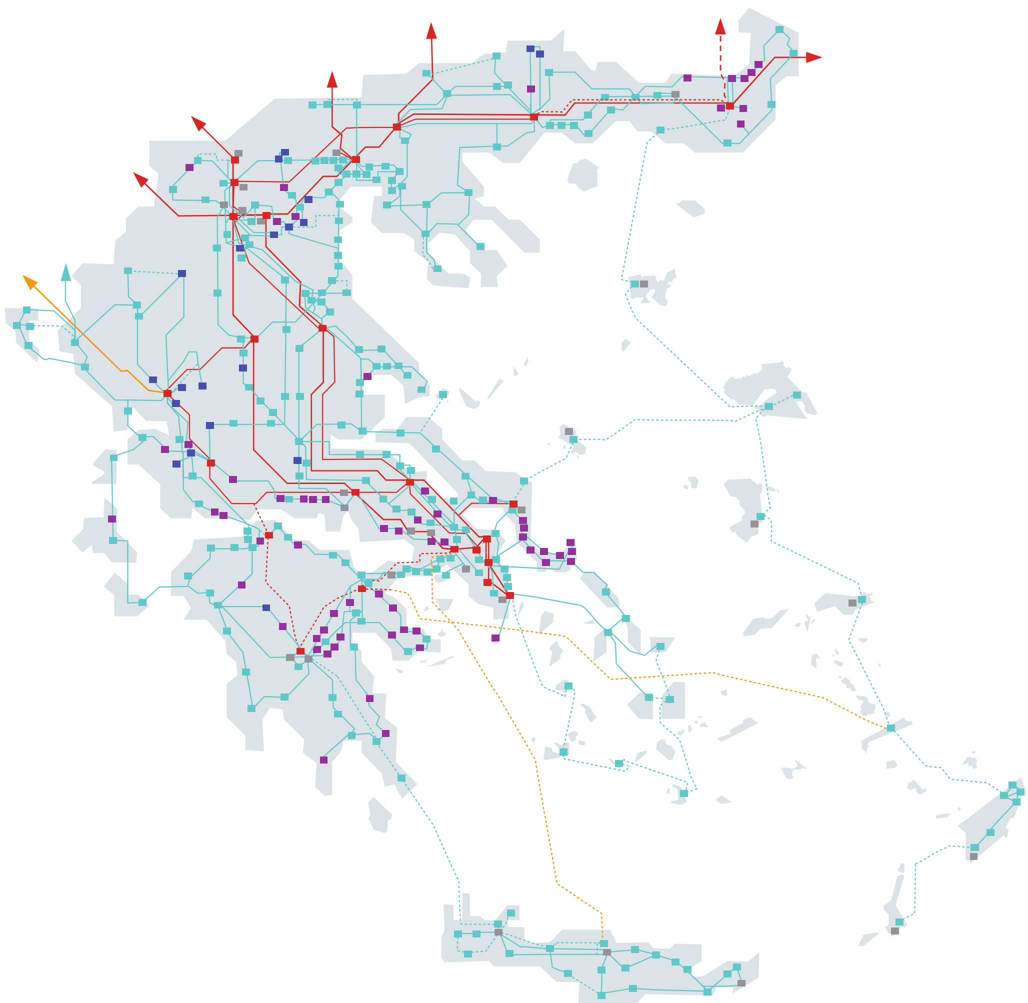
# ANNUAL FINANCIAL REPORT

for the year

January 1st  to December 31st 2021



*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 year 2021 (01/01/2021 – 31/12/2021)**

**to the 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 substantive and comprehensive manner all relevant information required by Law, in order to provide substantial and detailed information about the activity during the eleventh fiscal year ended at December 31, 2021.

The companies of the Group included in the consolidated financial statements are the Company and its subsidiaries “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and “GRID TELECOM S.M.S.A.” (hereinafter the "Group"). The Annual Financial Statements of the subsidiaries are posted online at the following websites:

ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.: http://www.ariadne-interconnection.gr

GRID TELECOM S.M.S.A.: https://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 2021

A detailed disclosure of the changes in the existing institutional framework is described 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 Company is a continuation of the company 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, supply and trade 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 HETS, in compliance with the Hellenic Electricity Transmission System Operation Code.
- Managing electricity flows on the System, taking into account exchanges with other interconnected transmission systems.

- Ensuring the safe, reliable and efficient operation of the System ensuring 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 plants connected to the System, determination of interconnections usage and performance of real-time dispatching of available generation plants.
- 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 processing and elaborating 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 invoices list 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, Dyrrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. On December 31st, 2021, the Group employed 1.198 employees, and the Company 1.168 employees of whom 27 in total were seconded. Specifically, 9 were seconded to Public Sector services, 17 to Public Organizations and 1 was seconded to the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". Their total payroll cost was Euro 1,25 million, and is included in the Income Statement. The subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." employed 30 employees and the subsidiary company "GRID TELECOM S.M.S.A." employed 1 employee.

Regarding the subsidiaries, the company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." was established in September 2018 by IPTO in compliance with RAE's decisions 816/2018 and 838/2018, with sole purpose of constructing and financing 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.

## 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 , 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 transmission 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 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 mainly due to reasons beyond control, shall take at least one of the following measures:

a) Requires that IPTO 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 share capital.

In case that RAE uses its authority under the above (b) section, it may require IPTO to accept one or more of:

a) Financing of the investment by any third party,
b) Financing 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, making its decisions in accordance with the current legislation and RAE's decisions.

The members of the Board of Directors shall acquire all relevant information regarding the operation of the Company. They must exercise their duties at the interests of the company and its shareholders. The Board of Directors (BoD) primarily formulates the strategy and development policy and supervises and controls the management of the Company's assets. 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 Department.

During the audit, the Internal Audit Department takes into account the necessary journals, documents, files, bank accounts and portfolios of the Company and requests the Management's absolute and continuous cooperation, in order to obtain all the requested information and data so as to obtain reasonable assurance for the preparation of the report free of material misstatements with respect to the information and conclusions included therein.

## 4. Description of past performance and tangible and intangible assets.

### 4.1. Economic Review of year 2021

The Group and the company's total revenue decreased, compared to last year's revenue by 0,48% for the Group and 0,37% for the Company.

Operating Expenses increased for the Group by 19,21% to Euro 197 million in 2021 compared to Euro 165 million in prior year, while for the Company increased by 20,14% to Euro 197 million in 2021 compared to Euro 164 million in 2020.

The above changes led to a 9,64% decrease for the Group and 10,15% for the Company in EBITDA, which amounted to Euro 190 million compared to Euro 211 million the previous year for the Group and Euro 189 million compared to Euro 210 million in the previous year for the Company, with the EBITDA margin reaching 66,53% in 2021 compared to 73,28% in 2020 for the Group and 66,31% in 2021 compared to 73,53% in 2020 for the Company. The Net Debt / EBITDA ratio reached 3,49 in 2021 versus 2,42 in 2020 while the corresponding figures for the Company are 3,30 in 2021 versus 2,84 in 2020. The net profit margin decreased to 24,26% in 2021, versus 29,55% in 2020 for the Group and 23,82% in 2021, versus 29,44% in 2020 for the Company. Return on Equity decreased to 4,94% in 2021, compared to 6,22% in 2020 for the Group and 4,85% in 2021, compared to 6,18% in 2020 for the Company. Return on capital employed ratio (ROCE) decreased to 3,92 % in 2021, compared to 5,75% in 2020 for the Group and 3,96% in 2021, compared to 5,74% in 2020 for the Company.

Alternative Performance Indicators and their calculation are disclosed in note 8.2 of Management Report.

### 4.2. Evolution of debt

Net Debt (Loans and Lease liabilities minus Cash) remained at satisfactory levels due to high cash reserves and amounts for the Group to Euro 663,8 million in 2021 compared to Euro 509,2 million in 2020 while the Leverage ratio stood at 32,1% compared to 27,2% in 2020. The Company continues to serve its debt obligations smoothly. Net Debt of the Company amounts to Euro 622,8 million in 2021 against Euro 596,3 million in 2020 while the Leverage-ratio stood at 30,8% in 2021 compared to 30,5% in 2020.

### 4.3. Cash flows

Net cash flows from financing activities of the Group were sufficient to repay loans of Euro 32,8 million, expenses and interest of Euro 14,7 million and payment of dividends of Euro 42,07 million. In addition, the Group raised a loan of Euro 145 million to finance projects. The corresponding amounts for the Company for the repayment of loans are Euro 32,8 million, expenses and interest of Euro 13,4 million and the payment of dividends Euro 42,07 million. In addition, the Company raised a loan of Euro 90 million to finance projects. During 2021, the Company maintained the amount of Euro 20,5 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 2021 on April 6th 2022 and proposed to the Annual General Meeting of Shareholders the distribution of a dividend of Euro 33,9 million of the net profit for the year.

### 4.5. Tangible and intangible assets

The total investments for the Group amounted to Euro 411 million (2020: Euro 450 million). Respectively, for the Company total investments amounted to Euro 409 million (2020: Euro 450 million).

According to Government Gazette 4821/2021, article 108, from 1st August 2021, all fixed assets of the high voltage electrical system of Crete are automatically transferred, from "PPC SA" to IPTO, by full ownership, freehold and possession, are integrated in the Hellenic Electricity Transmission System (HETS) and the Regulatory Asset Register (RMB) of HETS and are under the management of IPTO. Regarding the price that IPTO is required to pay to "PPC SA", this will pertain to the commercial value of the assets of Crete. Specifically, the total price is divided into two parts with the first being equal to the regulatory value of the assets and which was directly included in the Regulated Assets Base of HETS from the date of transfer, and is recovered through the usage charges of HETS. Later on will follow the valuation of the transferred assets by an independent specialized appraiser of known value and common acceptance of IPTO and "PPC SA", based on which IPTO will be asked to pay in addition any positive consideration difference between the regulated Assets value and the commercial value of fixed assets.

This difference will be included in a separate special asset base of HETS and is recovered, from the date of its repayment, through the charges of use of HETS, in accordance with the current legislation and the relevant decisions of RAE on the calculation of the Required and Allowed revenue of IPTO and the usage invoices of HETS, without payment of a return on this price based on the single weighted average cost of capital (WACC). The discrete asset base hereof may be depreciated over a period of up to four (4) years, starting from the year of repayment, taking into account the average annual general Consumer Price Index of the Hellenic Statistical Authority (ELSTAT), in a way which ensures the smoothing of the invoices for the use of HETS.

In the Financial Statements as at 31.12.2021, all fixed assets of the high voltage electrical system of Crete of approximately Euro 40,6 million have been included in the additions, and this value represents the first part of the total price, as mentioned above. Any difference from the appraisal is not expected to be significant.

### 4.6. Significant events of fiscal year 2021

- On February 3rd, 2021, the Company signed a contract for the implementation of the new Integrated Business Information System with a total value of Euro 6,5 million, which will be developed and implemented by the consortium of INTRASOFT International and OTE S.A., signaling the digitization of all administrative corporate processes.
- On March 9th, 2021, the Company signed a cooperation agreement with SUNLIGHT for the installation of a pilot storage station at IPTO's Substation in Thebes. With an overall capacity of 20 MW and storage capacity amounting to 20 MWh, the new facility aims to upgrade the efficiency of the Transmission System on a local level as well as enhance its capacity for the integration of new RES stations, without the necessity for the construction of a new 150 kV Transmission Line. Thebes' High Voltage Substation has been selected as the location for the installation of the pilot unit, given that the regional unit of Boeotia is characterized by a large installed capacity, of both thermal and RES plants.

- On March 19th 2021, the Company signed a consideration for the recontruction of Koumoundourou High Voltage Substation with the company Mytilinaios with a total price of Euro 46 million. The project will have a duration of 30 months and is expected to be completed on September 2023.
- On April 22nd, 2021, the Company completed successfully the electrification of the state-of-the-art STATCOM system at “Heraklion III” Substation in Crete. It is the first STATCOM installation in the National Power Transmission System, which enables the control and dynamic voltage regulation of Crete’s System. The new installation ensures the stable operation of Crete’s System, allowing the shutdown of obsolete and polluting local power plants as soon as the island is fully interconnected to the continental system.
- On May 11th, 2021, the Day Ahead Market of Bulgaria was connected, through Greece, with the rest of the European markets. With this coupling, more than 1,000 MW of capacity is available with European countries, contributing to the economic and efficient operation of the European wholesale electricity market.
- On July 1st, 2021, Crete-Peloponnese interconnection received the "Project of the Year 2020" award. The distinction of the major energy infrastructure project has been the result of an open electronic poll conducted by the news website ypodomes.com.
- On July 1st, 2021, the Company announced the launch of the commercial operation of SE Europe’s Regional Energy Control Center "SEleNe CC", an associate in which IPTO participates with a 25%. SEleNe CC provides consulting services to its Operators-shareholders, in order to coordinate and unitedly operate the area’s Transmission Systems.

  The new Regional Center based in Thessaloniki provides services aimed at:

  - The development of a common network model
  - The coordination of Operational Security
  - The coordinated calculation of interconnections’ capacity
  - The coordination of maintenance planning
  - The evaluation of the short-term efficiency of the region’s Transmission System

  SEleNe CC was established last summer by the System Operators of Greece (IPTO), Bulgaria (ESO-EAD), Italy (Terna) and Romania (Transelectrica) and is one of the six Regional Security Coordinators currently operating on the European continent. Its operation is an important step for the region’s alignment with EU's 3rd policy package. In the framework of the Clean Energy Package (CEP), in July 2022, SEleNe CC will be transformed into a Regional Coordination Center (RCC) with increased responsibilities and jurisdictions. The necessary preparations for this transition have already begun.
- On July 3rd, 2021, Crete was electrified for the first time by the Hellenic Electricity Transmission System through the newly completed Crete-Peloponnese interconnection. The transfer of electrical loads through the new High Voltage subsea cable is expected to contribute to the stabilization of Crete’s System after the reduction in the island's power generation.
- On August 1st, 2021, according to GG 4821/2021, article 108, all fixed assets of the High Voltage electricity transmission system of Crete are automatically transferred from PPC to IPTO, in full ownership, , freehold and possession and are part of the Hellenic Electricity Transmission System (HETS), the Regulatory Fixed Asset Register and under the management of IPTO.
- On September 22nd, 2021, the coupling of the Intra Day electricity market of Greece with the markets of Italy and Slovenia was successfully completed.
- On September 30th, 2021, Grid Telecom S.M.S.A., announced the successful completion of the open tender regarding the development of its proprietary DWDM fiber optic backbone network. Grid Telecom's new, high-

availability optical network with budget 9 million is expected to provide high-speed interconnection speeds (10 Tbps), tariff plans based on customer needs, extremely low data transfer latency (Latency Guarantee), direct services activation and Metro Ethernet services.

- On November 15th, 2021, Grid Telecom S.M.S.A. and Islalink announced the signing of a 25-year agreement on the terrestrial backbone fiber extension of the IONIAN submarine cable that connects Italy and Greece. The cooperation of the IPTO subsidiary and Islalink marks the expansion of critical broadband infrastructure in the Mediterranean that significantly enhances the interconnection of the two countries with an additional capacity of 360 Tbps.
- On December 23rd, 2021, in accordance with the decisions 165654 and 165655, the Ministry of Finance decided to finance the projects "Interconnection of Cyclades Phase D" and "Reconstruction of Koumoundourou High Voltage Substation & Transmission Line 400 kV Koumoundourou HVS - Corinth HVS" through the Public Investments Program resources and specifically the Recovery Fund. These projects are implemented within the National Recovery and Resilience Plan "Greece 2.0" with the funding of the European Union - NextGeneration EU. For the project "Interconnection of Cyclades D Phase" with a budget of Euro 448,9 million, the public expenditure registered in the Public Investments Program amounts to Euro 164,5 million (including the HEDNO section) of which Euro 82,2 million have been collected. The public expenditure of the project "Reconstruction of Koumoundourou HVS & Transmission Line 400 kV Koumoundourou HVS – Corinth HVS " with a total budget of Euro 93,9 million, amounts to Euro 30,1 million, while a grant amounting to Euro 15 million has been received.
- On December 30th, 2021, the Company entered into a contract with the National Bank, Alpha Bank, Piraeus Bank and Bank of China for the issuance of a Syndicated Bond Loan amounting to Euro 150 million. An equal number of nominal bonds with a nominal value of 1 euro were issued, while two series of bonds will be issued (Series A and B), each of which aims at specific financing needs of the Company.
- On December 28th, 2021, the sub-project related to the installation of fiber optic cables between Attica and Crete was completed and the first half of the eastern power cable, 170 km long, was laid.

## 4.7. Major projects completed in 2021 or projects in progress

### *Brief Description of the Most Important Projects*

### 1. Cyclades Interconnection

Cyclades interconnection project has been designated 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, in relation to 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, budgeted at Euro 264,3 million, which included the connection of Syros with Lavrio, as well as with the islands of Paros, Mykonos and Tinos was completed in 2018.

#### Phase B

The implementation of Phase B of the Cyclades interconnection, budgeted at Euro 47,3 million, which included the connection of the island of Naxos with the islands of Paros and Mykonos, was completed in 2020.

### Phase C

The Phase C of the Cyclades interconnection was set in normal operation with temporary connection in Syros in October 2020 and with final connection in June 2021. It includes the lay of the second cable between Lavrio – Syros, as well as with the required connection works (shunt reactors and bays) 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.

The project with a budget of Euro 122,3 million is co-financed by the European Union and the NSRF 2014-2020.

### Phase D

The implementation of the fourth and last phase of the Cyclades interconnection, amounting to 410 million euros, launched in 2021, including the interconnection of the islands of Thira, Milos, Folegandros and Serifos with the mainland Electricity Transmission System (HETS).

The tendering procedures for the interconnection of Thira have been completed and the supply and installation contracts for the Naxos-Thira cable line and the Substation & SVC of Thira have already been signed. Also, the tenders for the connection of the islands of Milos, Folegandros and Serifos with the HETS have been announced.

The submarine connection of Thira is expected to be electrified within the first semester of 2023, while the other islands is expected to be interconnected with the HETS within the first semester of 2024. The completion of Cyclades interconnection will enable the development of RES units with a total capacity of 332 MW on the islands, in accordance with the estimations reflected in the Ten-Year Development Plan 2022-2031, achieving a more stable, green and economical energy mix for the island complex.

The project has been approved for co-financing by the Recovery and Resilience Facility.

