islands, while the interconnection of the Islands with the Continental System is planned through submarine cable connections. According to the above, IPTO is implementing the project in phases:

Phase A

The implementation of Phase A was completed in the first months of 2018.

Phase A includes the connection of Syros with Lavrio, as well as with the Islands of Paros, Mykonos and Tinos. After its completion, the units of the autonomous power stations were put in reserve for emergency and the loads of the Islands are now supplied by HETS (the loads of Andros - Tinos are already supplied by HETS through the transmission line which connects South Evia with Andros).

The project, budgeted at 264,3m euros (including preliminary expenses), was co-financed by the European Union and NSRF 2007-2013 and 2014-2020 and was funded by the European Investment Bank.

Phase B

The Phase B of the Cyclades interconnection is completed within 2020. It includes the following sub-projects:

- Connection of Paros - Naxos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length 7,6 km.
- Connection of Naxos – Mykonos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length 40 km.
- Construction of a new GIS S/S on Naxos, as well as the required connection projects at the Paros and Mykonos substations.

In parallel with Phase B, the upgrade of the existing cable connection between Andros - Livadi (Southern Evia) with a length of 14,5 km and Andros - Tinos with a length of 4km were planned with the installation of new submarine cables with alternative current XLPE 150 kV with a nominal capacity of 200 MVA, replacing existing oil cables. The upgrade work was completed in early 2020.

The Phase B project with a budget of 47,3 million euros and the project of upgrading the existing cable connection Andros - Livadi with a budget of 22,2 euros are co-financed by the European Union and the NSRF 2014-2020.

Phase C

The Phase C of the Cyclades interconnection includes the completion of the interconnection with the launch of the second cable between Lavrio – Syros, as well as with the required connection works (self-inductions and gates) in Lavrio and Syros.

The aim of Phase C is to ensure the required reliability for all operating conditions, depending on the evolution of the demand of the interconnected Islands. Upon completion of the Phase C, full reliability of power supply of the Cyclades complex is ensured for the foreseen time horizon of operation of the project. In any case, even after the construction of all phases of the project, production capacity should be maintained in the Islands, so that it is possible to deal with emergencies.

Phase C with a budget of 122,3 million euros will be completed within 2020 and is co-financed by the European Union and the NSRF 2014-2020.

2. Crete Interconnection

The System of Crete is characterized by:

- Very high variable production costs due to the use of oil in local power stations, which is reflected in a very significant burden on consumers to cover Public Service Obligations (PSOs).
- High annual rate of increase of the island's load. It is noted that the load during the summer months is marginally covered by the local Stations.
- The great difficulty or even the impossibility of finding spaces and ensuring licenses to strengthen the local Stations or develop new ones.
- The growing interest in exploiting the rich local RES potential, the penetration of which into the island power mixture is limited due to technical limitations (mainly important stability issues that can be created by the high penetration of RES in an autonomous electrical system such as that of Crete).
- Low level of supply reliability, particularly in cases of damage to the power system.

The above characteristics enable the interconnection of Crete with HETS a necessary project in terms of the feasibility of its implementation.

Interconnection of Crete with the Peloponnese

The Crete - Peloponnese Interconnection constitutes the first phase of Crete's interconnection with HETS. The Crete-Peloponnese interconnection of alternative current can be implemented with 2 circuits of alternative current 150 kV, with a nominal capacity of 200 MVA each one. After a thorough investigation into the operation and power adequacy of the electrical system of Crete, it emerged that the power, which can be safely transmitted through this Alternative Current connection, ranges from 150 MW to 180 MW, depending on the operating conditions.

In the case of alternative current power cables, the minimization of submarine routing is sought not only for cost reduction purposes, but also for reactive compensation requirements, which are significant anyway. Thus, the wider area of Neapoli has been chosen as a connection point in the Peloponnese.

In addition, the installation of a STATCOM system of reactive power compensation will be required in the electrical system of Crete to regulate the voltages and ensure the stability of the network in normal and in disturbed conditions.

The project, budgeted at 356,4 million euros (including preliminary expenses), was co-financed by the European Union and NSRF 2014-2020 and was funded by the European Investment Bank. The overall project is in progress and will be completed within 2020.

Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the project of the small interconnection of Crete - Peloponnese. It serves the same purposes by further strengthening the island's security of power supply along with the need to increase the ability to absorb generation of electrical power from RES. At the same time, a further significant reduction in the Public Utilities (YKO) charges is expected for all consumers of the system in the Greek Territory.

This project will be carried out by the 100% subsidiary of "IPTO's ARIADNE INTERCONNECTION SOLE SHAREHOLDER SA", which was established based on the decisions of RAE 816/2018 and 838/2018 as an implementing body, and whose sole purpose is the construction and financing of the project. In addition, it has been assigned the selection of companies that will enter into contracts with IPTO and will be in charge of maintaining the system for 10 years, for which IPTO will be responsible. The property, ownership, operation of the cable and the technical specifications provided to the contractors for the cable construction are the responsibility of IPTO. So, throughout the project implementation by Ariadne, the fixed assets belong to IPTO and are reflected respectively in the financial statements of IPTO and after its electrification, the project is integrated in HETS, the ownership and management of which belong exclusively to IPTO.

This project consists of two sub-projects: The first concerns the "Study, Supply and Installation of cables and electrode stations for the electrical interconnection of direct current between Crete and Attica (2 x 500 MW)" and the second in "Study, Supply and Installation of two Conversion Stations and a Substation for the Electrical Interconnection of direct current, between Crete and Attica (2 x 500 MW)".

The selection of the contractors has been completed and the relevant contracts have been finalized. Within May, they are expected to be signed so that, within the first half of 2020, the study-construction works of the electrical interconnection of Crete - Attica will begin, taking under consideration the implementation of the project on schedule.

The project with a budget of 1,1 billion euros has been included in the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014-2020" with No. 4101/1467 / A1 / 25-6-2019 decision of the Monitoring Committee for funding from NSRF 2014-2020.

3. System extension 400 kV to the Peloponnese

The expansion of the 400 kV system to Megalopolis (with the subsequent creation of a 400 kV loop Patras - Megalopolis - Corinth) dramatically increases the ability to transmit to and from the Peloponnese, enables the development of RES and thermal power stations, significantly improves the margin of stability of voltages for the Southern System and ensures the Peloponnese in any combination of power generation and load conditions. In

addition, it strongly connects the power station of Megalopolis with the high load areas (Attica and Patras area) and contributes to the achievement of isobaric development of the Power Generation and Transmission Systems in the Southern Complex. Finally, it should be emphasized that the development of the 400 kV system towards the Peloponnese contributes to the reduction of the total losses of HETS.

Megalopolis project co-financed by NSRF 2007-2013 and part was funded by the European Investment Bank.

West Corridor (Megalopolis - Patras - West Sterea)

The projects of the Western Corridor are in progress and will be completed within 2020.

The construction of a new high voltage center in Megalopolis is important for the Peloponnese region. The high-voltage center of Megalopolis, which was fully operational in 2014, was needed to connect the new production unit in Megalopolis ("Megalopolis V" unit), to increase penetration by RES in the Peloponnese and to support voltages at high load hours.

The interconnection of the high voltage center of Megalopolis with the 400 kV circuits on the Antirrio side is carried out with a new transmission line of 400 kV double circuit, consisting of overhead, underground and submarine sections, as well as the corresponding compensation inductions.

The total budget of projects amounts to 163,7 mil.

East Corridor (Megalopolis - Corinth - Attica)

The main hub of the Eastern Corridor is the high voltage center of Corinth, which is planned to be connected to the 400 kV system as follows:

- With the Koumoundourou high voltage center through a new double transmission line 2B'B' / 400 kV.

After its construction:

- With the new high voltage center of Megalopolis through a new double transmission line 2B'B' / 400 kV.

The projects of the Eastern Corridor are in progress and are expected to be completed by 2024 (the section from the high voltage center of Megalopolis to the high voltage center of Corinth will be completed within 2021).

The total budget of projects amounts to 95,6 mil.

4. Digitization of Dispatching Energy Centers

In Dispatching Energy Centers across the country, the projectors were replaced with digital ones after more than 20 years of operation. The centers in Kryoneri and Ptolemaida were upgraded technologically with the modernization of software and control rooms.

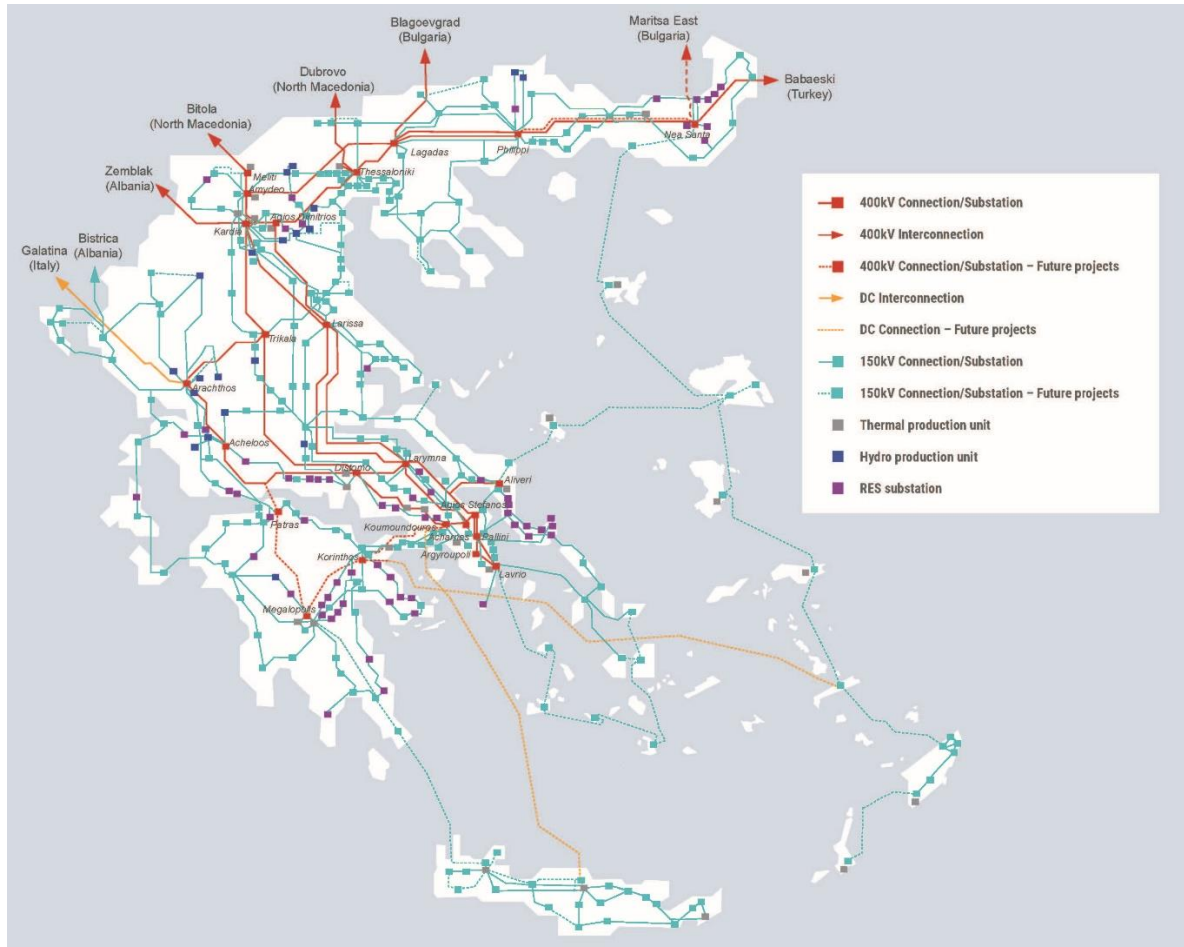
The project's budget of € 4 mil. is co-financed by the European Union and the NSRF 2014-2020.

5. Electrification of new submarine interconnections

In 2019, three new submarine lines were electrified:

- The 400kV cable in the Rio-Antirio section,
- The new 150kV cable in the Evia-Andros section,

- The first circuit of Salamina was put into operation, and the second one is intended for electrification in early 2020.



Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS)

2019-2028 and 2020-2029

Attica-Crete interconnection since November 2019 is no longer part of PCI 3.10 (Project of Common Interest) and will be implemented by the special purpose company "ARIADNE INTERCONNECTION SPLC", a subsidiary of IPTO. Following this development, IPTO submitted the fourth (4th) Revised TYNDP 2019 - 2028, which was approved by the decision 1097/2019 of RAE and the Revised TYNDP 2020 - 2029 to RAE for approval on April 18, 2019, which according to RAE's decision (1097/2019) must be updated and re-submitted.

2021-2030

IPTO put the TYND Preliminary Plan 2021 - 2030, on public consultation from December 31, 2019 to January 31, 2020. IPTO considering the comments submitted during the public consultation, prepared the final draft of the TYNDP 2021-2030, which was submitted for RAE's approval on March 31, 2020.

5. Major risks

The Group continuously monitors developments in order to minimize possible negative effects that may arise from various events. Specifically, following are the main risks associated with the Group's operations:

5.1. Risks related to inventories

5.1.1. Risk of inventory obsolescence

At each reporting date, the Group assesses whether there is an indication of impairment of inventories in spare parts. Determining whether there is an indication of impairment requires management to make estimates.

5.1.2. Stock insurance

Spare part stocks are scattered throughout the country, and therefore the risk of a major loss is reduced. IPTO SA has no insurance cover on its stocks, as the estimated insurance costs are higher compared to the costs of repairing any damage.

5.2. Prospects and how these are affected by the existing regulatory framework

5.2.1. Risk of Demand reduction

There is no risk of demand reduction due to the nature of the Company's activity.

5.2.2. Risk of Regulatory Framework changes

The Company's activity is subject to a strict and complex legislative and regulatory framework, related to the management of the HETS and increased supervisory obligations. Possible amendments to the HETS Management Code and the relevant legislative and regulatory framework may create additional management responsibilities for the Company. Any further responsibilities or possible changes to the relevant institutional framework are likely to adversely affect the Group's and Company's profitability.

Also, possible changes in the methodology and / or calculation parameters of system usage charges are likely to have a significant effect on the Group's and Company's revenues and profitability.

5.2.3. Operational / Regulatory risk

Any amendments and / or additions to the regulatory framework governing the Electricity Market in implementation of the European Legislation provisions may have a significant impact on the operation and the financial results of the Company.

5.3. Other risks related to the activity or the sector in which the Group Companies operate

5.3.1. Risks related to the sector in which the Company operates

The Company is subject to certain laws and regulations applicable to Société Anonyme of Ch. B of Law 3429/2005. Since the Greek State holds (directly or indirectly) 51% of ADMIE HOLDING SA share capital, IPTO continues to be considered in certain areas a company of the Greek Public Sector. Therefore, IPTO operations will continue to be subject to laws and regulations applicable to Greek Public Sector companies and affect specific processes, such as those relating to wages, maximum fee limits, recruitment and redundancies or procurement procedures. These laws and regulations may limit its operational flexibility. In particular, the application of the provisions of Law 3833/2010 and Law 4024/2011 may have impact in the Company's operation.

5.3.2. Liquidity risk

Liquidity risk is associated with the need of adequate funding for the operation and growth of the Group. The Group manages liquidity risk through the monitoring and planning of its cash flows, and acts appropriately by securing, to the extent possible, adequate credit lines and cash, while at the same time seeking to prolong the average life span of its debt and to diversify its finance sources. At the same time, the Group provides due care to the low-risk and efficient placement of cash reserves, offsetting the cost of loan interest and maintaining appropriate cash levels to implement the investments set out in the Ten-Year Network Development Plan of the HETS.

5.3.3. Credit Risk

As regards trade and other receivables, the Group and the Company are exposed to credit risk mainly from system use receivables. The Group and the Company use quantitative and ageing monitoring tools for their receivables and maintain communication with their customers in order to reduce credit risk. In addition, expected credit losses rates are implemented throughout the life of the receivables. These rates are based on past experience and are adjusted accordingly to reflect expectations about the future financial situation of customers and the economic environment.

For trade receivables arising from the Electricity Market, the Company operates as an intermediate. According to the provisions of Law. 4001/2011 and as mentioned in the Management Code of Hellenic Electricity Transmission System, IPTO is the competent Administrator for the clearance of Imbalances and settlement of financial transactions between the Participants arising therefrom. In carrying out its responsibilities, it acts as an intermediary, with a mediating role, among the Participants in the electricity market. The above-mentioned mediation competence of IPTO is associated with the tasks assigned by the legislator for the smooth operation, maintenance and development of HETS, to ensure that the country's electricity supply is adequate, safe, efficient and reliable. The invoicing practice to and from IPTO, currently followed, does not make IPTO a debtor of the relevant amounts, since IPTO is not involved in transactions for its own account, and do not participate in the price formation, but on behalf of the Participants, in the context of its mediating role, as defined by the aforementioned regulatory framework. As per above, it is not foreseen, nor can any obligation of IPTO be paid with its own funds, the financial obligations of any defaulting Participant, nor of course, there is a legal basis for parallel responsibility. Therefore, IPTO is not exposed to credit risk related to any default by the Participants.

5.3.4. Interest rate risk

The main risk arising from the probability of fluctuation of the borrowing rates in the debt management focuses on financial results and cash flows. The Board of Directors constantly monitors a possible fluctuation and uses appropriate financial hedging instruments.

5.3.5. Exchange rate risk

The risk of exchange rate fluctuations is immaterial for the Group and is mainly related with any contracts for the supply of materials or equipment whose payment is made in foreign currency.

5.3.6. Price risk

There is no significant price risk, since the Unitary Transmission Use of System charges which form the base of the Company's revenue, are calculated through a detailed study submitted to RAE based on the estimated consumption.

5.3.7. Miscellaneous specific risks

5.3.7.1. Risk of non-insurance of fixed assets

The Group and the Company do not have insurance coverage against the usual risks associated with fixed assets. Moreover, there is no insurance coverage for materials and spare parts as well as third parties' liabilities. This is primarily due to estimated high costs associated with insurance against such risks as compared to the cost of repairing the damage in case some of the risks occur.

Turnkey projects are insured by the contractors during construction.

5.3.7.2. Pending litigation risk

The Group is a defendant in a significant number of pending litigations. The Management evaluates the outcome of the cases in conjunction with the information received from the legal department of the Group and where it is judged that the outcome will be negative, the corresponding provisions are formed. Analysis of the provisions is disclosed in note 27 of the Financial Statements.

5.3.7.3. Risk of changes in tax and other regulations

Any change in tax and other regulation may have an impact on the Group's financial results.

5.3.7.4. Risk from regulated returns on business

Regulated returns on the System's investments may adversely affect the Group's profitability to the extent that the fair return of the relevant invested capital is not covered.

6. Environmental issues

According to the Articles of association and the law, the Group is obligated to undertake the following actions and investments to protect the environment.

1. Strategic Environmental Impact Assessment for the inclusion of new Transmission Projects in the HETS as described in the Ten-Year Network Development Plans.
2. Environmental Studies for new and existing Transmission Projects for the purpose of licensing, through the issuance of new Decisions for the Approval of Environmental Terms or the renewal/modification of existing ones. The above Environmental Impact Assessments are submitted for approval to the relevant authority (Ministry of Environment and Energy or Decentralized Administrations).
3. Access Area Studies, Afforestation or Reforestation Studies and Agricultural Rehabilitation Studies and then launching their implementation in the framework of the implementation of the Transmission Projects.
4. The location of the Transmission Projects is made after detailed studies and control of all the parameters related to environmental and spatial criteria, which concern the anthropogenic environment, the protected areas, the visual noise, the areas of archaeological interest Residential control zones etc. All the above increase the final construction cost of the Transmission Projects.
5. Development of special environmental studies (Special Ecological Assessment, Ornithological Study) in cases where the Transmission Projects pass through or are in the vicinity of environmentally protected areas (Natura 2000 network Protection of mountainous volumes etc).
6. During the Transmission System operation (Transmission Lines, Substations and HVC) there is no emission of electromagnetic radiation, but two independent fields, an electric and a magnetic. In areas within reach of the public and the Company's employees, the values of these fields are well below the threshold values established by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), in cooperation with the World Health Organization (WHO). These thresholds are included in a European Union Directive that has been incorporated into Greek legislation (CFCA (tax) 3060/GG b512/2002). It should be clarified that the thresholds of the electric and magnetic fields in the regulations do not constitute danger thresholds but contain high safety factors to cover any uncertainty about the limited knowledge of the effect of the fields and to meet the requirement to prevent possible adverse effects.
7. Compliance with environmental obligations that result either from the approved Environmental Terms of each Transmission Project related to its construction and operation phases or are listed in the Environmental Management and Monitoring Plan. Indicatively,

- annual update of the Electronic Waste Register (HMA)
- Harmonization with environmental legislation in case of deviations of the final technical design from the Decision for the Approval of Environmental Terms (submission of Technical Environmental Study, Compliance File)
- compliance with archaeological heritage legislation when antiquities are detected
- environmental licensing of auxiliary and accompanying works (warehouses, borrowings) where required

As per above, Management considers that the conditions for recognizing provisions for environmental obligations of the Group are not met.

7. Employment Issues

Promoting equal opportunities and protecting diversity are key principles of the Group. The Group's management does not discriminate in terms of recruitment/selection, remuneration, training, job assignment or any other work activity. With regard to the parent company, recruitments is through ASEP and there is specific legislation on staff remuneration, while for the subsidiary "ARIADNE INTERCONNECTION" the recruitment process is governed by special legislation (L.4602 / 2019), based on which the company can hire a number of employees which does not exceed the limit set by law, of all specialties, under private law employment contracts. These contracts are governed exclusively by the provisions of labour legislation regulating the relations between employers and employees in the private sector. The factors that are exclusively taken into account in the assignment of management responsibilities are experience, personality, training, qualifications, efficiency and ability.

The Group encourages and instructs all employees to respect the diversity of each employee or supplier or customer and not to accept any conduct that may discriminate in any form whatsoever. The Group's policy in this area is based on the Guiding Principles of the OECD or the International Labour Organization (ILO).

7.1. Diversity and equal opportunities policy (regardless of gender, religion, disadvantage or other aspects).

The Group on 31.12.2019 employed as regular staff 1,252 employees of different genders and ages, and the Group's consistent policy is to provide equal opportunities to employees regardless of gender, religion, disadvantage or other aspects. Of the total regular staff, 1,231 employees were employed by the parent company, 20 employees by the subsidiary "ARIADNE INTERCONNECTION S.P.L.C." and 1 employee of the subsidiary "GRID TELECOM S.M.S.A".

The Group's relations with its staff are excellent and there are no labour issues.

7.2. Respect for employees' rights and trade union freedom.

The Group respects the rights of employees and complies with the Labor Legislation.

There are unions of employees.

7.3. Health and safety at work

Safety at workplace is a top priority and a necessity for the Group's operation. The Group keeps first aid kits in all workspaces (medicines, bandages, etc.) and employs a "safety officer", an "occupational doctor" and a nurse pursuant to the current legislation and implements the "Health and Safety at Work Policy" according to the BoD Decision 3 / 2.2.2018.

Specifically, are carried out:

- Inspections of workplaces.
- Workplace risk assessments.
- Health certificates (Medical check-ups of employees)
- Seminars for Health & Safety to employees.

- Fire safety, fire protection exercises.
- Participation in exercises for the protection of vital areas of national infrastructure.

In addition, due to the Covid-19 pandemic, the Company's Management monitoring closely the situation both nationally and globally in relation to the spread of the virus, proceeded timely to adopt a package of emergency measures, in continuous cooperation and communication with the Ministry of Energy and Environment and NPHO (National Public Health Organization) for updating on developments and receiving guidelines.

In this direction, the know-how of the strategic partner State Grid, which has already taken extensive measures to deal with the crisis in China, has been used.

These actions are mainly protective measures relating the health of the Group's employees, as indicated below:

- Establishment of a special crisis management team (Business Continuity Group-BCG), responsible for ensuring the Business Continuity of the Company. The team is divided into two subgroups (Business Continuity Group 1 and Business Continuity Group 2 - BCG1 and BCG2), whose members work in rotation and avoid any contact. Daily BCG meetings/teleconferences, the minutes of which are recorded.
- Enhanced protection measures in the Energy Control Centers, which oversee the monitoring, operation and control of the Interconnected National Electricity Production and Transmission System.
- Mandatory teleworking for employees who are able to perform their tasks remotely.
- Special arrangements for employees who belong to vulnerable groups.
- Cancellation of all business trips by Public Transport, except from those who receive special permission from the CEO.
- Elaboration of Specific Risk Assessment, where potential risks are identified, and the implemented/proposed measures are recorded.
- Creating a telephone line for the psychological support of all employees.

7.4. Systems of recruitment, training, promotions

Recruitment procedures are carried out based on the qualifications required for the position in a non-discriminatory way through the Supreme Council for Civil Personnel Selection (ASEP).

The Group continuously trains all employees' categories either by organizing in-house seminars (with internal or external trainers) or by organizing seminars in external organizations. Employees go up pay scales every three years based on the evaluation by three successive superiors of each employee. For the assignment of management responsibilities, the procedure of announcing the position, evaluation and award is followed. There are written procedures that outline the above.

For the Group's subsidiaries, the selection procedures and recruitment, are based on the required qualifications for the position without discrimination. At the same time, subsidiaries educate and train their staff on a regular basis due to the specific professional requirements and operational or individual needs.