### 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 make 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 is implemented with 2 circuits of alternative current 150 kV, with a nominal capacity of 200 MVA each. After a thorough investigation into the operation and power adequacy of the electrical system of Crete, it established 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.

Within 2020 the substations in Peloponnese and Chania, the underground cable lines in Crete and Peloponnese, the first submarine cable line and almost the overall works of the overhead lines in Peloponnese were completed and as a result, the successful trial electrification of the interconnection took place in December 2020. The second submarine cable line, the final arrangements of the overhead lines in Peloponnese and STATCOM were completed gradually till May 2021 and from this point on the interconnection was ready to operate with loads. In July 2021 the interconnection was set in operation with loads and since then it remains in normal operation.

The project has cost Euro 374,5 million (including preliminary expenses), it was co-financed by the European Union and NSRF 2014-2020 and was funded by the European Investment Bank.

### Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the project of the small interconnection of Crete – Peloponnese and 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 (SGI) charges is expected for all consumers of the system in the Greek Territory.

This project is carried out by the 100% subsidiary of IPTO, “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", 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 (as administrator and owner of HETS). The asset will belong to IPTO and is presented in its own financial statements. 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 relates to 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 to the "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 design - construction works by the contractors are in full deployment. Specifically, regarding the Conversion Stations, the production of their equipment has started, while preliminary construction works have also started. Regarding the progress of the cable section, the lay of the east pole by half according to schedule as well as the lay of the optical fibers has been completed in total. In addition, the production of the last sections of cables (submarine and underground) is completed. Finally, the construction of the underground part of the route from HVC Koumoundourou to the landing point in Attica is in progress.

The project with a budget of 1,044 billion euros has been included in the specialization of the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014-2020" (EPANEK) with No. 4101/1467 / A1 / 25-6-2019 decision of the Monitoring Committee for funding from NSRF 2014-2020.

### 3. System expansion 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 of the expansion projects was funded by the European Investment Bank.

#### West Corridor (Megalopolis - Patras - West Sterea)

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 Antirio 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 projects of the Western Corridor have been completed, except a small part of the overhead line (2 pylons) due to reactions from an adjacent monastery. This part is planned to be fully completed by the end of 2022.

The total budget of projects amounts to Euro 163,7 million.

#### 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:

- In the first stage, with the Megalopolis Extra High Voltage Substation through a new 400 kV double-circuit overhead transmission line.
- In a next stage, with the Koumoundourou Extra High Voltage Substation through a new 400 kV double-circuit overhead transmission line. The specific sub-project is approved for co-financing by the European Union through RRF mechanism.

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 2022).

The total budget of projects amounts to Euro 95,6 million.

### 4. Skiathos Interconnection

The construction of a new Substation in Skiathos island and its connection to the existing Mantoudi Substation in Evia has been scheduled for the enhancement of the reliability of power supply to the complex of North Sporades islands. The interconnection includes an 150kV transmission line, consisting of overhead (new and upgraded), underground and submarine parts, as well as the required termination projects in the existing Mantoudi Substation.

Within 2021 the construction of the underground sections of the 150kV Cable Transmission Line (TL) throughout the terrestrial sections in Northern Evia and Skiathos was completed. The test electrification of the total cable TL comprising the submarine cable, the underground sections, the transition joints as well as the longwise Fiber Optic cable was successfully performed. Additionally, within 2021 the contract for the construction of the new single circuit Overhead Transmission Line 150kV was awarded.

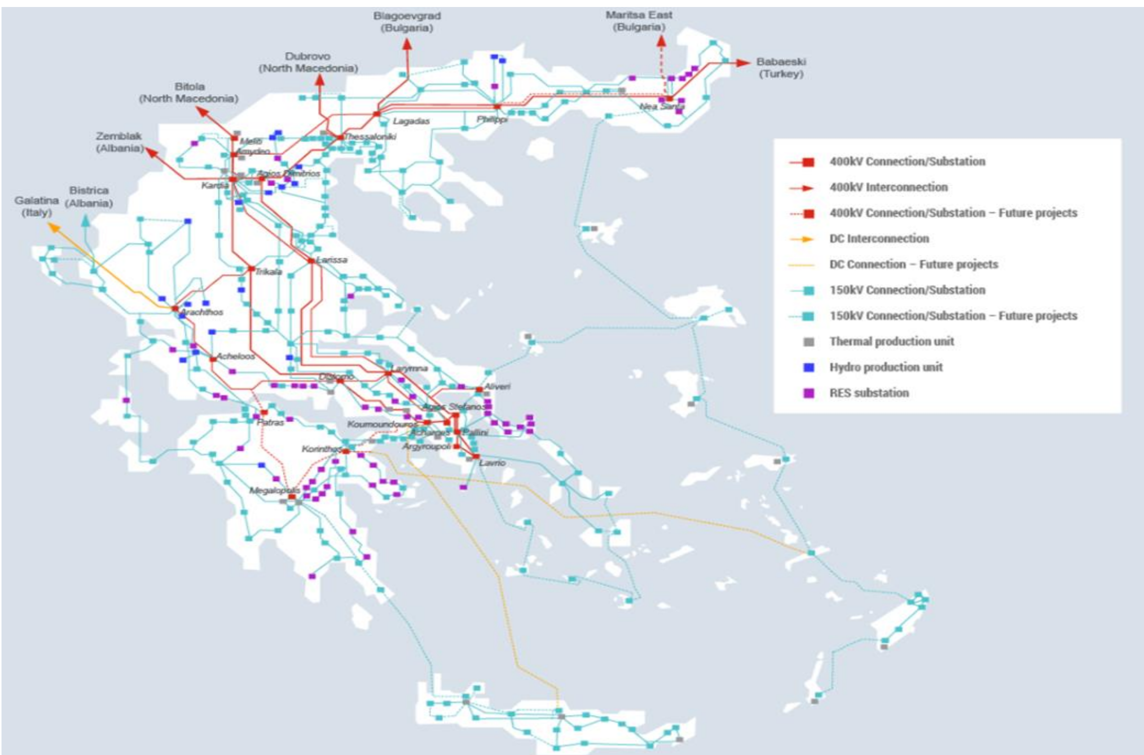
The construction and upgrade work on either terminating side, i.e., Skiathos and Mantoudi Substations, are in progress and the completion of the overall Interconnection is expected within 2022.

The total budget of the project amounts to Euro 56,3 million.

### 5. Koumoundouros Extra High Voltage Substation

Within 2021, the construction of the new gas-insulated (GIS) Koumoundouros Extra High Voltage Substation has been launched which will replace the existing air-insulated type Extra High Voltage Substation. This will enable the connection of the East 400 kV Peloponnese Corridor, comprising the connection point of Crete - Attica Interconnection to the mainland grid and enhance the reliability of supply to the loads of (West, mainly) Attica region.

The first phase of the project is estimated to be completed within 2023 and its total budget amounts to Euro 46 million. The project will be co-financed by the European Union through RRF mechanism. Full completion of the project is planned for 2025.




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

### 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 and has been set to public consultation by the Authority from November 2 to December 2, 2020. The revised final draft of the TYNDP 2021

2030, based on the RAE letter O-87542/06.05.2021, was submitted on June 11, 2021 for approval to RAE. Following this, with decision 611/29.7.2021 of RAE, the revised final draft TYNDP 2021- 2030 was approved.

**2022-2031**

The Preliminary Draft 2022 - 2031 was set to public consultation by IPTO from January 5, 2021 to February 5, 2021. IPTO considering the comments submitted during the public consultation, prepared the final plan of the TYNDP 2022-2031, which was submitted for RAE's approval on April 15th, 2021.

**2023-2032**

During December 2021, the Preliminary draft TYNDP 2023-2032 was finalized and set to public consultation by IPTO until February 11, 2022. Following the above, the final Plan will be submitted to RAE for approval on April 2022.

## 5. Major risks

The Group continuously monitors developments in order to minimize possible negative effects that may arise from various events. More specifically, below are the main risks related to the Group's activities:

### 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. The Company has no insurance cover on its stocks, as the estimated insurance costs are higher compared to the costs of restoring any damage in a case of a risk occurrence.

### 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 Group 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 Grid 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 parent Company operates

The Company is subject to certain laws and regulations applicable to Société Anonyme of Ch. B of Law 3429/2005 (as apply). Since the Greek State holds (directly or indirectly) 51% of ADMIE HOLDING SA share capital, IPTO continues to be considered in some 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 effect to the Company’s operation.

#### 5.3.2. Liquidity and cash flow risks

Liquidity risk is linked to the need for sufficient financing for the operation and growth of the Group. The Group manages liquidity risk by monitoring and planning its cash flows, and acts appropriately by securing, to the extent possible, adequate credit lines and cash, while at the same time seeking to lengthen the average life span of its debt and diversifying its sources of finance. 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

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 ageing 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 ratios 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 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

IPTO is exposed to interest rate risk, mainly due to borrowings at variable interest rates linked to the Euribor, which can influence the Company’s cash flows and financial results.

At a regional and global level, critical issues such as the inflationary pressures stemming mainly from the energy crisis, supply chain disruptions, the evolution of the pandemic as well as today’s geopolitical turbulence, with Ukraine being at the center, are expected to remain in the front line and affect the course of the global economy during 2022 and may lead central banks to increase interest rates. While at this point ECB is cautious about a potential change in Euribor, which still remains at negative levels, there is systematic information and monitoring by the Board of Directors and in the event of a possible fluctuation, appropriate financial hedging instruments will be used.

### 5.3.5. Exchange rate risk

The risk of exchange rate fluctuations is minimal for the Group and is mainly related to any contracts for the supply of materials or equipment whose payment is 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. Moreover, according to the methodology regarding the calculation of the Required Revenue, past and projected inflation is taken into account.

### 5.3.7. Other risks- Covid 19

The Group during 2021 continued to closely monitor developments both nationally and globally in relation to the spread of the Covid-19 pandemic, and by having as its main priority the protection of human capital, has taken a package of mainly protective measures. An indicative list of these measures is presented below:

- Increased remotely working percentage rate.
- Molecular tests every week for all employees who work with physical presence
- Set up of a special crisis management team due to coronavirus, responsible for ensuring the Business Continuity of the Company. The team regularly evaluates the effectiveness of these measures to ensure that they comply with the relevant measures set by the State.
- Enhanced protection measures in the Energy Control Centers, which are responsible for the monitoring, operation and control of the National Interconnected Electricity Generation and Transmission System.
- Mandatory application of remotely working at a rate of 70% for employees when it is possible to perform their duties remotely.
- Workspace arrangements so that employees can attend securely, either on their own or in pairs, depending on the size of the workspace.
- Special measures for employees belonging to vulnerable groups.
- Specific Risk Assessment as a result of Covid-19, where potential risks are identified and the implemented / proposed measures are recorded.
- Establishment of a psychological support telephone line for all employees.
- Providing protective masks as well as other personal protective measures to all employees.
- Mandatory use of mask, in all indoor and outdoor areas of the buildings.
- Mandatory temperature measurement, for all employees and visitors, upon entering the Company's buildings.

In addition to the ongoing management of operational risk due to the Covid-19 pandemic, an increased level of supervision was implemented to protect the financial position of the Group and the Company.

- The Management has no indication that its financial figures will be significantly affected due to the pandemic.
- The 2022 Investment Plan has been carefully reassessed, but the Management estimates that its implementation will not be significantly affected. However, estimates are continuously updated based on the progress of the crisis.
- The Group has solid financial position, while the available liquidity is at high levels.

All the above are important factors that mitigate the risk due to the COVID-19 pandemic, but also aim to maintain the competitive position of the Company and the Group.

#### 5.3.8. Miscellaneous specific risks

##### 5.3.8.1. 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 liabilities against third parties. This is primarily due to estimated high costs associated with insurance against such risks as compared to the cost of restoring the damage in case some of the risks occur.

Turnkey projects are insured by the contractors during construction.

##### 5.3.8.2. 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 28 of the Financial Statements.

##### 5.3.8.3. 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.

##### 5.3.8.4. Risk from regulated returns on business

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

Recent geopolitical events in Ukraine, military action by Russia and the response of European countries and the United States in the form of economic sanctions have significantly begun to affect global energy markets and economic developments in general. The Group and the Company monitor the developments in Ukraine and plan the corresponding actions.

The Group and the Company are following the developments in the global energy market and the generic increase of prices, and they are planning relevant actions.

## 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. Carry out 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 decision-making for the Transmission Projects takes into consideration detailed studies and assessments of all the parameters related to environmental and spatial criteria, concerning 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 regions 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, loan rooms) where required

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

#### Responding to climate change

The steadily accelerating course of climate change causes an increasing number of adverse effects of rising tension, while at the same time climate change has a chronic impact on the environment and human beings. IPTO’s strategic planning takes into account the new conditions created by climate change in order to adapt to the new environment. Based on the current data and upcoming changes, the Company identifies the risks associated with climate change, as well as the potential opportunities.

In this context, one of the pillars of the new IPTO Strategy is security and reliability in a difficult environment. This planning takes into account a number of parameters, including climate parameters which change at multiple levels, as the occurrence of extreme weather phenomena is now more and more frequent in our country. At the same time, IPTO’s contribution in the area of confrontation and climate mitigation is particularly important at a national level. New interconnections enable the change of the country’s energy mix by allowing the integration of a greater percentage of RES, and thus contribute to the transition to a low-carbon economy and the gradual decarbonization. This new environment also presents new opportunities for action, as the transition to a low-carbon economy can only be achieved through radical structural and technological changes in the energy production system.

### 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, recruitment is through ASEP (Supreme Council for Civil Personnel Selection) 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 December 2021 employed as regular staff 1.198 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, 1.168 employees were employed by the parent company, of whom 27 in total were seconded. Specifically, 9 of them were seconded to Public Sector services, 17 to Public Organizations and 1 was seconded to the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.”. The total payroll cost of the seconded employees amounts to Euro 1,25 million and is included in the Income Statement. The subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” employed 30 employees and the subsidiary company “GRID TELECOM S.M.S.A.” employed 1 employee.

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. In the Group 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”.(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.

During 2021 the Group continued to monitor closely the developments regarding the spread of Covid-19 pandemic on country and global level, and by having on first priority the protection of its personnel, has taken a set of measures which consist mainly of protective measures. The basic of which are indicated as below:

- Increased remotely working percentage rate.
- Molecular tests every week for all employees who work with physical presence
- Set up of a special crisis management team due to coronavirus, responsible for ensuring the Business Continuity of the Company. The team regularly evaluates the effectiveness of these measures to ensure that they comply with the relevant measures set by the State.
- Enhanced protection measures in the Energy Control Centers, which are responsible for the monitoring, operation and control of the National Interconnected Electricity Generation and Transmission System.
- Mandatory application of remotely working at a rate of 70% for employees when it is possible to perform their duties remotely.
- Workspace arrangements so that employees can attend securely, either on their own or in pairs, depending on the size of the workspace.
- Special measures for employees belonging to vulnerable groups.
- Specific Risk Assessment as a result of Covid-19, where potential risks are identified and the implemented / proposed measures are recorded.
- Establishment of a psychological support telephone line for all employees.
- Providing protective masks as well as other personal protective measures to all employees.
- Mandatory use of mask, in all indoor and outdoor areas of the buildings.

### 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 Company continuously trains all employees' categories either by organizing in-house seminars (with internal or external trainers) or by organizing seminars in external organizations. Employees pay scales change 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 and additional information

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

| | Group | | Company | |
|---|---|---|---|---|
| **In million Euro** | **2021** | **2020** | **2021** | **2020** |
| Total revenue | 286 | 287 | 285 | 286 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 190 | 211 | 189 | 210 |
| Total assets | 3.314 | 3.087 | 3.486 | 3.195 |
| Non-current Assets | 2.800 | 2.490 | 2.998 | 2.689 |
| Regulatory asset base | 2.060 | 1.941 | 2.060 | 1.941 |
| Total debt | 865 | 757 | 811 | 757 |

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| **Current ratio** | | | | |
| Total current assets / Total current liabilities | 1,43 | 1,67 | 1,51 | 1,47 |
| **Quick ratio** | | | | |
| Total current assets minus inventories / Total current liabilities | 1,27 | 1,52 | 1,33 | 1,32 |
| **Cash ratio** | | | | |
| Cash and cash equivalents / Total current liabilities | 0,57 | 0,70 | 0,59 | 0,47 |
| **Operating cash flow ratio** | | | | |
| Cash flow from operating activities / Total current liabilities | 0,49 | 0,38 | 0,43 | 0,49 |
| **Interest coverage ratio** | | | | |
| Earnings before Interest and taxes / Interest expense | 5,94 | 9,24 | 5,86 | 9,21 |
| **Debt to equiry ratio** | | | | |
| Net debt / Equity | 0,47 | 0,37 | 0,45 | 0,44 |
| **Debt to EBITDA ratio** | | | | |
| Net debt / Earnings before interest, taxes, depreciation and amortization | 3,49 | 2,42 | 3,30 | 2,84 |

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| **EBITDA margin** | | | | |
| EBITDA / Total revenue | 0,67 | 0,73 | 0,66 | 0,74 |
| **Net operating margin** | | | | |
| Earnings before interest and taxes / Total revenue | 0,31 | 0,42 | 0,31 | 0,43 |
| **Net profit margin** | | | | |
| Net profit / Total revenue | 0,24 | 0,30 | 0,24 | 0,29 |
| **Net Operating cash flow ratio** | | | | |
| Cash flow from operating activities / Total revenue | 0,62 | 0,47 | 0,49 | 0,59 |

| | | | | |
|---|---|---|---|---|
| **Return on equity (ROE)** | | | | |
| Profit before taxes / Total equity | 0,05 | 0,06 | 0,05 | 0,06 |
| **Return on assets (ROA)** | | | | |
| Net profit / Total assets | 0,02 | 0,03 | 0,02 | 0,03 |
| **Return on Capit Employed (ROCE)** | | | | |
| Profit before interest and taxes / Equity and total debt | 0,04 | 0,06 | 0,04 | 0,06 |

In the comparative figures of the Group and Company financial performance indicators may have differences due to the reclassifications made within the year for comparability purposes (Note 3.3.22).

Alternative performance indicators and their calculation are analyzed in Note 8.2 of Management Report.

## 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 3rd, 2016 to the Alternative Performance, the Group uses 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 revenue minus total expenses. The EBIT margin (%) is calculated by dividing the EBIT by the total revenue.

**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.

**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 revenue 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 revenue.

**Adjusted EBITDA**

Adjusted EBITDA is defined as published EBITDA adjusted by a) provisions (including provisions for litigations and trade receivables), b) non-recurring items.

**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 and d) non-recurring financial income / expenses.

### Adjusted Net Income

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

### Net Debt/EBITDA

The ratio reflects how earnings before interest, tax, depreciation and amortization of the Group and the Company cover net debt (as defined in the following 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.

### 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 for 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** | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Total revenue | 286.028 | 287.396 | 284.771 | 285.819 |
| Total expenses | (197.042) | (165.283) | (197.191) | (164.133) |
| **EBIT** | **88.986** | **122.112** | **87.580** | **121.685** |
| *Provisions* (Note 9)* | (1.158) | (7.648) | (1.136) | (7.637) |
| *Non-recurring items ** (Note 6)* | 2.000 | - | 2.000 | - |
| **Adjusted EBIT** | **89.829** | **114.464** | **88.444** | **114.049** |
| Depreciation | 101.296 | 88.481 | 101.247 | 88.466 |
| **Adjusted EBITDA** | **191.125** | **202.945** | **189.691** | **202.514** |
| *Provisions* (Note 9)* | 1.158 | 7.648 | 1.136 | 7.637 |
| *Non-recurring items ** (Note 6)* | (2.000) | - | (2.000) | - |
| **EBITDA** | **190.282** | **210.594** | **188.827** | **210.151** |

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **EBIT** | **88.986** | **122.112** | **87.580** | **121.685** |
| Financial expenses | (14.980) | (13.218) | (14.946) | (13.215) |
| Financial income | 6.087 | 6.119 | 5.551 | 5.410 |
| **Profit before tax for the year** | **80.093** | **115.013** | **78.184** | **113.881** |
| Financial expense from renegotiation of loans (Note 11.1) | - | (2.951) | - | (2.951) |
| Change in the fair value of financial products and loans (Note 11.2) | 2.925 | - | 2.925 | - |
| Amortization of gain due to change of loan terms (Note 11.1) | (129) | - | (129) | - |
| **Comparable Profit for the year** | **78.140** | **110.316** | **76.253** | **109.195** |
| Effective tax rate | 13,4% | 26,1% | 13,2% | 26,1% |
| Adjusted income tax | (10.439) | (28.847) | (10.100) | (28.509) |
| **Adjusted Net profit for the year** | **67.702** | **81.469** | **66.153** | **80.686** |

**Effective tax rate calculation:**

| | | | | |
|---|---|---|---|---|
| **Profit before tax for the year** | **80.093** | **115.013** | **78.184** | **113.881** |
| Income tax | (10.699) | (30.075) | (10.356) | (29.733) |
| **Effective tax rate** | **13,4%** | **26,1%** | **13,2%** | **26,1%** |

* Mainly included

a) for 2021 provision for the discount on reduced electricity tariffs given to employees and pensioners of the Company amounting to Euro 0,09 million, provisions for staff retirement compensation amounting to Euro 1,3 million, release of provision for risks and expenses amounting to 2,6 million (Note 9) .

b) for 2020 release of provision for the discount on reduced electricity tariffs given to employees and retirees of the Company amounting to Euro 0,1 million, provision for staff retirement compensation amounting to Euro 0,4 million, release of provision for risks and expenses of Euro 8,2 million (Note 9).

** The amount of 2 million relates to retroactive special allowances paid in 2021 based on the Business Collective Agreement of IPTO personnel signed in 2021 to the Employees of the Company which pertains to the period 1/1/2019-31/5/2020 (Note 6).

### 8.3 Explanation of Regulated Revenue

The analysis of the regulated revenue for the Company is as follows:

| | 2021 | 2020 | Difference |
|---|---|---|---|
| **Items comprising AR in RAE Decision 235/2018** | | | |
| OPEX | 79.066 | 78.461 | 605 |
| Depreciation | 77.063 | 76.370 | 693 |
| **Total expenses** | **156.129** | **154.831** | **1.298** |
| *RAB* | 2.059.771 | 1.941.335 | |
| *WACC* | 6,30% | 6,50% | |
| RAB*WACC | 129.766 | 126.187 | 3.579 |
| **AR - Allowed revenue** | **285.895** | **281.018** | **4.877** |
| **Plus: Items not budgeted** | | | |
| Ariadne | 2.763 | 2.408 | 355 |
| RSC | 2.910 | 1.090 | 1.819 |
| **AR revised** | **291.568** | **284.517** | **7.051** |
| Inflation | 0,00% | 0,00% | |
| **AR inflated** | **291.568** | **284.517** | **7.051** |
| **Adjustments for (RAE Decisions 1650/2020 & RAE 179/2021):** | | | |
| (Π1) Amount cleared due to (over)/under recovery of revenue | 143 | 2.519 | (2.376) |
| (Π2) Amount cleared due to over/(under) investment | (6.141) | 779 | (6.921) |
| (Π5) Revenue from non regulated activities | (9.699) | (11.501) | 1.802 |
| **AR adjusted** | **275.870** | **276.314** | **(444)** |
| **Revenues recovered from other sources (RAE Decisions 1650/2020 and RAE 179/2021):** | | | |
| (K) Cost of HETS projects implemented by means of third party funding - Polypotamos | - | (10.000) | 10.000 |
| (Π3) Revenue from Interconnection rights | (66.180) | (68.082) | 1.903 |
| (Π4) Revenue from participating in the Inter-Transmission Compensation mechanism (ITC) | 1.906 | 238 | 1.669 |
| **RR - Required revenue** | **211.597** | **198.469** | **13.128** |
| **Actual Revenue** | | | |
| **TUoS** | **207.580** | **195.715** | **14.388** |
| **Other sources** | | | |
| (K) Cost of HETS projects implemented by means of third party funding - Polypotamos | - | 10.000 | (10.000) |
| (Π3) Revenue from Interconnection rights | 66.180 | 68.082 | (1.903) |
| (Π4) Revenue from participating in the Inter-Transmission Compensation mechanism (ITC) | (1.906) | (238) | (1.669) |
| **Revenue from Transmission System Rent*** | **271.854** | **273.560** | **(1.705)** |

*Revenue from Transmission System Rent as referred above, amount Euro 271.854 mil and Euro 273.560 mil for 2021 and 2020 respectively, have been recognized as Revenue from Transmission System Rent at the Income Statement.

RAE΄s decision 235/2018 determined IPTO's Allowed Revenue (AR) for the years of Regulatory Period 2018-2021. For 2021, Allowed Revenue (AR) was budgeted with an increase of Euro 4,9 million, mainly as a result of the estimated expansion of the Regulated Asset Base (RAB) of IPTO, due to the implementation of the investment program.

IPTO requested RAE to update the Allowed Revenue (AR) with expenses that were not budgeted during the preparation period of decision 235/2018, and relate to operating expenses of the subsidiary Ariadne Interconnection, as well as the Regional Security Center. The request was accepted, increasing the Allowed Revenue (AR updated) of 2021 by Euro 5,7 million, under decision 179/2021. Thus the updated Allowed Revenue for 2021 is Euro 7,1 million higher compared to the related revenue of 2020.

RAE decisions 1650/2020 and 179/2021 determine all adjustments used to determine the Required Revenue (RR). The most significant change between the two years is noticed in parameters Π2 and K. Parameter Π2, which appears with a negative value in 2021 (reduced by Euro 6,9 million compared to 2020), reflects the sub-investment of 2019 in relation to the over-investment of the year 2018 (positive Π2 in 2020). Also, the cost of HETS projects with financing of Third Parties (K) was zero in 2021 (increased by Euro 10 million compared to 2020) as the clearance of the project "Connection N. Makri-Polypotamos and High Voltage Network of South Evia" is pending by RAE.

The above adjustments explain the further increase presented in 2021 in the Required Income (RR), by Euro 13,1 million compared to 2020.

The interconnection of Crete with the Continental System, as well as the adjustment of the unit System Usage Charges from August 2021 onwards, led to an increase of the HFS Revenue by Euro 11,8 million compared to 2020. The recovery for the year 2021 amounts to Euro 4,3 million.

## 9. Prospect development

### *Outlook for 2022*

IPTO seeks to develop into a modern Operator, a company utilizing its infrastructure and know-how, adapted to the needs of the country and the challenges of the present and the future. IPTO through cutting edge technologies and good governance is being transformed to meet European and international requirements for energy transition and sustainable development. The movement towards the future is twofold as it pertains to both the main activity of energy transfer, taking into account the environmental footprint of the operation and the local communities in which it operates, as well as its internal status: the modernization of its internal processes, health and safety, empowerment and training of its personnel as the main transformative body of the company.

The 2022 Strategy enriches and strengthens the strategy of the previous year, integrating in its entirety the dimension of sustainability and addressing the challenges of climate change.

The strategic priorities of the Group are summarized below:

- **Security, reliability and durability in a difficult and changing environment**

**Enhancing the Durability of the System**

IPTO implements technological upgrades and modernization of the System that ensure the adequacy, security, stability and reliability of the energy transmission network. It integrates modern maintenance and monitoring technologies of the network in order to deal in a timely manner with the potential risks that arise internally and externally. The digitization of services and operational internal processes, that is, the transformation into a Digital Electricity Transmission Operator (Digital TSO), can make a decisive contribution to achieving the goals of the transition to a sustainable future for the organization, a transition harmonized with modern cyber challenges. and the strict standards in the management of sensitive data that require it.

- **Utilization of infrastructure and know-how for value-added services**

**Expansion of the company's activities by utilizing its potential**

IPTO looks forward to its transformation into a technological company for the development of infrastructure and know-how, through investments aimed at the seamless and with the smallest possible environmental footprint, provision of its services. IPTO Group, in addition to TL, HVC and Sub-Stations, has large areas of land, building infrastructure and a corporate fleet in its asset base. Additional assets are added to its asset base, such as fiber optics and data centers. Utilizing the real estate and mobile assets, it is possible to create added value, in addition to that produced by its main activity, for its shareholders based on the public interest, contributing to the digital transformation of the country. IPTO also has significant know-how, which in collaboration with research institutions and universities can create innovation hubs by contributing to the introduction of new technologies, such as energy storage technologies, critical infrastructure monitoring technologies, infrastructure that supports the "green" transition (eg charging stations) and related consulting services.

- **Network development and energy transition**

**IPTO helps the transition to a decarbonized economy**

The interconnection of the islands with the mainland, the integration in the network of more remote RES production and storage stations, the further interconnections with networks of other TSOs, ensure the energy security and at the same time the lowest possible surcharge on the final consumer. The decarbonation and the energy transition are completely intertwined with IPTO's vision for a greener future. The gradual reduction of greenhouse gas emissions and energy savings in its facilities, the way of processing and operating of its systems, the facilitation of procedures for faster regulation of RES connection requests to the network, research and development of new technologies, contribute significantly towards a functional model of minimized emission of indirect or direct pollutants.

- **People, environment and governance**

**Caring for our people, for society and environment**

IPTO ensures the creation of a safe working environment of equal opportunities, with respect for diversity. It collaborates with local communities, as part of its activities, in order to accelerate the necessary energy transition in terms of inclusion and value creation locally. The improvement based on the best European practices of working conditions and the cooperation of IPTO with the local communities, are practices that improve the efficiency of the organization, make it more attractive in terms of attracting the appropriate scientific and technical staff and strengthen the sense of reciprocity in areas where it operates. An important aspect of these practices is the transparency of procedures through the establishment of appropriate mechanisms and the ongoing consultation of stakeholders. Still, an important goal is to reduce as much as possible the effects on the environment and biodiversity due to the nature of its work involving interventions in the natural landscape. The use and utilization of new technologies in recording systems and equipment, the use of recyclable materials and "cyclical" specifications and the creation of a "green" value chain aim to minimize the environmental impact.

- **IPTO and the UN Sustainable Development Goals (SDGs)**

Starting in September 2015 and during the United Nations General Assembly, the historic decision that affects the lives of millions of people on the planet was made. It is the adoption of 17 Goals, known as the "Sustainable Development Goals", which express the current global challenges, in an effort all countries to respond effectively to global problems.

The activities of the IPTO Group may contribute to the implementation of many of the 17 Objectives. Specifically we want to contribute to:

• Objective 7 "Clean and cheap energy", contributing to ensuring universal access to affordable, reliable and modern energy services, increasing the share of RES in the global energy mix and improving energy efficiency.

• Objective 9 "Industry, Innovation and Infrastructure" with the development of resilient and sustainable infrastructure, such as the mainland interconnections with almost all the islands, the international interconnections and the development of the fiber optic network.

• Objective 3 "Good health and prosperity" and Objective 8 for "Decent work and economic development" as our operation produces significant benefits for all our social partners.

• Objective 13 "Action on Climate Change" taking immediate action to mitigate climate change and its consequences.

• Objective 14 "Life on water" to prevent marine pollution and protect the marine environment.

• in Objective 15 "Life on land". We protect, restore and promote the protection of terrestrial ecosystems and help prevent the loss of biodiversity.

• in Objective 17, ie in "Cooperation to achieve the objectives". We work with national and European institutions, public authorities, local communities and civil society organizations.

• Objective 5 "Gender Equality" with the introduction of policies related to equality, inclusion and the fight against sexual harassment.

• Objective 1 "Zero Poverty" and Objective 3 "Good Health and Prosperity" promoting equitable energy transition and access to energy.

• in Objective 12 "Responsible Consumption and Production" by introducing "green" and "social" criteria in the value chain, thus ensuring sustainable consumption and sustainable production methods.

## 10. Company operation in the field of research and development

During the reporting period the Group incurred research and development expenditure of amount of Euro 873 thousand (2020: 713 thousand). Expenditures relate to third party payments amounting to Euro 686 thousand (2020: 398 thousand), personnel salaries amounting to Euro 89 thousand (2020: 250 thousand), third party benefits amounting to Euro 20 thousand, (2020: 3 thousand), software purchase and support equipment amounting to Euro 23 thousand (2020: 38 thousand) and other expenses amounting to Euro 55 thousand (2020: 24 thousand).

Specifically, the Group participated in the European Community's subsidized program "Horizon 2020" and on 2021 received subsidies amounting to Euro 638 thousand (2020: Euro 536 thousand) for the above programs.

## 11. Own Shares

No own shares were acquired during FY 2021.

## 12. Company Branches

The Company maintains 6 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 31.12.2021 held bonds of the Cooperative Bank of Chania and Pancretan Cooperative Bank, with total nominal value of Euro 4 million.

## 14. Significant transactions with related parties

(Amounts in Euro)

On December 31, 2021 "STATE GRID EUROPE LIMITED" holds 24% of Company's paid-up share capital, "ADMIE HOLDING SA" holds 51% of Company's paid-up share capital, and the "PUBLIC HOLDING COMPANY ADMIE S.A." (PHC ADMIE S.A.) holds 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 and is the parent company. The Company's transactions with related parties have been carried out under normal market terms.
Below are Group's related parties.

| Company | Relation |
|---|---|
| ADMIE HOLDING SA | Shareholder |
| PHC ADMIE SA | Shareholder |
| STATE GRID LTD | Shareholder |
| ARIADNE INTERCONNECTION SMSPSA | Subsidiary |
| GRID TELECOM SMSA | Subsidiary |
| EnEx Clearing House S.A | Associate |
| HELLENIC ENERGY EXCHANGE S.A. | Associate |
| SELENE CC SA | Associate |

The Group in the ordinary course of business conducted the following transactions (Note 36) with subsidiaries and associated companies, the balances (Receivables, liabilities and revenues and expenses) of which on December 31, 2021 are as follows:

| | Group | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| Amounts in Euro | Receivables | Liabilities | Receivables | Liabilities |
| ADMIE HOLDING SA | 28.396 | 6.200 | 29.032 | 3.720 |
| EnEx Clearing House S.A | 67.417.043 | 38.952.599 | 9.330.728 | 64.230 |
| HELLENIC ENERGY EXCHANGE S.A. | - | - | 124.096 | 1.612 |
| SELENE CC SA | 82.287 | 78.751 | 25.792 | - |
| **Total** | **67.527.726** | **39.037.550** | **9.509.648** | **69.562** |

| | Group | | | |
|---|---|---|---|---|
| | 01/01/2021- 31/12/2021 | | 01/01/2020- 31/12/2020 | |
| Amounts in Euro | Revenues | Expenses | Revenues | Expenses |
| ADMIE HOLDING SA | 31.000 | 5.000 | 27.829 | 3.000 |
| EnEx Clearing House S.A | 235.623.086 | 235.623.086 | 14.385.459 | 14.646.131 |
| HELLENIC ENERGY EXCHANGE S.A. | - | 61.957 | 312.562 | 16.885 |
| SELENE CC SA | 101.669 | 276.128 | 19.200 | - |
| **Total** | **235.755.755** | **235.966.171** | **14.745.050** | **14.666.016** |

The Company in the ordinary course of business conducted, the following transactions (Note 36) with subsidiaries and associated companies, the balances (Receivables, liabilities and revenues and expenses) of which on December 31st, 2021 are as follows:

| | Company | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| Amounts in Euro | Receivables | Liabilities | Receivables | Liabilities |
| ARIADNE INTERCONNECTION S.M.S.P.S.A | 449.106 | 292.691.965 | 169.480 | 133.478.931 |
| GRID TELECOM SMSA | 4.089.441 | 17.911 | 3.462.887 | 13.710 |
| ADMIE HOLDING SA | 28.396 | 6.200 | 29.032 | 3.720 |
| EnEx Clearing House S.A | 67.417.043 | 38.952.599 | 9.330.728 | 64.230 |
| HELLENIC ENERGY EXCHANGE S.A. | - | - | 124.096 | 1.612 |
| SELENE CC SA | 82.287 | 78.751 | 25.792 | - |
| **Total** | **72.066.273** | **331.747.426** | **13.142.015** | **133.562.203** |

| | Company | | | |
|---|---|---|---|---|
| | 01/01/2021- 31/12/2021 | | 01/01/20120- 31/12/2020 | |
| Amounts in Euro | Revenues | Expenses | Revenues | Expenses |
| ARIADNE INTERCONNECTION S.M.S.P.S.A | 481.646 | 2.757.130 | 291.159 | 1.574.745 |
| GRID TELECOM SMSA | 365.005 | - | 352.319 | - |
| ADMIE HOLDING SA | 31.000 | 5.000 | 27.829 | 3.000 |
| EnEx Clearing House S.A | 235.623.086 | 235.623.086 | 14.385.459 | 14.646.131 |
| HELLENIC ENERGY EXCHANGE S.A. | - | 61.957 | 312.562 | 16.885 |
| SELENE CC SA | 101.669 | 276.128 | 19.200 | - |
| **Total** | **236.602.406** | **238.723.301** | **15.388.528** | **16.240.761** |

In addition to the above, there are also transactions with companies in which the Greek State participates, such as PPC S.A., HEDNO, 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 Directors' remuneration representation expenses and social security contributions inclusive, for the year ended at December 31, 2021 for the Group and the Company amount to Euro 1.147 thousand, and Euro 1.015 thousand, respectively (2020: Euro 1.191 thousand and Euro 1.104 thousand).