8. Financial performance indicators

8.1. The financial position of the Group and the Company reflected in the following financial ratios:

In million €	Group		Company	
	2019	2018	2019	2018
Total revenue	€ 250	€ 247	€ 249	€ 247
Earnings before interest, tax, depreciation and amortisation (EBITDA)	€ 224	€ 181	€ 223	€ 181
Total assets	€ 2.932	€ 3.106	€ 2.930	€ 3.106
Non-current Assets	€ 2.129	€ 1.670	€ 2.328	€ 1.870
Regulatory asset base (RAVPAV)	€ 1.684	€ 1.450	€ 1.684	€ 1.450
Total debt	€ 626	€ 689	€ 626	€ 689

	Group		Company	
	2019	2018	2019	2018
Current ratio				
Total current assets	1,56	1,50	1,17	1,29
Total current liabilities				
Quick ratio				
Total current assets minus inventories	1,45	1,45	1,06	1,24
Total current liabilities				
Cash ratio				
Cash and cash equivalents	0,82	0,63	0,43	0,42
Total current liabilities				
Operating cash flow ratio				
Cash flow from operating activities	0,31	-0,21*	0,31	-0,21*
Total current liabilities				
Interest coverage ratio				
Earnings before Interest and taxes	10,17	5,78	10,07	5,79
Interest expense				
Debt to equity ratio				
Net debt	0,15	0,08	0,30	0,28
Equity				
Debt to EBITDA ratio				
Net debt	0,90	0,47	1,80	1,58
Earnings before interest, taxes, depreciation and amortization				

	Group		Company	
	2019	2018	2019	2018
EBITDA margin				
EBITDA				
Total sales	0,90	0,73	0,89	0,73
Net operating margin				
Earnings before interest and taxes				
Total sales	0,54	0,45	0,54	0,45
Net profit margin				
Net profits				
Total sales	0,42	0,33	0,41	0,33
Net Operating cash flow ratio				
Cash flow from operating activities				
Total sales	0,64	-0,80*	0,65	-0,80*
Return on equity (ROE)				
Net income				
Total equity	0,08	0,08	0,08	0,08
Return on assets (ROA)				
Net income				
Total assets	0,04	0,03	0,04	0,03
Return on Capit Employed (ROCE)				
Profits before interest and taxes				
Equity and total debt	0,07	0,07	0,07	0,07

*For the year 2018, net cash inflows from operating activities appear negative, due to a change in working capital in the accounts of the Market. Specifically, pursuant to Article 57 Government Gazette 200 / 22.12.2017, the "Hellenic Electricity Distribution Network Operator SA" (HEDNO), appointed as the sole Administrator of Public Utilities account for the Greek territory, substituting IPTO SA to all rights, obligations and requirements arising from the Management of the Public Utilities Account, as of 01.01.2018. On December 29, 2017, an amount of Euro 476 million received by the Ministry of Finance for Public Utilities charges, which was paid by IPTO SA to HEDNO SA on January 5, 2018.

In the above calculations, the comparability with prior year rates is affected by the application of IFRS 16 as of January 1, 2019.

Alternative performance indicators and their calculation are analyzed in Note 8.2

8.2 Alternative Performance Indicators ("API")

In the context of the implementation of "Alternative Performance Indicators" guidelines of the European Securities and Markets Authority (ESMA / 2015 / 1415el) applicable as of July 3, 2016 to the Alternative Performance Indicators. The Group makes use of the Alternative Performance Indicators in the decision-making framework on financial, operational and strategic planning as well as for the evaluation and publication of its performance. The API's serve to a better understanding of the financial and operational results of the Group and its financial position. Alternative indicators should always be considered in conjunction with the financial results, prepared under IFRS, and not to replace them.

The following indicators are used to describe the Group's performance:

EBIT (Earnings before interest and tax)

EBIT is used for the best analysis of Group's and Company's operating results and is calculated as follows: Total sales minus total expenses. The EBIT margin (%) is calculated by dividing the EBIT by the total sales.

Adjusted EBIT

Adjusted EBIT is defined as published EBIT adjusted by a) provisions (including provisions for litigations and trade receivables), b) valuation losses (impairments) of fixed assets and, c) non-recurring items (including revenues from special projects (Polypotamos) and revenues from prior year optical fiber rents).

EBITDA (Earnings before interest, tax, depreciation and amortization)

EBITDA is used for the best analysis of Group's and Company's operating results and is calculated as follows: Total sales minus total expenses before depreciation and amortization and valuation losses (impairments) of fixed assets. The EBITDA margin (%) is calculated by dividing the EBITDA by the total sales.

Adjusted EBITDA

Adjusted EBITDA is defined as published EBITDA adjusted by a) provisions (including provisions for litigations and trade receivables), b) non-recurring items (including revenues from special projects (Polypotamos) and revenues from prior year optical fiber rents).

Adjusted Earnings Before Tax

Adjusted Earnings Before Tax is defined as published Earnings Before Tax adjusted by a) provisions (including provisions for litigations and trade receivables), b) valuation losses (impairments) of fixed assets, c) non-recurring items (including revenues from special projects (Polypotamos) and revenues from prior year optical fiber rents) and d) non-recurring financial income / expenses.

Adjusted Net Income

Adjusted Net Income is defined as published Net Income adjusted by a) provisions (including provisions for litigations and trade receivables), b) valuation losses (impairments) of fixed assets, c) non-recurring items (including revenues

from special projects (Polypotamos) and revenues from prior year optical fiber rents) and d) non-recurring financial income / expenses.

Net Debt/EBITDA:

The ratio Net Debt/EBITDA reflects whether the Groups' and the Company's earnings before interest tax and depreciation cover its Net debt (as defined in the next paragraph).

Net Debt:

Net debt is defined as the Group and the Company's debt (current and non-current portion of debt, including finance lease liabilities) minus cash and cash equivalents and indicates the level of liquidity as well as the ability of the Group and the Company to repay the interest expense

Return on Equity:

This ratio shows how efficiently the Group and the Company used its net assets to generate additional profits and is calculated as follows: Profit before tax divided by equity.

The calculation of the above indicators (except of Alternative Performance Measurement Indicators) directly derived from the Statement of Financial Position and Income Statement.

The following table analyzes the calculation of selected Alternative Performance Indicators

Adjusted ratios calculation:

	Group		Company	
	2019	2018	2019	2018
Total sales	249.778	247.397	249.028	247.397
Total expenses	(114.998)	(135.180)	(115.654)	(134.977)
EBIT	134.780	112.217	133.374	112.420
Provisions* (notes 9 & 26)	(19.412)	(15.526)	(19.467)	(15.526)
Valuation of fixed assets (Note 14)	16.816	-	16.816	-
Non-recurring data**(Note 10.2)	(28.237)	-	(28.237)	-
Comparable EBIT	103.948	96.690	102.486	96.893
Depreciation	72.549	68.706	72.549	68.706
Comparable EBITDA	176.497	165.396	175.035	165.599
Provisions* (Notes 9 & 26)	(19.412)	(15.526)	(19.467)	(15.526)
Non-recurring data**(Note 10.2)	(28.237)	-	(28.237)	-
EBITDA	224.145	180.922	222.739	181.125

	Group		Company	
	2019	2018	2019	2018
EBIT	134.780	112.217	133.374	112.420
Financial expenses	(13.249)	(19.428)	(13.248)	(19.428)
Financial income	15.396	11.735	13.263	11.151
Profits	136.927	104.523	133.389	104.143
Financial income from discounted receivables-Polipotamos(Note 8)	4.088	412	4.088	412
Comparable Profits	102.006	88.584	98.414	88.204
Effective tax rate	22,88%	21,32%	22,85%	21,29%
Compared income tax	(23.342)	(18.887)	(22.484)	(18.782)
Comparable Net profit	78.664	69.697	75.930	69.422

	Group		Company	
	2019	2018	2019	2018
Effective tax rate calculation:				
Profits	136.927	104.523	133.389	104.143
Income tax	(31.333)	(22.286)	(30.475)	(22.176)
Effective tax rate	22,88%	21,32%	22,85%	21,29%

* Mainly included a) for 2019 release of provision for the discount on reduced electricity tariffs given to employees and retirees of the Company amounting to Euro 15,7 million (Note 6), provision for staff retirement compensation amounting to Euro 0,6 million (Note 26), release of provision for risks and expenses of Euro 4,3 million (Note 9 & 27) b) for 2018 provision for staff retirement compensation amounting to Euro 11,5 million (Note 6), release of provision for risks and expenses of 27 million (Note 9 & 27).

** Included for 2019, revenue from special projects (Polypotamos) (Note 10.2) amounting to Euro 27,5 million and revenue from optical fiber rent amounting to Euro 0,7million (Note 10.2).

*** Included for a) 2019 financial income from special projects (Polypotamos) (Note 8) amounting to Euro 4,1 million and b) for 2018 financial income from special projects (Polypotamos) (Note 8) amounting to Euro 0,4 million.

9. Prospect development

Outlook for 2020

Key objective of the Group is the constant growth through continuous investments while ensuring its sustainability. Given the nature of the Group's activities and sound financial situation for 2020, the management will try to maintain its profitable course. This will be facilitated by the willingness to rationalize expenditures and strengthen revenue-generating activities. The Group's strategic priorities are summarized as follows:

- IPTO's role in the Green Deal

Green Deal is the new EU developmental strategy for a just and prosperous society, based on a modern, efficient and competitive economy, whose main goal is to make Europe the first climate-neutral continent. Main pillars of the new strategy is to protect, preserve and enhance the EU's natural resources, the protection of health and public welfare from increasing environmental risks and impacts of climate change, ensuring that the transition to the new order of things is fair and without exclusions. Three new branches are being created:

- ✓ Storage systems are introduced as a key component of the Energy Network
- ✓ Paving the way to offshore wind farms
- ✓ Electro-mobility is being developed

IPTO, as National Administrator, aims to participate in this new landscape, taking an active role. 2020's goal is to formulate the strategy to be followed in this direction in the coming years.

- **Establishment of the Regional Security Coordinator, RSC of Southeast Europe**

In late 2019, the establishment of the Regional Security Coordinator, RSC of Southeast Europe in Thessaloniki was announced. The company will be set up by the TSOs of Greece, Romania, Bulgaria and Italy. The new RSC will ensure the supply of all neighboring countries and will be the culmination of the joint effort made for the optimal use of electricity networks throughout Europe. The company is expected to be established by June 2020.

- **Target Model Implementation**

Target Model achieves the optimization of the use of the Transmission System's capacity through coordinated practices of the European Union TSOs, the achievement of reliable pricing and liquidity in the capacity allocation of the interconnections for day-ahead market, the effective operation of futures markets and effective planning of intraday markets for the allocation of interconnection capacity. IPTO plays a leading role in the implementation of the above goal.

The first part of the implementation concerns the regulations. All required regulatory framework has been completed earlier this year. The second part includes four systems which will operate the Balancing Market.

- ✓ The first, related to measurements (Modesto), has been completed.
- ✓ The first part of the Interconnections Management System (XBMS) which is necessary for the new market model will be launched in May, at the request of participants.
- ✓ Systems MMS and MSS, are piloted from March, in order to be put into operation within the year.

IPTO's key priority is to establish the appropriate procedures and to properly prepare the staff that will operate these new systems, on a daily basis. First step is the successful completion of parallel tests in the systems of IPTO and the Hellenic Energy Exchange. IPTO will implement the project that the State has set very high on the agenda of national energy policy and is considered of strategic importance.

- **Integration of Crete Interconnection**

2020 is crucial for Crete interconnection. This is due to the fact that by 2020 the construction of both cables will be in progress. The Chania-Peloponnese interconnection has started since last October and is expected to be completed by the end of 2020. It is the longest A/C interconnection, and will have a length of 176 km. The submarine cable will be plowed to a depth of 1000 meters. The 180 MW to be added to the Crete System, are very important for the island, especially during the summer months. At the same time, "unlocks" the wind and solar potential, while for the first time sets the bases for Crete to become an energy hub in the region.

- **Implementation of the Crete Attica interconnection project through the subsidiary ARIADNE INTERCONNECTION SPLC**

The Company through its subsidiary has as main goal the implementation of the project within the planned schedule.

More specifically the subsidiary “ARIADNE INTERCONNECTION S.P.L.C” is in advanced negotiations with domestic and foreign financial institutions for borrowing purposes, under very competitive and favorable conditions, so that it may continue its work without any problem throughout the construction period. At the same time, the project is expected to be included for co-financing in the Operational Program “Competitiveness, Entrepreneurship and Innovation” under the Partnership Agreement (PA) (subsidies), thereby raising significant resources and reducing, to a very large extent, the cost of this major importance project for the Greek consumer.

Furthermore, the selection of the contractor companies for the cable sections has been completed as well as for the transformers for the project that ARIADNE INTERCONNECTION S.P.L.C. has undertaken and the relevant contracts are expected to be signed.

- **Establishment of a Control Center in Crete**

The construction of the Regional Energy Control Center in Crete is in progress. The new center will be compatible with the rest throughout the country, however, it will be able to operate autonomously and manage the units of Crete. The goal is the new center to be ready simultaneously with the electrification of the first cable.

- **Penetration in the telecommunications market through its subsidiary GRID Telecom:**

The network that GRID Telecom has access to today has 2.500 kilometers of fiber optic cable nationwide and the network is constantly expanding. Alternative methods of installing fiber optic cables (Skywrap, ADSS) have also been evaluated and implemented.

This optical network, to a large extent, has alternative routes that ensure high availability of services to customers. The services initially provided by GRID Telecom primarily concern the distribution of Dark Fiber to Telecommunications Providers and large companies.

The immediate plans for the Company are the implementation of optical rings to the big Data Centers of Athens and Thessaloniki. These Data Centers house all major telecommunications providers as well as the largest businesses in the field, which are potential customers of GRID Telecom.

In 2019, the Company expressed interest in participating in the “Ultra-Fast Broadband” (UFBB) tender, which concerns the construction and operation of an optical fiber network in various regions of the country and the provision of wholesale services to telecommunication providers. This is the largest Public-Private Partnership project, with a budget of € 700 million (€300 million from public funding), involving 2,4 million citizens and businesses. GRID Telecom expects to be actively involved in the next phases of the competition aiming to undertake sections or regions where it identifies a competitive advantage.

- **E-assessment, training and new procedures**

The new e-evaluation system and the new procedures that are being implemented will contribute to less bureaucracy, better working environment and greater efficiency. The implementation of this important project includes the training of executives in the new Performance Management System. Furthermore, in conjunction with the Information Systems Strategy Plan, in 2020 the new procedures will begin.

10. Company operation in the field of research and development

During the reporting period the Company incurred research and development expenditure. Specifically, the Company participated in the European Community’s subsidized program “Horizon 2020” and received subsidies amounting to Euro 780 thousand (2018: Euro 376 thousand) for the above programs.

11. Treasury Shares

No treasury shares were acquired during FY 2019.

12. Branches of the Company

The Company maintains branches in Northern Greece, West Macedonia, Larissa, Agrinio and Athens in order to serve the cash requirements of the respective Regional Sectors.

13. Financial instruments

The Group and the Company as of 31.12.2019 held bonds of the Cooperative Bank of Chania and Pancretan Cooperative Bank, with total nominal value of Euro 2.000.000.

14. Significant transactions with related parties

On December 31, 2019 "STATE GRID EUROPE LIMITED" held 24% of Company's paid-up share capital, "ADMIE HOLDING SA" 51% of Company's paid-up share capital, and the "PUBLIC HOLDING COMPANY ADMIE S.A." (PHC ADMIE S.A.) 25% of Company's paid-up share capital.

The Group is indirectly controlled by the Greek state, through "PUBLIC HOLDING COMPANY ADMIE S.A." (PHC ADMIE S.A.), which controls directly 25% of IPTO SA paid-up share capital and 51,12% of "ADMIE HOLDING SA" (the parent company) paid-up share capital. The Company's transactions with related parties have been carried out under normal market conditions and are analyzed below.

Company	Relation
ARIDNE INTERCONNECTION SPLC	Subsidiary
GRID TELECOM SMSA	Subsidiary
ADMIE HOLDING SA	Shareholder
PHC ADMIE SA	Shareholder
STATE GRID LTD	Shareholder

The Company in the ordinary course of business conducted, the following transactions (Note 33) with subsidiaries and associated companies, the balances (Receivables, liabilities and revenues and expenses) of which on December 31, 2019 are as follows:

Amounts in €	31/12/2019	
	Receivables	(Liabilities)
ARIADNE INTERCONNECTION S.P.L.C	126.517	1.586.155
GRID TELECOM SPSA	3.565.669	-
ADMIE HOLDING SA	9.324	-
Total	3.701.510	1.586.155

01/01/2019 – 31/12/2019

Amounts in €	Revenues	Expenses
ARIADNE INTERCONNECTION S.P.L.C	211.055	797.572
GRID TELECOM SPSA	359.139	-
ADMIE HOLDING SA	8.812	-
Total	579.006	797.572

There are also transactions with companies in which the Greek State participates, such as PPC S.A., DAPEEP (previous LAGIE), HELPE and ELPEDISON. All transactions with the above companies are made on commercial terms and are not disclosed.

15. Management Remuneration

The Board of Directors' members and the Chief Officers' remuneration (social security contributions inclusive), for the period ended at December 31, 2019 amounts to Euro 1.030 thousand, compared to Euro 741 thousand in 2018, while Euro 10 thousand was paid to the BoD members of the Company's subsidiary "ARIADNE INTERCONNECTION S.P.L.C". The increase is due to the change of the number of Chief Officers and the payment of retroactive compensation for their participation to the Board of Directors meetings that took place in 2018.

16. Applied Key Accounting Principles

For the Statement of Financial Position, the Income and Other Comprehensive Income, Changes in Equity and Cash Flow Statements, the accounting principles were applied, as presented in the notes of the financial statements.

17. Other issues

The Company has no foreign exchange currency.

There are no encumbrances on the Company's property. Details regarding the ownership of the Company's property are disclosed in Note 34 of the Financial Statements. The latest estimate of the current value of properties conducted during the period ended December 31, 2019.

After that we hereby kindly request that you:

1. Approve the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, summary of key accounting policies and methods and other explanatory information for FY 2019 (fiscal period 01/01/2019 - 31/12/2019),
2. Discharge the members of the Board of Directors and auditors from all liability for the operations if FY 2019 (fiscal period 01/01/2019 - 31/12/2019),
3. Appoint one (1) regular and one (1) alternate certified auditor-accountant of FY 2020.

Athens, May 11, 2020

On behalf of the Board of Directors

Chairman of the BOD & CEO

Manousakis Manousos

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INDEPENDENT AUDITORS REPORT



THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Independent Power Transmission Operator (IPTO) 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 Independent Power Transmission Operator (IPTO) S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2019, the separate and consolidated income statement and total comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Independent Power Transmission Operator (IPTO) S.A. and its subsidiaries (the Group) as at December 31, 2019 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Other Matter

The separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on March 15, 2019.

Other information

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

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



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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 and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards 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 Company's and 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 Statements

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 scepticism throughout the audit. We also:

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



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- 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. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018 and the content of the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2019.
- b) Based on the knowledge and understanding concerning Independent Power Transmission Operator (IPTO) S.A and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, May 12 2020

Vassilios Kaminaris
Certified Auditor Accountant
S.O.E.L. R.N. 20411

Konstantinos Tsekas
Certified Auditor Accountant
S.O.E.L. R.N.19421

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
8B CHIMARRAS ST., MAROUSSI
151 25, GREECE
COMPANY SOEL R.N. 107

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**INDEPENDENT POWER
TRANSMISSION OPERATOR (IPTO) S.A.**

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2019**

**In accordance with the International Financial Reporting Standards
As adopted by the European Union**

**The attached financial statements have been approved by the Board of Directors of the Independent Power
Transmission Operator (IPTO)S.A. on May 11, 2020 and they have been posted on the web site
<http://www.admie.gr>**

CHAIRMAN OF THE
BoD & CEO

EXECUTIVE VICE
CHAIRMAN OF THE BoD

DEPUTY CHIEF EXECUTIVE
OFFICER

CHIEF ACCOUNTANT

M. MANOUSAKIS
ID Card 579857

I MARGARIS
ID Card 286541

X. SHI
No PE1727632
Passport Republic of China

G. KAMPOUROGLOU
1st class No 0008253



PricewaterhouseCoopers Accounting S.A.

Office Lic. No.: 1494

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INCOME STATEMENT FOR PERIOD 01/01/2019 – 31/12/2019

	Note	Group		Company	
		01/01/2019 31/12/2019	01/01/2018 31/12/2018 (restated)*	01/01/2019 31/12/2019	01/01/2018 31/12/2018 (restated)*
Sales:					
Revenue from transmission system rent	5	229.138	222.676	229.138	222.676
Concession agreement expenses	5	-	-	(798)	-
Operator's revenue from clearing charges	5	513.133	933.470	513.133	933.470
Operator's expenses from clearing charges	5	(513.133)	(933.470)	(513.133)	(933.470)
Other Sales	5	20.640	24.721	20.688	24.721
Total sales		249.778	247.397	249.028	247.397
Expenses/(Income):					
Payroll cost	6	40.859	69.981	40.771	69.981
Depreciation and amortization	7	72.549	68.706	72.549	68.706
Contracting cost	14	1.452	10.949	1.452	10.949
Materials and consumables		477	1.256	477	1.256
Third party benefits		4.149	3.646	4.149	3.646
Third party fees		7.105	4.536	6.688	4.534
Taxes–duties		3.009	2.456	3.004	2.456
Provision (release of provision) for risks and expenses	9	(4.339)	(26.983)	(4.394)	(26.983)
Impairment loss from devaluation of fixed assets	14	16.816	-	16.816	-
Other Income	10.2	(35.066)	(7.942)	(33.722)	(7.942)
Other expenses	10.1	7.987	8.575	7.864	8.374
Total expenses		114.998	135.180	115.654	134.977
Profit/(loss) before taxes and financial results		134.780	112.217	133.374	112.420
Financial expenses	8	(13.249)	(19.429)	(13.248)	(19.428)
Financial income	8	15.396	11.735	13.263	11.151
Profits/(Losses) before taxes		136.927	104.523	133.389	104.143
Income Tax	11	(31.334)	(22.286)	(30.475)	(22.177)
Net profits/(losses) of fiscal year		105.593	82.237	102.914	81.966

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR PERIOD 01/01/2019 – 31/12/2019

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018 (restated)*	01/01/2019 31/12/2019	01/01/2018 31/12/2018 (restated)*
Net profits/(losses) of fiscal year	105.593	82.237	102.914	81.966
Other comprehensive income (non-reclassified in the income statement)				
Revaluation of fixed assets	14 308.430	-	308.430	-
Deferred tax on revaluation of fixed assets		(73.206) 11.227	(73.206)	11.227
Actuarial profits/ (losses) based on IAS 19	26 1.208	(2.881)	1.208	(2.881)
Other comprehensive income after taxes	236.432	8.346	236.432	8.346
Cumulative comprehensive income after taxes	342.025	90.583	339.346	90.312

The notes on pages 41 to 119 form an integral part of these financial statements.

* Certain reclassifications were made to the comparative figures of the prior years, see Note 3.6

STATEMENT OF FINANCIAL POSITION ON 31/12/2019

<u>ASSETS</u>		Group		Company	
		31/12/2019	31/12/2018 (restated)*	31/12/2019	31/12/2018 (restated)*
Non-current assets:					
	Note				
Tangible assets	14	2.115.914	1.664.299	2.115.911	1.664.299
Intangible assets	15	2.843	948	2.843	948
Investments in subsidiaries	12	853	-	853	-
Investments in associates	13	-	-	200.300	200.000
Financial assets at amortized cost	17	1.021	1.000	1.000	1.000
Other non-current assets	-	3.935	3.756	3.936	3.756
Finance lease receivables	17	4.055	-	2.882	-
Total non-current assets		2.128.621	1.670.003	2.327.725	1.870.003
Current assets:					
Inventories	18	55.135	54.207	55.135	54.207
Trade receivables	19	254.069	715.923	254.083	715.923
Other receivables	20	69.206	63.248	68.871	63.160
Cash and cash equivalents	21	425.170	602.933	224.351	402.639
Total non-current assets		803.580	1.436.311	602.440	1.235.929
Total assets		2.932.201	3.106.314	2.930.165	3.105.932
EQUITY AND LIABILITIES					
Equity:					
Share capital	22	38.444	38.444	38.444	38.444
Legal reserve	23	12.963	12.828	12.815	12.815
Other reserves	24.1	(12.884)	(13.252)	(12.884)	(13.252)
Revaluation reserve	24.2	886.163	650.939	886.163	650.939
Retained earnings		405.220	341.736	402.420	341.480
Total equity		1.329.906	1.030.695	1.326.958	1.030.426
Non-current liabilities:					
Long-term borrowings	25	540.434	625.296	540.434	625.296
Provisions for employee benefits	26	20.007	40.061	20.007	40.061
Other provisions	27	31.379	37.744	31.379	37.744
Deferred tax liabilities	11	196.800	126.824	196.809	126.824
Subsidies	28	293.586	282.894	293.586	282.894
Other non-current liabilities		4.035	8.187	4.035	8.187
Total non-current liabilities		1.086.241	1.121.006	1.086.250	1.121.006
Current liabilities:					
Trade and other payables	29	224.753	729.261	224.687	729.259
Short-term portion of long-term borrowings	25	85.744	63.352	85.744	63.352
Income tax payable		8.748	5.239	8.186	5.128
Accrued and other liabilities	30	51.991	44.693	53.508	44.693
Special accounts (reserves)	31	144.818	112.068	144.832	112.068
Total non-current liabilities		516.054	954.613	516.957	954.500
Total equity and liabilities		2.932.201	3.106.314	2.930.165	3.105.932

The notes on pages 41 to 119 form an integral part of these financial statements.

* Certain reclassifications were made to the comparative figures of the prior years, see Note 3.6



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR PERIOD 01/01/2019 – 31/12/2019

	Group					Total equity
	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	
Balance as at 01/01/2018 Restated*	38.444	12.815	639.712	(10.372)	290.382	970.981
Net profit for the period	-	-	-	-	82.237	82.237
Other comprehensive profit / (losses) after tax for the period	-	-	11.227	(2.881)	-	8.346
Total comprehensive income	-	-	11.227	(2.881)	82.237	90.583
Dividends paid	-	-	-	-	(30.869)	(30.869)
Legal reserve	-	13	-	-	(13)	-
Balance as at 31/12/2018 Restated*	38.444	12.828	650.939	(13.252)	341.738	1.030.695
Effect of first time adoption of IFRS 16	-	-	-	-	(16)	(16)
Balance as at 01/01/2019	38.444	12.828	650.939	(13.252)	341.721	1.030.680
Net profit for the period	-	-	-	-	105.593	105.593
Other comprehensive profit / (losses) after tax for the period	-	-	235.224	1.208	-	236.432
Transferred reserves	-	-	-	(839)	839	-
Total comprehensive income	-	-	235.224	369	106.432	342.025
Dividends paid	-	-	-	-	(42.799)	(42.799)
Formation of legal reserve	-	135	-	-	(135)	-
Balance as at 31/12/2019	38.444	12.963	886.163	(12.884)	405.220	1.329.906

The notes on pages 41 to 119 form an integral part of these financial statements.