## 16. Applied Key Accounting Principles

For the Statement of Financial Position, the Income Statement and Statements of 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 37 of the Financial Statements. The latest estimate of the current value of properties was conducted on December 31st, 2019.

## 18. Subsequent events

On February 15th, 2022, by virtue of 221 Ministerial Decision of the Special Management and Implementation Service for Information and Communication Technologies of the Ministry of Digital Governance, the subsidiary company 'GRID TELECOM S.M.S.A.'' in collaboration with the company ''TERNA ENERGIAKI S.A'' (the "Joint") was named Temporary Contractor of the "Ultra-Fast Broadband" (UFBB) tender, for four geographical areas (LOT) out of seven announced, with an estimated budget of Euro 400 million. The Joint had successfully completed its participation in the tender process in September 2021. The UFBB tender regards the largest Public-Private Partnership project for the construction and operation of fiber optic network and the provision of wholesale services to telecommunications companies in various regions of the country, with a total budget of Euro 700 million. With an update on 8.3.2022 from the Ministry of Digital Government, the period of finalization of the Partnership Agreement for the completion and signing of the required documents was determined.

On February 24th, 2022 the Ordinary General Meeting of the sole shareholder of the subsidiary 'GRID TELECOM S.M.S.A.'' approved an increase of its share capital of Euro 3,5 million, in order to cover the company needs in the context of developing its activities and in connection with its business plan. The share capital increase was carried out via cash payment from the parent company, with the issuance of 35,000 new common registered shares, with a nominal value of one hundred euros (Euro 100) each.

Recent geopolitical events in Ukraine, military action by Russia and the response by European countries and the United States in the form of economic sanctions have begun to affect significantly global energy markets and economic developments in general. The Group and the Company monitor the developments in Ukraine and plan the corresponding actions.

The Group and the Company consider these events as non-adjusting events after the reporting period and their potential impact on the financial statements cannot be estimated at this time.

After that we hereby kindly request that you:

1. Approve the Income Statement, Statement 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 2021 (fiscal period 01/01/2021 - 31/12/2021),
2. Discharge the members of the Board of Directors and auditors from all liability for the operations of FY 2021 (fiscal period 01/01/2021 - 31/12/2021),
3. Appoint one (1) regular and one (1) alternate certified auditor-accountant of FY 2022.

Athens, April 6, 2022

On behalf of the Board of Directors

| Chairman of the BOD & CEO | Deputy Chief Executive Officer |
|---|---|
| Manousakis Manousos | Chen Dong |

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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 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 S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2021, 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 S.A. and its subsidiaries (the Group) as at December 31, 2021 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 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.

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.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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, 2021.

b) Based on the knowledge and understanding concerning Independent Power Transmission Operator 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, April, 8 2022

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

Andreas Hatzidamianou
Certified Auditor Accountant
S.O.E.L. R.N. 61391

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

INDEPENDENT POWER

TRANSMISSION OPERATOR (IPTO) S.A.

ANNUAL CONSOLIDATED AND STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 DECEMBER 2021

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 April 6, 2022 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 | FINANCE DIRECTOR |
|---|---|---|---|
| M. MANOUSAKIS<br>ID Card 165741 | I MARGARIS<br>ID Card 286541 | D. CHEN<br>No PE1871422<br>Passport People's Republic of China | E.ZARIKOU<br>1st class No 105026 |

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*(In thousand euro unless otherwise stated)*

## INCOME STATEMENT FOR PERIOD 01/01/2021 – 31/12/2021

| | | Group | | Company | |
|---|---|---|---|---|---|
| **Revenue:** | **Note** | **01/01/2021-31/12/2021** | **01/01/2020-31/12/2020*** | **01/01/2021-31/12/2021** | **01/01/2020-31/12/2020*** |
| Revenue from transmission system rent | 5 | 270.357 | 273.560 | 271.854 | 273.560 |
| Concession agreement expenses | 5 | - | - | (2.744) | (1.575) |
| Operator's revenue from clearing charges | 5 | 252.737 | 342.889 | 252.737 | 342.889 |
| Operator's expenses from clearing charges | 5 | (252.737) | (342.889) | (252.737) | (342.889) |
| Revenue from other operations | 5 | 15.671 | 13.836 | 15.661 | 13.834 |
| **Total revenue** | | **286.028** | **287.396** | **284.771** | **285.819** |
| **Expenses/(Income):** | | | | | |
| Payroll cost | 6 | 59.255 | 55.684 | 58.957 | 55.614 |
| Depreciation and amortization | 7 | 101.296 | 88.481 | 101.247 | 88.466 |
| Contracting cost | | 1.669 | 510 | 1.669 | 510 |
| Materials and consumables | | 542 | 1.263 | 542 | 1.263 |
| Third party benefits | 8.1 | 6.153 | 5.936 | 6.153 | 5.936 |
| Third party fees | 8.2 | 17.667 | 11.892 | 16.792 | 11.134 |
| Taxes–duties | | 2.735 | 2.619 | 2.724 | 2.609 |
| Provision (release of provision) for risks and expenses | 9 | (2.578) | (8.230) | (2.556) | (8.219) |
| Other income | 10.2 | (3.726) | (2.340) | (2.292) | (2.439) |
| Other expenses | 10.1 | 14.030 | 9.468 | 13.956 | 9.259 |
| **Total expenses** | | **197.042** | **165.283** | **197.191** | **164.133** |
| **Profit before taxes and financial results** | | **88.986** | **122.112** | **87.580** | **121.685** |
| Financial expenses | 11.1 | (14.980) | (13.218) | (14.946) | (13.215) |
| Financial income | 11.2 | 6.087 | 6.119 | 5.551 | 5.410 |
| **Profit before taxes** | | **80.093** | **115.013** | **78.184** | **113.881** |
| Income Tax | 12 | (10.699) | (30.075) | (10.356) | (29.733) |
| **Net profit after tax** | | **69.394** | **84.938** | **67.828** | **84.148** |
| **Attributable to:** | | | | | |
| Owners of the Company | | 69.394 | 84.938 | 67.828 | 84.148 |
| Non-controlling interests | | - | - | - | - |

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

*(In thousand euro unless otherwise stated)*

## STATEMENT OF OTHER COMPREHENSIVE INCOME FOR PERIOD 01/01/2021 – 31/12/2021

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| **Net profit after tax** | | **69.394** | **84.938** | **67.828** | **84.148** |
| **Other comprehensive income (non-reclassified in the income statement)** | | | | | |
| Tax rate change effect | 12 | 7.527 | - | 7.527 | - |
| Actuarial (losses)/gain based on IAS 19 | 27 | 3.269 | 2.383 | 3.272 | 2.388 |
| Deferred tax on actuarial gain | | (719) | (572) | (720) | (573) |
| **Other comprehensive income/(loss) after taxes** | | **10.078** | **1.811** | **10.080** | **1.815** |
| **Cumulative comprehensive income after taxes** | | **79.471** | **86.749** | **77.908** | **85.963** |
| Attributable to: | | | | | |
| Owners of the Company | | 76.471 | 86.749 | 77.908 | 85.963 |
| Non controlling interests | | - | - | - | - |

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

*(In thousand euro unless otherwise stated)*

## STATEMENT OF FINANCIAL POSITION AS AT 31/12/2021

| | | Group | | Company | |
|---|---|---|---|---|---|
| **ASSETS** | | **31/12/2021** | **31/12/2020*** | **31/12/2021** | **31/12/2020*** |
| **Non-current assets** | **Note** | | | | |
| Tangible assets | 13 | 2.757.493 | 2.461.250 | 2.755.260 | 2.460.727 |
| Intangible assets | 14 | 5.903 | 6.596 | 5.844 | 6.522 |
| Right of use asset | 15 | 2.200 | 1.072 | 2.065 | 1.072 |
| Investments in subsidiaries | 16 | - | - | 201.800 | 201.800 |
| Investments in associates | 17 | 1.743 | 1.239 | 1.050 | 1.050 |
| Financial assets at amortized cost | 18 | 4.075 | 4.035 | 4.075 | 4.035 |
| Long-term portion of finance lease receivables | 18 | 3.732 | 3.869 | 3.224 | 2.763 |
| Other long-term receivables | 18 | 24.627 | 11.504 | 24.627 | 11.504 |
| **Total non-current assets** | | **2.799.772** | **2.489.565** | **2.997.944** | **2.689.474** |
| **Current assets** | | | | | |
| Inventories | 19 | 56.394 | 53.080 | 56.394 | 53.080 |
| Trade receivables | 20 | 134.802 | 168.600 | 134.835 | 185.823 |
| Other receivables | 21 | 118.922 | 127.125 | 106.121 | 105.450 |
| Short-term portion of finance lease receivables | 18 | 364 | 190 | 150 | 119 |
| Cash and cash equivalents | 22 | 203.384 | 248.478 | 190.115 | 161.359 |
| **Total current assets** | | **513.867** | **597.473** | **487.615** | **505.830** |
| **Total assets** | | **3.313.639** | **3.087.038** | **3.485.559** | **3.195.304** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 23 | 38.444 | 38.444 | 38.444 | 38.444 |
| Legal reserve | 24 | 13.076 | 13.014 | 12.815 | 12.815 |
| Other reserves | 25.1 | (8.237) | (11.201) | (8.231) | (11.197) |
| Revaluation reserve | 25.2 | 893.967 | 886.163 | 893.967 | 886.163 |
| Retained earnings | | 467.439 | 438.776 | 462.397 | 435.237 |
| **Equity attributable to Owners of the Company** | | **1.404.690** | **1.365.197** | **1.399.392** | **1.361.462** |
| Non controlling interests | | - | - | - | - |
| **Total equity** | | **1.404.690** | **1.365.197** | **1.399.392** | **1.361.462** |
| **Non-current liabilities** | | | | | |
| Long-term borrowings | 26 | 829.224 | 721.539 | 775.041 | 721.539 |
| Provisions for employee benefits | 27 | 11.206 | 17.436 | 11.206 | 17.436 |
| Other provisions | 28 | 16.056 | 22.363 | 16.056 | 22.363 |
| Deferred tax liabilities | 12 | 182.202 | 196.383 | 182.208 | 196.393 |
| Subsidies | 29 | 428.291 | 325.287 | 428.291 | 325.287 |
| Long-term lease liabilities | 30 | 1.956 | 958 | 1.851 | 958 |
| Long-term liability from Concession agreement | 31 | - | - | 278.946 | 130.940 |
| Other non-current liabilities | | 18.998 | 20.784 | 7.982 | 15.472 |
| Special accounts (reserves) | 34 | 61.350 | 60.082 | 61.350 | 60.082 |
| **Total non-current liabilities** | | **1.549.283** | **1.364.833** | **1.762.932** | **1.490.471** |
| **Current liabilities** | | | | | |
| Trade and other payables | 32 | 187.228 | 202.087 | 141.176 | 190.678 |
| Short-term liability from Concession agreement | 31 | - | - | 9.088 | - |
| Short-term lease liabilities | 30 | 298 | 150 | 268 | 150 |
| Short-term portion of long-term borrowings | 26 | 35.777 | 35.038 | 35.746 | 35.038 |
| Income tax payable | | 3.489 | 34.219 | 3.407 | 30.982 |
| Accrued and other liabilities | 33 | 73.868 | 13.170 | 74.542 | 14.179 |
| Special accounts (reserves) | 34 | 59.007 | 72.343 | 59.007 | 72.343 |
| **Total current liabilities** | | **359.666** | **357.007** | **323.235** | **343.371** |
| **Total equity and liabilities** | | **3.313.639** | **3.087.038** | **3.485.559** | **3.195.304** |

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

*(In thousand euro unless otherwise stated)*

## STATEMENT OF CHANGES IN EQUITY FOR PERIOD 01/01/2021 – 31/12/2021

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Share capital | Legal reserve | Other reserves | Revaluation reserve | Retained earnings | Total equity |
| **Balance as at 01/01/2020** | **38.444** | **12.963** | **(12.884)** | **886.163** | **405.219** | **1.329.906** |
| Net profit for the fiscal year | - | - | - | - | 84.938 | 84.938 |
| Transferred reserves | - | - | (128) | - | 128 | - |
| Other comprehensive income/(loss) after tax for the period | - | - | 1.811 | - | - | 1.811 |
| **Total comprehensive income** | **-** | **-** | **1.683** | **-** | **85.065** | **86.749** |
| Dividends paid | - | - | - | - | (51.457) | (51.457) |
| Legal reserve | - | 51 | - | - | (51) | - |
| **Balance as at 31/12/2020** | **38.444** | **13.014** | **(11.201)** | **886.163** | **438.776** | **1.365.197** |
| Effect of change in accounting policy (IAS 19) | - | - | 690 | - | 1.406 | 2.096 |
| **Balance as at 01/01/2021** | **38.444** | **13.014** | **(10.511)** | **886.163** | **440.182** | **1.367.293** |
| Net profit for the fiscal year | - | - | - | - | 69.394 | 69.394 |
| Transferred reserves | - | 62 | - | - | (62) | - |
| Other comprehensive income/loss) after tax for the period | - | - | 2.274 | 7.804 | - | 10.078 |
| **Total comprehensive income** | **-** | **62** | **2.274** | **7.804** | **69.331** | **79.471** |
| Dividends paid | - | - | - | - | (42.074) | (42.074) |
| **Balance as at 31/12/2021** | **38.444** | **13.076** | **(8.237)** | **893.967** | **467.440** | **1.404.690** |

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

*(In thousand euro unless otherwise stated)*

## STATEMENT OF CHANGES IN EQUITY FOR PERIOD 01/01/2021 – 31/12/2021

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital | Legal reserve | Other reserves | Revaluation reserve | Retained earnings | Total equity |
| **Balance as at 01/01/2020** | **38.444** | **12.815** | **(12.884)** | **886.163** | **402.418** | **1.326.957** |
| Net profit for the year | - | - | - | - | 84.148 | 84.148 |
| Transferred reserves | - | - | (128) | - | 128 | - |
| Other comprehensive income after tax for the period | - | - | 1.815 | - | - | 1.815 |
| **Total comprehensive income** | **-** | **-** | **1.687** | **-** | **84.276** | **85.963** |
| Dividends paid | - | - | - | - | (51.457) | (51.457) |
| **Balance as at 31/12/2020** | **38.444** | **12.815** | **(11.197)** | **886.163** | **435.237** | **1.361.462** |
| Effect of change in accounting policy (IAS 19) | - | - | 690 | - | 1.406 | 2.096 |
| **Balance as at 01/01/2021** | **38.444** | **12.815** | **(10.507)** | **886.163** | **436.643** | **1.363.558** |
| Net profit for the year | - | - | - | - | 67.828 | 67.828 |
| Other comprehensive income after tax for the period | - | - | 2.276 | 7.804 | - | 10.080 |
| **Total comprehensive income** | **-** | **-** | **2.276** | **7.804** | **67.828** | **77.908** |
| Dividends paid | - | - | - | - | (42.074) | (42.074) |
| **Balance as at 31/12/2021** | **38.444** | **12.815** | **(8.231)** | **893.967** | **462.397** | **1.399.392** |

The Ordinary General Meeting of Shareholders of June 14, 2021 approved the distribution of a dividend of Euro 42.074 from the net profit for the year 2020.

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

## STATEMENT OF CASH FLOW

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| **Cash flows from operating activities** | Note | | | | |
| Profit before tax | | 80.093 | 115.013 | 78.184 | 113.881 |
| *Adjustments for:* | | | | | |
| Depreciation of tangible assets | 7 | 114.276 | 98.357 | 114.226 | 98.341 |
| Amortization of subsidies | 7 | (12.727) | (9.876) | (12.727) | (9.876) |
| Interest income | 11.2 | (6.087) | (6.119) | (5.551) | (5.410) |
| Other provisions | 9 | (2.578) | (8.615) | (2.556) | (8.679) |
| Asset write-offs | 13 | 1.698 | 11 | 1.698 | 11 |
| Amortization of loan issuance costs | 11.1 | 240 | 3.023 | 240 | 3.023 |
| Gain from derecognition of optical fiber | 10.2 | (1.698) | - | (492) | - |
| Gain from Associates | | (506) | (172) | - | - |
| Interest expense | 11.1 | 14.736 | 10.186 | 14.706 | 10.182 |
| Compensation payments to personnel | 27 | (1.496) | (654) | (1.496) | (654) |
| Personnel provisions | 6 | 1.420 | 582 | 1.420 | 582 |
| **Operational profit before changes in the working capital** | | **187.370** | **201.736** | **187.653** | **201.401** |
| (Increase)/decrease: | | | | | |
| Trade and other receivables | | 50.804 | 85.348 | 49.719 | 100.650 |
| Other receivables | | (47.583) | (74.939) | (57.433) | (71.602) |
| Inventories | | (4.102) | 1.875 | (4.102) | 1.875 |
| Trade payables | | (43.530) | (34.312) | (66.267) | (15.101) |
| Other payables and accrued expenses | | 34.067 | (36.356) | 29.690 | (39.929) |
| Income Tax paid | 21 | (175) | (9.438) | - | (8.894) |
| **Net cash inflows from operating activities** | | **176.852** | **133.915** | **139.260** | **168.400** |
| **Cash flows from investing activities** | | | | | |
| Interest received | | 3.499 | 6.179 | 2.626 | 5.280 |
| Subsidies received | 29 | 115.732 | 41.577 | 115.732 | 41.577 |
| Capital receivables from Leases | | 435 | - | 119 | - |
| Investments in related parties | | - | (50) | - | (1.550) |
| Purchases of current and non-current assets | 13, 14 | (396.916) | (419.653) | (230.612) | (340.205) |
| **Net cash outflows from investing activities** | | **(277.250)** | **(371.946)** | **(112.136)** | **(294.898)** |
| **Cash flows from financing activities** | | | | | |
| Loan repayments | 26 | (32.833) | (50.580) | (32.833) | (50.580) |
| Dividends paid | | (42.074) | (51.457) | (42.074) | (51.457) |
| Lease liabilities payment (capital) | | (247) | (102) | (234) | (102) |
| Loan issuance costs | | (778) | (4.560) | - | (2.400) |
| Receipt of loans | 26 | 145.000 | 178.200 | 90.000 | 178.200 |
| Interest paid | | (13.764) | (10.160) | (13.226) | (10.155) |
| **Net cash inflows from financing activities** | | **55.304** | **61.340** | **1.632** | **63.506** |
| **Net increase/(decrease) of cash and cash equivalents** | | **(45.094)** | **(176.692)** | **28.756** | **(62.992)** |
| **Cash and cash equivalents, opening balance** | | **248.478** | **425.170** | **161.359** | **224.351** |
| **Cash and cash equivalents, closing balance** | | **203.384** | **248.478** | **190.115** | **161.359** |

Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 49 to 131 form an integral part of these financial statements.

# NOTES TO THE ANNUAL CONSOLIDATED AND STANDALONE 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, Dyrrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. The companies of the Group included in the consolidated financial statements are “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and “GRID TELECOM S.M.S.A. ” (hereinafter the "Group"). The Annual Financial Statements of the subsidiaries are posted online at the following websites:

ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.: http://www.ariadne-interconnection.gr

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

Regarding the subsidiaries, the company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” was established in September 2018 by IPTO in compliance with RAE’s decisions 816/2018 and 838/2018, with sole purpose of constructing and financing the Crete-Attica interconnection project as described by the Ten-Year Development Plan (DPA) of the National Electricity Transmission System (HETS) 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.

On December 31st, 2021, the Group employed 1.198 employees, and the Company 1.168 employees of whom 27 in total were seconded. Specifically, 9 were seconded to Public Sector services, 17 to Public Organizations and 1 was seconded to the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.”. Their total payroll cost was Euro 1,25 million, and is included in the Income Statement. The subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” employed 30 employees and the subsidiary company "GRID TELECOM S.M.S.A." employed 1 employee.

## 2. AMENDMENTS IN THE LEGAL AND REGULATORY FRAMEWORK 2021

### 2.1. Amending the legal framework of the electric power market

#### 2.1.1 Ministerial Decision No. YPEN / DIE / 45834/776 (Government Gazette B’ 2119/21.05.2021)

Amendment of the joint decision of the Ministers of Economy and Development and Environment and Energy under RIS / DIE /96283/90/21.12.2018 «Determination of operations, amount and financing procedure of the societe anonyme under the name “Independent Power Transmission Operator” (IPTO S.A.) through the Public Investment Program» (B’ 5840).

#### 2.1.2 Ministerial Decision No. YPEN / DIE / 124095/2933 (Government Gazette B’ 6293/29.12.2021)

Determination of operations, amount and financing procedure of the societe anonyme under the name “Independent Power Transmission Operator” (IPTO S.A.) through the Public Investment Program.

#### 2.1.3. Ministerial Decision No. YPEN / DAPEEK / 20378/759 (Government Gazette B’ 901/09.03.2021)

Amendment of the decision under YPEN/DAPEEK/118233/4341/08.12.2020 (B’ 5619) entitled: “Establishment and formation of a Project Management Team at the Ministry of Environment and Energy for the implementation of the project of preparation and submission to the Minister of Environment and Energy for a proposal regarding the "Configuration of the institutional and regulatory framework for the development and participation of storage units in electric power markets of Law 4425/2016 (A '185), as it applies also to capacity mechanisms".

### 2.1.4. Ministerial Decision No. YPEN / DAPPEK / 123726/5096 (Government Gazette B' 625/27.12.2021)

Definition of technologies and/or categories of electricity generation from RES and HECHP included in a support scheme in the form of Operating Aid through a competitive bidding process, designation of competitive bidding procedures a technologically neutral or not and definition of a methodology and capacity allocation process for the participation of the RES and HECHP power plants in competitive bidding procedures, provided that they are located in countries within the European Economic Area under the condition of active cross-border energy trade with them, based on paragraph 2 of article 7 of Law 4414/2016.

### 2.1.5. With Law no. 4876/2021 (Government Gazette A΄251/23.12.2021)

Regulations are being established to tackle the COVID-19 coronavirus pandemic and to protect public health and other emergency provisions. More specifically, Chapter C mentions the urgent arrangements made for the energy market in relation to the following:

- Extension of urgent regulations for the energy market regarding the production/operation licenses.
- Payment of interest on cash debts of previous years of participants in the electricity market.
- Carrying out competitive bidding procedures for RES and HECHP power plants. – Amendment of paragraph 3d', 3f' and 3h' of article 7 of Law 4414/2016.
- Exchange recovery of Utilities Uplift of previous years.
- Regulations for the construction of RES and HECHP power plants of case γ' of article 7 of law 3468/2006 and electricity generation stations within industrial zones – Amendment of article 50 of law 4710/2020.

### 2.1.6. With Law no. 4821/2021 (Government Gazette A΄134/31.07.2021)

Regulations are being established in relation to the following:

- Exclusion of small PV power stations from competing procedures– Amendment of paragraphs. 3a, 3b, 3c, 3d, 3e, 3f and addition of paragraphs 3g and 3h to article 7 of law 4414/2016.
- Adjustment of compensation prices for PV power stations at the Non-Interconnected Islands.
- Installation of RES projects at the island systems with a special condition for the implementation of an independent underwater interconnection.
- Extension of the sales contract for RES and HECHP which have received a production license in accordance with Law 3468/2006 – Replacement of the subparagraph IC4 of par. IΓ of the first article of law 4254/2014.
- Support of RAE for the development of information systems and the implementation of competitive procedures of law 4414/2016.
- Definition of a small connected system – Addition of case λα' in par. 3 of article 2 of law 4001/2011.
- Ensuring uniform pricing of electricity consumers – Addition of article 58B to law 4001/2011.
- First phase of the interconnection of Peloponnese – Crete – Addition of article 108B to law 4001/2011.
- Operation of the Crete market until the 2nd phase of - Addition of article 108C to law 4001/2011.
- Transfer of assets from PPC SA to IPTO SA and personnel issues.

### 2.1.7. With Law no. 4843/2021 (Government Gazette A΄193/20.10.2021)

Regulations are being established in relation to the following:

- Integration of Directive (EU) 2018/2022 of the European Parliament and of the Council of 11 December 2018 «regarding the amendment of Directive 2012/27/EU on energy efficiency».

- Adaptation to Regulation 2018/1999/EU of the European Parliament and of the Council of 11 December 2018 on the governance of the Energy Union and Climate Action and to Commission Delegated Regulation 2019/826/EU of 4 March 2019, «Amending Annexes VIII and IX to Directive 2012/27/EU of the European Parliament and of the Council as regards the consent of comprehensive assessments of efficient heating and cooling capacity» and related arrangements for energy efficiency in the building sector, and strengthening RES and competition in the electricity market and other urgent provisions.

#### 2.1.8. With Law no. 4819/2021 (Government Gazette A΄129/23.07.2021)

Regulations are being established in relation to the following:

- Electricity transmission and distribution networks – Amendment of par. 3 of article 45 of law 998/1979.
- Underground networks for transmission and distribution of electricity - Amendment of case a` of par. 3 of article 53 of law 998/1979.
- Determination of power margin in saturated networks.
- Establishment of a Market Monitoring and Supervision Mechanism by RAE - Amendment of article 22 of law 4001/2011 and of article 6 of law 4425/2016.
- Priority framework for granting a connection offer to the Transmission System Operator – Replacement of article 8b of law 3468/2006.
- Issues of personnel and administration of the companies “IPTO SA.” and its affiliates.

#### 2.1.9. With Law no. 4796/2021 (GOVERNMENT GAZETTE A΄63/17.04.2021)

Regulations are being established in relation to the following:

- Extension of deadlines for PV stations – Amendment of par. 3b and 3d of article 7 of law 4414/2016.
- Extensions of deadlines for the implementation of RES projects.

### 2.2 ISSUANCE OF RAE DECISIONS

#### 2.2.1. RAE DECISION 54/2021, GOVERNMENT GAZETTE B’ 531/10.02.2021

Amendment of the Balancing Market Rulebook regarding the adoption of measures aimed at the smooth operation of the Balancing Market and the promotion of effective competition in it, in accordance with the articles 17 and 18 of Law 4425/2016 (A’ 185) and articles 3, 22 and 23 of Law 4001/2011 (A’ 179), as in force.

#### 2.2.2. RAE DECISION 55/2021, GOVERNMENT GAZETTE B’ 273/27.01.2021

Approval of the methodology for coordinated capacity calculation within the capacity calculation region Greece – Italy (GRIT CCR), in accordance with articles 20 and 21 of Commission Regulation (EU) 2015/1222 of 24 July 2015, establishing a guideline on capacity allocation and congestion management.

#### 2.2.3. RAE DECISION 77/2021, GOVERNMENT GAZETTE B’ 760/26.02.2021

Additional properties of Frequency Containment Reserve (FCR) in accordance with article 154 paragraph 2 of Commission Regulation (EU) 2017/1485 of 2 August 2017, establishing a guideline on electricity transmission system operation. The additional FCR properties, as defined in this proposal, are considered as properties developed in accordance with article 154 par.2 of the SOGL Regulation and in addition meet the requirements of article 154 for the FCR supply units/groups.

#### 2.2.4. RAE DECISION 117/2021, GOVERNMENT GAZETTE B’ 832/03.03.2021

Approval of the TSO’s proposal of the Southeast Europe System Operation Region (SEE SOR), for the establishment of a Regional Coordination Center (RCC) in accordance with article 35 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity.

*(In thousand euro unless otherwise stated)*

### 2.2.5. RAE DECISION 123/2021, GOVERNMENT GAZETTE B 1036/17.03.2021

Amendment of the methodology for coordinated capacity within the Southeast Europe Capacity Calculation Region, in accordance with the articles 20 and 21 of the Commission Regulation (EU) 2015/1222 of 24 July 2015, establishing a guideline on capacity allocation and congestion management.

### 2.2.6. RAE DECISION 132/2021, GOVERNMENT GAZETTE B 581/12.02.2021

Amendment of the Administrator RES and Guarantees of Origin Code (B΄ 4748/2020), in accordance with par.2 of article 118A of law 4001/2011 (A΄ 179).

### 2.2.7. RAE DECISION 178/2021, GOVERNMENT GAZETTE B 1280/01.04.2021

Use of congestion management income from the assignment of rights to the country's international interconnections in accordance with the Regulation (EU) 2019/943 of the European Parliament and of the Council.

### 2.2.8. RAE DECISION 179/2021

Within the responsibilities of RAE, according to article 140 paragraph 3 of law 4001/2011 and Chapter 59 of the Management Code of the Hellenic Electric Power Transmission System, approves IPTO's Required Revenue for the year 2021, which amounts to €211.596.945.

### 2.2.9. RAE DECISION 217/2021, GOVERNMENT GAZETTE B' 1323/05.04.2021

Amendment of the Uniform Production License of PPC SA, which was granted under Ministerial Decision No. D5/B/F1/OIK 1085/24.01.2002 (B' 92).

### 2.2.10. RAE DECISION 239/2021, GOVERNMENT GAZETTE B' 2153/25.05.2021

Establishment of fallback procedures for the Southeast Europe Capacity Calculation Region (SEE CCR), in accordance with the article 44 of the Commission Regulation (EU) 2015/1222 of 24 July 2015, establishing a guideline on capacity allocation and congestion management.

### 2.2.11. RAE DECISION 248/2021, GOVERNMENT GAZETTE B' 2086/20.05.2021

Within the responsibilities of RAE, according to article 136 of the Hellenic Distribution Electricity Network Code, approves the numerical values of the loss factors of HEDNO, which correspond to the before-mentioned factors of increase of MV and LV consumptions due to losses, so that the consumed per voltage level quantities to be traced to the boundary between the System and the Interconnected to it HEDNO, as follows:

- For customers whose facilities are connected to the MV of the interconnected with the System HEDNO: 1,0377
- For customers whose facilities are connected to the LV of the interconnected with the System HEDNO: 1,1371

### 2.2.12. RAE DECISION 492/2021, GOVERNMENT GAZETTE B' 2749/28.06.2021

Approval of the Charges for the Use of the Hellenic Electric Power Transmission System (HETS), based on the Required Revenue 2021, as follows:

| Category | Power Charge | Energy Charge (minutes € / kWh) |
|---|---|---|
| HV customers | 23.560 €/MW Capacity Charge per year | - |
| MV customers | 1.384 €/MW Maximum Monthly price of the Average Hourly Demand at Peak Hours (11am-2pm) per month | - |
| LV Clients - Domestic (excluding SGI) | 0,13 €/kVA Agreed Power Supply per year | 0,56 |
| LV Clients - Domestic SGI (Large families and beneficiaries of Social Housing Tariff) | - | 0,62 |
| Other Customers LV (including POPs) | 0,51 €/kVA Agreed Power Supply per year | 0,52 |

*(In thousand euro unless otherwise stated)*

### 2.2.13. RAE DECISION 495/2021, GOVERNMENT GAZETTE B' 2792/30.06.2021

Establishment of the methodology for determining the Required Revenue of the HETS Operator according to the provisions of article 140 of law 4001/2011, as well as paragraph 9.1 of the HETS Grid Code. This methodology determines the method of calculating the Allowed Revenues and the Required Revenues of the HETS Operator for the calculation of Charges for the Use of HETS in order to recover the Required Revenue, in accordance with articles 15 and 140 of law 4001/2011, article 17 of law 4425/2016, as well as sections 8, 9 and 11 of the HETS Grid Code.

### 2.2.14. RAE DECISION 519/2021, GOVERNMENT GAZETTE B' 3435/29.07.2021

Approval of the common TSO's proposal of the capacity calculation region Greece-Italy (CCR GRIT) regarding the methodology for a market-based allocation process of cross zonal capacity for the exchange of balancing capacity or sharing of reserves in accordance with Article 41 of the Commission Regulation (EU) 2017/2195 of 23rd November 2017 establishing a guideline on electricity balancing.

### 2.2.15. RAE DECISION 520/2021, GOVERNMENT GAZETTE B' 3436/29.07.2021

Approval of the common TSO's proposal of the capacity calculation region Greece-Italy (CCR GRIT) regarding the methodology for an allocation process of cross zonal capacity for the exchange of balancing capacity or sharing of reserves based on economic efficiency analysis in accordance with Article 42 of the Commission Regulation (EU) 2017/2195 of 23rd November 2017 establishing a guideline on electricity balancing.

### 2.2.16. RAE DECISION 590/2021, GOVERNMENT GAZETTE B' 4774/18.10.2021

Approval of the HETS Grid Code's Manual «Instructions for the preparation of Cost-Benefit Analysis for projects that are integrated at the HETS».

### 2.2.17. RAE DECISION 591/2021, GOVERNMENT GAZETTE B' 4157/09.09.2021

Amendment of the 2nd Chapter of the Activated Balancing Energy Calculation Methodology, in accordance with the provisions of paragraph 6 of article 2 and paragraph 4 of article 84 of the Balancing Market Rulebook, as well as paragraph 4 of article 18 of law 4425/2016.

### 2.2.18. RAE DECISION 600/2021, GOVERNMENT GAZETTE B' 5217/11.11.2021

Approval of derogation from the minimum level of available cross-border trade capacity for the Greece-Bulgaria border zone offer for year 2021, in accordance with par. 8 and 9 of article 16 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5th June 2019 on the internal market for electricity.

### 2.2.19. RAE DECISION 609/2021, GOVERNMENT GAZETTE B' 3500/13.07.2021

Amendment of the articles 10, 95, 115, 116, 177, 118, 121 of the Balancing Market Rulebook (GOVERNMENT GAZETTE B' 4516/14.10.2020), in accordance with article 17 of law 4425/2016 and amendment of the subsection 7.14 of the HETS Grid Code (GOVERNMENT GAZETTE B' 4658/22.10.2020), in accordance with article 96 of law 4001/2011.

### 2.2.20. RAE DECISION 610/2021, GOVERNMENT GAZETTE B' 3857/18.08.2021

Amendment of the Day-Ahead and Intraday markets Trading Rulebook (B' 4124/2020), in accordance with article 10 of law 4425/2016.