* Certain reclassifications were made to the comparative figures of the prior years, see Note 3.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR PERIOD 01/01/2019 – 31/12/2019

	Company					Total equity
	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	
Balance as at 01/01/2018 Restated*	38.444	12.815	639.712	(10.372)	290.382	970.982
Net profit for the period	-	-	-	-	81.966	81.966
Other comprehensive profit / (losses) after tax for the period	-	-	11.227	(2.881)	-	8.346
Total comprehensive income	-	-	11.227	(2.881)	81.966	90.312
Dividends paid	-	-	-	-	(30.869)	(30.869)
Balance as at 31/12/2018 Restated*	38.444	12.815	650.939	(13.252)	341.480	1.030.425
Effect of first time adoption of IFRS 16	-	-	-	-	(16)	(16)
Balance as at 01/01/2019	38.444	12.815	650.939	(13.252)	341.464	1.030.409
Net profit for the period	-	-	-	-	102.914	102.914
Other comprehensive profit / (losses) after tax for the period	-	-	235.225	1.208	-	236.433
Transferred reserves	-	-	-	(839)	839	-
Total comprehensive income	-	-	235.225	369	103.754	339.347
Dividends paid	-	-	-	-	(42.799)	(42.799)
Balance as at 31/12/2019	38.444	12.815	886.163	(12.884)	402.418	1.326.957

The notes on pages 41 to 119 form an integral part of these financial statements.

* Certain reclassifications were made to the comparative figures of the prior years, see Note 3.6



STATEMENT OF CASH FLOW

	Note	Group		Company	
		01/01/2019 31/12/2019	01/01/2018 31/12/2018 Restated*	01/01/2019 31/12/2019	01/01/2018 31/12/2018 Restated*
Cash flows from operating activities					
Profit before tax		136.927	104.523	133.389	104.143
<i>Adjustments for:</i>		-	-	-	-
Depreciation of tangible assets	7	80.422	76.153	80.422	76.153
Amortization of subsidies	7	(7.873)	(7.448)	(7.873)	(7.448)
Interest income		(15.644)	(11.735)	(13.263)	(11.151)
Other provisions		(4.339)	(26.983)	(4.395)	(26.982)
Asset write-offs and transfer to contracting cost	14	7.121	14.224	7.121	14.224
Impairment loss due to valuation of fixed assets	14	16.816	-	16.816	-
Amortization of loan issuance costs		870	837	870	837
Gain from RoU derecognition		(1.453)	-	-	-
Gain from derecognition of optical fiber		(1.180)	-	(1.180)	-
Gain from Associates		(21)	-	-	-
Interest expense		12.379	17.561	12.378	17.561
Personnel provisions		(15.073)	11.456	(15.072)	11.456
Operational profit before changes in the working capital		208.953	178.590	209.213	178.793
<i>(Increase)/decrease:</i>					
Trade and other receivables		460.154	541.060	460.485	541.060
Other receivables		1.404	18.222	(2.429)	18.308
Inventories		(1.038)	(7.685)	(1.038)	(7.685)
<i>Increase/(decrease) :</i>					
Trade payables		(486.568)	(912.123)	(486.670)	(923.582)
Other payables and accrued expenses		7.761	17.821	12.586	29.277
Compensation payments in the period		(2.830)	(4.787)	(2.830)	(4.787)
Tax paid		(27.909)	(29.046)	(27.886)	(29.046)
Net cash flow from operating activities		159.927	(197.952)	161.431	(197.662)
Cash flows from investing activities					
Interest received		10.908	11.323	9.176	10.737
Subsidies received	28	18.565	84.994	18.565	84.994
Investments in related parties		-	(5.000)	(300)	(205.000)
Purchases of current and non-current assets	14	(247.789)	(178.160)	(247.786)	(178.160)
Net cash flows from investing activities		(218.316)	(86.842)	(220.345)	(287.427)
Cash flows from financing activities					
Loan repayments	25	(64.222)	(110.000)	(64.222)	(110.000)
Dividends paid		(42.799)	(23.553)	(42.799)	(23.553)
Loan issuance costs		-	(2.007)	-	(2.007)
Receipt of loans	25	-	269.000	-	269.000
Interest paid		(12.354)	(17.561)	(12.353)	(17.561)
Net cash flows from financing activities		(119.376)	115.879	(119.375)	115.879
Net increase/ (decrease) of cash and cash equivalents		(177.763)	(168.916)	(178.288)	(369.210)
Cash and cash equivalents, opening balance		602.933	771.849	402.639	771.849
Cash and cash equivalents, closing balance		425.170	602.933	224.351	402.639

The notes on pages 41 to 119 form an integral part of these financial statements.

* Certain reclassifications were made to the comparative figures of the prior years, see Note 3.6



NOTES TO THE ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



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1. ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY AND GROUP.

The Independent Power Transmission Operator SA (IPTO SA or ADMIE SA or the Company) is a continuation of PPC TELECOMMUNICATIONS SOCIETE ANONYME, established in 2000 in Greece following a change in its trade name, according to the decision published in GG 10787/11.10.2011, and its operation is governed by the Greek Law.

The purpose of the Company is to engage in the activities and perform the duties of the Owner and Operator of the Hellenic Electricity Transmission System (HETS or ESMIE in Greek), as stipulated in Law 4001/2011. More specifically, the purpose of the Company is the operation, exploitation, maintenance and development of the Hellenic Electricity Transmission System so as to ensure that the supply of electricity in Greece is conducted in an adequate, safe, efficient and reliable manner. In the framework of the above purpose, the Company performs its duties and operates under the provisions of articles of chapters A to C, of the Fourth Part of Law 4001/2011, and the delegated acts issued, and mainly of the Operation Code of HETS and the operation license of HETS.

The headquarters of the Company are located at 89, Dyrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. On December 31st, 2019, the Company had 1,316 employees, 7 of whom were seconded to Public Sector services and 6 were paid by the Company. Their total payroll cost was 158 thousand euros approximately and is included in the Income Statement.

2. AMENDMENTS IN THE LEGAL AND REGULATORY FRAMEWORK 2019

2.1 Law 4602/2019 (GG A'45/09.03.2019)

- Law 4001/2011 is amended pursuant to which the back-up generating sets, which operate only in the event of a power failure due to a malfunction or limitation of the System or Network, are exempt from the obligation to hold a production license.
- Law 4546/2018 is amended in relation to the remuneration of electricity produced by RES and CHP power stations until the adoption of the Ministerial Decision of the Minister of Environment and Energy establishing the Last Resort RES Aggregator (FOSETEK).

2.2 Law 4618/2019 (GG A'89/10.06.2019)

- Law 3468/2006 is amended pursuant to which an extension of the definitive Connection Offers of RES and CHP power stations shall be granted for a maximum period of six (6) months subject to specific conditions.
- Law 4414/2016 is amended pursuant to which RES stations, connected to High Voltage network that fall under the provisions of Article 3 (11) and (12), receive the compensation price for the State Aid Support or take exemption from the tendering procedures upon the request for Connection to the Operator, as long as the Connection is released by IPTO within 3 months. This provision allows IPTO to have reasonable time to perform the required checks for the Connections.
- Law 4414/2016 is amended pursuant to which DAPEPP is appointed, in place of IPTO, responsible for the issues of the Transitory Mechanism for the Optimal Forecasting Accuracy (MBAΠ).
- Provisions in Law 4001/2011 are introduced to establish and implement a Long-term Capacity Remuneration Mechanism (CRM). The provisions introduced stipulate the high-level description of the mechanism and the issuance of a Ministerial Decision (MD) and a CRM Rulebook by IPTO. The MD will specify the basic principles of the mechanism design such as the duration, the price/bid caps of the auction, the way of remuneration, the duration of the contracts between the TSO and the selected capacity provider, and any other issue. The CRM Rulebook will specify the rules of design and operation of the mechanism with transparent and non-discriminatory rules. Such rules are inter alia the participation of capacity providers and their relevant obligations, the penalties of not being compliant with the obligations, the methodologies regarding the de-rating capacity of each capacity category, taking into account the historical

data and contribution to the adequacy, the cost allocation to the suppliers, the formulation of the strike price, etc.

- Law 4447/2016 is amended pursuant to which the deadline, within which RES station owners associated with the Polypotamos-N. Makri Project may conclude a Connection Agreement with IPTO, is prolonged. The contracts of the above stations are revived and prolonged until 30 September 2019.
- A new article is introduced which stipulates the operational issues of the Steam Power Plants on the Island of Crete that fall under Directives 2010/75 / EU and 2018/2193 / EU. The provision aims to meet Crete's energy needs for the period from 1 January 2020 until the completion of the island's electrical interconnection with Attica, as the interconnection with the Peloponnese is sufficient to cover only part of the island's electricity needs.

2.3 Legislative act (GG A' 145/30.09.2019)

- Law 4414/2016 is amended pursuant to which RES and CHP power stations which a) hold a Power Purchase Agreement pursuant to Article 12 of L. 3468/2006 until 31 December 31st 2015, b) are not in operation (normal or test) on December 31st 2017 and c) their contact is switched to Contract for Differential State Aid Support, are exempted from the requirement to participate in tendering procedures under the condition that are in operation (normal or trial) until September 30, 2020.

2.4 Law 4643/2019 (GG A' 193/03.12.2019)

- A new article is introduced according to which a Ministerial Decision setting a binding timetable for the implementation of the obligations of IPTO and the HENEX for the commencement of operation of the Energy Markets of Law 4425/2016 will be issued. RAE undertakes to monitor compliance with the abovementioned timetable and may impose sanctions in the event of a breach.
- Law 4001/2011 and Law 4425/2016 are amended in order to be harmonized with Regulation (EU) 1227/2011 (REMIT) of the European Parliament and the Council of 25 October 2011 on wholesale energy market integrity and transparency. In addition it is stipulated that RAE possesses the explicit competence on ensuring integrity and transparency in Commodity Markets and Financial Derivatives Markets and on monitoring the level of transparency including wholesale prices.
- Law 4414/2016 is amended in relation to the participation of RES stations on the energy markets:
 - a. A new article is introduced pursuant to which RES and CHP stations have the capability to operate directly in the energy market outside any support scheme of Law 4414/2016.
 - b. Provisions are amended and new ones are introduced pursuant to which RES stations with installed capacity / generating power greater than 400kW in operation (normal or trial) after 4 July 2019 acquire balancing obligations and bear balancing costs.
- Law 3468/2006 is amended in relation to the priority of injection of RES and CHP stations into the Interconnected System and/or Network. In specific, as of 1 January 2020, the Competent System or Network Operator shall give priority to all RES and CHP power stations when dispatching the load in the case of: (a) installed or maximum generation capacity of less than 400kW for RES stations, (b) installed or maximum generation capacity of less than 400kW for CHP stations, (c) RES or CHP stations falling under the provisions of Article 12 (6) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity, including cases of stations increasing the installed or maximum generation capacity without adding a new generation plant, (d) innovative projects installed by the Center for Renewable Energy Sources and Savings (ΚΑΠΕ), universities and research institutes under a specific program and for the duration of the program, by RAE Decision. For RES and CHP stations in operation (normal or test) as of 1 January 2026, the installed capacity or maximum generation capacity of cases (a) and (b) is reduced from 400 kW to 200 kW.

- Law 4447/2016 is amended pursuant to which the deadline within which RES station owners associated with the Polypotamos - N. Makri Project may conclude a Connection Agreement with IPTO, is again prolonged until 31 December 2019.
- A new article is introduced which stipulates that Operators can offset the claims recorded in the accounts held in their respective jurisdictions.
- Provisions in Laws 3468/2006 and 4414/2016 are amended to abolish the prior conclusion of a Connection Agreement with IPTO or DEDDIE as a prerequisite for the signature of Contract for Differential State Aid Support (ΣΕΣΤ ή ΣΕΔΠ) for RES stations.
- Law 4001/2011 is amended in relation to the Special Charge for Energy Supply Security (MTAE) and the categories of RES stations that have an obligation to participate directly in the electricity market or acquire balancing obligations.
- Law 4001/2011 is amended in relation to the uniform application of the environmental licensing procedures in Distribution Centers and existing Substations (prior to Law 4014/2011).
- Law 4203/2013 is amended in relation to the relocation of RES and CHP stations setting out the procedure for issuing a new Connection Offer by the relevant Operator.

2.5 RAE's DECISIONS

2.5.1 Decision RAE 1231/2018, GG B' 5918/31.12.2018

Approval of the System Marginal Price (SMP) as a basis for calculating the cost of losses and setting the Unit Loss Cost at 56,7€/MWh from 01.01.2019 to 31.12.2019, in the implementation framework of the Inter-Transmission System Operator Compensation (ITC) mechanism.

2.5.2 Decision RAE 1249/2018, GG B' 5958/31.12.2018

Determination of the numeric values of tolerance and the rate of charge change when calculating the Imbalances for the calendar year 2019, as following:

Code Article	Variable/Rate	Numeric Value
147	Tolerance for Units in commercial operation (TOL)	2% NCAP
147	Tolerance for Units in trial operation (TOL)	40% NCAP
149	Tolerance for Load Representatives (TOLP)	0 MWh
150	Tolerance for RES Units and CHP Stations	0 MWh
154	Rate of Charge Change (A_IM)	1

2.5.3 Decision RAE 1307/2018, GG B' 5911/31.12.2018

Approval of the Rules for Daily Capacity Allocation on Bulgaria – Greece Border.

2.5.4 Decision RAE 1308/2018, GG B' 5912/31.12.2018

Approval of the Rules for Daily Capacity Allocation on Swiss Borders and Italy- Greece Border.

2.5.5 Decision RAE 1309/2018, GG B' 5921/31.12.2018

Approval of all TSO's proposal for harmonized allocation rules for long-term transmission rights in accordance with Article 51 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a Guideline on Forward Capacity Allocation.

2.5.6 Decision RAE 1322/2019, GG B' 6185/31.12.2018

Approval of Unit Charges, increment indexes and parameters for the calculation of the Non-Compliance Charges due to Non-legitimate Bids and Declarations for the calendar year 2019.

2.5.7 Decision RAE 100/2019.

Approval of the Required Revenue of the Operator of the HETS for 2019:

Allowed Revenue	AR	253.941.562
Cost of Third Party Financing Projects	K	7.163.738
Under-recovery (+)/over-recovery (-) from collected System Transmission Tariffs	Π1	2.023.506
Clearing of depreciation, rate of return, operational expenses	Π2	-17.317.832
Revenues from Interconnection Capacity Rights	Π3	-37.909.930
Revenues from the participation in the Inter-TSO Compensation Mechanism (ITC)	Π4	454.070
Revenues from non-regulated activities	Π5	-9.366.000
Required System Revenue	RR	198.989.114

2.5.8 Decision RAE 690/2019, GG B' 3928/25.10.2019

Approval of all CE TSOs' agreement on the methodology to assess the risk and evolution of the risk of exhaustion of FCR in accordance with Article 131(2) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.9 Decision RAE 693/2019, GG B' 3922/25.10.2019

Approval of all CE TSOs' agreement on the load-frequency- control structure in accordance with Article 139 of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.10 Decision RAE 695/2019, GG B' 3919/25.10.2019

Approval of all CE TSOs' agreement on the allocation of responsibilities between the TSOs in accordance with Article 141 of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.11 Decision RAE 697/2019, GG B' 3927/25.10.2019

Approval of all CE TSOs' agreement on the roles and responsibilities of the TSOs implementing an imbalance netting process, a cross-border FRR activation process or a cross-border RR activation process in accordance with Article 149(2) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.12 Decision RAE 700/2019, GG B' 3885/22.10.2019

Approval of all CE TSOs' agreement on the roles and responsibilities of the reserve connecting TSO, the reserve receiving TSO and the affected TSO as regarding the exchange of FRR and RR in accordance with Article 165(1) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.13 Decision RAE 701/2019, GG B' 3921/25.10.2019

Approval of all CE TSOs' agreement on the roles and responsibilities of the control capability providing TSO, the control capability receiving TSO and the affected TSO for the sharing of FRR and RR in accordance with Article 166(1) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.14 Decision RAE 702/2019, GG B' 3925/25.10.2019

Approval of all CE TSOs' agreement on the roles and responsibilities of the reserve connecting TSO, the reserve receiving TSO and the affected TSO for the exchange of reserves between synchronous areas and of the control capability providing TSO, the control capability receiving TSO and the affected TSO for the sharing of reserves in accordance with Article 171(2) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.15 Decision RAE 703/2019, GG B' 3883/22.10.2019

Approval of all CE TSOs' agreement on the methodology to determine limits on the amount of exchange and sharing of FCR between synchronous areas in accordance with Article 173(4) and Article 118(1)(x) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.16 Decision RAE 704/2019, GG B' 3919/25.10.2019

Approval of all CE TSOs' agreement on the technical design of the frequency coupling process in accordance with Article 172(2) of the Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation.

2.5.17 Decision RAE 780/30.08.2018, GG B' 3974/13.09.2018.

Concerning modifications on the implementation of the Transitory Flexibility Remuneration Mechanism (TFRM):

- The process of selecting the flexible service providers is determined as well as the account, where debits/credits are recorded.
- The maximum duration of the mechanism is set until 31.12.2019 or, if this occurs earlier, until the implementation of the Long term Capacity Remuneration Mechanism for HETS.
- The criteria for registering in the "Flexible Provider Registry" is determined as well as the method for calculating the Unforced Capacity (UCAP) of the units.
- The conditions under which the auctions are conducted, the remuneration of the Flexible Service Providers, the charges imposed on Load Representatives and the methodology for sanctions in the event of non-compliance are determined.
- An Annex (B) is also added detailing the rules on auctions for selecting the capacity providers of the mechanism.

2.5.18 Decision RAE 868/2019.

Concerning the use of congestion income by granting access rights to the network for cross border exchanges in electricity, an increase in the upper limit of the congestion income is stipulated by Regulation (EC) No 714/2009. The maximum amount which RAE takes into account when approving the Required Revenue of HETS is modified from 61 m.€ to 70 m.€. In addition, the use of an amount of 68.375.245,2 € from the Special Reserve Account, held by IPTO, is approved for the reduction of the System Transmission Tariffs.

2.5.19 Decision RAE 944/18.11.2019, GG B' 4248/20.11.2019

Concerning the amendments to the Greek Grid Code regarding the participation of RES stations in the electricity market:

- The Last Resort RES Aggregator (FOSETEK) and the RES and Guarantee of Origin Operator (DAPEEP) shall promptly inform the TSO of the commencement or the termination of the contract or representation of each RES/CHP unit.
- A virtual Network Injection Loss Zone is defined that refers to the injections of the generating units connected to Low or Intermediate Voltage Network of the Interconnected System (HETS). The Injection Loss Zone Factor is set to 1, regardless of the System's charging Level.
- HENEX is required to inform the TSO of the amount of monthly bills and quantities of energy calculated at DAS regarding Load Declarations for Consumption per Load Representative until the 5th day of the following month. In this way, the TSO will be able to calculate the weighted average market price formed by the monthly participation of Suppliers on the HETS.
- The information exchanged between DAPEEP and IPTO is specified.
- The Special Levy for the Reduction Emissions for Air Pollutants (ETMEAP) and the Public Service Obligations (PSO) are deducted from the scope of the settlement procedure.
- The provisions regarding Declarations of RES Aggregators (FOSE) and the Last Resort RES Aggregator (FOSETEK) are repealed.
- The parameters and the method of calculating Imbalances between production and demand of RES/CHP units are changed.
- The provisions regarding the calculation of additional operating support mechanism (ΠΑΕΣΑ) for RES/CHP are repealed as DAPEEP is appointed responsible for this issue.
- The calculation of Charges/Debits regarding Imbalances between generation and demand of RES/CHP units is changed. In addition, the calculation of the Variable Weighted average Cost of Conventional thermal power plants (ΜΜΚΘΣΣ) is added.
- The account Λ-ΙΑ related to the cost of Public Service Obligations (PSO) is abolished.
- The procedures related to the Special Account of article 143 of Law 4001/2011 (ΕΛΑΠΕ) are changed.
- Special Lignite Fee Charges are no longer included in the calculation of the Special Charge for Energy Supply Security (ΜΤΑΕ).
- New provisions are added related to the procedures of Public Service Obligations (PSO).

2.5.20 Decision RAE 946/2019, GG B' 4069/08.11.2019

Concerning the adoption of the Network Development Plan for the period 2019-2023 and the approval of HETS's extension projects for their inclusion in IPTO's Ten Year Network Development Plan.

2.5.21 Decision RAE 1299/20.12.2018, GG B' 164/30.01.2019

Concerning the amendments to the Greek Grid Code regarding the Dispatchable Units with Alternative Fuel:

- The registration procedure of the Dispatchable Units with Alternative Fuel in the TSO's Unit Registry is established.

- Consequences are established related to Non-legitimate submission of injection bids and to Non-legitimate submission of Reserve Bids distinguishably for the primary and the secondary fuel.
- The provisions related to the Declaration of Non-availability, the consequences of Non-legitimate declaration of Non-availability, the Declaration of Techno-economic Data and the approval or Rejection of the Techno-economic Declaration from the TSO are applicable distinguishably for the primary and the secondary fuel.
- IPTO collects additional information on the operational status of the National Natural Gas Transmission System (ESFA), as long as this situation affects the operation of the Dispatchable Units with Natural Gas and/or the System's operation.
- In the event of an ESFA's crisis the ESFA Operator shall submit to the TSO the provisions of the Emergency Plan and/or the Preventive Action Plan for each dispatch day.
- IPTO, in order to design the Dispatch Schedule, shall take into account the additional limitations of Maximum Daily Injection of Energy from the dispatchable units with natural gas and the transition orders to alternate fuel operation.
- Supplementary Significant Events are reported by IPTO in case ESFA has been declared in crisis.
- The measured quantity of energy of all Dispatchable Natural Gas Units is considered as a constraint of maximum daily energy injection in the calculation methodology of the Marginal System Price.
- The variable units' cost is covered, if this is not possible through the Declaration of the Techno-economic Data, at emergency situations upon TSO's request.
- The dates when performance of operational tests, related to the Dispatchable Units with Alternative Fuel, take place shall be notified to and approved by the ESFA Operator.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND MAIN ACCOUNTING PRINCIPLES

3.1. BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as issued by the IFRS Interpretations Committee of the IASB and adopted by the European Union (EU) and are mandatory for years starting as of January 1st, 2019.

3.1.1. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors of the Group approved the financial statements of year 2019 on May 11th, 2020. The financial statements are subject to approval by the Annual General Meeting of the Shareholders.

3.1.2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared under the historical cost principle, except for fixed assets (excluding assets under construction) which are adjusted to fair value at a regular base and the going concern principle. The financial statements are presented in thousands of Euros and all values are rounded to the nearest thousand unless otherwise stated. Any differences that may be noticed in the tables are due to roundings.

3.1.3. GOING CONCERN BASIS

3.1.3.1. RISK OF THE MACROECONOMIC AND CORPORATE ENVIRONMENT IN GREECE

In 2019, the growth momentum of the Greek economy continued at the same pace of recovery as in 2018 and 2017, despite a further slowdown of growth rates worldwide.

In particular, the Economic Sentiment Index has been significantly improved, showing continuous dynamic development.

The Economic Sentiment Index stood at 102 points, while in September 2019 stood at 107,2 points. All other indexes of business and consumer confidence improved as well despite the slight decline in October 2019. The improvement reflects the implementation of expansionary fiscal policies up to 1% of GDP that came into effect in May-December 2019.

The positive economic course of Greece in 2019 became uncertain due to the outbreak of coronavirus (Covid-19) in Europe during the first quarter of 2020, which turned into a pandemic, forcing restrictive measures to be imposed. The financial impact of this development depends on how long the crisis will last and varies among the sectors of the economy. In the context of the efforts to support individuals and businesses, the Greek state announced a package of tax and other relief measures.

The Group and the Company continuously assesses the situation and its potential impacts to ensure that all necessary actions are taken promptly, to minimize any impact on its operations.

Taking into account the nature of the Company's and the Group's activities, as well as the Company's sound financial position, it is not expected that there will be significant fiscal deviations that will have a negative effect on its smooth operation. Nevertheless, Management is constantly assessing the situation and its possible impact in order to ensure that all necessary and effective measures and actions are taken in time to minimize any impact on the Company's activities.

Given the nature of the Company's and Group's operation, as well as the Company's sound financial position significant fiscal deviations, are not expected that will negatively affect its smooth operation by the ongoing pandemic (COVID – 19). Nevertheless, the Management constantly assess the situation and its possible effects, in order to ensure that all necessary and possible measures are taken in time to minimize any impact on the Company's operation. The Company closely monitors the 2020 budget and so far there is no indication that the financial figures will be significantly affected due to the pandemic.

3.1.3.2. RISKS FOR THE ADEQUACY OF THE WORKING CAPITAL

The Company completed the process of negotiating with the banks, aiming at the refinancing of its existing loan liabilities amounting to Euro 228 million through the issuance of an equal syndicated bond loan maturing in 2023. In view of the above, as well as from the organic profitability, the high amount of cash and positive operating cash flows of the Company, the working capital for the current year is positive and is expected to remain positive for the subsequent years, therefore the accompanying Financial Statements have been prepared based on the ability of the Company to proceed smoothly.

The Management taking into account: a) the financial position of the Company and the Group, b) the Group's risks that could have a negative impact on the business model and its capital adequacy and c) the fact that no significant uncertainties identified in relation to the Group's ability to continue as a "going concern" for the foreseeable future and in any case for at least 12 months from the date of approval of the Financial Statements, states that it is still considered the principle of "going concern" as an appropriate basis for the preparation of the Financial Statements.

3.2. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of payables and receivables at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Management's estimates and judgments are reviewed annually. Actual results may ultimately differ from those estimates.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming period are as follows:

Employee benefits

The PPC Group supplies employees of all companies of the PPC Group and their pensioners with electricity at a reduced tariff. This benefit continues to exist even after the ownership unbundling from the PPC Group has been completed. The reduced tariff for employees and pensioners is recognized as an obligation of IPTO SA to PPC SA (former Parent Company) and it is calculated as the present value of future benefits deemed accrued by the end of the year on the basis of employee benefit rights accumulated during their service, and is calculated on the basis of financial and actuarial assumptions. The net expenditure of the year is included in the personnel fees in the Income Statement and relates to the present value of the benefits recognized in the year less the amount of benefits offered. This liability is not financed. The estimate is made by an independent licensed actuary. Actuarial gains or losses from a change in underlying assumptions are recognized through the Statement of Other Comprehensive Income in equity.

Details of the underlying assumptions and estimates are included in Note 26, which significantly affect the amount of the liability and include estimates by PPC's management regarding the amount and changes in future tariffs and the related profit margin. The figures for the number of pensioners are given by the PPC services.