### 2.2.21. RAE DECISION 687/2021, GOVERNMENT GAZETTE B' 5088/04.11.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for non-submission of Balancing Energy Bids and Balancing Power Bids in accordance with the provisions of articles 96 and 98 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016. The parameter values are defined as follows:

| Parameter | Numerical Value |
|---|---|
| UNCBEO | 0 €/MWh |
| UNCRO | 0 €/MW |

(In thousand euro unless otherwise stated)

### 2.2.22. RAE DECISION 688/2021, GOVERNMENT GAZETTE B' 5088/04.11.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for a significant deviation from the Dispatch Orders, in accordance with the provisions of article 99 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016. The parameter values are defined as follows:

| Parameter | Numerical Value |
|---|---|
| UNCNPBE | 2 €/MWh |
| $A_{NPBE}$ | 1 |
| $TOL_{BE}$ | 3% |

### 2.2.23. RAE DECISION 689/2021, GOVERNMENT GAZETTE B' 5087/04.11.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for a significant deviation in the Registered Characteristics in accordance with the provisions of article 97 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016. The parameter values are defined as follows:

| Parameter | Numerical Value |
|---|---|
| $UNCDC_{e,char}$ | 6 €/MW |
| $DC_{TOL}$ for the Maximum Available Declared Capacity for the Generating Units | 3% |
| $DC_{TOL}$ for the Technical Minimum stable generation capability for the Generating Units | 6% |
| $A_{DC}$ | N/x1 |
| X | 2 |
| NDC | 0 |

### 2.2.24. RAE DECISION 690/2021, GOVERNMENT GAZETTE B' 5087/04.11.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for significant systematic deviations of demand in accordance with the provisions of article 100 of the Balancing Market Regulation and paragraph 4 of article 18 of Law 4425/2016. The parameter values are defined as follows:

<table>
<tr><th colspan="2">Parameter</th><th>Numerical Value</th></tr>
<tr><td colspan="2">$UNCBAL_{ADEV}$</td><td>40 €/MWh</td></tr>
<tr><td colspan="2">$UNCBAL_{RMSDEV}$</td><td>160 €/MWh</td></tr>
<tr><td rowspan="3">$TOL_{ld,ADEV} = \max[3{,}3\%, a * \left(\frac{\sum_{t\in m} MQ_{pt}}{month\ days * 24}\right)^{b} + c]$</td><td>$TOL_{ld,ADEV}$ a</td><td>0,5</td></tr>
<tr><td>$TOL_{ld,ADEV}$ b</td><td>-0,075</td></tr>
<tr><td>$TOL_{ld,ADEV}$ c</td><td>-0,3</td></tr>
<tr><td rowspan="3">$TOL_{ld,RMSDEV} = \max[3{,}3\%, a * \left(\frac{\sum_{t\in m} MQ_{pt}}{month\ days * 24}\right)^{b} + c]$</td><td>$TOL_{ld,RMSDEV}$ a</td><td>0,5</td></tr>
<tr><td>$TOL_{ld,RMSDEV}$ b</td><td>-0,027</td></tr>
<tr><td>$TOL_{ld,RMSDEV}$ c</td><td>-0,4</td></tr>
</table>

### 2.2.25. RAE DECISION 691/2021, GOVERNMENT GAZETTE B'4964/27.10.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for significant systematic deviations in the production of RES Units Portfolios in accordance with the provisions of article 101 of the Balancing Market Regulation and paragraph 4 of article 18 of Law 4425/20216. The parameter values are defined as follows:

(In thousand euro unless otherwise stated)

| Parameter | | Numerical Value |
|---|---|---|
| $UNCBALR_{ADEV}$ | | 10 €/MWh |
| $UNCBALR_{RMSDEV}$ | | 210 €/MWh |
| $TOL_{r,ADEV} = \max [minTOL_{ADEV}, \min \left( maxTOL_{ADEV}, (a1_{ADEV} + a2_{ADEV} * \left(\sum_{t\in m} MQ_{pt}\right)^{a3_{ADEV}} ) \right)]$ | $maxTOL_{ADEV}$ | 100% |
| | $minTOL_{ADEV}$ | 20% |
| | $a1_{ADEV}$ | 0,35 |
| | $a2_{ADEV}$ | -0,009 |
| | $a3_{ADEV}$ | 0,28 |
| $TOL_{r,RMSDEV} = \max [minTOL_{RMSDEV}, \min \left( maxTOL_{RMSDEV}, (a1_{RMSDEV} + a2_{RMSDEV} * \left(\sum_{t\in m} MQ_{pt}\right)^{a3_{RMSDEV}} ) \right)]$ | $maxTOL_{RMSDEV}$ | 100% |
| | $minTOL_{RMSDEV}$ | 20% |
| | $a1_{RMSDEV}$ | 0,4 |
| | $a2_{RMSDEV}$ | -0,009 |
| | $a3_{RMSDEV}$ | 0,28 |

### 2.2.26. RAE DECISION 692/2021, GOVERNMENT GAZETTE B'4872/21.10.2021

Determination of the numerical values of the parameters of the Non-Compliance Charges for systematic challenge of an infeasible Purchasing Program, according to par.3 of article 102 of the Balancing Market Regulation and par. 4 of article 18 of law 4425/2016. The parameter values are defined as follows:

| Parameter | Numerical Value |
|---|---|
| UNCNAMSr | 0 €/MW |
| $A_{NAMS}$ | 0 |
| $TOL_{r,e}$ | 0% |

### 2.2.27. RAE DECISION 701/2021, GOVERNMENT GAZETTE B' 4342/20.09.2021

Within the framework of RAE's responsibilities, in accordance with the provisions of subsection 7.1.2 of Chapter 7 of the Day-ahead and Intraday Market Rulebook, sets September 22th 2021 as the first day of Physical Delivery Day D, of the coupled operation of the Intraday Market through the Supplementary Regional Intraday Auctions. In addition, with the present decision the provisions of the Day-Ahead and Intraday Market Rulebook as well as its Annex, of the Methodologies and the Technical Decisions of the "Hellenic Energy Exchange SA and the "Energy Exchange Clearing Company SA" are activated with regards to the Supplementary Regional Intraday Auctions.

### 2.2.28. RAE DECISION 703/2021, GOVERNMENT GAZETTE B' 5663/03.12.2021

Basic principles regarding the distinction of energy for purposes other than balancing (re-dispatching) from balancing energy and its relevant settlement - Start of a trial period.

### 2.2.29. RAE DECISION 707/2021, GOVERNMENT GAZETTE B' 5502/29.11.2021

Amendment of the provisions of the Hellenic Electricity Distribution Network (HEDNO) Code.

### 2.2.30. RAE DECISION 734/2021, GOVERNMENT GAZETTE B' 4633/06.10.2021

Prolongation of the deadline of paragraph 2 of article 108C of law 4001/2011, as in force, in relation to the contribution of Phase A of the interconnection of the island of Crete.

### 2.2.31. RAE DECISION 758/2021, GOVERNMENT GAZETTE B' 6022/20.12.2021

Amendment of the Unified Production License of PPC SA granted under D5 / B / F1 / OIK 1085 / 24.01.2002 (B '92) decision of the Minister of Development.

### 2.2.32. RAE DECISION 775/2021, GOVERNMENT GAZETTE B' 4982/27.10.2021

Amendment of the Balancing Market Regulation (GOVERNMENT GAZETTE B '4516 / 14.10.2020), the Day-Ahead and the Intraday Market Regulation (GOVERNMENT GAZETTE B' 3857 / 18.08.2021), the Non-Interconnected Islands' Code (GOVERNMENT GAZETTE '304 / 11.2.2014) and the Code of RES & Guarantees (GOVERNMENT GAZETTE B' 4778 / 29.10.2020) as in force according to article 108C of law 4001/2011, in view of the execution day of Phase A of the electrical interconnection of the island of Crete.

### 2.2.33. RAE DECISION 807/2021, GOVERNMENT GAZETTE B' 5025/29.10.2021

Amendment of the HETS Grid Code (GOVERNMENT GAZETTE B '4658/2020) and of the Code of the Hellenic Electricity Distribution Network (GOVERNMENT GAZETTE B '78 / 20.01.2017) in view of Phase A of the interconnection of the island of Crete. Specifically, the amendment concerns the addition of a special annex of transitional provisions for the Connected System of Crete which will be in force from the first day of the completion of Phase A' of the interconnection and until the day of the completion of the Phase B' of the interconnection of Crete with Transmission System.

### 2.2.34. RAE DECISION 854/2021, GOVERNMENT GAZETTE B' 5418/22.11.2021

Amendment of the Balancing Market Regulation (GOVERNMENT GAZETTE B '4516/2020) regarding the balancing purchase fee, in accordance with article 17 of law 4425/2016.

### 2.2.35. RAE DECISION 861/2021, GOVERNMENT GAZETTE B' 5418/22.11.2021

Decision on the approval of the joint proposal of the Greek and Italian Transmission System Operators (TSOs) with regards to the Capacity Calculation Region (CCR GRIT) for the regional requirements of the Harmonized Capacity Allocation Rules, in accordance with par. 3 of article 52 and article 51 of the European Commission Regulation (EC) No 2016/1719 of 26th September 2016 establishing a guideline for future capacity allocation.

### 2.2.36. RAE DECISION 987/2021, GOVERNMENT GAZETTE B' 6485/31.12.2021

Amendment of Day-Ahead and Intraday Market Rulebook (GOVERNMENT GAZETTE B΄ 3857/2021), of the Methodology for the Calculation of Fees and Charges for the operation of Day-Ahead and the Intraday Market and of the decision for the Fees and Charges for the operation of Day-Ahead and the Intraday Market.

### 2.2.37. RAE DECISION 1000/2021, GOVERNMENT GAZETTE B' 6256/27.12.2021

Amendment of the Hellenic Electricity Transmission System (HETS) Grid Code, according to article 96 of law 4001/2011. The amendments concern the following:

- Replacement of the existing section 9.0 of HETS Grid Code with a new section that will concern the Required Revenue and the System Usage Charges.
- The addition of a new subsection 15.2 in section 15.0 which relates to the transitional provisions of HETS Grid Code

### 2.2.38. RAE DECISION 1001/2021, GOVERNMENT GAZETTE B' 6256/27.12.2021

The System Charge Manual of the HETS Grid Code is established in accordance with the Annex, which is attached to this decision and is an integral part thereof. In addition, no. 1332/2009 RAE Decision (GOVERNMENT GAZETTE B'1460 / 20.7.2009), as amended by no. 2215/2010 RAE Decision (GOVERNMENT GAZETTE B'2093 / 31.12.2010), remains in force and is applied for the determination of Unit Transmission Usage Charges, in accordance with the provisions of subsection 15.2 of the HETS Grid Code.

### 2.2.39. RAE DECISION 1009/2021, GOVERNMENT GAZETTE B' 6227/24.12.2021

Approval of Capacity Allocation Rules at the Borders of Bidding Zones between Greece and non-EU countries (Albania, Northern Macedonia and Turkey) for the year 2022, in accordance with the provisions of subsections 7.8 and 7.11 of the HETS Grid Code.

### 2.2.40. RAE DECISION 1059/2021, GOVERNMENT GAZETTE B' 6444/31.12.2021

Determination of the Imbalance Component Unit Charge (UNBMFIMB) and the Energy Component Unit Charge (UNBMFEN) of the Balancing Market Fee for the year 2022, in accordance with Articles 25, 25A and 120A of the Balancing Market Regulation and Articles 17 and 18 of Law 4425/2016. The parameter values are defined as follows:

| Parameter | Numerical Value |
|---|---|
| $UNBMF^{IMB}$ | 0,20152 €/MWh |
| $UNBMF^{EN}$ | 0,09471 €/MWh |

### 2.2.41. RAE DECISION 1491/2021, GOVERNMENT GAZETTE B' 2100/21.05.2021

The decision concerns the automation in the collection and the standardization of data exchange between the Electricity Market Operators and RAE, using digital interoperability procedures, in the context of monitoring the smooth operation of the Electricity market under healthy competition, as well as the supervision of the Participants.

### 2.2.42. RAE DECISION 1555/2021, GOVERNMENT GAZETTE B' 505/09.02.2021

Amendment of the joint proposal of the Greek and Italian Transmission System Operators (TSOs) Capacity Calculation Region (CCR GRIT) with regards to the methodology based on the zonal bidding for the capacity allocation for the balancing capacity exchange or the sharing of reserves, in accordance with Article 41 of the European Commission Regulation 2017/2195, as of the 23rd of November 2017 establishing a guideline for the balancing energy.

## 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, 2021.

#### 3.1.1. Approval of the Financial Statements

The Board of Directors of the Group approved the financial statements of year 2021 on April 6th, 2022. 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

"The new, unprecedented increase in coronavirus cases at the end of 2021, internationally and a little later in Greece, due to its new mutation, once again reinforced the importance of the pandemic for the medium-term economic developments and the uncertainty about them. However, the pressure on health systems is currently proportionally much lower than previous outbreaks. Subsequently, the policy interventions so far to deal with the new outbreak have less intensity and scope than those in the past.

On the other hand, the positive developments domestically at the end of 2021 and the beginning of the new year include: a) the extended tourist season, until November, b) the continuation of integrated vaccinations at a steady rate, compared to the third quarter, and the realization of the booster dose of the vaccine at a high rate and c) the acceleration of the inclusion of projects in the Recovery Fund[1].

Greek GDP according to the first estimate of ELSTAT (04.03.2022) increased by 8,3% compared to the previous year. This increase is due to the increase in total consumer spending, the improvement of the balance of goods & services and the increase of fixed capital investments[2]. The primary deficit according to the execution data of the state budget for 2021 amounted to Euro 10,3 billion, while the amount of net revenues amounted to 54.878 million euros, representing an increase of 1.458 million euros or 2,7%[3]. The debt of the central government for December 2021 amounts to Euro 388 billion[4] while the comparison of the General Consumer Price Index of December 2021 with the corresponding Index of December 2020 resulted in an increase of 5,1% compared to a decrease of 2,3% in corresponding comparison of the year 2020 with 2019[5].

In terms of global electricity demand, in 2021 it recorded an unprecedented increase, pushing to record levels greenhouse gas prices and emissions from this sector, a trend that is expected to continue if the sector does not move faster in deep changes. Fueled by the economic recovery and more intense climate conditions than in 2020, demand increased in 2021 by more than 6%[7], surpassing the jump recorded in 2010 during the recovery after the financial crisis. In the Greek territory, the demand for electricity in Greece increased by 9,9% (December 2020-December 2021) [6].

The 2022 Budget is being prepared for the second consecutive year under the status of uncertainty caused by the global health crisis. The current strong upward trend in prices, due to increased energy costs, is an additional factor of uncertainty, as the recent geopolitical events in Ukraine have begun to significantly affect global energy markets and economic developments in general. On the other hand, there were some positive macroeconomic developments in 2021, which signal the beginning of the decline of the immediate economic effects of the pandemic crisis.

The recovery rate for 2021 has been significantly revised upwards over its duration. Indicatively, from 3,6% in the MTEF 2022-2025 and 6,1% in the Preliminary Draft State Budget 2022, to 6,9% in the final budget for this year. According to macroeconomic forecasts, it will be much higher, in the range of 9,0-9,5%, offsetting the recession of 9,0% in 2020.

In addition, for 2022, the budget provides for the continuation of the recovery, at a significant rate (4,5%). Therefore, the macroeconomic environment will be further improved. The fiscal figures for 2022 are expected to be affected by the COVID-19 pandemic to a lesser extent than in the previous two years, thanks to the significant progress in vaccination in Greece, but also worldwide, a development that favors the operation of economies. without limits. The mild symptoms of the recent SARS-CoV-2 virus mutation also contribute to this perspective. The weakening of the effects is reflected in the forecasts for increased revenues and reduced expenditures of the State Budget, as well as for an improved primary result compared to the previous two years. These figures reflect the estimate for a gradual return to normalcy. Of course, this does not entail the completion of the implementation of measures to deal with the effects of the pandemic.

The Group and the Company constantly monitor and assess the situation and the possible effects of the developments, in order to maintain and strengthen its position, on the one hand, and to limit any possible negative effects.

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[1] IOBE: http://iobe.gr/docs/economy/ECO_Q4_2021_REP_GR.pdf

[2].Hellenic Statistical Authority https://www.statistics.gr/documents/20181/74679b3e-d556-29c2-13af-f43fe17b2e03

[3].Ministry of Finance https://www.minfin.gr/web/guest/deltia-ekteleses-proupologismou/-/asset_publisher/CQoWAEaKCKga/content/ektelese-kratikou-proupologismou-dekembriou-2021?inheritRedirect=false&redirect=htt

[4].Ministry of Finance https://www.minfin.gr/documents/20182/17089935/Δελτίο+No_104.pdf/ed70f8eb-2b88-464c-8bd1-c79d42f0fc55

[5]. Hellenic Statistical Authority https://www.statistics.gr/documents/20181/220e0ea9-171c-f06c-f0b9-2e9265d2c452

[6].IPTO https://www.admie.gr/sites/default/files/attached-files/type-file/2022/02/Energy_Report_202112_v2.pdf

[7].International Energy Agency https://www.iea.org/news/surging-electricity-demand-is-putting-power-systems-under-strain-around-the-world

### 3.1.3.2. Risks for the adequacy of the working capital

In September 2020, the Company entered into an agreement for the issuance of a Syndicated Bond loan of Euro 400 million with a consortium of Banks. Series A bonds amounting to euro 310 million were issued the same month, to prepay the two existing syndicated loans with a total outstanding balance of approximately euro 316,1 million. The remaining prepayment amount of euro 6,1 million was covered by own funds. Series B of bonds amounting to euro 90 million was issued on July 2021 with the form of revolving credit in the context of the bond loan of the company.

In view of the above, as well as from the operating 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 and for subsequent years. Therefore, the accompanying Financial Statements have been prepared based on the going concern basis of accounting.

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 year end of the Financial Statements, states that it still considers 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 contingent assets and liabilities 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 differ from those estimates.

The most significant 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 cost 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 certified 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 27, which significantly affect the amount of the liability and include estimates by «PPC S.A.» 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 S.A.» 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. Such actuarial assumptions are the discount rate used to calculate the cost of benefit. 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 remeasured 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 3.3.6.

### *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 resources 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 28. No provision is formed for contingent assets.

### *Impairment of inventories*

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.

### *Provisions for expected credit losses*

The Group and the Company use rates for expected credit losses throughout the receivables lifecycle. 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 assumptions on the determination of its cash generating units.

### *Impairment of investments in subsidiaries*

The Group's management assesses at each reporting date whether there is any evidence of impairment of the investments in ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A. 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 31/12/2021.

### *Income tax and deferred tax*

Income tax for the current and prior years is measured at the amounts expected to be paid to the tax authorities, using the tax rates that have been enacted by the Statement of Financial Position's 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 assets are recognized on tax losses to the extent that it is probable that future taxable profits will occur to offset the losses. Deferred tax assets 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 therefore 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 honerous projects.

### *Leases*

Contracts in which the Group is a lessee require the Management's judgement as to whether they constitute or contain a lease and recognizes a right of use asset and a corresponding lease liability at the commencement of the lease.

Leases in which the Group is a lessor which mainly relate to lease of fiber optic lines, are classified either as finance or operating. The main factors that the Group needs 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 to be classified as financial lease.

b) The relation between the present value of the lease and the fair value of each asset. According to the Group's policy, the above ratio should amount to 90% or more to be classified as financial lease.

When under the lease terms and taking into account all the above, 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. SIGNIFICANT ACCOUNTING POLICIES

### 3.3.1 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 Statement of Financial Position 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 control of subsidiary

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 associate 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 at 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.

### 3.3.2 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 Financial Statement date, 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 included in other expenses of the Income Statement.

### 3.3.3 Intangible Assets

Intangible assets include software programs. Software programs are measured 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.

### 3.3.4 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 available for 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 depreciated replacement cost method in order to ensure that fair value does not differ significantly from the amortized cost. During 2019, an valuation of the tangible fixed assets was made by independent appraisers with reference date 31/12/2019.

(In thousand euro unless otherwise stated)

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 income statement, to the extent that it reverses a devaluation of the same asset, which was previously recognized in the income statement.

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 remeasured according to amounts. Upon disposal of a revalued tangible asset, the relevant portion of the revaluation goodwill is transferred from reserves directly to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Subsequent 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 Directorate for New Transmission Projects, borrowing costs, 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.

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 system assets. For this purpose, the user is obliged to transfer (without consideration) to IPTO the ownership and possession. The Group does not recognize these as assets in the Statement of Financial Position, as it does not expect future economic benefits from them.

### 3.3.5 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.

### 3.3.6 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 |
| Software | 5 |
| 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 31/12/2019, 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 S.A.» or similar appraisals carried out abroad.

### 3.3.7 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.

### 3.3.8 Financial Assets

The financial assets that fall to the 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 equity investments)
- 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 amortized cost*

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).

For trade and other receivables and receivables from finance leases, the Group applies the simplified approach to the recognition of expected credit losses.

### *Measurement of expected credit losses*

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 Group 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) the financial asset is transferred and this transfer fulfils the conditions of the standard for cessation of recognition.

### 3.3.9 Fair value of financial instruments

The fair value of a financial instrument is the amount received from the sale of an asset or paid to settle a liability in a transaction under normal conditions between two trading parties at the valuation date. In cases where information is not available or is restricted by financial markets, the valuation of fair value results from Management's assessment according to the available information.

Fair value valuation methods are ranked at three levels:

- Level 1: Stock market values from active financial markets for identical tradable items.
- Level 2: Values other than Level 1 that can be identified or determined directly or indirectly through stock prices from active financial markets.
- Level 3: Values for assets or liabilities that are not based on stock market prices from active financial markets.

### 3.3.10 Inventory

Inventories include consumables, materials and spare parts of fixed assets which are measured 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, 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.

### 3.3.11 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.

### 3.3.12 Offsetting of Financial Receivables and Liabilities

Financial receivables and liabilities are offset and the net amount is presented in the Statement of Financial Position only when the Group has a legally enforceable right to offset 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

### 3.3.13 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. 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 new credit line is partly or fully received. In this case they are recorded as future loan expenses until the withdrawal is made. If the loans are 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 Statement of Financial Position date.

### 3.3.14 Financial Liabilities

Financial liabilities are measured at 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.

### 3.3.15 Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

Provisions are recognized when the Group 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.

### 3.3.16 Subsidies for Fixed Assets

The Group 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 when their collection is almost certain and are reflected as deferred income in the accompanying Statement of Financial Position. 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 Income Statement.

### 3.3.17 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 connection asset. For this purpose, the User is obliged to transfer them to IPTO in ownership, freehold and possession. IPTO does not recognize the above as assets in the Statement of Financial Position, as no future economic benefits are expected to arise from them.In addition, IPTO according with IFRS 15 recognizes as revenue in the «Revenue from other operations» of the Income Statement all the amounts receiving from clients and consumers/producers in the context of their connection to the networks.

### 3.3.18 Income Tax (Current and Deferred)

***Current income tax***

Current tax expense includes income tax resulting from the Group's profits 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 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 goowill 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 accounting 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 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.

### 3.3.19 Employee Benefits

#### a) Retirement benefits

**Defined contribution plan**

The defined contribution plan is a pension plan under which the Group pays specific contributions to a separate legal entity. The Group 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 Group recognizes in the income statement as an expense, contributions attributable to the services received from the employees and paid to the insurance institution EFKA (former IKA/TAP-PPC) (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 year, 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 year 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 of IPTO 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 certified actuary. Actuarial gains or losses arising from a change in key assumptions are recorded to the Statement of Other Income in the net position.

#### b) Employment termination benefits

Termination benefits are payable when employment is terminated before normal retirement date. The Group 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 disclosed as contingent liability.

Under Law 4533/2018 Government Gazette A'75/27.04.2018 IPTO 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 (article 21 par.13 Law 3144/2003).

### 3.3.20 Revenue Recognition

Revenue is recognized by the Group and the Company when a contractual obligation to the individual customer is fulfilled by the provision of services or delivery of goods (which is identical to the time that the control over the goods or service passes to the customer). 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 revenue 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 revenue and expense.

The Group uses the input method of IFRS 15 to determine the appropriate amount of revenue to be recognized over a specific year. 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 for in the respective year in accordance with the pricing data resulting from the measurement data relating to the billing power per customer on the unit System Usage Charges, as defined by RAE and the HETS Grid Code.

***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.

***Clearance revenue***

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.

### 3.3.21 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.

Moreover, the Group and the Company 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. 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 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 of use of the asset and the lease liabilities respectively.

The rights of use of 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 of use of assets include the amount of lease liabilities that have been recognized, the initial directly related costs and the lease payments made before or at the start date of commencement, 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 right of use of asset are amortized 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 and the Company 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 Lease liability and Short-term Lease liability.

***Initial measurement of the lease liability***

At the commencement date 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 amortization 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 Group recognizes in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

(a) interest expense 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 S.M.S.A.», which operates as an intermediate lessor leases optical fibers (dark fibers) to third parties.

The subsidiary company 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 company used the discount rate of the main lease, as implicit interest rate of the sublease was not easy to determine (IFRS 16 par 68).

### 3.3.22 Reclassifications

**(*Amounts in Euro*)**

The following prior year amounts have been reclassified so that the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position and Statement of Cash Flow for the Group and the Company as at 31.12.2021, are comparable to the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position and Statement of Cash Flow as at 31.12.2020

Specifically, the most important are:

1.Amount of Euro 25.060.860 for the Group and Euro 25.831.612 for the Company in the Statement of Financial Position were reclassified from "Other receivables" (Note 21) to "Trade Receivables" (Note 20) for comparability purposes as at 31.12.2021. Specifically, amount of Euro 25.707.514 for the Group and of Euro 26.478.157 for the Company were reclassified from "Other Receivables" to "Trade Receivables" as they relate to receivables from contracts and contract assets and amount of Euro 646.654 for the Group and Euro 646.545 for the Company were reclassified from "Trade Receivables" to "Other Receivables" as they relate to receivables from employees and other receivables.

2.Amount of Euro 2.498.340 for both the Group and the Company in the Statement of Financial Position, was reclassified from "Accrued and other liabilities" (Note 33) to "Short-term portion of long-term borrowings" (Note 26) for comparability purposes with balances as at 31.12.2021 as the amount relates to accrued interest on loans.

3.Amount of Euro 918.225 for the Group and Euro 352.053 for the Company in the Statement of Financial Position, were reclassified from "Special accounts (reserves)" (Note 34) to "Accrued and other liabilities" (Note 33) for comparability purposes with balances as at 31.12.2021. The amounts relate to deferred revenue and accrued expenses payable.

4.Amount of Euro 2.492.572 for both the Group and the Company, was reclassified from "Special accounts (reserves)" (Note 34) to "Trade and other payables" (Note 32) for comparability purposes with balances as at 31.12.2021. The amounts relate to contract liabilities.

5.Amount of Euro 4.053.268 for both the Group and the Company in the Statement of Financial Position, was reclassified from "Tangible assets" (Note 13) and specifically from "Construction in progress" to "Other long-term receivables" (Note 18) for comparability purposes with balances as at 31.12.2021. The amount relates to capitalized costs from "Expansion or Connection Projects".

6.Amount of Euro 60.082.252 for both the Group and the Company in the Statement of Financial Position, was reclassified from the short-term part of "Special accounts (reserves)" (Note 34) to the long-term part of "Special accounts (reserves)" for comparability purposes with balances as at 31.12.2021. This amount relates to Non-Compliance Charges reserve.

7.Amount of Euro 2.160.000 for the Group in the Statement of Financial Position, was reclassified from "Long-term borrowings" (Note 26) and specifically from "Unamortized portion of loan issuance fees" to "Other receivables" (Note 21) and specifically to the item "Other receivables" for comparability purposes with balances as at 31.12.2021. This amount related to loan issuance costs of the subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for a loan which had not been disbursed.

8.Amount of Euro 2.836.266 for the Group in the Statement of Financial Position, was reclassified from "Income tax payable" (Note 12) to "Other receivables" (Note 21) and specifically to the item "Receivables from the Greek State". This amount relates to receivables from the Greek State of the subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

9.Amount of Euro 16.426.798 for the Group in the Statement of Financial Position, was reclassified from "Trade receivables" (Note 20) and specifically from the item "Receivables from «Electricity Market» transactions" to "Other receivables" (Note 21) and specifically to the item "Other receivables". This amount relates to advance payments to suppliers of the subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

10.Amount of Euro 565.045 for the Group in the Statement of Financial Position, was reclassified from "Trade and other payables" (Note 32) and specifically from the item "Other creditors" to "Other non-current liabilities". This amount relates to other long-term liabilities of the subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

11.Amount of Euro 1.355.634 for both the Group and the Company in the Statement of Financial Position, was reclassified from "Special accounts (reserves)" (Note 34) and specifically from the item "Interconnection rights" to "Accrued and other liabilities" (Note 33) and specifically to the item "Deferred revenue". This amount relates to deferred revenue from interconnection rights.

12.Amount of Euro 721.740 for both the Group and the Company in the Income Statement, was reclassified from "Other income" (Note 10) and specifically from "Other income from rent and maintenance services" to "Revenue from other operations" (Note 5) and specifically to "Revenue from services related to fixed assets" for comparability purposes with balances as at 31.12.2021. This amount relates to revenue for maintenance and support services.

13.Amount of Euro 145.394 for both the Group and the Company in the Income Statement, was reclassified from "Other expenses" (Note 10) to "Financial expenses" (Note 11) for comparability purposes with balances as at 31.12.2021. This amount relates to default interest.

14.Amount of Euro 1.579.071 for the Group and Euro 1.576.901 for the Company in the Income Statement, was reclassified from "Other expenses" (Note 10) to "Payroll cost" (Note 6) for comparability purposes with balances as at 31.12.2021. This amount relates to other employee benefits.

15.Amount of Euro 460.138 for both the Group and the Company in the Income Statement, was reclassified from "Provision (release of provision) for risks and expenses" (Note 9) to "Financial expenses" (Note 11) by the amount of Euro 135.840, in "Other expenses" (Note 10) by the amount of Euro 133.516 and in "Taxes–duties" by the amount of Euro 190.782, for comparability purposes with balances as at 31.12.2021. This amount relates to litigation costs and interest on overdue payments, for which a previously formed provision was used and the corresponding amounts were paid in 2020.

16.Outflow of Euro 25.329.530 for the Group in the Statement of Cash Flow was reclassified from cash flows from investing activities to cash flows from operating activities for comparability purposes with balances as at 31.12.2021. This amount relates to intercompany eliminations.

(In thousand euro unless otherwise stated)

Also, reclassifications have been made in the notes for comparability purposes.

The above reclassifications have no effect on equity and overall results.

## Reclasses in Statement of Financial Position of 31/12/2020

| | Group | | | Company | | | |
|---|---|---|---|---|---|---|---|
| **ASSETS** | **31/12/2020 Published** | **Reclassifications** | **31/12/2020 Adjusted** | **31/12/2020 Published** | **Reclassifications** | **31/12/2020 Adjusted** | **Note** |
| **Non-current assets** | | | | | | | |
| Tangible assets | 2.465.304 | (4.053) | 2.461.250 | 2.464.781 | (4.053) | 2.460.727 | 5 |
| Intangible assets | 6.596 | | 6.596 | 6.522 | | 6.522 | |
| Right of use asset | 1.072 | | 1.072 | 1.072 | | 1.072 | |
| Investments in subsidiaries | - | | - | 201.800 | | 201.800 | |
| Investments in associates | 1.239 | | 1.239 | 1.050 | | 1.050 | |
| Financial assets at amortized cost | 4.035 | | 4.035 | 4.035 | | 4.035 | |
| Long-term portion of finance lease receivables | 3.869 | | 3.869 | 2.763 | | 2.763 | |
| Other long-term receivables | 7.451 | 4.053 | 11.504 | 7.451 | 4.053 | 11.504 | 5 |
| **Total non-current assets** | **2.489.565** | **-** | **2.489.565** | **2.689.474** | **-** | **2.689.474** | |
| **Current assets** | | | | | | | |
| Inventories | 53.080 | | 53.080 | 53.080 | | 53.080 | |
| Trade receivables | 159.966 | 8.634 | 168.600 | 159.992 | 25.832 | 185.823 | 1,9 |
| Other receivables | 130.763 | (3.638) | 127.125 | 131.282 | (25.832) | 105.450 | 1,7,8,9 |
| Short-term portion of finance lease receivables | 190 | | 190 | 119 | | 119 | |
| Cash and cash equivalents | 248.478 | | 248.478 | 161.359 | | 161.359 | |
| **Total current assets** | **592.477** | **4.996** | **597.473** | **505.830** | **-** | **505.830** | |
| **Total assets** | **3.082.042** | **4.996** | **3.087.038** | **3.195.304** | **-** | **3.195.304** | |

*(In thousand euro unless otherwise stated)*

## EQUITY AND LIABILITIES

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Equity** | | | | | | | |
| Share capital | 38.444 | | 38.444 | 38.444 | | 38.444 | |
| Legal reserve | 13.014 | | 13.014 | 12.815 | | 12.815 | |
| Other reserves | (11.201) | | (11.201) | (11.197) | | (11.197) | |
| Revaluation reserve | 886.163 | | 886.163 | 886.163 | | 886.163 | |
| Retained earnings | 438.776 | | 438.776 | 435.237 | | 435.237 | |
| **Equity attributable to shareholders** | **1.365.197** | **-** | **1.365.197** | **1.361.462** | **-** | **1.361.462** | |
| Non controlling interests | - | - | - | - | - | - | |
| **Total equity** | **1.365.197** | **-** | **1.365.197** | **1.361.462** | **-** | **1.361.462** | |
| **Non-current liabilities** | | | | | | | |
| Long-term borrowings | 719.379 | 2.160 | 721.539 | 721.539 | | 721.539 | 7 |
| Provisions for employee benefits | 17.436 | | 17.436 | 17.436 | | 17.436 | |
| Other provisions | 22.363 | | 22.363 | 22.363 | | 22.363 | |
| Deferred tax liabilities | 196.383 | | 196.383 | 196.393 | | 196.393 | |
| Subsidies | 325.287 | | 325.287 | 325.287 | | 325.287 | |
| Long-term lease liabilities | 958 | | 958 | 958 | | 958 | |
| Long-term liability from Concession agreement | - | | - | 130.940 | | 130.940 | |
| Other non-current liabilities | 20.219 | 565 | 20.784 | 15.472 | | 15.472 | 10 |
| Special accounts (reserves) | - | 60.082 | 60.082 | - | 60.082 | 60.082 | 6 |
| **Total non-current liabilities** | **1.302.026** | **62.807** | **1.364.833** | **1.430.389** | **60.082** | **1.490.471** | |
| **Current liabilities** | | | | | | | |
| Trade and other payables | 200.160 | 1.928 | 202.087 | 188.185 | 2.493 | 190.678 | 4, 10 |
| Short-term liability from Concession agreement | - | | - | - | | - | |
| Short-term lease liabilities | 150 | | 150 | 150 | | 150 | |
| Short-term portion of long-term borrowings | 32.540 | 2.498 | 35.038 | 32.540 | 2.498 | 35.038 | 2 |
| Income tax payable | 31.382 | 2.836 | 34.219 | 30.982 | | 30.982 | 8 |
| Accrued and other liabilities | 13.395 | (224) | 13.170 | 14.969 | (791) | 14.179 | 2,3,11 |
| Special accounts (reserves) | 137.192 | (64.849) | 72.343 | 136.626 | (64.283) | 72.343 | 3,4,6,11 |
| **Total current liabilities** | **414.819** | **(57.811)** | **357.007** | **403.453** | **(60.082)** | **343.371** | |
| **Total equity and liabilities** | **3.082.042** | **4.996** | **3.087.038** | **3.195.304** | **-** | **3.195.304** | |

*(In thousand euro unless otherwise stated)*

## Reclasses in Income Statement of 01/01/2020-31/12/2020

| | Group | | | Company | | | |
|---|---|---|---|---|---|---|---|
| **Revenue:** | **01/01/2020-31/12/2020 Published** | **Reclassifications** | **01/01/2020-31/12/2020 Adjusted** | **01/01/2020-31/12/2020 Published** | **Reclassifications** | **01/01/2020-31/12/2020 Adjusted** | **Note** |
| Revenue from transmission system rent | 273.560 | | 273.560 | 273.560 | | 273.560 | |
| Concession agreement expenses | - | | - | (1.575) | | (1.575) | |
| Operator's revenue from clearing charges | 342.889 | | 342.889 | 342.889 | | 342.889 | |
| Operator's expenses from clearing charges | (342.889) | | (342.889) | (342.889) | | (342.889) | |
| Revenue from other operations | 13.114 | 722 | 13.836 | 13.112 | 722 | 13.834 | 12 |
| **Total revenue** | **286.674** | **722** | **287.396** | **285.097** | **722** | **285.819** | |
| **Expenses/ (Income):** | | | | | | | |
| Payroll cost | 54.105 | 1.579 | 55.684 | 54.037 | 1.577 | 55.614 | 14 |
| Depreciation and amortization | 88.481 | | 88.481 | 88.466 | | 88.466 | |
| Contracting cost | 510 | | 510 | 510 | | 510 | |
| Materials and consumables | 1.263 | | 1.263 | 1.263 | | 1.263 | |
| Third party benefits | 5.936 | | 5.936 | 5.936 | | 5.936 | |
| Third party fees | 11.893 | | 11.892 | 11.135 | | 11.134 | |
| Taxes–duties | 2.810 | (191) | 2.619 | 2.800 | (191) | 2.609 | 15 |
| Provision (release of provision) for risks and expenses | (8.690) | 460 | (8.230) | (8.679) | 460 | (8.219) | 15 |
| Other revenue | (3.062) | 722 | (2.340) | (3.160) | 722 | (2.439) | 12 |
| Other expenses | 11.325 | (1.857) | 9.468 | 11.114 | (1.855) | 9.259 | 13,14,15 |
| **Total expenses** | **164.571** | **712** | **165.283** | **163.421** | **712** | **164.133** | |
| **Profit before taxes and financial results** | **122.103** | **10** | **122.112** | **121.676** | **10** | **121.685** | |
| Financial expenses | (13.209) | (10) | (13.218) | (13.205) | (10) | (13.215) | 13,15 |
| Financial income | 6.119 | | 6.119 | 5.410 | | 5.410 | |
| **Profit before taxes** | **115.013** | **-** | **115.013** | **113.881** | **-** | **113.881** | |
| Income tax | (30.075) | | (30.075) | (29.733) | | (29.733) | |
| **Net profit of fiscal year** | **84.938** | **-** | **84.938** | **84.148** | **-** | **84.148** | |
| **Attributable to:** | | | | | | | |
| Owners of the Company | 84.938 | | 84.938 | 84.148 | | 84.148 | |
| Non controlling interests | - | | - | - | | - | |

## 3.4. 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 and the Company as of 1st January 2021:

**Standards and Interpretations effective for the current financial year 2021**

#### Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021

The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8 as a change in accounting policy.