Retirement benefit obligations

The present value of the pension obligations for the Company's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

Fair values and useful lives of tangible fixed assets

The Group measures tangible fixed assets at readjusted values (estimated fair values) as identified by a company of independent certified valuers. Independent valuations are performed periodically (every 3-5 years). The determination of the fair values of property, plant and equipment requires estimates, assumptions and judgments in respect of ownership, value in use and the existence of any economic, operational and physical depreciation of tangible fixed assets. Additionally, Management makes estimates of the total and remaining useful life of the depreciable fixed assets based on past experience and the technical specifications of assets that are subject to periodic review. The total useful lives as estimated are included in note 3.4.3.

Provisions for risks

The Group forms provisions for risks related to third party claims against it and the outcome of which may lead to an outflow of funds for their settlement. The provision is formed on the basis of the lawsuit amount and probability of the outcome of the litigation. Estimates are made in conjunction with the Company's legal advisors. A description of the risks and a reference to the amount of the related provisions is made in note 27. No provision is formed for contingent claims.

Impairment of inventories and receivable accounts

At each financial statement date, the Group assesses whether there is evidence of impairment of inventories in spare parts. Determining whether there is an indication of impairment requires management to make estimates.

Forecasts of expected credit losses

The Group and the Company use rates for expected credit losses throughout the receivables duration. These rates are based on past experience and are adjusted to reflect forecasts of the future financial condition of clients and economic environment.

At each financial statement date, the historical rates are updated and estimates of future financial condition are analyzed. The correlation between historical data, future financial condition and expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on changes in the conditions and forecasts of the future financial condition. In addition, past experience and forecasts for the future may not lead to conclusions of the actual amount of customer default in the future.

Impairment of fixed assets

The Group assesses at each reporting date whether there is an indication that a long-term asset may have been impaired. The determination of whether such indications exist, require Management to make assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumption on the determination of its cash generating units.

Impairment of holding in subsidiaries

The Group's management assesses at each reporting date whether there is any evidence of impairment of the holdings in ARIADNE INTERCONNECTION S.P.L.C. and GRID TELECOM SINGLE MEMBER SA and if such evidence is found, the holdings are tested for impairment. Management does not consider that there is evidence of impairment for the reporting date of 31/12/2019.

Income tax and deferred tax liabilities

Income tax liabilities for the current and prior years are measured at the amounts expected to be paid to the tax authorities, using the tax rates that have been enacted by the Financial Position Statement date. The income tax includes the current income tax for each fiscal year arising from the income tax return and the deferred income tax. Deferred tax liabilities are recognized on tax losses to the extent that it is probable that future taxable profits will occur to offset the losses. Deferred tax receivables that are recognized require Management to make assessments as to the time and level of realization of future taxable profits.

Estimates for the budget of construction contracts

The Group uses the percentage of completion method to recognize revenue from construction contracts. The percentage of completion method requires managements estimation on the following:

- Cost budget of projects and therefor the gross results,
- recovery of receivables from project delay / acceleration costs,
- the effect that modifications on the contractual operation have on the profit margin of the project,
- completion of predetermined milestones on schedule, and
- projections for damaging projects.

Leases

Leases in which the Group is a lessee require the Management's decision as to whether a contract constitutes or contains a lease and recognizes a right of use asset and a corresponding lease liability.

Leases in which the Group is a lessee are classified either as finance or operating. The main factors that the Group and the Company need to evaluate in order to classify each lease, at the commencement date are:

- a) The relation between the lease duration and the remaining useful life of the underlying asset. According to the Group's policy, the above ratio should amount to 75% or more.
- b) The relation between the present value of the lease and the fair value of each pair. According to the Group's policy, the above ratio should amount to 90% or more.

When under the lease terms all risks and rewards are transferred substantially to the lessee, the lease is classified as finance. All other leases are classified as operating leases. In the process of the above categorization management decision is required.

3.3. CONSOLIDATION

(a) Subsidiaries

Subsidiaries are those entities in which the Group exerts control over their operations. The Group controls a company when it is exposed to or has rights to variable returns due to its participation in that company and has the ability to influence those returns through its authority in that company.

At each balance sheet date, the Group reviews whether exercise control over its investments in cases where otherwise indicated. Intra-group transactions, balances and unrealized profits related to Intra-group transactions are eliminated. Unrealized losses are also eliminated unless there is evidence that the assets have been impaired. The accounting policies of subsidiaries are modified where necessary to comply with the Group's accounting policies. Non-controlling interest in the results and equity of subsidiaries, is presented separately in the consolidated statement of financial position, the consolidated statement of comprehensive income and consolidated statement of changes in equity.

Subsidiaries are consolidated with full consolidation from the date on which the control is acquired and cease to be consolidated at the date when such control does not exist.

(b) Changes in ownership interests in subsidiaries without loss of control

Transactions with minority shareholders that do not affect the control exercised by the Group in the subsidiary are measured and recorded as equity transactions - that is, the treatment is the same as that used in the transactions with the major shareholders of the Group. The difference between the consideration paid and the relevant share of the book value of the subsidiary's equity is deducted from equity. Gains or losses arising from the sale to minority shareholders are also recognized in equity.

(c) Sale / cease of subsidiary control

Once the Group ceases to have control over the subsidiary, the remaining participation percentage is recalculated at its fair value, and any differences are recognized in the income statement. Subsequently, this asset is classified as an associate, or a financial asset with acquisition cost that fair value. In addition, amounts previously recorded in Other comprehensive income will be accounted for as in the case of the sale of a subsidiary and may therefore be accounted for in the income statement.

(d) Associates

Associates are entities in which the Group has a material influence but not control, which generally applies when participation percentages range from 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method. According to the equity method, an investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the associate's profits or losses after the acquisition date. The investment account for associated companies also includes goodwill arising on acquisition (less any impairment losses).

If a stake is sold to an associate but where the Group continues to exercise significant influence, only the proportion of the amounts previously recorded directly in Other comprehensive income will be recognized in profit or loss.

The Group's share in the profits or losses of associates after the acquisition is recognized in the Income Statement while the share of changes in other comprehensive income after acquisition is recognized in Other comprehensive income. Accumulated changes after acquisition affect the book value of investments in associates with a corresponding adjustment to the current value of the investment. In the event that the Group's share of an associates losses exceeds the value of the investment in the associate, no further losses are recognized unless payments have been made or other commitments have been made on behalf of the associate.

The Group examines each balance sheet date whether there is evidence of impairment of investments in associates. If an investment has to be impaired, the Group calculates the amount of the impairment as the difference between the recoverable amount of the investment and its book value.

Unrealized gains on transactions between the Group and associates are written off by the Group's participation percentage in associates. Unrealized losses are also written off by the Group's participation percentage in them unless the transaction provides evidence of impairment of the transferred asset. The accounting policies of associates have been amended to be consistent with those adopted by the Group. In the parent's statement of financial position, associates are measured at cost less impairment.

3.4. MAIN ACCOUNTING POLICIES

3.4.1 Foreign Currency Conversion

The functional and reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates which were in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities that are denominated in other currencies are adjusted to reflect the current exchange rates. Gains or losses resulting from foreign currency adjustments are reflected in other expenses in the Income Statement.

3.4.2 Intangible Assets

Intangible assets include software programs. Software programs are depicted at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are written off. Any gain or loss is included in the income statement. Software costs are amortized on a straight-line basis over a period of five years.

3.4.3 Tangible fixed assets

Tangible assets are initially recognized at their acquisition cost which includes all direct attributable expenses for their acquisition or construction until they are ready to use as intended by Management. Subsequent of their initial recognition, tangible assets (excluding assets under construction) are valued at their fair values minus accumulated depreciation and impairments. Estimations of fair values are performed periodically by independent appraisers (every three to five years) using Level 3 assumptions of the hierarchy stipulated in the IFRS 13 and mainly the residual replacement cost method in order to ensure that fair value does not differ significantly from the undepreciated balance. During the fiscal year, an estimate of the tangible fixed assets was made by independent appraisers with reference date of 31/12/2019. The last estimation by independent appraisers was completed on December 31, 2014.

Any increase in value is credited as reserve to the other comprehensive income/ losses, net of deferred income taxes. However, an increase due to re-adjustment will be recognized in the results, to the extent that it reverses a devaluation of the same asset, which was previously recognized in the results.

Any decrease in value of an asset as a result of an adjustment, must be recognized to the income statement. However, a decrease shall be debited directly to reserves in other comprehensive income, net of deferred taxes, to the extent of any credit balance in the revaluation surplus in respect of that asset.

At the date of revaluation, accumulated depreciation is offset against pre depreciation book values and net amounts are restated according to restated amounts. Upon disposal of a revalued tangible asset, the relevant portion of the revaluation goodwill is released from reserves directly to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Subsequent future expenditures are capitalized when they meet the criteria to be recognized as assets and increase the value of the fixed assets. Expenditures that are capitalized mainly concern the construction of new projects and include the payroll costs of the Department for New Transmission Projects as well as other direct costs of third parties. For all assets retired or sold, their acquisition cost and related depreciation are written off from the accounts at the time of sale or retirement. Any gain or loss is included in the income statement.

In the year ended December 31, 2019, the Company proceeded with the derecognition of fixed assets, transferred to IPTO as of December 31, 2008.

According to Article 273 of the System Management Code (SMC), the electromechanical equipment, its accessories and related civil engineering projects after the completion of control procedures fall under the ownership of the System Connection Manager (IPTO) and constitute fixed connections. For this purpose, the user is obliged to transfer (without consideration) to IPTO the ownership and possession.

As of December 31, 2008, these fixed assets contributions, were accounted as Construction in progress and recognized at fair value. The total of these items on January 1st, 2018 had been transferred to retained earnings, after management decision that the asset recognition criteria were not met, since the Company does not expect any future economic benefits.

Additionally, the company reclassified assets from "Assets under construction" to tangible and intangible assets, along with their depreciation.

The impact of the derecognition and reclassification of assets in the financial statements of the Group and Company are disclosed in note 3.6.

3.4.4 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that needs a substantial period of time to get ready for its intended use or sale, are capitalized as part of the acquisition cost of the relevant assets. All the remaining borrowing costs are recognized as expenses in the period in which they are incurred.

3.4.5 Depreciation

Depreciation of fixed assets is calculated on a straight-line basis over the average estimated remaining useful economic life of the assets. The total average useful lives (in years) applied for the calculation of depreciation, are as follows:

General use buildings	50
Transmission lines	35

Transmission substations	35
Other equipment	35
Transportation means	15
Furniture and other equipment	5-25
Right of Use Asset	Duration of the Contract

The useful life of the assets is equal to the one used by the independent appraiser during the appraisal of 31/12/2014, regarding the calculation of the remaining useful life of IPTO's assets which are based on the evidence and the information it received from constructors – representatives of similar assets, is in line with international practices, as well as the details which he keeps in his data base either from past projects of PPC SA or similar appraisals carried out abroad. Useful lives were reassessed during the revaluation made on December 31, 2019 without any significant differences arose.

3.4.6 Impairment of Non-Financial Assets

The Group assesses at each reporting date the existence or absence of evidence of impairment of its assets. These indications relate mainly to a greater loss in the asset's value than expected, changes in the market, technology, legal status, physical condition of the asset and change in use. In case there are indications, the Group calculates the recoverable amount of the asset. The recoverable amount of an asset is determined as the greater of the fair value of the asset's or cash-generating unit's sale value (net of disposal costs) and value in use.

The recoverable amount is determined at the level of a qualifying asset unless that asset does not generate cash inflows that are independent of those of other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, it is assumed that its value is impaired and adjusted to its recoverable amount. The value in use is calculated as the present value of estimated future cash flows using a pre-tax discount rate that reflects current estimates of the time value of the money and the risks associated with that asset. The fair value of the sale (after deducting selling expenses) is determined on the basis, where appropriate, of applying a valuation model. Impairment losses from continuing operations are recognized in the income statement. At each Financial Position date, the extent to which impairment losses recognized in the past still exist or have been impaired. If there are such indications, the recoverable amount of the asset is redefined. Impairment losses that have been recognized in the past are reversed only if there are changes in the estimates used to determine the recoverable amount from the recognition of the last impairment loss.

The increased balance of the asset resulting from the reversal of the impairment loss may not exceed the amount that would have been determined (less depreciation) if the impairment loss had not been recognized in the past. Reversal of impairment is recognized in the income statement unless the asset is measured at fair value, where the reversal is treated as an increase of the already recognized goodwill and after reversal, the depreciation of the asset is adjusted so that the revised balance (less the residual value) is allotted equally in the future based on the remaining useful life of the asset.

3.4.7 Financial Assets

The financial assets that fall under and are regulated by the provisions of IFRS 9, according to which, at initial recognition, a financial asset is classified as measured:

- at amortized cost
- at Fair value through other comprehensive income (for investments in net worth)

- at fair value through other comprehensive income (for debt investments)
- at fair value through Income statement,

Based on:

- a. Business model of the group for the management of financial assets, and
- b. The characteristics of contractual cash flows of the financial asset.

The Group and the Company use the following measurement category based on their financial assets:

Trade and Other receivables, Loans and Lease receivables

Financial assets are measured at amortized cost, if they are held for retaining and collecting conventional cash flows that meet the SPPI criteria. The financial assets of this business model generate cash flows on specified dates, exclusively for capital and interest payments of the outstanding loan (Solely Payments of Principal and Interest - SPPI). Interest income arising from such items are included in financial income and recognized using the effective interest method. Gains or losses resulting from write-offs are immediately recognized in the income statement. They are included in current assets, except those with maturity of more than 12 months from the reference date.

Impairment of Financial Assets

IFRS 9 introduces the "expected credit loss" model for the impairment of financial assets. The method of determining the impairment loss of IFRS 9 applies to financial assets classified at amortized cost, contractual assets and debt investments at fair value through the Other comprehensive income, but not applied to investment in equity instruments.

Financial assets measured at carrying amount

Financial assets at amortized cost consist of trade receivables, cash and cash equivalents, lease receivables and corporate debt securities. Losses are measured on one of the following bases:

- 12 months of expected credit losses (these expected losses may arise due to contractual default events within 12 months of the reporting date)
- expected lifetime credit losses (these expected losses may arise from events that occur over the life of the financial asset)
- Life time credit losses (if there are objective evidence of impairment of the financial asset).

Financial assets measured at amortized cost

Impairment for expected credit losses is a probability-weighted estimate of credit losses. Credit losses are measured at the present value (using the effective interest method) of monetary deficits, ie the present value of the difference in cash flows that the Company would receive on a contractual basis and the cash flows it expects to receive.

Impairment Presentation

Losses on financial assets measured at amortized cost are deducted from the carrying amount of the assets.

Write-off of Financial Assets

Financial assets (or, where applicable, the part of a financial asset or part of a group of financial assets) are deleted when (1) contractual rights are expired over Cash flows of the financial Asset or (2) transfer the financial asset and this transfer fulfils the conditions of the standard for cessation of recognition.

3.4.8 Inventory

Inventories include consumables, materials and spare parts of fixed assets which are stated at the lower of their acquisition cost or net realizable value, the acquisition cost being determined using the weighted average method. These materials are recorded in inventory when purchased and then are expensed or capitalized, as appropriate, when used. A provision is formed for their value impairment based on the recoverable amount from the use of said materials. The provision for impairment is calculated systemically in relation to years of inactivity of the materials.

3.4.9 Cash and Cash Equivalents

Time deposits and other highly liquid investments with original maturity of three months or less are considered to be cash equivalents.

3.4.10 Offsetting of Financial Receivables and Liabilities

Financial receivables and liabilities are offset and the net amount is presented in the Financial Position Statement only when the company has a legally enforceable right to set off the recognized amounts and intends to either settle such asset and liability on a net basis or realize the asset and settle the liability simultaneously.

3.4.11 Interesting bearing Loans and Borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, they are subsequently measured at unamortized cost using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in income statement during the borrowing period using the effective interest method. Borrowing costs paid while signing a new loan are recognized as borrowing costs when the loan is partly or fully received. If the loan is not used, partly or fully, then these costs are included in the prepaid expenses and recognized in income statement during the life of the relevant credit line. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months from the balance sheet date.

Loans are classified as short-term liabilities unless the Group has the right to defer payment of the liability for at least 12 months from the balance sheet date.

On December 31, 2019, Management decided to restate the comparative period amounts concerning the Company's borrowings, by transferring to the Income statement and Retained earnings, borrowing costs, dated prior to the comparative period, which had not been depreciated and are related to borrowings expired in 2018.

The effect of the above restatement on the financial statements of the Group and the Company is disclosed in note 3.6

3.4.12 Financial Liabilities

Financial liabilities are presented in the unamortized cost and are derecognized when the obligation under the liability is discharged or cancelled or expires. In case an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Income Statement.

The adoption of IFRS 9 abolished the previous classifications of financial assets in IAS 39, but did not alter the requirements for classifying and measuring financial liabilities

3.4.13 Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

Provisions are recognized when the Company has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.4.14 Subsidies for Fixed Assets Investments

The company receives subsidies from the Hellenic Republic and from the European Union (through the investment budget of the Hellenic Republic) in order to fund specific projects executed through a specific time period. Subsidies are recorded upon collection and are reflected as deferred income in the accompanying balance sheet. Amortization is accounted for in accordance with the remaining useful life of the related assets and is included in depreciation and amortization in the accompanying statements of income.

3.4.15 Participations in the construction of Fixed Assets and Contributions of Fixed Assets

Customers and producers, who are connected with the transmission network, are required to participate in the initial connection cost with the network or other type of infrastructure, through the deposit of institutionally defined amounts or through fixed assets contribution.

Specifically, the Company, under the contract with the User, against payment, checks, tests and supervises the connection of power generating unit to the Transmission System and issues a relevant certificate confirming the compliance with technical and quality standards set by regulatory authorities. The certification provided by the Company is part of a series of certifications received by the user from the regulatory and other administrative authorities, in order to obtain the Operating License which ensures the connection to the System. The electromechanical equipment, its accessories and related civil engineering projects, after completing the inspection and acceptance procedures become the property of the System Operator and constitute a fixed connection. For this purpose, the User is obliged to transfer them to IPTO in ownership and possession.

Until December 31, 2008, due to the lack of detailed accounting guidance under current IFRS, PPC has elected to record upon collection the amounts of contributions from customers and producers, for the construction of assets needed for their connection with the network, and they were reflected in the Balance Sheet as deferred income. Their amortization was accounted for in accordance with the remaining useful life of the related financed assets and was included in the depreciation and amortization of the income statement (implemented, that is, the accounting policy used for subsidies). As of January 1, 2009, PPC and then IPTO implementing the Interpretation 18 —Transfers of Assets from Customers recognize the cash and the assets received from customers and producers needed for their connection with the network, at fair values in the Income Statement.

During the reported period, it was decided the restatement of comparative figures, with the total amount of the "Consumer Contributions" that presented on January 1, 2018 and concerned customers participation that had been received by December 31, 2008, to reclassified to Retained Earnings as a result of IFRS 15 application and taking into account the retroactive application of the standard.

Respectively, the fixed assets transferred to IPTO by December 31, 2008, were accounted as assets under construction and were recognized at their fair value.

The aforementioned amounts on January 1, 2018 have been transferred to Retained Earnings, redefining the figures of the comparative period, as the Management considered that the criteria for assets recognition are not met, as the Company does not expect future economic benefits.

The effect from the restatement of the assets under construction and the long-term liabilities in the financial statements of the Group and the Company is presented in note 3.6.

3.4.16 Income Tax (Current and Deferred)

Current income tax

Current tax expense includes income tax resulting from the Group's earnings as reformed in the tax returns and provisions for additional taxes and surcharges for unaudited tax years and is calculated in accordance with the statutory or substantively enacted tax rates on the date of preparation of the Financial Position.

Deferred income tax

Deferred income tax is calculated using the liability method, on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred income tax liability arises from initial recognition of capital gain or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward tax assets and tax losses, to the extent that it is possible that taxable profit will be available to use against the deductible temporary differences and the carried forward unused tax assets and unused tax losses. A deferred tax asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction it does not affect either the book profit or the taxable profit or loss. Deferred tax assets are remeasured at each financial position date and are reduced to the extent that it is not deemed probable 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 liabilities are calculated based on the tax rates that are expected to be in force for the period in which the asset is recovered or the liability settled and are based on the tax rates (and tax laws) that are in force or have been enacted at the date of preparation of the Financial Position statements. Income tax relating to items that are recognized directly in other comprehensive income is recognized directly in other comprehensive income and not in the Income Statement.

With the provisions of article 22 of Law 4646/2019 (Government Gazette A ' 201/12.12.2019), article 58 of the Law 4172/2014) was replaced.

Furthermore, according to IAS 12 "income taxes" it is stipulated that:

"deferred tax assets and liabilities will be measured with the tax rates expected to be applied to the period during which the Asset or liability, taking into account the tax rates (and tax laws) established or substantially enacted, up to the balance sheet date. "

Furthermore, the deferred tax liabilities recognized in the statement of financial position have been adjusted at the 31.12.2018, at the tax rates applicable in the years expected to be settled.

3.4.17 Employee Benefits

a) Retirement benefits

Defined contribution plan

The defined contribution plan is a pension plan under which the Company pays specific contributions to a separate legal entity. The Company has no legal or other implied obligation to pay additional contributions if there is lack of adequate assets in hand to pay to all employees the benefits corresponding to them in the current and previous time periods.

The Company recognizes in the income statement as an expense, contributions attributable to the services received from the employees and paid to the insurance company EFKA (defined contribution plan) and as a liability the part of those who have not yet paid.

Defined benefit plan

A defined benefit plan is a pension plan which establishes a specific pension amount which an employee will receive upon retirement and usually depends on one or more factors such as age, years of past service and remuneration.

The liability is entered in the statement of financial position for the defined benefit plans is the present value of the defined benefit liability on the reporting date. The defined benefit liability is calculated annually by an independent actuarial using the Projected Unit Credit Method. The present value of the defined benefit liability is calculated by discounting future cash outflows based on a discount factor equal to the rate for long-term high credit quality European corporate bonds.

The cost of the current service of the defined benefit plan recognized in the statement of comprehensive income as "Staff costs" reflects the increase in the defined benefit liability tied to an employee's service in the current period, changes in the benefit, cuts and settlements. The recognized cost of past service is recognized directly in profit or loss.

Actuarial profit or loss from empirical adjustments and changes in actuarial assumptions is charged or credited to other comprehensive income in the period in which it arises

The PPC Group supplies employees of all companies of the PPC Group and their pensioners with electricity at a reduced tariff. This benefit continues to exist even after the ownership unbundling from the PPC Group has been completed .

Such reduced tariffs to pensioners are considered to be retirement obligations from IPTO SA to PPC SA (prior parent company) and are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end based on the employees earning retirement benefit rights steadily throughout the working period. The relevant retirement obligations are calculated on the basis of financial and actuarial assumptions. Net costs for the period are included in the payroll cost in the accompanying income statement consisting of the present value of the benefits earned in the year, reduced by the amount of the benefits offered. Retirement benefit obligations are not funded.

The assessment is performed by an independent licensed actuary. Actuarial gains or losses arising from a change in key assumptions are recorded to the Statement of Other Income in the net position.

Employment termination benefits

Termination benefits are payable when employment is terminated before normal retirement date. The company recognizes such benefits when it is demonstrably committed to either terminate the employment of an employee based on a detailed plan from which there is no withdrawal possibility, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

In case of employment termination where it is not possible to establish the employees who make use of such benefits, such benefits are not recognized but notified as contingent liability.

Under Law 4533/2018 Government Gazette A'75/27.04.2018 The Company will pay severance compensation, which may not exceed the amount of EUR 15,000 (fifteen thousand euros) to employees who leave due to termination of the employment contract or completion of the age limit, or any other reason prescribed by law.

3.4.18 Revenue Recognition

Revenue is recognized when a contractual obligation to the individual customer is fulfilled by the provision of services. The customer obtains control of a service when it can direct its use and receive substantially all the remaining economic benefits from it. If a contract contains more than one contractual obligations, the total value of the contract is allocated to the individual liabilities based on the individual sales values.

Revenues are recognized to the extent that it is possible that financial benefits will flow into the Group and the Company and that the relevant amounts can be measured reliably.

Revenue from contracts for projects under construction

Construction contract is a contract concluded specifically for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of design, technology and operation or their ultimate purpose or use.

Construction contracting costs are recognized when they are incurred.

When the outcome of a construction contract cannot be estimated reliably, as revenue from the contract is recognized only revenue incurred and expected to be collected.

When the outcome of a construction contract can be estimated reliably, the revenue and expenses of the contract are recognized during the contract, respectively, as income and expense.

The Group uses the input method of IFRS 15 to determine the appropriate amount of revenue to be recognized over a specific period. Revenue is recognized based on costs incurred up to the date of the Statement of Financial Position in relation to the total estimated costs for each contract. When it is probable that total contracting cost will exceed the total revenue, then the expected loss is recognized directly in the income statement as an expense.

To determine the cost incurred by the end of the reporting period, any expenses related to future tasks related to the contract are excluded and appear as work in progress.

The total cost incurred and the profit / loss recognized for each contract are compared with the invoicing during the reporting period.

Revenue from ownership and management of the Network

Revenues from the rental of the Transmission System are accounted during the relevant period according to the pricing resulting from the Unified System Use Fees, as determined by RAE.

Other Revenue

Revenue from services is recognized based on the completion stage of the services provided and the extent to which the related receivable will be collected.

Revenue from clearing charges

The company operates as an assignee for the settlement charge and payment of charges related to energy management. Charges and payments to the beneficiaries do not increase the company's revenues and expenses and are shown in the In-come Statement for informative purposes of the parties involved. The company also operates as an intermediary for the settlement of those charges.

Interest Income

Interest income is recognized on the accrual basis.

3.4.19 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases for both customer ("Lessee") and supplier ('lessor'). The new standard requires lessees to recognize most leases in the statement of financial position. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The Group and the Company adopted IFRS 16 for the first time on January 1, 2019, using the retrospective approach, whereby the cumulative retroactive impact of the initial application of the Standard to be recognized at the date of initial application (01/01/2019).

The comparative figures have not been reformulated. The Group and the Company apply the standard to contracts that were recognized as leases prior the date of IFRS 16 enforcement by applying IAS 17 and IFRIC Interpretation 4. Therefore, The Group and the Company do not apply the standard to contracts that were not recognized as leases under IAS 17 and IFRIC Interpretation 4.

Moreover, the Group and the Company did not apply the new provisions to leases with a lease term of 12 months or less (short-term) or to leases for which the underlying asset is low value.(€5.000). The payments of rents for the Group are mainly related to leases of plots, buildings, transportation and mechanical equipment. At the first application of IFRS 16, the Group and the Company assessed the impact of the new standard.

The Group and the Company concluded that the existing operational and business equipment lease contracts are of low value and therefore not included in the recognition as Finance Leases of rights of use and under IFRS 16. The Group and the Company applied a discount rate (3%) in each category of leases with similar characteristics.

The Group and the Company as lessee

For most of the leases contracted as a lessee, other than low-value or less than one-year leases - the payments of which are recorded with a fixed method in the income statement throughout the lease period - the Group and the Company recognize as an element of assets and liabilities the right to use the asset and the lease liabilities respectively.

The rights to use assets are measured at cost, less accumulated amortization and impairment and adjusted by the remeasurement of the respective lease liabilities. The costs of the right to use include the amount of lease liabilities that have been recognized, the initial directly related costs and the lease payments made before or on the start date, reduced by the amount of discounts or other incentives offered.

Except where the Group is relatively certain that the leased asset will be passed in his possession at the end of the lease, the recognized rights of use are depreciated on a straight line basis over the shorter of the useful life of the underlying asset and the lease term. The right of use asset is subject to impairment testing.

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

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

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease period, less any lease incentives received, any initial direct costs incurred by the lessee, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group undertakes those costs either at the commencement date of the lease period or as a consequence of the use of the leased asset during a specified period.

The right-of-use asset is included in “Right of use asset” of the Statement of Financial Position and the lease liability is included in Long-term Borrowing and Short-term Borrowing.

Initial measurement of the lease liability

At the commencement of the lease period, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group will use the incremental borrowing rate.

At the commencement date of the lease period, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease period:

- (a) fixed payments, less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease period;
- (c) amounts expected to be payable by the Group under residual value guarantees;
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) 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 of the lease period, the Group measures the right-of-use asset applying the cost model:

- (a) less any accumulated depreciation and any accumulated impairment losses; and
- (b) adjusted for any remeasurement of the lease liability.

The Group applies the requirements of IAS 16 regarding the amortization of the right of use asset, which examines for possible impairment.

Subsequent measurement of the lease liability

After the commencement date of the lease period, the Company will measure the lease liability by:

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date of the lease period, the Company recognizes in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

(a) interest on the lease liability; and

(b) 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 and the Company as a lessor

The Group also operates as a final lessor, leasing assets to third parties.

Through its subsidiary «GRID TELECOM SMSA», which operates as an intermediate lessor leases optical fibers (dark fibers) to third parties. The accounting treatment of leases for the lessor remains the same as IAS 17.

The subsidiary treats the main lease and sublease as two separate contracts, recognizing as finance lease asset the receivable arising from the sublease agreement and derecognizing part of right of use asset corresponding to the sublease.

During the lease, part of the installments charged to customers is recognized as a reduction in the net lease investment and a part as income from finance lease. Upon initial recognition of the financial asset, the subsidiary used the discount rate of the main lease, as implicit interest rate of the sublease was not easy to determine (IFRS 16 par.68).

Impact on the adoption of IFRS 16:

Impact on Financial Position (increase / decrease) on 01.01.2019

Assets	Amounts in €
Tangible Assets (Right of Use)	691.948
Deferred Tax Assets	5.164
Liabilities	
Lease Liabilities	713.464
Impact on Equity	(16.352)

3.5. NEW ACCOUNTING POLICIES

A) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Company as of 1 January 2019:

IFRS 16: Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The amendment does not have a significant impact on the Financial Statements of the Group and the Company.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The amendment does not have a significant impact on the Financial Statements of the Group and the Company.

IFRIC INTERPRETATION 23: Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The interpretation does not have a significant impact on the Financial Statements of the Group and the Company.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The amendment does not have a significant impact on the Financial Statements of the Group and the Company.

The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs. Management do not expect these amendments to have significant impact on the financial statements of the Group and the Company.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main

consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. Management has assessed that the amendment will not have a significant impact on the Financial Statements of the Group and the Company.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. Management has assessed that the amendment will not have a significant impact on the Financial Statements of the Group and the Company.

Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly

affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. Management has assessed that the amendment will not have a significant impact on the Financial Statements of the Group and the Company.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management has assessed that the amendment will not have a significant impact on the Financial Statements of the Group and the Company.

3.6. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND CORRECTION OF ERRORS

In the year ended December 31, 2019, the Company proceeded to the restatement of the comparative period figures by redefining the accounting method of a) Consumer Contribution b) Fixed assets related to the Consumer Contributions for the periods up to December 31, 2008 constructed by the Company and c) the borrowing costs.

Specifically, the restatements concerned:

- a) Reclassification of assets from the "Assets under construction" in tangible and intangible assets and depreciation calculations. It concerns capitalizations made in current year but their electrification and use commenced in prior years (Note 3.4.3).
- b) De-recognition of producer's connection projects capitalized cost (customers' contributions) due to application of IFRS 15 as of 01.01.2018 (Note 3.4.3).
- c) De-recognition of non-depreciated income balance of producer connection projects (customers' contributions) due to application of IFRS 15 as of 01.01.2018 (Note 3.4.15).
- d) De-recognition of net book borrowing costs due to refinancing (Note 3.4.11).
- e) Effect of deferred tax.



STATEMENT OF FINANCIAL POSITION ON 31.12.2019

	Group		Group - Restated		Company		Company - Restated		Company and Group	
ASSETS	31/12/2018	Restatement	31/12/2018	31/12/2018	Restatement	31/12/2018	31/12/2017	Restatement	1/1/2018	
Non-current assets:										
Tangible assets	1.671.314	(7.015)	1.664.299	1.671.314	(7.015)	1.664.299	1.580.899	(3.550)	1.577.349	
Intangible assets	215	733	948	215	733	948	247	(131)	115	
Rights of use assets	-	-	-	-	-	-	-	-	-	
Investments in subsidiaries	-	-	-	200.000	-	200.000	-	-	-	
Investments in associates	1.000	-	1.000	1.000	-	1.000	-	-	-	
Financial assets at amortized cost	3.756	-	3.756	3.756	-	3.756	-	-	-	
Deferred tax liabilities	-	-	-	-	--	--	26.266	-	26.266	
Total non-current assets	1.676.285	(6.282)	1.670.003	1.876.285	(6.282)	1.870.003	1.607.412	(3.681)	1.603.730	
Current assets:										
Inventories	54.207	-	54.207	54.207	-	54.207	46.998	-	46.998	
Trade receivables	715.923	-	715.923	715.923	-	715.923	1.247.768	-	1.247.768	
Other receivables	63.248	-	63.248	63.160	-	63.160	62.105	-	62.105	
Cash	602.933	-	602.933	402.639	-	402.639	771.849	-	771.849	
Total current assets	1.436.311	-	1.436.311	1.235.929	-	1.235.929	2.128.720	-	2.128.720	
Total assets	3.112.596	(6.282)	3.106.314	3.112.214	(6.282)	3.105.932	3.736.132	(3.681)	3.732.451	
EQUITY AND LIABILITIES										
Equity:										
Share capital	38.444	-	38.444	38.444	-	38.444	38.444	-	38.444	
Legal reserve	12.828	-	12.828	12.815	-	12.815	12.815	-	12.815	
Other reserves	(13.252)	-	(13.252)	(13.252)	-	(13.252)	(10.372)	-	(10.372)	
Revaluation reserve	650.939	-	650.939	650.939	-	650.939	639.712	-	639.712	
Retained earnings	339.049	2.688	341.737	338.792	2.688	341.480	284.063	6.320	290.382	
Total equity	1.028.007	2.688	1.030.695	1.027.737	2.688	1.030.425	964.662	6.320	970.982	

STATEMENT OF FINANCIAL POSITION ON 31.12.2019

	Group		Group - Restated		Company		Company - Restated		Company and Group		Company and Group
	31/12/2018	Restatement	31/12/2018	31/12/2018	Restatement	31/12/2018	31/12/2017	Restatement	1/1/2018		
Non-current liabilities:											
Long-term borrowings	623.186	2.110	625.296	623.186	2.110	625.296	520.361	551	520.912		
Provisions for employee benefits	40.061	-	40.061	40.061	-	40.061	26.466	-	26.466		
Other provisions	37.744	-	37.744	37.744	-	37.744	63.932	-	63.932		
Deferred tax liabilities	125.928	896	126.824	125.928	896	126.824	139.329	2.107	141.436		
Consumers' contributions and subsidies	294.951	(12.057)	282.894	294.951	(12.057)	282.894	218.006	(12.659)	205.347		
Other non-current liabilities	8.187	-	8.187	8.187	-	8.187	8.494	-	8.494		
Total non-current liabilities	1.130.058	(9.051)	1.121.006	1.130.058	(9.051)	1.121.006	976.588	(10.001)	966.587		
Current liabilities:											
Trade and other payables	729.261	-	729.261	729.259	-	729.259	1.646.172	-	1.646.172		
Short-term portion of long-term borrowings	63.271	81	63.352	63.271	81	63.352	9.905	-	9.905		
Dividends payable	-	-	-	-	-	-	-	-	-		
Income tax payable	5.238	-	5.238	5.128	-	5.128	9.060	-	9.060		
Accrued and other liabilities	44.693	-	44.693	44.693	-	44.693	18.149	-	18.149		
Deferred income and other reserves	112.068	-	112.068	112.068	-	112.068	111.596	-	111.596		
Total current liabilities	954.531	81	954.613	954.419	81	954.500	1.794.882	-	1.794.882		
Total equity and liabilities	3.112.596	(6.282)	3.106.314	3.112.214	(6.282)	3.105.932	3.736.132	(3.681)	3.732.451		

INCOME STATEMENT

	Group 1/1/2018- 31/12/2018	Restatement	Group - Restated 1/1/2018- 31/12/2018	Company 1/1/2018- 31/12/2018	Restatement	Company - Restated 1/1/2018- 31/12/2018
Net Sales:						
Revenue from transmission system rent	222.676	-	222.676	222.676	-	222.676
Operator's sales	933.470	-	933.470	933.470	-	933.470
Operator's purchases	(933.470)	-	(933.470)	(933.470)	-	(933.470)
Other Sales	26.559	(1.839)	24.721	26.559	(1.839)	24.721
Total sales	249.236	(1.839)	247.397	249.236	(1.839)	247.397
Expenses/(income):						
Payroll cost	69.981	-	69.981	69.981	-	69.981
Depreciation and amortization	67.342	1.363	68.706	67.342	1.363	68.706
Contract cost	10.949	-	10.949	10.949	-	10.949
Materials and consumables	1.256	-	1.256	1.256	-	1.256
Third party benefits	3.646	-	3.646	3.646	-	3.646
Third party fees	4.536	-	4.536	4.534	-	4.534
Taxes-duties	2.456	-	2.456	2.456	-	2.456
Provisions for litigations	(21.041)	-	(21.041)	(21.041)	-	(21.041)
Provisions for impairment of materials	477	-	477	477	-	477
Provisions for impairment of assets	244	-	244	244	-	244
Provisions (release) for impairment of receivables	(6.662)	-	(6.662)	(6.662)	-	(6.662)
Decrease in value of fixed assets due to valuation	-	-	-	-	-	-
Other income	(7.942)	-	(7.942)	(7.942)	-	(7.942)
Other expenses	8.574	-	8.574	8.374	-	8.374
Total expenses	133.817	1.363	135.180	133.614	1.363	134.977
Profit/(loss) before taxes and financial results	115.418	(3.202)	112.217	115.622	(3.202)	112.420
Financial expenses	(17.788)	(1.640)	(19.428)	(17.787)	(1.640)	(19.428)
Financial income	11.735	-	11.735	11.151	-	11.151
Profit/(loss) before taxes	109.365	(4.842)	104.523	108.985	(4.842)	104.143
Income Tax	(23.497)	1.211	(22.287)	(23.387)	1.211	(22.176)
Net profit/(loss) of fiscal year	85.868	(3.632)	82.236	85.598	(3.632)	81.966

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Group		Group - Restated	Company		Company - Restated
	1/1/2018- 31/12/2018	Restatement	1/1/2018- 31/12/2018	1/1/2018- 31/12/2018	Restatement	1/1/2018- 31/12/2018
Net profit/(loss) of fiscal year	85.868	(3.632)	82.236	85.598	(3.632)	81.966
Other comprehensive income/(loss)						
Tax rate change effect	11.227	-	11.227	11.227	-	11.227
Actuarial profit/ (loss) based on IAS 19 (net after taxes)	(2.881)	-	(2.881)	(2.881)	-	(2.881)
Other comprehensive profits/ (losses) after taxes	8.346	-	8.346	8.346	-	8.346
Cumulative comprehensive profits (losses) after taxes	94.214	(3.632)	90.582	93.944	(3.632)	90.312

STATEMENT OF CHANGES IN EQUITY

	Group					Total equity
	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	
Balance on 1st of January 2018, as published	38.444	12.815	639.712	(10.372)	284.063	964.662
Restatement adjustment	-	-	-	-	6.320	6.320
Adjusted balance on 1st of January 2018	38.444	12.815	639.712	(10.372)	290.383	970.982
Balance on 31st of December 2018, as published	38.444	12.828	650.939	(13.252)	339.049	1.028.007
Restatement adjustment	-	-	-	-	2.688	2.688
Adjusted balance on 31st of December 2018	38.444	12.828	650.939	(13.252)	341.737	1.030.695
	Company					
	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance on 1st of January 2018, as published	38.444	12.815	639.712	(10.372)	284.063	964.662
Restatement adjustment	-	-	-	-	6.320	6.320
Adjusted balance on 1st of January 2018	38.444	12.815	639.712	(10.372)	290.383	970.982
Balance on 31st of December 2018, as published	38.444	12.815	650.939	(13.252)	338.792	1.027.737
Restatement adjustment	-	-	-	-	2.688	2.688
Adjusted balance on 31st of December 2018	38.444	12.815	650.939	(13.252)	341.480	1.030.425

The effect of the restatement on Equity is analyzed below:

		Retained earnings - Group		Retained earnings - Company	
		31/12/2018	1/1/2018	31/12/2018	1/1/2018
Balance as published		339.049	284.063	338.792	284.063
a)	Reclassification of assets from the "Assets under construction" in tangible and intangible assets and depreciation calculations. (Note 3.4.3)	(1.227)	(466)	(1.227)	(466)
b)	De-recognition of producer's connection projects capitalized cost (customers' contributions) due to application of IFRS 15 as of 01.01.2018. (Note 3.4.3)	(5.054)	(3.216)	(5.054)	(3.216)
c)	De-recognition of non-depreciable income balance of producer connection projects (customers' contributions) due to application of IFRS 15 as of 01.01.2018. (Note 3.4.15)	(2.191)	(551)	(2.191)	(551)
d)	De-recognition of net book borrowing costs due to refinancing. (Note 3.4.11)	12.057	12.659	12.057	12.659
e)	Effect of deferred tax	(896)	(2.107)	(896)	(2.107)
		2.688	6.320	2.688	6.320
Restated Balance		341.737	290.383	341.480	290.383

STATEMENT OF CASH FLOW

	Group 1/1/2018- 31/12/2018	Restatement	Group - Restated 1/1/2018- 31/12/2018	Company 1/1/2018- 31/12/2018	Restatement	Company - Restated 1/1/2018-31/12/2018
Cash flows from operating activities						
Profits/(Losses) before taxes	109.365	(4.842)	104.523	108.985	(4.842.217)	104.143
Adjustments for:	-	-	-	-	-	-
Depreciation of tangible assets	75.391	762	76.153	75.391	761.827	76.153
Amortization of subsidies	(8.049)	601	(7.448)	(8.049)	601.460	(7.448)
Interest income	(11.735)	-	(11.735)	(11.151)	-	(11.151)
Other provisions	(26.983)	-	(26.983)	(26.983)	-	(26.983)
Asset write-offs and transfer to contractor cost	12.385	1.839	14.224	12.385	1.838.567	14.224
Impairment loss from devaluation of fixed assets	-	-	-	-	-	-
Impairment of loan issuance costs	1.473	(636)	837	1.473	(636.134)	837
Interest expense	17.561	-	17.561	17.561	-	17.561
Payroll provisions	-	11.456	11.456	-	11.456	11.456
Operational profit before changes in the working capital	169.410	9.180	178.590	169.613	9.180	178.793
(Increase)/decrease:						
Trade and other receivables	541.060	-	541.060	541.060	-	541.060
Other receivables	18.220	-	18.220	18.308	-	18.308
Inventories	(7.685)	-	(7.685)	(7.685)	-	(7.685)
Increase/(decrease) :						
Trade payables	(916.910)	4.787	(912.123)	(916.912)	(6.670)	(923.582)
Other payables and accrued expenses	29.277	(11.456)	17.821	29.277	-	29.277
			(4.787)			(4.787)
Tax paid	(29.046)	-	(29.046)	(29.046)	-	(29.046)
Net cash flow from operating activities	(195.675)	(2.276)	(197.952)	(195.386)	(2.276)	(197.662)
Cash flows from investing activities						
Interest received	11.322	-	11.322	10.738	-	10.738
Subsidies received	84.994	-	84.994	84.994	-	84.994
Investments in related parties	(5.000)	-	(5.000)	(205.000)	-	(205.000)
Purchases of current and non-current assets	(178.160)	-	(178.160)	(178.160)	-	(178.160)
Net cash flow from investing activities	(86.843)	-	(86.843)	(287.427)	-	(287.427)
Cash flows from financing activities						
Loan repayments	(110.000)	-	(110.000)	(110.000)	-	(110.000)
Dividends paid	(23.553)	-	(23.553)	(23.553)	-	(23.553)
Receipt of share capital	-	-	-	-	-	-
Loan expenses	(4.283)	2.276	(2.007)	(4.283)	2.276	(2.007)
Receipt of loans	269.000	-	269.000	269.000	-	269.000
Interest paid	(17.561)	-	(17.561)	(17.561)	-	(17.561)
Net cash flows from financing activities	113.602	2.276	115.879	113.603	2.276	115.879
Net increase/ (decrease) of cash and cash equivalents	(168.916)	-	(168.916)	(369.210)	-	(369.210)
Cash and cash equivalents, opening balance	771.849	-	771.849	771.849	-	771.849
Cash and cash equivalents, closing balance	602.933	-	602.933	402.639	-	402.639

4. FINANCIAL RISK MANAGEMENT

4.1. FINANCIAL RISK FACTORS

The Group and the Company are exposed to financial risk, such as market risk (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management program, focuses on the unpredictability of financial markets, aiming to minimize their possible adverse effect on the Company's and the Group's financial performance.

The Group and the Company determine, evaluate and, if necessary, hedge the risks related to operating activities, while control and revise the relevant policies and procedures related to financial risk management. Also, there are no speculative transactions.

The main financial instruments are as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Assets				
<i>At unamortized cost</i>				
Financial assets	3.936	3.756	3.936	3.756
Finance lease receivables	4.055	-	2.882	-
Other non- current assets	-	-	-	-
Trade and other receivables	323.275	779.171	322.953	779.083
Cash and cash equivalents	425.170	602.933	224.351	402.639
Total	756.436	1.385.860	554.122	1.185.478
Liabilities				
<i>At unamortized cost</i>				
Leasing liabilities	883	-	883	-
Loans	626.178	688.648	626.178	688.648
Trade and other liabilities	224.753	729.261	224.687	729.259
Total	851.814	1.417.909	851.748	1.417.907

a) Market Risk

Fair value risk

The Group and the Company are not exposed to changes in equity prices since they do not have investments recognized in the statement of financial position, either as financial assets at fair value through other comprehensive income or investments at fair value through profit or loss.

Risk of cash flows due to changes in interest rates

The Group and the Company have interest-bearing assets consisting of sight deposits. They also hold bank borrowings, of fixed and floating interest rate. However the Group's and Company's exposure to risk arises from the borrowing calculated using floating Euribor rate. The Group and the Company are exposed to interest rate fluctuations which affect their financial position as well as their cash flows. Borrowing costs may increase as a result of such changes and generate losses or decrease in the event of unexpected events.

Regarding the loan liabilities of the Group and the Company, there is no interest rate hedging policy and consequently any change in interest rates on December 31, 2019, will affect the results and equity of the Group and the Company in case of change in Euribor rates.

The following table shows the sensitivity analysis of earnings before taxes from possible interest rate changes from the beginning of the year, in case of change in Euribor rates, with the other fixed variables, through the impact on floating rate borrowings:

	Increase/Decrease in basis (%)	Effect on profit before taxes
2019		
Euro	15	(537)
Euro	-15	537
2018		
Euro	15	(634)
Euro	-15	634

b) Exchange rate risk

The exchange rate risk is minor as it is related mainly with any material or equipment supply contracts whose payment is in foreign currency.

c) Credit Risk

For trade and other receivables, the Group and the Company are exposed to credit risk mainly for system use receivables. The Group and the Company use quantitative and time monitoring tools for their receivables, and keep contact with their customers in order to reduce credit risk. In addition, ratios for expected credit losses are used throughout the life of the receivables. These percentages are based on past experience and adjusted in such a way as to reflect expectations about the future financial situation of customers and the economic environment.

For trade receivables arising from the Electricity Market, the Company operates as an intermediate. According to the provisions of Law. 4001/2011 and as mentioned in the Management Code of Hellenic Electricity Transmission System, IPTO is the competent Administrator for the clearance of Imbalances and settlement of financial transactions between the Participants arising therefrom. In carrying out its responsibilities, it acts as an intermediary, with a mediating role, among the Participants in the electricity market. The above-mentioned mediation competence of IPTO is associated with the tasks assigned by the legislator for the smooth operation, maintenance and development of HETS, to ensure that the country's electricity supply is adequate, safe, efficient and reliable. The invoicing practice to and from IPTO, currently followed, does not make IPTO a debtor of the relevant amounts, since IPTO is not involved in transactions for its own account, and does not participate in the price formation, but on behalf of the Participants, in the context of its mediating role, as defined by the aforementioned regulatory framework. As per above, it is not foreseen, nor can any obligation of IPTO be paid with its own funds, the financial obligations of any defaulting Participant, nor of course, there is a legal basis for parallel responsibility. Therefore, IPTO is not exposed to credit risk related to any default by the Participants.

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Company. The Group and Company manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash deposits, while aiming to extend the average maturity of its debt and the diversification of its funding sources.

The contractual maturities of the principal financial liabilities (loan liabilities), not including interest payments, are as follows:

Payable amounts as at 31.12.2019

	Within 1 year	1 to 5 years	>5 years	Total payables
Trade and other payables	286.381	-	-	286.381
Leasing liabilities	82	164	636	883
Loans	85.663	322.466	217.167	625.296
Total	372.125	322.630	217.803	912.559

Payable amounts as at 31.12.2018

	Within 1 year	1 to 5 years	>5 years	Total payables
Trade and other payables	779.081	-	-	779.081
Loans	63.352	390.129	235.167	688.648
Total	842.433	390.129	235.167	1.467.729

e) Other Risks

The spread of coronavirus, which has developed into a global pandemic, is already having a significant impact on the Greek economy. According to recent forecasts, the pandemic is expected to stop the recovery of the Greek economy, as negative growth is expected in 2020, compared to the most recent forecast for 2,4% growth.

The impact on the Group and the Company by the spread of coronavirus cannot be measured and fully quantified by the data available and given the growing uncertainty about the course and the duration of the phenomenon. However, the Management, through procedures for continuous identification and evaluation of the risks that may arise due to the pandemic, is trying to maintain the optimum operation of the Group and the Company.

Furthermore, the Group maintains sufficient capital adequacy, profitability and liquidity and continues to be consistent with its obligations to suppliers, insurance companies and the investment plan continues to be implemented in accordance with the timelines originally set.

4.2. CAPITAL RISK MANAGEMENT

The Group's purpose in terms of capital management is to ensure its ability to continue its operations smoothly in order to provide returns to shareholders, benefits to other parties related to the Group and to maintain an optimal capital structure to reduce capital costs. The Group aims to maintain the net debt ratio at its optimum level in relation to similar companies at European level.

The Group and the Company monitor its capital based on the leverage ratio. Leverage ratio is calculated as the net debt divided by total working capital. Net debt is calculated as the total Liabilities (short-term and long-term liabilities as they appear in the statement of financial position) minus cash and cash equivalents. Total working capital is calculated as the sum of equity, as it appears in the statement of financial position, with net debt.

The net debt ratio relative to equity is as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Long- term loans	540.434	625.296	540.434	625.296
Short- term part of long- term loans	85.744	63.352	85.744	63.352
Minus: cash and cash equivalents	(425.170)	(602.933)	(224.351)	(402.639)
Net debt	201.008	85.715	401.827	286.009
Equity	1.329.906	1.030.695	1.326.957	1.030.425
Total working capital	1.530.914	1.116.410	1.728.784	1.316.434
Net debt to equity ratio	15%	8%	30%	28%
Leverage ratio	13%	8%	23%	22%

Below is an analysis of net debt and its movement for the current financial year.

	Net debt Group			Total
	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	
Net debt as at 1st January 2018	771.849	(62.515)	(468.302)	241.032
Cash flows	(168.916)	-	(159.000)	(327.916)
Non cash movements-depreciation of loan costs	-	(837)	2.007	1.170
Net debt as at 31st December 2018	602.933	(63.352)	(625.295)	(85.714)
Net debt as at 1st January 2019	602.933	(63.352)	(625.295)	(85.714)
Cash flows	(177.763)	-	64.222	(113.541)
Non cash movements-depreciation of loan costs	-	(870)	-	(870)
Non cash movements-recognition of new financial leases	-	(82)	(801)	(883)
Net debt as at 31st December 2019	425.170	(64.304)	(561.873)	(201.008)

	Net debt Company			Total
	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	
Net debt as at 1st January 2018	771.849	(62.515)	(468.302)	241.032
Cash flows	(369.210)	-	(159.000)	(528.210)
Non cash movements-depreciation of loan costs	-	(837)	2.007	1.170
Net debt as at 31st December 2018	402.639	(63.352)	(625.295)	(286.008)
Net debt as at 1st January 2019	402.639	(63.352)	(625.295)	(286.008)
Cash flows	(178.288)	-	64.222	(114.066)
Non cash movements-depreciation of loan costs	-	(870)	-	(870)
Non cash movements-recognition of new financial leases	-	(82)	(801)	(883)
Net debt as at 31st December 2019	224.351	(64.304)	(561.873)	(401.826)

4.3. OTHER FINANCIAL RISKS

Risk of change of the Regulatory Framework: The Company's operation is subject to a strict and complex legislative and regulatory framework, related to the management of the HETS, and increased supervisory obligations. Possible amendments of the HETS Management Code and the relevant legislative and regulatory framework may create additional management responsibilities for the Company. The addition of any further responsibilities or possible changes to the relevant institutional framework are likely to adversely affect the Company's profitability.

Also, possible changes in the methodology and / or parameters for calculating system usage charges are likely to have a significant effect on the Company's revenues and profitability.

Regulatory risk: Any amendments and / or additions to the regulatory framework governing the Electricity Market, in implementation of the provisions of the European Legislation may have a significant impact on the operation and the financial results of the Company.

Risk of regulated returns of the company: The Company's operation is significantly determined by the implementation of the Ten Year Network Development Plan (TYNDP) as it affects both the investments it is required to make and its future revenues from the use of the Transmission System. Consequently, any modifications to the TYNDP that either increase the Company's liabilities or require faster execution of projects, may adversely affect the Company's profitability.

Regulated returns on the investments of the System may adversely affect the Company's profitability if they do not cover the fair return of the relevant invested capital.

In any case, the Company has the necessary resources and organization to limit regulatory and modulatory risks and in cooperation with the Regulatory Authority for Energy ensures that the necessary approvals for each transaction are in place.

5. SALES

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Revenue from transmission system rent	229.138	222.676	229.138	222.676
Concession agreement expenses	-	-	(798)	-
Other sales:				
Revenue from contracts	1.538	12.762	1.538	12.762
Revenue from services related to HEDNO fixed assets	10.132	9.775	10.132	9.775
Costumers' contributions	8.360	1.581	8.360	1.581
Revenue from recovery of administrative expenses	360	535	360	535
Other sales	250	67	297	67
Total other sales	20.640	24.721	20.687	24.721
Grand total	249.778	247.397	249.028	247.398

	Group		Company	
	2019	2018	2019	2018
Operator's revenue from clearing charges				
Periodical network settlement	92	20.722	92	20.722
Transitory flexibility compensation mechanism	40.769	36.271	40.769	36.271
Special lignite duty	-	29.815	-	29.815
Special reducing emissions fee	141.655	593.723	141.655	593.723
Charge based on average-weighted cost (RES)	9.644	54.915	9.644	54.915
Deviations	100.700	32.351	100.700	32.351
Ancillary services	65.926	66.950	65.926	66.950
Settlement balance	50.375	50.671	50.375	50.671
Variable cost coverage	103.972	48.052	103.972	48.052
Total operator's revenue from clearing charges	513.133	933.470	513.133	933.470

	Group		Company	
	2019	2018	2019	2018
Operator's expenses from clearing charges				
Periodical network settlement	(92)	(20.722)	(92)	(20.722)
Transitional flexibility compensation mechanism	(40.769)	(36.271)	(40.769)	(36.271)
Special lignite duty	-	(29.815)	-	(29.815)
Special reducing emissions fee	(141.655)	(593.723)	(141.655)	(593.723)
Charge based on average-weighted cost (RES)	(9.644)	(54.915)	(9.644)	(54.915)
Deviations	(151.075)	(83.022)	(151.075)	(83.022)
Ancillary services	(65.926)	(66.950)	(65.926)	(66.950)
Variable cost coverage	(103.972)	(48.052)	(103.972)	(48.052)
Total operator's expenses from clearing charges	(513.133)	(933.470)	(513.133)	(933.470)

Operator's Revenue/Expenses relate to Settlements carried out by the Company as an administrator of the Energy Market and the decrease observed during the year is due to the application of Law 4585/2018. According to Article 4, Law 4585, Government Gazette 216 / 24-12-2018, D.A.P.E.E.P. SA from 01.04.2019 is replaced, in all rights,

obligations and legal relations of IPTO SA arising from the responsibilities of revenue management of the R.E.S. Special Account and CHP. Interconnected System and Network of article 143, Law 4001/2011 arising from the Special levy on pollutant emissions, Weighted Average Variable Cost of Thermal Power Stations and the Special Lignite Duty.

6. PAYROLL COST

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Salaries and wages	51.575	53.688	51.513	53.688
Employer's social contributions	14.219	15.325	14.194	15.325
Other employee benefits	976	448	975	448
Cost for reduced tariff to employees and pensioners	1.481	1.581	1.481	1.581
Net provision for reduced tariff to employees and pensioners	(15.710)	-	(15.710)	-
Provision for employee compensation	637	11.456	637	11.456
Capitalisation of Payroll cost	(12.320)	(12.518)	(12.320)	(12.518)
Total	40.859	69.981	40.771	69.981

Payroll costs are significantly reduced due to changes in the provisions of staff retirement compensation and the reduced tariff following changes in legislation (Note 26).

Elimination of the offsetting of the redundancy compensation with the one-off allowance

1. According to Law 4533 Gazette A '75 / 27.04.2018, entitled "Structural measures for access to lignite and the further opening of the wholesale electricity market and other provisions", and in particular Article 8 paragraph 2, the provision of (3) of article 25 of Law 4491/1966 (Government Gazette A '1) is repealed, as well as any other general or special provision of the law or of the Labor Code which provides for the offsetting of the redundancy compensation of an employee with the lump sum benefit to which he is entitled.
2. Based on the above, the Company will now pay compensation, which may not exceed the amount of Euro 15.000 (fifteen thousand Euros) to the insured employees who leave due to termination of the employment contract or reaching the age limit or any other reason that law defines.

7. DEPRECIATION AND AMORTIZATION

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Depreciation and amortization:				
Fixed assets	79.541	75.982	79.541	75.982
Software	791	172	791	172
Subsidies	(7.873)	(7.448)	(7.873)	(7.448)
Rights of use assets	89	-	89	-
Total	72.549	68.706	72.549	68.706

8. FINANCIAL EXPENSES-INCOME

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Interest expense	12.129	16.204	12.129	16.204
Interest on finance lease-expense	25	-	26	-
Expenses of loan refinance	-	2.276	-	2.276
Amortization of loans' issuance costs	870	837	870	837
Other bank charges	225	111	224	111
Total	13.249	19.428	13.248	19.428

The decrease in interest expense in the current fiscal year is due to the reduction of the interest rate of the syndicated loan, from June 2018 onwards, by three p.c units and specifically from 6,25% to 3%.

The capitalization of interest expense for the construction period of 2019 amounted to Euro 5.227 (2018: Euro 4.758).

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Interest on deposits	3.433	3.549	1.396	2.965
Finance lease interest	201	-	106	-
Other interest	7.674	7.773	7.673	7.773
Discount interest income of non-current assets	4.088	412	4.088	412
Total	15.396	11.735	13.263	11.151

“Discount income of non-current assets” mainly concern discount revenue of special project Polypotamos, the cost of which was fully covered by the Users, by February 15, 2019, after the amendment of article 28 L.4447 / 2016 (A '241) as in force (L.4585 / 2018, article 7) (note 20). “Other interests” mainly concern the revenue of the Company's Cash Management account at the Bank of Greece.

9. PROVISIONS FOR RISKS AND EXPENSES

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Provisions (release) for litigations (Note 27)	(4.948)	(21.041)	(4.948)	(21.041)
Provisions for impairment of assets	(180)	244	(180)	244
Provision (release) for obsolescence of materials	109	477	109	477
Provisions (release) for impairment of receivables	681	(6.662)	626	(6.662)
Total	(4.339)	(26.983)	(4.394)	(26.983)

In prior year comparative figures a provision release for receivable's impairment is included, for most of which the Company's management with the No. 72 / 28.11.2018 decision of the Board of Directors, decided to use the amount of Euro 6.088 from the Reserve of Article 164 paragraph 3 of the Trading Management Code, to cover the overdues

of Participant's receivables caused by the unexpected exit from the Electricity Market of ENERGA POWER TRADING SA, KENDOR SA and HELLAS POWER SA. For the receivables of the aforementioned companies, an impairment provision had been formed.

10. OTHER EXPENSES/INCOME

10.1 Other Expenses

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Travel expenses	3.121	4.103	3.112	4.103
Consumables	1.383	1.151	1.383	1.151
Other	3.482	3.320	3.369	3.120
Total	7.987	8.574	7.865	8.374

10.2 Other Income

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Revenues from special projects (Polypotamos)	27.499	-	27.499	-
Gain from de-recognition of tangible assets	2.633	-	1.180	-
Other income from rent and maintenance services	1.684	1.595	1.712	1.595
Revenues from previous year optical fiber lease	737	-	737	-
Revenues from optical fiber maintenance	-	-	82	-
Other	2.512	6.347	2.512	6.347
Total	35.066	7.942	33.722	7.942

Revenue from special projects (Polypotamos) arises from cost revision of the special project (Polypotamos), in order to incorporate into it the returns of the Company's working capital during the construction period of the project, which were collected entirely by the Project Users during the current year. This amount exceeds the project's investment costs amounting to Euro 81.050.

11. INCOME TAX (CURRENT AND DEFERRED)

The income tax for the fiscal year 2019 according to Law 4646/2019 (Government Gazette 201 / A / 12.12.2019) is calculated at 24% while for the fiscal year 2018 according to Law 4334 (Government Gazette A '80 / 16.07.2015) was calculated at 29% on taxable profit. The total income taxes charged to the Income Statement are as follows:

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Current tax	33.502	25.671	32.648	25.561
Deferred tax	(2.168)	(3.385)	(2.173)	(3.385)

Total income tax	31.333	22.286	30.475	22.176
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The income tax statement is submitted on a yearly basis but the profits or losses declared are temporary until the tax authorities audit the tax statements and records and the final audit report is issued. The Company has received a Tax Compliance Report without qualification from its statutory auditor regarding its tax obligations for the years 2011 to 2018 and the Company has been audited by the tax authorities for the periods up to 2011. Respectively, the subsidiary "ARIADNE INTERCONNECTION S.P.L.C" has received a tax compliance report without qualification from its statutory auditor regarding its tax obligations for the first fiscal year 2018. Management does not expect significant tax liabilities to arise, other than those recorded and presented in the Financial Statements, both at Company level and at Group level. It is noted that pursuant to the relevant tax provisions on December 31, 2019, the years up to 2013 are considered statute-barred.

For the fiscal year 2019, the Group's companies have been subject to the optional tax audit of the Certified Public Accountants. This audit for the issuance of Tax Compliance Report for the year 2019 is in progress and expected to be completed after the publication of the attached financial statements. The Tax Compliance Report will be received upon final submission of the Certified Public Accountants to the tax authorities. Upon completion of the tax audit, Management does not expect significant tax obligations to arise other than those recorded and disclosed in the Financial Statements of the Group and the Company.

Tax losses, to the extent that they are accepted by the tax authorities, can be used to offset future profits for a period of five years from the year in which they occurred.

The change in the tax rate, according to Article 22 of Law 4646/2019, had a positive effect on both deferred tax on Income Statement and deferred tax on Statement of other comprehensive income.

According to IAS 12 "Income Taxes" it is stipulated that:

"Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period. [IAS 12.47]

Furthermore, the deferred tax liabilities recognized in the statement of financial position have been adjusted on 31.12.2019, to the tax rate applicable in the years expected to be settled. Pursuant to Article 22 of Law 4646/2019, the tax rate applicable to income earned from 2019 onwards is 24%.

The following is an analysis for the Group and the Company and a reconciliation between the tax and the result of the accounting profit multiplied by the nominal rate:

	Group		Company	
	01/01/2019	01/01/2018	01/01/2019	01/01/2018
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Profits before tax	136.927	104.523	133.389	104.143
Nominal tax rate	24%	29%	24%	29%
Tax calculated at nominal tax rate	32.862	30.312	32.013	30.201
Effect of change in tax rate	(5.588)	(9.325)	(5.588)	(9.325)
Non-deductible expenses	4.169	2.218	4.169	2.218
Borrowing costs	(209)	(427)	(209)	(427)
Other	99	(492)	90	(492)
Income tax	31.333	22.286	30.475	22.176
Effective tax rate	23%	21%	23%	21%

Deferred tax assets and liabilities are further analysed as follows:

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Deferred tax assets				
Impairment of trade and other receivables	5.814	5.130	5.805	5.130
Impairment of inventories	4.335	4.489	4.335	4.489
Other provisions for risks and expenses	7.651	9.494	7.651	9.494
Subsidies	16.177	14.039	16.177	14.039
Employee benefits	4.802	10.015	4.802	10.015
Deferred tax assets	38.778	43.167	38.771	43.167
Deferred tax liabilities				
Revaluation of tangible and intangible assets	(234.750)	(168.978)	(234.750)	(168.978)
Contracting revenue	(121)	(58)	(121)	(58)
Loans' issuance costs	(708)	(955)	(708)	(955)
Other	-	-	-	-
Deferred tax liabilities	(235.579)	(169.991)	(235.579)	(169.991)
Net deferred tax liabilities	(196.800)	(126.824)	(196.809)	(126.824)

The net deferred tax movement is listed below:

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Opening balance	126.824	139.329	126.824	139.329
Charged to income statement	(2.168)	(3.385)	(2.173)	(3.385)
Effect on other comprehensive income	72.145	(9.120)	72.158	(9.120)
Closing balance	196.800	126.824	196.809	126.824

The Debit / (credit) for deferred tax is analyzed as follows:

	Group		Company	
	01/01/2019 31/12/2019	01/01/2018 31/12/2018	01/01/2019 31/12/2019	01/01/2018 31/12/2018
Revaluation & depreciation of tangible and intangible assets	(7.423)	(8.424)	(7.428)	(8.424)
Impairment of trade and other receivables	367	(1.700)	367	(1.700)
Impairment of inventories	153	580	153	580
Subsidies and customer's contributions	(2.138)	(769)	(2.138)	(769)
Loans' issuance costs	(247)	164	(247)	164
Other provisions for risks and expenses	1.968	12.941	1.968	12.941
Employee benefits	5.214	(2.340)	5.214	(2.340)

Contracting revenue	(63)	(3.837)	(63)	(3.837)
Total	(2.168)	(3.385)	(2.173)	(3.385)

12. INVESTMENTS IN SUBSIDIARIES

Changes in the book value of the parent company's investments in subsidiaries that are consolidated as follows:

	Company	
	31/12/2019	31/12/2018
At the beginning of the year	200.000	-
Additions	300	200.000
At the end of the year	200.300	200.000

During the previous fiscal year ending December 31, 2018, additions of € 200.000 thousand concern the increase of the share capital in the subsidiary ARIADNE INTERCONNECTION S.P.L.C.

On January 14, 2019 a second subsidiary company under the name GRID TELECOM SINGLE-MEMBER SA was established with a share capital of Euro 300 thousand.

13. INVESTMENTS IN ASSOCIATES

The Group's investments included in the Investments in associates Euro 1.021 thousand are accounted for using the equity method and concern the 20% holding of the Company in the share capital of the Hellenic Energy Exchange SA (Henex SA). Pursuant to Law 4512/2018, the Hellenic Energy Exchange SA was established with the competence to manage the Energy Markets and the Energy Financial Markets in accordance with the provisions of the law and its delegated acts.

Its shareholding structure is (in brackets share percentage):

- DAPEEP SA (22%)
- Athens Exchange (ATHEX) (21%)
- IPTO SA (20%)
- European Bank for Reconstruction and Development (EBRD) (20%)
- CSE (10%)
- DESFA SA (7%)

The Hellenic Energy Exchange is the successor of the LAGIE Market Operator and will undertake energy trading, i.e. it will be the market where energy producers and traders will trade. According to the new model, 4 different markets will be created where transactions will be made for different products: Day-Ahead Market, Intraday Market, Forward Market and Balancing Market. Henex SA will be responsible for trading on the forward, Day-Ahead and Intra-day markets, while the balancing market will be operated by IPTO S.A.

14. TANGIBLE ASSETS

	Group						Total
	Land	Buildings - Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	
Carrying amount 01/01/2018	190.461	78.680	905.610	5.951	6.927	393.270	1.580.899
Restatements	-	618	188	-	896	(5.725)	(4.022)
Carrying amount 01/01/2018 (revaluated amounts)	190.461	79.298	905.798	5.951	7.823	387.546	1.576.878
Additions	-	-	-	-	-	178.160	178.160
Depreciation (restated amount)	-	(5.076)	(68.652)	(739)	(1.514)	-	(75.982)
Disposals/ write-offs	-	-	-	(5)	(7)	(1.472)	(1.484)
Transfers from construction in progress	-	2.361	234.510	343	700	(238.446)	(533)
Transfers to contracting cost	-	-	-	-	-	(10.949)	(10.949)
Transfers to other expenses (revaluated amount)	-	-	-	-	-	(1.839)	(1.839)
Other movements	-	-	98	-	17	(68)	47
Carrying amount 31/12/2018 (restated amounts)	190.461	76.582	1.071.754	5.551	7.018	312.932	1.664.299
Carrying amount 01/01/2019	190.461	76.582	1.071.754	5.551	7.018	312.932	1.664.299
Additions	-	-	-	-	2	249.295	249.297
Depreciation	-	(5.479)	(71.436)	(718)	(1.909)	-	(79.541)
Disposals/ write-offs	-	-	(11)	-	(26)	-	(37)
Increase/(Decrease) in value of fixed assets due to valuation	10.053	6.767	274.006	128	661	-	291.615
Transfers from construction in progress	28	15.571	45.091	-	2.739	(65.924)	(2.495)
Transfers to contracting cost	-	-	-	-	-	(1.452)	(1.452)
Reclassification in special projects' cost	(13)	(633)	(426)	-	-	-	(1.072)
Transfers/write offs	-	-	(2.044)	-	-	(2.464)	(4.508)
Other movements	-	1.238	2.104	-	6	(3.538)	(190)
Carrying amount 31/12/2019	200.529	94.046	1.319.038	4.961	8.491	488.848	2.115.914

*Transfers/write- offs include the balance of optical fibers (Euro 2.044), which were derecognized and transferred to the finance lease receivables during the fiscal year

	Company						Total
	Land	Buildings & Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	
Carrying amount 01/01/2018	190.461	78.680	905.610	5.951	6.927	393.270	1.580.899
Restatements	-	618	188	-	896	(5.725)	(4.022)
Carrying amount 01/01/2018 (restated amounts)	190.461	79.298	905.798	5.951	7.823	387.546	1.576.878
Additions	-	-	-	-	-	178.160	178.160
Depreciation (restated amount)	-	(5.076)	(68.652)	(739)	(1.514)	-	(75.982)
Disposals/ write-offs	-	-	-	(5)	(7)	(1.472)	(1.484)
Transfers from construction in progress	-	2.361	234.510	343	700	(238.446)	(533)
Transfers to contracting cost	-	-	-	-	-	(10.949)	(10.949)
Transfers to other expenses (restated amount)	-	-	-	-	-	(1.839)	(1.839)
Other movements	-	-	98	0	17	(68)	47
Carrying amount 31/12/2018 (revaluated amounts)	190.461	76.582	1.071.754	5.551	7.018	312.932	1.664.299
Carrying amount 01/01/2019	190.461	76.582	1.071.754	5.551	7.018	312.932	1.664.299
Additions	-	-	-	-	-	249.295	249.295
Depreciation	-	(5.479)	(71.436)	(718)	(1.909)	-	(79.541)
Disposals/ write-offs	-	-	(11)	-	(26)	-	(37)
Increase/(Decrease) in value of fixed assets due to valuation	10.053	6.767	274.006	128	661	-	291.615
Transfers from construction in progress	28	15.571	45.091	-	2.739	(65.924)	(2.495)
Transfers to contracting cost	-	-	-	-	-	(1.452)	(1.452)
Reclassification in special projects' cost	(13)	(633)	(426)	-	-	-	(1.072)
Transfers/write offs	-	-	(2.044)	-	-	(2.464)	(4.508)
Other movements	-	1.238	2.104	-	6	(3.538)	(190)
Carrying amount 31/12/2019	200.529	94.046	1.319.038	4.961	8.489	488.848	2.115.911

*Transfers/write- offs include the balance of optical fibers (Euro 2.044), which were derecognised and transferred to the finance lease receivables during the fiscal year

Additions for constructions in progress include capitalisation of the payroll cost mainly of the New Transmission Project Department amounting to Euro 12.320 (2018: Euro 12.518) and other expenses and consumables amounting to Euro 22.098 (2018: Euro 10.667) incurred for the construction of new projects.

As described in Note 3.4.3, the Company proceeded with the derecognition of the capitalized costs of producer's connection projects (consumer participation). The amount of Euro 2.464 concerns the current fiscal year and was recognized in "Other Sales" of Income Statement deductible from Consumer Income. Regarding the amount of Euro 1.839 which concerns the year 2018 and the amount of Euro 3.392 which concerns years prior 2018, the Company proceeded to corrections by restating the comparative figures.

The impact of the derecognition of assets in the financial statements of the Group and the Company is disclosed in note 3.6

During the year, the company proceeded with the recognition of total revenue amounted to Euro 1.538 based on IFRS 11 for the construction of third-party projects (Note 5). The total contracting cost for the year ended 31 December 2019 amounts to Euro 1.452.

Ownership of Property: The Company as the ultimate successor of PPC's General Transmission Department owns according to article 98 Law 4001/2011 all the relevant property of PPC's General Transmission Department. The registration of Spin-off Contract No. 34815/10-11-2011 with the relevant land registry office has been completed. The company is in the process of recording its real estate in detail and creating a real estate registry for all its property in the competent land registries, in order to be able to obtain the relevant certificates and excerpts.

Insurance Coverage: The Group and the Company have no insurance coverage against the usual risks related to the fixed assets. This is primarily due to estimated high costs associated with insurance against such risks compared to the cost of repairing the damage in case some of these risks occur.

Encumbrances on tangible assets: Tangible assets are held free from encumbrances.

Revaluation of Fixed Assets

On December 31, 2019, the Company proceeded with the revaluation of operating fixed assets. The revaluation, was made in accordance with IAS 16 by an independent appraisal company, and did not include the projects under construction (note 3.4.3). The results of the revaluation were recorded in the Company's books on December 31, 2019. The previous revaluation was conducted on December 31, 2014.

The method and significant assumptions used by the independent appraiser for the valuation were as follows:

1. The total of the appraised property was considered to belong in full ownership to the Company (except those jointly-owned by PPC SA or third parties).
2. The appraisers assumed that for all its property, the Company has ownership titles, building permits and other similar approvals, as required by Greek law.
3. The majority of the properties that were assessed were considered to be self-used by the Company and that it expected to be used throughout their remaining useful life.
4. To determine the fair value of property, plant and equipment, the Approach of the Market was applied by professional appraisers (based on evidence of market conditions). In buildings of special use, machinery and technical works, the determination of fair value was based on cost approach, in particular the residual replacement cost method in which the necessary adjustments were made to reflect the physical, functional and economic obsolescence.
5. In the context of the Profitability Test conducted to calculate the economic obsolescence, the estimator applied the Income Approach method, and in particular the Discounted cash flow method. The Group's discount calculated based on the WACC (weighted average cost of capital). and amounted to 4,5%. Sensitivity analysis was conducted on the positive or negative change of the discount rate by 0,25%, which did not result in an additional charge on Group's results.
6. The financial study showed that the value of the Value in Use of the Company' (Euro 1.641 million) is greater than the Value of its Assets, as estimated by the Appraiser (Euro 1.625 million), and Therefore, its tangible fixed assets should not be subject to economic obsolescence, as it is demonstrated that the is able to preserve the tangible assets at values assessed.

Despite the fact that the Final Report has been drafted on March 11, 2020, when COVID-19 pandemic started and restrictive traffic measures were implemented, we must mention that the fair value of "Customer" assets determined by the "Appraiser", have taken into account the data and prices that were in force on the date of the

valuation (31/12/2019) and therefore possible effect of the pandemic on real estate market has not been measured and / or taken into account.

Furthermore it is noted that the potential impact of the pandemic on future forecasts of revenue, costs and results of the Company have not been considered , as the assessment of both tangible fixed assets and the Value of the Company was conducted on 31/12/2019, before the spread of COVID-19 in countries other than China.

Comparing the valuation results with the net book value of fixed assets, a net surplus value arose to approximately Euro 308.430, which was booked directly in equity (Euro 234.407 net of deferred taxes). Also, the amount of Euro 16,8 million, which was not covered by surplus of previous valuations, was charged to the Income Statement of the year ended on December 31, 2019.

The impact of the valuation adjustment (before deferred tax) is analyzed as follows:

Increase in value due to valuation	418.692
Decrease in value due to valuation	(110.262)
Total valuation of fixed assets to be charged in the Income Statement	308.430
Impairment loss due to valuation of fixed assets recognised in Income Statement	(16.816)
Total valuation effect	291.615

The impact of the valuation on the Income Statement and Statement of Other Comprehensive Income is analyzed as follows:

Increase in value due to valuation	418.692
Deferred tax due to increase in value (expense)	(100.486)
Decrease in value due to valuation	(110.262)
Impairment loss deferred tax (revenue)	26.463
Total valuation value charged to Statement of Other Comprehensive Income, net of deferred taxes	234.407
Valuation impairment charged to Income Statement	(16.816)
Impairment loss deferred tax (income)	4.036
Total valuation value charged to Income Statement, net of deferred taxes	(12.780)
Total valuation effect in 2019, net of deferred taxes	221.627

The impact of the valuation on valuation reserve is analyzed as follows:

Valuation Reserve	
Opening balance	650.939
Effect of tax rate change	817
Decrease due to impairment losses	(83.799)
Increase due to valuation	318.206
Closing balance	886.163



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15. INTANGIBLE ASSETS

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR-ENDED 31st
DECEMBER 2019

(In thousand euro unless otherwise stated)

The total amount of intangible assets related to the Group originates entirely from the Company, and relates to software. Software value for the Group and the Company is analysed as follows:

	Group 31/12/2018	Company 31/12/2018
Cost	7.476	7.476
Accumulated depreciation	(6.528)	(6.528)
Net value	948	948

	31/12/2019	31/12/2019
Cost	10.161	10.161
Accumulated depreciation	(7.319)	(7.319)
Net value	2.843	2.843

The increase in intangible assets is mainly due to software supply for the upgrade of Energy Control System in the region of Agios Stefanos amounting to Euro 2.164 and Euro 404 relates to management and monitoring costs of the construction project of the subsidiary ARIADNE INTERCONNECTION S.P.L.C. Constructions on the subsidiary are expected to begin in the first semester of 2020.

Of the total accumulated depreciation, the amount of Euro 791 (2018: Euro 172) relates to depreciation of the current year.

16. RIGHT OF USE ASSET

The Group and the Company adopted on January 1, 2019 IFRS 16, using the retrospective approach, on the basis of which the cumulative retrospective impact of the Standard is recognized at the date of initial application (01/01/2019) in equity. The comparative figures have not been reformulated.

The Group's lease payments are mainly related to leases of land, building and cars. The Group and the Company proceeded to recognize the right of use asset at an amount of Euro 692 at the date of adoption of the new Standard.

	Group 31.12.2019			Company 31.12.2019		
	Cars	Property	Total	Cars	Property	Total
Cost						
Balance as at 01/01/2019	78	614	692	78	614	692
Additions	97	153	250	97	153	250
Balance as at 31/12/2019	175	767	942	175	767	942
Depreciation						
Balance as at 01/01/2019	-	-	-	-	-	-
Additions	(56)	(33)	(89)	(56)	(33)	(89)
Balance as at 31/12/2019	(56)	(33)	(89)	(56)	(33)	(89)
Balance as at 31/12/2019	120	734	853	120	734	853

17. FINANCIAL ASSETS AT AMORTIZED COST

Unlisted securities - Bonds

The Company, on June 15, under Decision No. 99/2018 of the Board of Directors, decided to purchase 200 Bonds with a nominal value of 10.000 Euros each, as a capital investment in Subordinated Bonds of the Cooperative Bank of Chania with a 7 year maturity and an annual return of 4,75%, paying the amount of Euro Two million (Euro 2.000.000) On 31/12/2019 the Company identified the impairment loss of the aforementioned Bond at Euro 31 thousand (31/12/2018: 121 thousand), recognizing in the income statement gain of Euro 90 thousand.

Also, on December 19, the Company under Decision No. 161/2018 of the Board of Directors, decided to participate via private placement in the simple subordinated bond of the Pancretan Cooperative Bank with a 7 year maturity and a return of 6,50%, paying the amount of Euro Two million (Euro 2.000.000) in total. On 31/12/2019 the Company identified the impairment loss of the aforementioned Bond at Euro 32 thousand (31/12/2018: 123 thousand), recognizing in the income statement gain of Euro 91 thousand.

Lease receivables

On January 1, 2019, the Group and the Company had no receivables from finance leases.

In 2019 the Company leased part of the optical fiber network, "Dark fiber" type, to the subsidiary company "GRID TELECOM S.M.S.A." with a duration of 15 years. The subsidiary "GRID TELECOM S.M.S.A." operating as sub-lessor, subleased the "Dark fiber" to WIND HELLAS for the same period.

	Group 31/12/2019	Company 31/12/2019
Long-term portion of finance lease receivables	4.110	2.882
Short-term portion of finance lease receivables	176	109
Total	4.285	2.991
Provisions against expected credit losses	(55)	(0)
Total	4.230	2.991

Expiration date of long-term receivables analysed as follows:

<i>Amounts in Euro</i>	31/12/2019	31/12/2019
1 to 2 years	197	247
2 to 5 years	928	623
>5 years	2.985	2.012
Total	4.110	2.882

At Company level, the finance lease receivables concern the lease of optical fibers to the subsidiary "GRID TELECOM S.M.S.A." and the lease for the subsidiary's headquarters.

18. INVENTORIES

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Materials, spare parts and consumables	72.471	69.557	72.471	69.557
Advance payments for purchases	728	2.604	728	2.604
Provision for impairment of materials and spare parts	(18.064)	(17.955)	(18.064)	(17.955)
Total	55.135	54.207	55.135	54.207

The impairment provision of materials and spare parts is as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	17.955	17.478	17.955	17.478
Additional provision (Note 9)	109	477	109	477
Release of provision	-	-	-	-
Closing balance	18.064	17.955	18.064	17.955

Inventories are held free of encumbrances.

19. TRADE RECEIVABLES

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Receivables from «Electricity Market» transactions	168.028	563.493	168.036	563.493
Receivables from PPC contracting works	17.741	24.401	17.741	24.401
Contractual assets	55.736	112.634	55.742	112.634
Advance payments	329	286	329	286
Total receivables from customers without delay and impairment	241.834	700.813	241.848	700.813
Total receivables from customers with delay and impairment	24.369	25.521	24.314	25.521
Less: provision for impairment of receivables	(12.134)	(10.411)	(12.079)	(10.411)
Total	254.069	715.923	254.083	715.923

At 31/12/2019 “Receivables from «Electricity Market» transactions” include the unpaid receivables from Transmission System Rent amounting to Euro 61.604 (2018: 68.029)

The comparative figures, present a release of bad debt provision, the greater amount of which, relates to the utilization of the reserve of article 164 par. 3 of the Trading Management Code for the amount of 6.088 euros in order to proportionally cover the overdue claims of the Participants as a result from the unexpected exit from the energy market of the companies ENERGA POWER TRADING AE, KENTOR S.A. and HELLAS POWER S.A. To be noted, that the Company had already formed a bad debt provision for these claims.

Pursuant to Law 4585/2019, HEDNO SA replaced the Company as regards the above mentioned clearings and as a result the Company offset the residual claims of Euro 509.409 (Note 29) against the above balance sheet item "Trade receivables.

The movement of the impairment provision is as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance 01/01/2019	10.411	14.439	10.411	14.439
Impairment provision based on IFRS 9	1.723	2.552	1.668	2.552
Release of provision	-	(6.581)	-	(6.581)
Closing balance 31/12/2019	12.134	10.411	12.079	10.411

Overdues more than one year are mainly included.

20. OTHER RECEIVABLES

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Receivables from the Greek State	37.024	15.702	36.865	15.702
Optical fiber rents	-	-	539	-
Receivables from Wind	1.384	1.719	545	1.719
Short-term receivables from Finance Lease	176	-	109	-
Receivables from employees	717	641	717	641
Receivables from contracts	3.017	2.553	3.017	2.553
Receivables from special projects (Polypotamos)	-	21.494	-	21.494
Other	28.776	23.027	28.965	22.939
Total trade receivables without delay and impairment	71.093	65.135	70.758	65.047
Less provision for bad debts	(1.887)	(1.887)	(1.887)	(1.887)
Total	69.206	63.248	68.871	63.160

Receivables from special projects (Polypotamos) of the Company and Group, include the total uncollectible receivable following the transfer of the balance from Other assets which was fully covered by Users, up until February 15, 2019, following the amendment of Article 28 :Law 4447/2016 (GG A' 241) as in force (Law 4585/2018, Article 7).

In addition, "Other Receivables" mainly concern contractors receivable and advance payments which amounted to Euro 21.021.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Cash in hand	-	3	-	3
Cash at bank	423.159	596.923	222.340	396.629
Time deposits	2.011	6.007	2.011	6.007
Total	425.170	602.933	224.351	402.639

All cash are presented in Euros, in Greek banks and there are no commitments on them.

The Company, as at December 31, 2019, maintains the amount of Euro 166 million in the Bank of Greece pursuant to the provisions of Article 15 (paragraph 1) of Law 2469/97 as it applies to the Common Capital, which is included in the above Cash . The cash balances of General Government entities are deposited in the Bank of Greece and used by the Public Debt Management Agency for short-term liquidity management operations and more specifically agreements for purchase and resale of Greek Government Treasury bills. In this way, the transferred funds are fully secured and are available to the operators directly or within a matter of days, while through the above-mentioned short-term operations, attractive returns are ensured, which for 2019 reached approximately 2,38% (2018: 3,13%). Annuity of these funds was recognized in the Income Statement, in financial income, note 8.

The following table presents the deposits per credit rating class by Moody's on December 31, 2019 and 2018:

Financial institution rating (Moody's)	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Caa1	188.557	-	52.992	-
Caa2	68.373	358.877	3.118	158.583
Caa3	2.169	6.075	2.169	6.075
N/A	166.072	237.981	166.072	237.981
Total	425.170	602.933	224.351	402.639

Deposits with no credit rating are deposits to the Bank of Greece.

22. SHARE CAPITAL

Pursuant to decision of the Company's shareholders Extraordinary General Meeting dated on January 13, 2012, the Share Capital was increased by the amount of € 2.078.594,00 from the capitalization of the book value of the contributed (to the company) branch of the Transmission System Operator of the Hellenic Transmission System Operator SA on August 31, 2011, by issuing 2.078.594 registered shares of € 1,00 nominal value each. The Company, based on Law 4389/2016 regulating the ownership unbundling of IPTO SA from PPC SA and in compliance with article 143 par. 1a) and 147 under the decision of the

Extraordinary General Meeting No. 37/03.10.2016 proceeded to share capital increase through the capitalization of untaxed reserves from the retained earnings of prior years and subsequently, pursuant to articles 143 par. 1a) bb), proceeded to a share capital decrease equal to the amount arising from the above increase. The total proceeds of the decrease, amounting to Euro 92.944 thousand, was returned to PPC S.A.. In order to achieve the Share Capital decrease, the consent of all Company's creditor banks was granted.

Following the above, the Company's share capital on December 31, 2019 amounts to Euro 38.444.193,00 and is divided into 38.444.193 registered shares of nominal value Euro 1,00 each.

There are no other changes in the share capital regarding prior year.

Dividends

Pursuant to Greek commercial law, companies are obliged to distribute annually dividends corresponding to at least 35% of profits after taxes and after deduction of the legal reserve and Other credit figure in Income Statement, which are not derived from realized profits. The non-distribution of dividend is possible following a shareholders assembly, in which shareholders representing half (1/2) of the paid-up capital are present or represented, and obtained by the majority of eighty per cent (80%) represented share capital.

In addition, the Greek commercial legislation requires certain conditions to be met for the dividends distribution. In particular, any distribution to shareholders is not allowed if, on the expiry date of the last use, the company's total equity is or, after a dividend distribution, will be lower than the amount of the share capital, plus: (a) the reserves, the distribution of which is prohibited by law or the statutes, (b) non distributable credit funds of equity, and (c) the credit amounts of Income statement, which do not constitute realized profits. The amount of the capital shall be decreased by the amount of not paid capital, when it is not presented on the balance sheet assets.

According to article 31 of the Codified Article of Association, the distributed to the shareholders dividends will amount to fifty per cent (50%) of the Company's net annual profits.

The Company's Board of Directors approved the Financial Statements for the year 2019 on 11 May 2020 and proposed to the Ordinary General Meeting of Shareholders the dividend distribution of Euro 51,45 million from the net profits of the year.

23. LEGAL RESERVE

According to the Greek commercial law, each year at least the one twentieth (1/20) of net profits are withheld for the formation of a legal reserve. Once the reserve reaches one third (1/3) of the share capital the withholding ceases to be mandatory. The legal reserve is used to offset any debit balance of the income statement, before any dividend distribution.

Within 2019, the Company did not form legal reserve, since as at 2013 the mandatory amount had been covered. Thus, the Company's legal reserve as at December 31, 2019 amounts to Euro 12.815 (2018: Euro 12.815), while at Group level, the amount of Euro 98 was formed by the subsidiary ARIADNE INTERCONNECTION S.P.L.C and Euro 50,4 by the subsidiary GRID TELECOM SMSA.

24. RESERVES

24.1. OTHER RESERVES

The analysis is presented below:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Redundancy compensation reserve	1.623	-	1.623	-
Actuarial results reserve for reduced electricity tariff	11.261	13.252	11.261	13.252
Total	12.884	13.252	12.884	13.252

24.2. REVALUATION RESERVE

The analysis is presented below:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening Balance	650.939	639.712	650.939	639.712
Effect of tax rate change in reserve	817	11.227	817	11.227
Fixed assets valuation (Note 14)	308.430	-	308.430	-
Tax attributable to valuation reserve	(74.023)	-	(74.023)	-
Closing Balance	886.163	650.939	886.163	650.939

The latest revaluation of fixed assets held on 31.12.2019 (Note 14).

It is noted that the Company's tax records distinctly show a special reserve of Law 2941/2001 amounting to Euro 589.615 relating to the Transmission spin-off which was transferred with universal succession to the Company. This reserve is included in the "Revaluation reserve" account of the Company's statement of financial position. Pursuant to paragraph 3 (f) of article 98 of Law 4001/2011, any tax or accounting treatment was carried out by PPC SA which concerns the transmission sector and involves future benefits or burdens, is transferred in favour or against the Company. Consequently, if the Company's shares are transferred from PPC SA and goodwill arises according to the tax records of the parent company equal to or greater than the amount of the special reserve of Law 2941/2001, after the payment of the income tax by PPC SA, the Company as the ultimate successor is entitled to transfer the said reserve to the retained earnings for further distribution without paying additional corporate income tax. The Management will estimate whether there are reasons to transfer this reserve in the retained earnings for further distribution without paying additional income tax.

25. LOANS

The total amount of loan interest for the year ended December 31, 2019 is included in finance expense in the Income Statement (note 8). The total borrowing of the Company is presented in euro.

On December 31, 2019, Management decided to restate the amounts of the comparative period for the Company's borrowing, due to the write-off of borrowing expenses incurred prior to the comparative period, which had not been fully depreciated and the relevant loan expired in 2018.

Below is a further analysis of the Company's long-term borrowings by interest rate type:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Bank Loans	424.778	469.000	424.778	469.000
Bonds payable	203.469	223.469	203.469	223.469
Lease liabilities	883	-	883	-
Unamortized portion of loan issuance fees	(2.951)	(3.821)	(2.951)	(3.821)
Total borrowings	626.178	688.648	626.178	688.648
Less short term portion:	-	-	-	-
Bank Loans	46.556	44.222	46.556	44.222
Bonds payable	40.000	20.000	40.000	20.000
Lease liabilities	82	-	82	-
Unamortized portion of loan issuance fees	(893)	(870)	(893)	(870)
Total short-term borrowings	85.744	63.352	85.744	63.352
Long term borrowings	540.434	625.296	540.434	625.296

The European Investment Bank (EIB) loans are guaranteed by the Greek State.

The aforementioned loan agreements contain terms, whose non-compliance may lead to termination of contract, such as the change in the Company's shareholding structure. Certain agreements also include financial terms that must be met by the Company.

The total loan repayments for the period ended on December 31, 2019 amounted to Euro 64.222 (2018: Euro 110.000). The total borrowing of the Company does not include conversion terms.

The breakdown of loans in fixed and floating rates on December 31, 2019 and 2018 is as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Floating rate:				
<i>Bank loans and bonds</i>	358.247	422.469	358.247	422.469
Fixed rate:				
<i>European Investment Bank</i>	270.000	270.000	270.000	270.000
Total	628.247	692.469	628.247	692.469

Loan movement is as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	688.647	530.817	688.647	530.817
New loans	-	269.000	-	269.000
Repayment	(64.222)	(110.000)	(64.222)	(110.000)
Termination of syndicated bond loan- issuance fees	-	2.321	-	2.321
Loan issuance fees	-	(4.328)	-	(4.328)
Depreciation of loan issuance fees	870	837	870	837
Lease liabilities	883	-	883	-
Closing balance	626.178	688.647	626.178	688.647
Opening balance of Liability interest	1.749	2.289	1.749	2.289
Accrued interest and other bank charges	17.405	17.474	17.355	17.474
Payment of interest and other expenses	(17.567)	(17.787)	(17.567)	(17.787)
Payment of other expenses	-	(227)	-	(227)
Accrued expenses closing balance (note 30)	1.587	1.749	1.537	1.749

Finance lease liabilities for the Group, included in the above tables, are analyzed as follows:

	<u>31/12/2019</u>
Long-term portion of finance lease liabilities	801
Short-term portion of finance lease liabilities	82
	<u>883</u>

Termination dates of long-term loans, analysed as follows:

<i>Amounts in Euro:</i>	<u>31/12/2019</u>
1 to 2 years	66
2 to 5 years	99
>5 years	636
	<u>801</u>

Finance lease liabilities current value, analysed as follows:

<i>Amounts in Euro:</i>	<u>31/12/2019</u>
Up to 1 year	82
1 to 5 years	164
>5 years	636
	<u>883</u>

Finance leases

Amounts in Euro

Finance lease's liabilities-minimum rentals	<u>31/12/2019</u>
Up to 1 year	107
1 to 5 years	248
>5 years	1.067
Totals	<u>1.422</u>
Minus: future financial charges of finance leases	(540)
Current value of finance lease's liabilities	<u>883</u>

26. PROVISION FOR EMPLOYEE BENEFITS

The PPC Group provides all employees and pensioners with electricity at a reduced tariff. Pursuant to Law 4001/2011, the Company's employees receive the benefit, as it retains all rights held as staff of the parent company before the spin-off. Also pursuant to Law 4389/2016 and the forthcoming full ownership unbundling of the Company, the employment contracts and labour and insurance rights are not affected. The reduced tariff is recognized as a liability and is calculated as the present value of future benefits considered accrued by the end of the year based on the employee benefit rights accumulated during their service and are calculated on the basis of economic and actuarial assumptions. The net cost of the year is included in personnel fees in the Statement of Income and is related to the present value of benefits recognized during the year less the amount of benefits offered to employees and pensioners. These benefits are not funded.

The Group is also obliged, according to Law. 2112/1920 for staff retirement compensation.

On December 31, 2019, actuarial estimates for both the provision of reduced tariff and the obligation to compensate staff due to retirement, were made by independent actuaries. The present value of the obligation was calculated with the «projected unit credit method».

The results of the actuarial studies for the year ended December 31, 2019 and changes in net liability are as follows:

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Personnel provision for reduced tariff				
Net liability on January 1st 2019	28.605	26.466	28.605	26.466
Employer contributions paid	(1.731)	(1.492)	(1.731)	(1.492)
Prior experience recognition cost	(15.710)	-	(15.710)	-
Expense to be charged in the income statement	788	750	788	750
(Income) / expense to be charged in the other comprehensive income	(1.992)	2.881	(1.992)	2.881
Net liability on December 31st 2019	9.961	28.605	9.961	28.605
Provision for staff compensation				
Net liability on January 1st 2019	11.456	-	11.456	-
Voluntary compensation payment	(2.830)	(4.787)	(2.830)	(4.787)
Expense to be charged in the income statement	637	15.404	637	15.404
(Income) / expense to be charged in the other comprehensive income	784	839	784	839
Net liability on December 31st 2019	10.047	11.456	10.047	11.456
Total Net liability on December 31st 2019	20.007	40.061	20.007	40.061

According to law 4643/2019, as of 01.01.2020 the provision of the reduced electricity tariff to the retirees of the Group changes.

Specifically, according to Article 11 of the aforementioned law: "A special electricity consumption tariff can be applied to the staff and retirees of PPC SA, its subsidiaries and IPTO S.A. for the pricing exclusively of electricity consumption where commission fees apply. The discount in the charge of electricity consumption applicable to the above special tariff may not exceed thirty percent (30%). For assessing the effect of this change on employer's obligations, the individual data provided by the Group included an estimate of the cost reduction for providing reduced tariff on individual electricity consumption according to Article 11 of Law 4643/19 in 2019. Considering these data, it was estimated, on 31.12.2019, the reduction in the

actuarial liability, due to the change in the provision of a reduced tariff, to be equal to Euro 15.710. This change is considered as negative past service cost, which according to IAS 19, was recognized in 2019 Income Statement.

Regarding the provision of staff compensation, during the fiscal year 2018, the operating results were charged with the following:

- A. Under Law 4533/2018 Government Gazette A'75/27.04.2018 The Company will pay severance compensation, which may not exceed the amount of EUR 15.000 (fifteen thousand euros) to employees who leave due to termination of the employment contract or completion of the age limit, or any other reason prescribed by law. The present value of the obligation undertaken by the Company when the above law entered into force (whereby the obligation to pay compensation activated), calculated using actuarial methods by independent actuaries, was past service cost for services provided in prior periods amounting to € 9,89 mil., fully charged at 2018 results.
- B. According to BoD decision, the second Voluntary Retirement Program of employees approved by the company providing a financial incentive and a total extra budget of € 1,56 million, fully charged at 2018 results.

For the year 2019 there were no relevant events that affected the results of the Company and the Group.

The basic assumptions of the actuarial compensation liability for the staff is as follows:

Actuarial Study

Financial assumptions	31/12/2018	31/12/2019
Discounting rate	1,80%	1,15%
Expected Future salary increase	2,00%	2,00%
Inflation	2,00%	1,50%

Demographic assumptions

	31/12/2018	31/12/2019
Mortality	EVK 2000	EVK 2000
Inability	50% EVK 2000	50% EVK 2000
Retirement Age Limits	As determined by the main insurance institution of each employee	
Retirement percentage (Turnover)	0,00%	0,00%

The average life of the personnel benefit is up to 11,6 years.

A sensitivity analysis of results based on the changes of significant percentage assumptions is presented below:

31/12/2019	Actuarial Liability	Percentage change
Increase in discount rate by 0,5%	9.489.493	-6,00%
Decrease in discount rate by 0,5%	10.647.141	6,00%
Increase of expected wages increase by 0.5%	10.108.294	1,00%
Decrease of expected wages increase by 0.5%	9.971.813	-1,00%
31/12/2019	Normal cost for next year	Percentage change
Increase in discount rate by 0,5%	75.188	-11,00%
Decrease in discount rate by 0,5%	95.222	13,00%
Increase of expected wages increase by 0.5%	89.904	6,00%
Decrease of expected wages increase by 0.5%	79.076	-6,00%

The basic assumptions of the actuarial obligation to compensate to employees are as follows:

31/12/2019	Actuarial liability change	Actuarial liability change rate
Increase in discount rate by 0,5%	-707	-7,10%
Decrease in discount rate by 0,5%	797	8,00%
31/12/2018	Actuarial liability change	Actuarial liability change rate
Increase in discount rate by 0,5%	-1.421	-5,30%
Decrease in discount rate by 0,5%	1.582	5,90%
31/12/2019	Discount Rate	
Retired employees	0,70%	1% 2020
Active employees	1.932	5,6% 2021
Active employees	1.223	
31/12/2018	Discount Rate	Margin rate
Number of beneficiaries:		
Retired employees	1,60%	(0,8) % 2019
Active employees	2.174	9,6% 2020
Active employees	1.316	11,3% 2021

27. OTHER PROVISIONS

Other provisions concern third party lawsuits against the Company and estimation of total charge for the property registration fee and for prior year to provision for the voluntary retirement plan of employees.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Opening balance	37.744	63.932	37.744	63.931
Additional provision for third party lawsuits	7.551	6.306	7.551	6.306
Provision (release) of voluntary retirement provision	-	(4.760)	-	(4.760)
Use of provision	(1.417)	(387)	(1.417)	(387)
Release of balance for third party lawsuits	(12.499)	(27.348)	(12.499)	(27.347)
Closing balance	31.379	37.744	31.379	37.744

The Company is a defendant in a number of cases concerning its operation. On December 31, 2019, the total amount claimed by third parties amounts to Euro 156.032 (2018: Euro 107.016), as analyzed below:

1. Claims of Contractors / Suppliers and Other Claims: A number of third parties and suppliers / contractors have raised claims that are either pending in court or amid arbitration and / or conciliation procedures. The total amount is Euro 60.913 (2018: Euro 65.210). In most cases the Company raises counterclaims that are not reflected in the accounting records until the moment of collection. Against the above amount, the Company has formed a provision of Euro 15.249 on December 31, 2019.

2. Environmental Claims: A number of individuals has raised claims for losses that are allegedly caused by fires or environmental interventions at the Company's fault, as well as municipalities' claims for payment of municipal fees, amounting to Euro 57.934 (2018: Euro 3.964). Against the above amount, the Company has formed a provision of Euro 5.331 on December 31, 2019.

3. Employee Claims: Employees have raised claims amounting to Euro 13.144 (2018: Euro 15.337) for benefits and allowances which, according to the employees, should have been paid to them. Against the above amount, the Company has formed a provision of Euro 2.935 on December 31, 2019.

4. Miscellaneous Claims: A number of companies have raised claims for compensation due to non-granting of connection terms. In addition, lawsuits for automobile accidents have been raised against the Company. The above claims amount to Euro 24.041 (2018: Euro 22.503). Against the above amount, the Company has formed a provision of Euro 2.986 on December 31, 2019.

Against all the above amounts, a provision has been formed on December 31, 2019 amounting to Euro 26.501 (2018: Euro 31.449)

The release of the provision of Euro 9.857 is mainly due to the decision of the Athens Court to reject the lawsuits of A&B PHOTOVOLTAIKI ENERGY SA, C&A PHOTOVOLTAIKI ENERGY SA, SPES SOLARIS and CYCLE – SPHAERICAL SA for which equal provision has been formed.

Other Provisions include a provision of € 4.877 (2018: Euro 6.295) from an estimate for the registration cost in the Cadaster of rights of easements, plots and parcels, which was calculated according to a relevant study carried out by the Technical Services of the Company in 2016, to reach the total amount of Euro 6,8 million approximately. During 2019 this provision was impaired approximately by the amount of Euro 430 (2018: Euro 387), which was paid for cadastral fees.

28. SUBSIDIES

	Group Subsidies
Balance as at 1st January 2018	205.347
Additions	84.994
	(7.448)
Balance as at 31st December 2018	282.894
Additions	18.565
Amortization of subsidies	(7.873)
Balance as at 31st December 2019	293.586

	Company Subsidies
Balance as at 1st January 2018	205.347
Additions	84.994
Amortization of subsidies	(7.448)
Balance as at 31st December 2018	282.894
Additions	18.565
Amortization of subsidies	(7.873)
Balance as at 31st December 2019	293.586

The Group's subsidies consist of the Company's subsidies, as the subsidiaries did not receive such amounts within the reporting period. The majority of the additions, Euro 12.962, concern the granting for Cyclades interconnection project (2018: Euro 29.422), while the amount of Euro 4.640 concerns the granting of Livadi submarine cable replacement project.

During the reporting period, it was decided to restate the comparative period figures (note 3.6), with the total amount of the "Consumer Participations" account that was presented on January 1, 2018 and concerned consumers participation that had been received as at December 31, 2008, to be reclassified in retained earnings, due to the redefinition of the accounting application of IFRS 15.

29. TRADE AND OTHER PAYABLES

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Liabilities from «Electricity Market» transactions	134.711	671.062	134.711	671.062
Other suppliers and contractors	41.588	19.383	41.593	19.383
Customer advance payments	22.923	23.655	22.923	23.655
Other payable taxes	4.736	3.704	4.686	3.704
Social security contributions, payable	2.245	2.502	2.210	2.502
Other creditors	18.550	8.955	18.564	8.953
Total	224.753	729.261	224.687	729.259

Pursuant to Law 4585/2018 and the substitution of the Company by D.A.P.E.E.P. SA as of 01.04.2019, the Company transferred to "Liabilities from "Electricity Market"" account, open balances of D.A.P.E.E.P. liability amounting to Euro 509.409 (note 19).

The above obligations are interest free and short-term.

30. ACCRUED AND OTHER LIABILITIES

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Accrued interest on loans	1.587	1.749	1.537	1.749
Project Polymotamus remaining, for approval	5.652	-	5.652	-
Accrued expenses energy clearance	38.082	35.003	38.082	35.003
Subsidiaries expenses payable-ARIADNE	-	-	1.586	-
Other accrued expenses	18	1.531	-	1.531
Personnel day off, overtime and leaves	6.651	6.411	6.651	6.411
Total	51.991	44.693	53.508	44.693

The construction cost of the special project Polypotamos was overcovered within the year (note 20).

31. SPECIAL ACCOUNTS (RESERVES)

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Interconnection rights	101.720	74.196	101.720	74.196
Non-compliance charges	37.402	31.838	37.402	31.838
Extraordinary surplus of energy Imports L-B	1.716	1.220	1.716	1.220
Transitional duty of security of supplying / interruptible Load (L.4203/19)	1.410	2.417	1.410	2.417
Other deferred income	2.570	2.397	2.584	2.397
Total	144.818	112.068	144.832	112.068

Interconnection rights, concern the reserve formed by the Company from monthly settlement invoicing, under Article 178 of the HETS Management Code, to reduce the annual Transmission System Rent or for the funding of interconnection projects with neighboring countries after RAE's decision. During 2019, the company used the amount of Euro 37,9 mil (2018: 35 mil) Based on 100/2019 Rae's decision to reduce the annual Transmission System Rent .

Non-Compliance charges concern the reserve formed by the Company from monthly settlement invoicing and is intended to cover overdue receivables according to Article 164 of the HETS Operation Code. These amounts do not relate to Company's revenue but are mainly available to cover losses from insolvent providers following Management's decision.

Extraordinary Surplus of Energy Imports refer to the Company's inventory of settlement invoicing under Article 178 (8) of the HETS Operation Code. The utilization of this reserve is determined by RAE's decision upon the recommendation of the Transmission System Operator.

Pursuant to Law 4203/13 with effect from January 1, 2016, a special reserve account is maintained for the charging of a Transitional Supply Security Fee and the return to interruptible customers. According to law, any difference is attributed to the recipients of interruptible load (industries) after the final settlement. The rest of the amount that has not been paid so far, is expected to be paid during the next years, after the issuance of final settlements.

Other deferred Income refers to downstream utilization revenues from contractual projects mainly with the PPC previous parent company.

32. CONTRACTING COST

During the year, the Company proceeded to recognition of total revenue under IFRS 15 for the construction of third party projects amounting to Euro 1.538 (see Note 5). The constructing cost of these projects for the year ended December 31, 2019 amounts to Euro 1.452 (see Note 14).

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Group is controlled by the Greek State indirectly through ADMIE HOLDING S.A. which owns 51% of its paid-up share capital and the PUBLIC HOLDING COMPANY ADMIE SA. (PHC ADMIE SA), which controls 25% of its paid-up share capital. Moreover, PHC ADMIE SA, holds 51,12% of ADMIE HOLDING SA. and is the Parent company.

The Company had the below transactions with the aforementioned companies during the reporting period in the ordinary course of business, while there are no material transactions that have not been carried out under normal market conditions. On January 14, 2019, the Company, in compliance with 5.241/2019 notarial deed , decided to set up a subsidiary under the name GRID TELECOM SINGLE MEMBER SA whose share capital amounts to Euro 300.000 (three hundred thousand euros), was fully paid in the fiscal year..

Related parties of the Group is presented in the analysis below:

Company	Relation
ARIDNE INTERCONNECTION SPLC	Subsidiary
GRID TELECOM SMSA	Subsidiary
ADMIE HOLDING SA	Shareholder
PHC ADMIE SA	Shareholder
STATE GRID LTD	Shareholder

The Company in the ordinary course of business conducted transactions , the balances (Receivables, liabilities and revenues and expenses) of which on December 31, 2019 are as follows:

Amounts in €	31/12/2019	
	Receivables	(Liabilities)
ARIADNE INTERCONNECTION S.P.L.C	126.517	1.586.155
GRID TELECOM SPSA	3.565.669	-
ADMIE HOLDING SA	9.324	-
Total	3.701.510	1.586.155

Amounts in €	01/01/2019 – 31/12/2019	
	Revenues	Expenses
ARIADNE INTERCONNECTION S.P.L.C	211.055	797.572
GRID TELECOM SPSA	359.139	-
ADMIE HOLDING SA	8.812	-
Total	579.006	797.572

Revenue transactions are mainly related to revenues from a) the provision of services such as the recharge of common expenses, b) the sale of fixed assets and c) financial income according with IFRS 16. Respectively, the nature of the receivables related to the above revenues, concern the balances that are due on 31.12.2019 from the transactions mentioned.

Cost transaction concern expenses within the Company's concession agreement with the subsidiary ARIADNE INTERCONNECTION S.P.L.C and respectively liability concern both the expenses and cost of property under construction under the concession contract.

Management remuneration

The Board of Directors' members and the Directors' remuneration (social security contributions inclusive), for the period ended at December 31, 2019 amounts to Euro 1.030 thousand, compared to Euro 741 thousand in 2018, while Euro 10 thousand was paid to the BoD members of the Company's subsidiary "ARIADNE INTERCONNECTION S.P.L.C". The increase is due to the change of the number of Directors and the payment of retroactive compensation for their participation to the Board of Directors meetings that took place in 2018.

Compensation to the executives of the Group for the period of 01/01–31/12/2019 and the corresponding prior year has not been paid.

34. COMMITMENTS AND CONTIGENCIES

34.1 COMMITMENTS

34.1.1 Ownership of property

The Company, according to the provisions of article 98 of Law 4001/2011 has, among others, been subrogated as a kind of an ultimate successor, to all the real rights of the sector of the PPC General Electricity Transmission Department irrespective of their time of generation, from the date of registration of the decision approving the spin-off (Deed No. 34815/10-11-2011 of Notary Public Chr. Steiros-GG TAE-EPE 12292/22-11-2011) and contribution of the respective branch to IPTO SA. Although these rights have been legally acquired and the relevant deed has been registered free of charge with the competent Land Registries, their registration has not yet been completed at the local land registration offices and cadastral offices. It should be noted that according to article 98 of Law 4001/2011, the transfer of real rights in real estate, cars and other movables is automatically effected by the registration of the spin-off in the Registry of Sociétés Anonymes and their transcription or registration, according to the Provisions are purely for the sake of completeness.

The total cost to complete the registration of all rights in Greece's land registry offices cannot be reliably estimated by both the Management and the Legal Department of the company at this stage and until the completion of the procedure. However, according to a relevant study carried out by the Company's technical services, the cost from the registration of the rights to third-party property is estimated to reach up to Euro 6.8 million, for which an equal provision is included in the item Other provisions.

34.1.2 Environmental obligations

The basic parameters that may affect the final amount of environmental investments required to be made in the next decade, include the following:

1. Strategic Environmental Assessment for the TYNDP, planning inclusion of new projects in the HETS.
2. Environmental Studies for new and under construction Transmission Projects, for the purpose of their licensing, the issuance of Decisions of Environmental Terms Approval and their inclusion to the new projects in the Hellenic Transmission System. The above Environmental Impact Assessments are submitted to the Ministry of Environment and Energy for approval.
3. Preparation of Access Zone Studies and Plant Restoration Studies, and subsequently implementation in the framework of the Transmission Projects.
4. The Transmission Projects are cited after a very detailed study and control of all parameters related to environmental criteria, which concern the man-made environment, the protected areas, the visual noise, the sites of archaeological interest etc. All the above will burden the final construction cost of the Transmission Projects.
5. During the operation of the Transmission System (Transmission Lines, Substations and HVC) there is no electromagnetic radiation, but two separate fields, the electric one and the magnetic. In the areas within the reach of the public and the Company's employees, the values of these fields are well below the threshold values established by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), in cooperation with the World Health Organization (WHO). These thresholds are included in a European Union Directive that has been incorporated into Greek legislation. It should be made clear that the thresholds of the electric and magnetic fields in the regulations do not constitute danger thresholds but contain high safety factors to cover any uncertainty about the limited knowledge of the effect of the fields and to meet the requirement to prevent possible adverse effects.

As per the above, Management assumes that the conditions for the recognition of provisions for environmental liabilities of the company do not exist.

34.2 COMMITMENTS FROM THE COMPLETION OF PROJECT CONSTRUCTION

1. Cyclades Interconnection

Cyclades interconnection project concerns the interconnection of the Islands of Syros, Mykonos, Paros and Naxos with HETS and the strengthening of the Andros - Tinos interconnection and it has been designated by a Ministerial Decision (November 2006) as a project of "major importance for the country's economy". The project aims on the one hand to increase the reliability of power supply of the interconnected Islands and on the other hand to reduce production costs (oil substitution with other energy sources, depending on the evolution of the power generation mix in the mainland).

The project design was formed with a view to minimizing environmental disturbance on the Islands. In this regard, the new substations on the Islands have been located near the seashore to prevent the construction of overhead transmission lines on the Islands, while the interconnection of the Islands with the Continental System is planned through submarine cable connections. According to the above, IPTO is implementing the project in phases:

Phase A

The implementation of Phase A was completed in the first months of 2018.

Phase A includes the connection of Syros with Lavrio, as well as with the Islands of Paros, Mykonos and Tinos. After its completion, the units of the autonomous power stations were put in reserve for emergencies and the loads of the Islands are

now supplied by HETS (the loads of Andros - Tinos are already supplied by HETS through the transmission line which connects South Evia with Andros).

The project, budgeted at 264,3m euros (including preliminary expenses), was co-financed by the European Union and NSRF 2007-2013 and 2014-2020 and was funded by the European Investment Bank.

Phase B

Phase B of the Cyclades interconnection is to be completed within 2020. It includes the following sub-projects:

- Connection of Paros - Naxos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length 7.6 km.
- Connection of Naxos – Mykonos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length 40 km.
- Construction of a new GIS S/S on Naxos, as well as the required connection projects at the Paros and Mykonos substations.

In parallel with Phase B, the upgrade of the existing cable connection between Andros - Livadi (Southern Evia) with a length of 14,5 km and Andros - Tinos with a length of 4km were planned with the installation of new submarine cables with alternative current XLPE 150 kV with a nominal capacity of 200 MVA, replacing existing oil cables. The upgrade work was completed in early 2020.

The Phase B project with a budget of 47,3 million euros and the project of upgrading the existing cable connection Andros - Livadi with a budget of 22,2 euros are co-financed by the European Union and the NSRF 2014-2020.

The costs incurred for Phase B and the upgrade of the Andros-Livadi cable connection up to December 31, 2019 are 22,3 million euros and 18,6 million euros respectively.

Phase C

The Phase C of the Cyclades interconnection includes the completion of the interconnection with the launch of the second cable between Lavrio – Syros, as well as with the required connection works (self-inductions and gates) in Lavrio and Syros.

The aim of Phase C is to ensure the required reliability for all operating conditions, depending on the evolution of the demand of the interconnected Islands. Upon completion of the Phase C, full reliability of power supply of the Cyclades complex is ensured for the foreseen time horizon of operation of the project. In any case, even after the construction of all phases of the project, production capacity should be maintained in the Islands, so that it is possible to deal with emergencies.

Phase C with a budget of 122,3 million euros will be completed within 2020 and is co-financed by the European Union and the NSRF 2014-2020.

The cost incurred for the project up to December 31, 2019 is 79,9 million.

2. Crete Interconnection

The System of Crete is characterized by:

- Very high variable production costs due to the use of oil in local power stations, which is reflected in a very significant burden on consumers to cover Public Service Obligations (PSOs).
- High annual rate of increase of the island's load. It is noted that the load during the summer months is marginally covered by the local Stations.
- The great difficulty or even the impossibility of finding spaces and ensuring licenses to strengthen the local Stations or develop new ones.
- The growing interest in exploiting the rich local RES potential, the penetration of which into the island power mixture is limited due to technical limitations (mainly important stability issues that can be created by the high penetration of RES in an autonomous electrical system such as that of Crete).
- Low level of supply reliability, particularly in cases of damage to the power system.

The above characteristics enable the interconnection of Crete with HETS a necessary project in terms of the feasibility of its implementation.

Interconnection of Crete with the Peloponnese

The Crete - Peloponnese Interconnection constitutes the first phase of Crete's interconnection with HETS. The Crete-Peloponnese interconnection of alternative current can be implemented with 2 circuits of alternative current 150 kV, with a nominal capacity of 200 MVA each one. After a thorough investigation into the operation and power adequacy of the electrical system of Crete, it emerged that the power, which can be safely transmitted through this Alternative Current connection, ranges from 150 MW to 180 MW, depending on the operating conditions.

In the case of alternative current power cables, the minimization of submarine routing is sought not only for cost reduction purposes, but also for reactive compensation requirements, which are significant anyway. Thus, the wider area of Neapoli has been chosen as a connection point in the Peloponnese.

In addition, the installation of a STATCOM system of reactive power compensation will be required in the electrical system of Crete to regulate the voltages and ensure the stability of the network in normal and in disturbed conditions.

The project, budgeted at 356, 4 million euros (including preliminary expenses), was co-financed by the European Union and NSRF 2014-2020 and was funded by the European Investment Bank. The overall project is in progress and will be completed within 2020. The cost incurred for the project up to December 31, 2019 is 150 million euros.

Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the project of the small interconnection of Crete - Peloponnese. It serves the same purposes by further strengthening the island's security of power supply along with the need to increase the ability to absorb generation of electrical power from RES. At the same time, a further significant reduction in the Public Utilities (YKO) charges is expected for all consumers of the system in the Greek Territory.

This project will be carried out by the 100% subsidiary of "IPTO's ARIADNE INTERCONNECTION SOLE SHAREHOLDER SA", which was established based on the decisions of RAE 816/2018 and 838/2018 as an implementing body, and whose sole purpose is the construction and financing of the project. In addition, it has been assigned the selection of companies that will enter into contracts with IPTO and will be in charge of maintaining the system for 10 years, for which IPTO will be responsible. The property, ownership, operation of the cable and the technical specifications provided to the contractors for the cable construction are the responsibility of IPTO. So, throughout the project implementation by Ariadne, the fixed assets belong to IPTO and are reflected respectively in the financial statements of IPTO and after its electrification, the project is integrated in HETS, the ownership and management of which belong exclusively to IPTO.

This project consists of two sub-projects: The first concerns the "Study, Supply and Installation of cables and electrode stations for the electrical interconnection of direct current between Crete and Attica (2 x 500 MW)" and the second in "Study, Supply and Installation of two Conversion Stations and a Substation for the Electrical Interconnection of direct current, between Crete and Attica (2 x 500 MW)".

The selection of the contractors has been completed and the relevant contracts have been finalized. Within May, they are expected to be signed so that, within the first half of 2020, the study-construction works of the electrical interconnection of Crete - Attica will begin, taking under consideration the implementation of the project on schedule.

The project with a budget of 1,1 billion euros has been included in the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014-2020" with No. 4101/1467 / A1 / 25-6-2019 decision of the Monitoring Committee for funding from NSRF 2014-2020.

3. System extension 400 kV to the Peloponnese

The expansion of the 400 kV system to Megalopolis (with the subsequent creation of a 400 kV loop Patras - Megalopolis - Corinth) dramatically increases the ability to transmit to and from the Peloponnese, enables the development of RES and thermal power stations, significantly improves the margin of stability of voltages for the Southern System and ensures the Peloponnese in any combination of power generation and load conditions. In addition, it strongly connects the power station of Megalopolis with the high load areas (Attica and Patras area) and contributes to the achievement of isobaric development of the Power Generation and Transmission Systems in the Southern Complex. Finally, it should be emphasized that the development of the 400 kV system towards the Peloponnese contributes to the reduction of the total losses of HETS.

Megalopolis project co-financed by NSRF 2007-2013 and part was funded by the European Investment Bank.

West Corridor (Megalopolis - Patras - West Sterea)

The projects of the Western Corridor are in progress and will be completed within 2020.

The construction of a new high voltage center in Megalopolis is important for the Peloponnese region. The high-voltage center of Megalopolis, which was fully operational in 2014, was needed to connect the new production unit in Megalopolis ("Megalopolis V" unit), to increase penetration by RES in the Peloponnese and to support voltages at high load hours.

The interconnection of the high voltage center of Megalopolis with the 400 kV circuits on the Antirrio side is carried out with a new transmission line of 400 kV double circuit, consisting of overhead, underground and submarine sections, as well as the corresponding compensation inductions.

The total budget of projects amounts to 163,7 mil. Euro while the cost incurred up to December 31, 2019 is 146,9 million euros.

East Corridor (Megalopolis - Corinth - Attica)

The main hub of the Eastern Corridor is the high voltage center of Corinth, which is planned to be connected to the 400 kV system as follows:

- With the Koumoundourou high voltage center through a new double transmission line 2B'B' / 400 kV.

After its construction:

- With the new high voltage center of Megalopolis through a new double transmission line 2B'B' / 400 kV.

The projects of the Eastern Corridor are in progress and are expected to be completed by 2024 (the section from the high voltage center of Megalopolis to the high voltage center of Corinth will be completed within 2021).

The total budget of projects amounts to 95,6 mil. Euro while the cost incurred up to December 31, 2019 is 12 million euros.

4. Digitization of Dispatching Energy Centers

In Dispatching Energy Centers across the country, the projectors were replaced with digital ones after more than 20 years of operation. The centers in Kryoneri and Ptolemaida were upgraded technologically with the modernization of software and control rooms.

The project's budget of € 4 mil. is co-financed by the European Union and the NSRF 2014-2020.

5. Electrification of new submarine interconnections

In 2019, three new submarine lines were electrified:

- The 400kV cable in the Rio-Antirio section,
- The new 150kV cable in the Evia-Andros section,
- The first circuit of Salamina was put into operation, and the second one is intended for electrification in early 2020.

The cost incurred for the project up to December 31, 2019 is 1,7 million.

Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS)

2019-2028 and 2020-2029

Attica-Crete interconnection since November 2019 is no longer part of PCI 3.10 (Project of Common Interest) and will be implemented by the special purpose company "ARIADNE INTERCONNECTION SPLC", a subsidiary of IPTO. Following this development, IPTO submitted the fourth (4th) Revised TYNDP 2019 - 2028, which was approved by the decision 1097/2019 of RAE and the Revised TYNDP 2020 - 2029 to RAE for approval on April 18, 2019, which according to RAE's decision (1097/2019) must be updated and re-submitted.

2021-2030

IPTO put the TYND Preliminary Plan 2021 - 2030, on public consultation from December 31, 2019 to January 31, 2020. IPTO considering the comments submitted during the public consultation, prepared the final draft of the TYNDP 2021-2030, which was submitted for RAE's approval on March 31, 2020.

34.3 CONTINGENT LIABILITIES

The Company, as the energy transmission system operator under the current legislation and RAE's decisions, acts as an intermediary for the clearance of the energy charges between the parties responsible for paying these amounts and rendering them to the beneficiaries, and therefore no burden of the Financial Position of the Company is expected. However, participants in the electricity market have also turned against the Company for delays in payment of their claims.

According to the Company's legal department, on the basis of the court rulings and RAE decisions issued to date, the only case in which the Company could be held liable is the generation of secondary liabilities for compensation due to an unjustifiable breach of its obligations under the Contract of the Operator's Transactions, which would although be limited to compensation for the damage that is reasonably connected with the breach of the Company's obligation. Management believes that in all cases the Company has performed its responsibilities as an energy transmission system operator in accordance with the applicable legislation and therefore no negative outcome is expected for the Company.

34.3.1 Tax Liabilities

Pursuant to par. 5 art. 82 of Law 2238/1994 and art. 65A of Law 4174/2013, for fiscal years 2011 to 2015, Greek Société Anonyme whose annual financial statements are compulsorily audited by statutory auditors, were obliged to tax audit by the same statutory Auditor or audit firm that audited their annual financial statements and received "Tax Compliance Report". For fiscal years 2016 onwards, the tax audit and the issuance of a "Tax Compliance Report" are valid on an optional basis.

The Company has chosen to continue the tax audit by the statutory auditors. In this context, the Company has been audited and received "Tax Compliance Report" for fiscal years 2015, 2016, 2017 and 2018 with no findings. The Company's last tax audit was conducted by the "ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS".

The Company's tax liabilities have not yet been audited by the tax authorities for the years 2011 onwards, resulting in a possibility of additional taxes and penalties at the time they will be examined and the obligations of these fiscal years will be finalized. Therefore, the tax results of these years have not been finalized. The Company has not made any assessment of additional taxes and penalties which may be charged against a future tax audit and no provision has been recognized for this contingent liability. According to the current legislation, the Company's management considers that the fiscal years 2011-2013 have expired and no additional tax liabilities are expected to arise.

For the year ended December 31, 2019, the tax audit of the Company's management is already carried out by Ernst & Young (Hellas) Certified Auditors Accountants SA. Upon completion of the tax audit, the Company does not expect significant tax liabilities to arise other than those recorded and depicted in the financial statements.

Regarding the Group's subsidiaries, the company "ARIADNE INTERCONNECTION S.P.L.C" has received tax compliance report without reservation by the statutory auditor with respect to the tax obligations during the first fiscal year (2018). For the year 2019, the companies "ARIADNE INTERCONNECTION S.P.L.C" and "GRID TELECOM S.M.S.A" are subject to optional tax audit. The audit for the receipt of Tax Compliance Report of both subsidiaries for the year 2019, is in progress by the auditing firm "ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS". However, the Group's management does not expect significant tax obligations to arise beyond those disclosed and presented in the financial statements.

35 HOLDINGS IN OTHER COMPANIES

Apart from its holding in ARIADNE INTERCONNECTION S.P.L.C and GRID TELECOM S.M.S.A and the Hellenic Energy Exchange SA, the Company participates with a 5% stake in Joint Allocation Office S.A. and has paid Euro 65 by December 31, 2019 (2018: Euro 65). However, due to the unexpected return on this investment, the Company has fully impaired it.

The Company also participates with a 12.5% stake in COORDINATED AUCTION OFFICE (CAO) IN SOUTH EAST EUROPE D.O.O. and has paid Euro 40 by December 31, 2019 (2018: Euro 40). This participation due to the unexpected return on investment is presented in the balance sheet in Other receivables.

The Company has not issued guarantees or letters of guarantee for any of its above holdings.

36 SEPARATE FINANCIAL STATEMENTS

According to RAE's decision and the relevant European Directive, Energy Companies should publish, along with the Annual Financial Statements, separate accounting financial statements for the system's operation, the market operation and other activities. The Company intends to prepare the above statements and publish them separately from the Annual Financial Statements.

37 AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER ASSURANCE SERVICES

The auditors' fees for the statutory and tax audit of the fiscal year 2019 amounted to Euro 99 thousand (2018: 58 thousand)

38 SUBSEQUENT EVENTS

On January, 2, 2020 the Extraordinary General Meeting of the subsidiary GRID TELECOM approved a share capital increase of € 1.500.000, in order to meet the Company's financial needs for operating and capital expenditures. The increase of the share capital will be effected by cash payment from IPTO, 100% shareholder of the Company and the issuance of 15.000 new

ordinary shares, with a nominal value of one hundred euros (€ 100) each. The aforementioned Extraordinary General Meeting elected a new Chairman of the Board of Directors to replace a resigned member.

On March 4, 2020, the Company issued a syndicated bond loan with lead arranger the Bank of China (Luxembourg) S.A., refinancing, with a decrease of margin, the current balance of Euro 154,8 million of the as of 20.04.2018 syndicated bond loan. The Company is in the final stage of discussions with the lending bank consortium for the refinancing of the as of 29.06.2018 syndicated bond loan with balance of Euro 203,5 million.

On March 26, 2020, the Company disbursed the amount of the loan agreement with the European Investment Bank of Euro 100 million, which was signed in May 2019, in the context of the financing the Peloponnese-Crete Interconnection project of total 178,2 million. A second loan agreement for the remaining amount of 78,2 will be signed within 2020.

On March 31, 2020, the Company entered into an agreement with EnExClear SA for the assignment of the Balancing Market clearing operations in the context of the implementation of the Target Model.

On April 10, 2020, a concession agreement was signed between the Company and its subsidiary "Ariadne Interconnection SPLC", which governs the relationship of the two parties regarding the construction and financing of the project "Crete-Attica Transmission line " as provided in the Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS) for the period 2018 -2027 and in the decisions of the Regulatory Authority for Energy (RAE). The agreement has retroactive effect, and the relevant adjustments concerning the fiscal year ended 31 December 2019 have been made.

On May 5, 2020, par. 2 of article 142 of Law 4389/2016 (Government Gazette A' 94) was replaced by the article 115 of the draft law of the Ministry of Environment and Energy entitled "Modernization of environmental legislation, incorporation into Greek legislation of European Parliament and Council Directives 2018/844 and 2019/692 " . The proposed regulation stipulates that the Greek State may limit the percentage of its direct and / or indirect participation or legal entities in which holds the majority of shares or controls directly or indirectly the respective share capital of IPTO SA. The obligation, imposed by the previous version of the amended Law, that the Greek State should maintain a 51% direct and / or indirect participation in the share capital of IPTO SA is waived.

The appearance of coronavirus (Covid-19) in early 2020 and the pandemic declaration over the next period has led the Government to take both preventive and restrictive measures. Some of these measures - including: suspension of educational structures, department stores and crowded areas as well as the reduction of unnecessary movements - affecting the day-to-day operation of the Company. The Company closely monitoring the developments both nationally and globally in relation to the spread of the virus, proceeded in time to adopt a package of emergency measures, in continuous cooperation and communication with the Ministry of Energy and Environment and National Public Health Organization (NPHO) for updating on developments and receiving guidelines.

In this direction, the know-how of the strategic partner State Grid, which has already taken extensive measures to deal with the crisis in China, has been used.

These actions are mainly protective measures relating the health of the Group's employees, as indicated below:

- Establishment of a special crisis management team (Business Continuity Group-BCG), responsible for ensuring the Business Continuity of the Company. The team is divided into two subgroups (Business Continuity Group 1 and Business Continuity Group 2-BCG1 and BCG2), whose members work in rotation and avoid any contact. Daily BCG meetings /teleconferences, the minutes of which are recorded.
- Enhanced protection measures in the Energy Control Centers, which oversee the monitoring, operation and control of the Interconnected National Electricity Production and Transmission System.
- Mandatory teleworking for employees who are able to perform their tasks remotely.
- Special arrangements for employees who belong to vulnerable groups.
- Cancellation of all business trips by Public Transport, except from those who receive special permission from the CEO.

- Elaboration of Specific Risk Assessment, where potential risks are identified, and the implemented /proposed measures are recorded.
- Creating a telephone line for the psychological support of all employees.

The Company closely monitors the 2020 budget and so far there is no indication that the financial figures will be significantly affected due to the pandemic.

There are no subsequent events in addition to those already disclosed in the above notes which require disclosure or adjustment of the attached Financial Statements.