The amendment has an impact on the Financial Statements of the Group and the Company. The impact of the change is presented in Note 27.

#### Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods

The amendments do not have a significant impact on the Financial Statements of the Group and the Company.

#### IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendment does not have a significant impact on the Financial Statements of the Group and the Company.

**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.

The amendment does not have an 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 were initially effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. 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.

In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU.

The Management of the Group and the Company assesses whether the amendment have a significant impact on the Financial Statements of the Group and the Company.

### IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases
- 

These amendments are not expected to have an impact on the Financial Statements of the Group and the Company.

### IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

This amendment is not expected to have a significant impact on the Financial Statements of the Group and the Company.

### IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose ‘significant’ accounting policies with a requirement to disclose ‘material’ accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

The Management of the Group and the Company assesses whether the amendments have a significant impact on the Financial Statements of the Group and the Company.

*(In thousand euro unless otherwise stated)*

### IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

The Management of the Group and the Company assesses whether the amendments have a significant impact on the Financial Statements of the Group and the Company.

### IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The Management of the Group and the Company assesses whether the amendments have a significant impact on the Financial Statements of the Group and the Company.

## 3.5 CHANGES IN ACCOUNTING POLICIES

The Group and the Company have adopted the amendments described in detail in note 3.4 (with the most important amendment to IAS 19 - Note 27) for the first time in the annual period beginning on January 1, 2021.

## 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, focuses on the uncertainty of financial markets, aiming to minimize their possible adverse effect on the Group's and Company's financial position. 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 of the Group and the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| **Assets** | **31/12/2021** | **31/12/2020*** | **31/12/2021** | **31/12/2020*** |
| *At unamortized cost* | | | | |
| Financial assets | 4.075 | 4.035 | 4.075 | 4.035 |
| Finance lease receivables | 4.096 | 4.059 | 3.374 | 2.882 |
| Other non-current assets | 24.627 | 11.504 | 24.627 | 11.504 |
| Trade and other receivables | 253.725 | 295.725 | 240.956 | 291.274 |
| Cash and cash equivalents | 203.384 | 248.478 | 190.115 | 161.359 |
| **Total** | **489.907** | **563.802** | **463.146** | **471.053** |

(In thousand euro unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **Liabilities** | | | | |
| *At unamortized cost* | | | | |
| Lease liabilities | 2.254 | 1.109 | 2.119 | 1.109 |
| Loans | 865.000 | 756.577 | 810.788 | 756.577 |
| Liabilities from Concession agreement | - | - | 288.033 | 130.940 |
| Other non-current liabilities | 18.998 | 20.784 | 7.982 | 15.472 |
| Trade, accrued and other liabilities | 264.584 | 249.476 | 219.125 | 235.839 |
| **Total** | **1.150.836** | **1.027.945** | **1.328.048** | **1.139.937** |

*The amounts of the previous year have been reclassified (Note 3.3.22).

## 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 borrowings, of fixed and floating interest rate. However, the Group's and Company's exposure to risk arises from the borrowing with 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 when unexpected events occur.

At a regional and global level, critical issues such as the inflationary pressures stemming mainly from the energy crisis, supply chain disruptions, the evolution of the pandemic as well as today's geopolitical turbulence, with Ukraine being at the center, are expected to remain in the front line and affect the course of the global economy during 2022 and may lead central banks to increase interest rates. While at this point ECB is cautious about a potential change in Euribor, which still remains at negative levels, there is systematic information and monitoring by the Board of Directors and in the event of a possible fluctuation, appropriate financial hedging instruments will be used.

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, 2021, would affect the results, equity, and cash flow statement of the Group and the Company in case of change in Euribor rates.

The following table shows the sensitivity analysis of profit before taxes from possible interest rate changes from the beginning of the year, in case of change by 15 basis points, with the other variables remaining fixed, through the impact on floating rate borrowings:

| | Increase/Decrease in basis (%) | Effect on profit before taxes |
|---|---|---|
| **2021** | | |
| Euro | 15 | (562,5) |
| Euro | -15 | 562,5 |
| **2020** | | |
| Euro | 15 | (465) |
| Euro | 15 | 465 |

(In thousand euro unless otherwise stated)

### b) Exchange rate risk

The exchange rate risk is minor as it is related mainly with any material or equipment supply contracts for which the payment is made 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 ratiosare based on past experience and adjusted in such a way as to reflect expectations about the future financial situation of customers as well asthe economic environment.

For trade receivables arising from the Electricity Market, the Company operates as an intermediate. Specifically 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 a mandatory 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, exploitation, 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 or auxiliary 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 Group. The Group manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash and cash equivalents, while aiming to extend the average maturity of its debt and the diversification of its funding sources. The Group also ensures efficient and low-risk placement of cash, offsetting the cost of interest on loans and keeping the cash available to implement the investment set out in Ten-Year Development Plan (TYDP) of HETS.

The contractual maturities of the principal financial liabilities (loan liabilities), including interest payments, are as follows:

**Payable amounts as at 31.12.2021**

| Group | Within 1 year | 1 to 5 years | >5 years | Total debt |
|---|---|---|---|---|
| Trade, Accrued and Other Payables | 264.584 | - | - | 264.584 |
| Lease liabilities | 298 | 641 | 1.315 | 2.254 |
| Loans | 53.665 | 499.120 | 438.670 | 991.455 |
| **Total** | **318.547** | **499.761** | **439.985** | **1.258.293** |

| Company | Within 1 year | 1 to 5 years | >5 years | Total debt |
|---|---|---|---|---|
| Trade, Accrued and Other Payables | 219.125 | - | - | 219.125 |
| Lease liabilities | 268 | 563 | 1.289 | 2.119 |
| Loans | 52.408 | 484.632 | 392.521 | 929.561 |
| **Total** | **271.801** | **485.195** | **393.810** | **1.150.806** |

(In thousand euro unless otherwise stated)

**Payable amounts as at 31.12.2020**

| Group | Within 1 year | 1 to 5 years | >5 years | Total debt |
|---|---|---|---|---|
| Trade, Accrued and Other Payables | 249.476 | - | - | 249.476 |
| Lease liabilities | 150 | 345 | 613 | 1.109 |
| Loans | 56.027 | 279.793 | 576.112 | 911.932 |
| **Total** | **305.653** | **280.138** | **576.725** | **1.162.516** |

| Company | Within 1 year | 1 to 5 years | >5 years | Total debt |
|---|---|---|---|---|
| Trade, Accrued and Other Payables | 235.839 | - | - | 235.839 |
| Lease liabilities | 150 | 345 | 613 | 1.109 |
| Loans | 56.027 | 279.793 | 576.112 | 911.932 |
| **Total** | **292.016** | **280.138** | **576.725** | **1.148.879** |

Comparative figures may differ due to reclassifications made in during the period for comparability purposes (Note 3.3.22).

### e) Other risks

The Group during 2021 continued to closely monitor developments both nationally and globally in relation to the spread of the Covid-19 pandemic, and by having as its main priority the protection of human capital, has taken a package of mainly protective measures. An indicative list of these measures is presented below:

- Increased remotely working percentage rate.
- Molecular tests every week for all employees who work with physical presence
- Set up of a special crisis management team due to coronavirus (Business Continuity Group – BCG), responsible for ensuring the Business Continuity of the Company. The team regularly evaluates the effectiveness of these measures to ensure that they comply with the relevant measures set by the State.
- Enhanced protection measures in the Energy Control Centers, which are responsible for the monitoring, operation and control of the National Interconnected Electricity Generation and Transmission System.
- Mandatory application of remotely working at a rate of 70% for employees when it is possible to perform their duties remotely.
- Workspace arrangements so that employees can attend securely, either on their own or in pairs, depending on the size of the workspace.
- Special measures for employees belonging to vulnerable groups.
- Specific Risk Assessment as a result of Covid-19, where potential risks are identified and the implemented / proposed measures are recorded.
- Establishment of a psychological support telephone line for all employees.
- Providing protective masks as well as other personal protective measures to all employees.
- Mandatory use of mask, in all indoor and outdoor areas of the buildings.
- Mandatory temperature measurement, for all employees and visitors, upon entering the Company's buildings.

In addition to the ongoing management of operational risk due to the Covid-19 pandemic, an increased level of supervision was implemented to protect the financial position of the Group and the Company.

- The Management has no indication that its financial figures will be significantly affected due to the pandemic.
- The 2022 Investment Plan has been carefully reassessed, but the Management estimates that its implementation will not be significantly affected. However, estimates are continuously updated based on the evolution of the crisis.
- The Group has solid financial position, while the available liquidity is at high levels.

(In thousand euro unless otherwise stated)

All the above are important risk mitigating factors, which the uncertainty of the situation involves, but also aim to maintain the competitive position of the Company and the Group.

## 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 borrowings and lease liabilities (short-term and long-term liabilities as they appear in the statement of financial position) minus cash and cash equivalents. Total employed 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 | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Long- term loans and leases | 831.179 | 722.497 | 776.893 | 722.497 |
| Short- term part of long-term loans and leases | 36.074 | 35.188 | 36.014 | 35.188 |
| Minus: cash and cash equivalents | (203.384) | (248.478) | (190.115) | (161.359) |
| **Net debt** | **663.870** | **509.208** | **622.792** | **596.327** |
| **Equity** | **1.404.690** | **1.365.197** | **1.399.392** | **1.361.462** |
| **Total working capital** | **2.068.560** | **1.874.405** | **2.022.185** | **1.957.790** |
| **Net debt to equity ratio** | **47,3%** | **37,3%** | **44,5%** | **43,8%** |
| **Leverage ratio** | **32,1%** | **27,2%** | **30,8%** | **30,5%** |

* The amounts of the previous year have been reclassified (Note 3.3.22).

The table below presents an analysis of the Group's net debt and its movement for the prior and current fiscal years.

| | Net debt Group | | | |
|---|---|---|---|---|
| | Cash and cash equivalents / bank | Loan and finance lease liabilities up to 1 year | Loan and finance lease liabilities after 1 year | Total |
| **Net debt as at 1st January 2020** | **425.170** | **(87.281)** | **(540.434)** | **(202.545)** |
| Cash flows | (176.692) | - | - | (176.692) |
| Cash movements | - | 50.580 | (178.201) | (127.621) |
| Accrued interest payable | - | (961) | - | (961) |
| Non cash movements-Loan issuance costs | - | (1.163) | - | (1.163) |
| Non-cash items - Transfer to short-term loan and lease liabilities | - | 3.706 | (3.706) | - |
| Non cash movements-recognition of new financial leases | - | (68) | (158) | (226) |
| **Net debt as at 31st December 2020** | **248.478** | **(35.188)** | **(722.498)** | **(509.208)** |

(In thousand euro unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| **Net debt as at 1st January 2021** | **248.478** | **(35.188)** | **(722.498)** | **(509.208)** |
| Cash flows | (45.094) | - | - | (45.094) |
| Cash movements | - | 32.842 | (144.995) | (112.153) |
| Accrued interest payable | - | (163) | - | (163) |
| Non cash movements - amendment of loan's terms | - | 610 | 2.185 | 2.796 |
| Non cash movements-Loan issuance costs | - | (19) | 1.130 | 1.111 |
| Non-cash items - Transfer to short-term loan and lease liabilities | - | (34.000) | 34.300 | 300 |
| Non cash movements-recognition of new financial leases | - | (155) | (1.302) | (1.458) |
| **Net debt as at 31st December 2021** | **203.384** | **(36.074)** | **(831.180)** | **(663.870)** |

The table below presents an analysis of the Company's net debt and its movement for the prior and current fiscal years.

| | Net debt Company | | | |
|---|---|---|---|---|
| | **Cash and cash equivalents / bank** | **Loan and finance lease liabilities up to 1 year** | **Loan and finance lease liabilities after 1 year** | **Total** |
| **Net debt as at 1st January 2020** | **224.351** | **(87.281)** | **(540.434)** | **(403.364)** |
| Cash flows | (62.992) | - | - | (62.992) |
| Cash movements | - | 50.580 | (178.201) | (127.621) |
| Accrued interest payable | - | (961) | - | (961) |
| Non cash movements-Loan issuance costs | - | (1.163) | - | (1.163) |
| Non-cash items - Transfer to short-term loan and lease liabilities | - | 3.706 | (3.706) | - |
| Non cash movements-recognition of new financial leases | - | (68) | (158) | (226) |
| **Net debt as at 31st December 2020** | **161.359** | **(35.188)** | **(722.498)** | **(596.327)** |
| **Net debt as at 1st January 2021** | **161.359** | **(35.188)** | **(722.498)** | **(596.327)** |
| Cash flows | 28.756 | 32.833 | (90.000) | (28.411) |
| Cash movements | - | - | - | - |
| Accrued interest payable | - | (140) | - | (140) |
| Non cash movements - amendment of loan's terms | - | 610 | 2.185 | 2.796 |
| Non cash movements-Loan issuance costs | - | (12) | 313 | 300 |
| Non-cash items - Transfer to short-term loan and lease liabilities | - | (34.000) | 34.300 | 300 |
| Non cash movements-recognition of new financial leases | - | (117) | (1.193) | (1.310) |
| **Net debt as at 31st December 2021** | **190.115** | **(36.014)** | **(776.894)** | **(622.792)** |

### 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 Grid 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.

*(In thousand euro unless otherwise stated)*

***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.

Recent geopolitical events in Ukraine, military action by Russia and the response of European countries and the United States in the form of economic sanctions have begun and significantly affect global energy markets and economic developments in general. The Group and the Company monitor the developments in the global energy market with the general increase of prices and plan the corresponding actions.

## 5. REVENUE

Revenues are presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Revenue from transmission system rent | 270.357 | 273.560 | 271.854 | 273.560 |
| Operator's revenue from clearing charges | 252.737 | 342.889 | 252.737 | 342.889 |
| Operator's expenses from clearing charges | (252.737) | (342.889) | (252.737) | (342.889) |
| Concession agreement expenses | - | - | (2.744) | (1.575) |
| **Revenue from other operations** | | | | |
| Revenue from contracts | 3.679 | 541 | 3.679 | 541 |
| Revenue from services related to fixed assets | 8.373 | 9.602 | 8.373 | 9.602 |
| Costumers' contributions | 2.639 | 3.149 | 2.639 | 3.149 |
| Revenue from recovery of administrative expenses | 877 | 310 | 877 | 310 |
| Other revenue from operations | 103 | 235 | 93 | 232 |
| **Total other revenue** | **15.671** | **13.836** | **15.661** | **13.834** |
| **Grand total** | **286.028** | **287.396** | **284.771** | **285.819** |

*The amounts of prior year have been reclassified (Note 3.3.22).

The decrease in total revenue from Euro 287,4 million and Euro 285,8 million in the fiscal year 2020 to Euro 286 million and Euro 284,8 million in the fiscal year 2021 for the Group and the Company respectively is mainly due to the following reasons:

- On 2020 a revenue of Euro 10 million was recognized which was related to the cost of HETS projects financed by Third Parties (K) for the special project "Connection of N. Makri-Polypotamos and High Voltage Network of Southern Evia". On 2021 not such revenue was recognized as the clearing of the project is pending by RAE.

(In thousand euro unless otherwise stated)

- Decrease in revenue from interconnection rights by Euro 1,9 million (-2,8%). The interconnection rights are recognized following decisions of RAE. Specifically, for the period 1/1/2021-31/12/2021, revenue of Euro 66,2 million was recognized, while for the corresponding period of 2020 Euro 68,1 million.

- Increase revenue from Transmission System Rent by Euro 11,8 million, mainly due to the integration of the Fixed Assets of Crete into HETS and the increase in Unitary TUoS charges based on the Decision 492/2021 of RAE.

- Increase in costs from the concession agreement by Euro 1,2 million due to the increased proportion of work of the company " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." (1,3% in 2021 compared to 0,8% in 2020).

- Increase in revenue from contracts by Euro 3,1 million, which is mainly due to the progress of construction projects. It is noted that the relevant contract costs are also increased in the current year, as a result of the progress of the work.

Operator’s revenue and expenses from clearing charges are presented below:

| Operator’s revenue from clearing charges | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Periodical network settlement | 11.568 | 3.913 | 11.568 | 3.913 |
| Transitory flexibility compensation mechanism | - | 51.390 | - | 51.390 |
| Deviations | 32 | 70.812 | 32 | 70.812 |
| Ancillary services | - | 50.738 | - | 50.738 |
| Settlement balance | 2 | 65.900 | 2 | 65.900 |
| Variable cost coverage | - | 85.751 | - | 85.751 |
| Buy of HETS Losses including imbalances | 193.790 | 14.382 | 193.790 | 14.382 |
| Imbalances for HETS Losses | 38.018 | 4 | 38.018 | 4 |
| Voluntary energy exchanges | 2.753 | - | 2.753 | - |
| Involuntary energy exchanges | 6.574 | - | 6.574 | - |
| **Total operator's revenue from clearing charges** | **252.737** | **342.889** | **252.737** | **342.889** |

| Operator’s expenses from clearing charges | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Periodical network settlement | (11.568) | (3.913) | (11.568) | (3.913) |
| Transitional flexibility compensation mechanism | - | (51.390) | - | (51.390) |
| Deviations | (34) | (136.712) | (34) | (136.712) |
| Ancillary services | - | (50.738) | - | (50.738) |
| Variable cost coverage | - | (85.751) | - | (85.751) |
| Buys on DAM | (193.790) | (11.460) | (193.790) | (11.460) |
| Imbalances for HETS Losses | (38.018) | (2.925) | (38.018) | (2.925) |
| Voluntary energy exchanges | (2.753) | - | (2.753) | - |
| Involuntary energy exchanges | (6.574) | - | (6.574) | - |
| **Total operator's expenses from clearing charges** | **(252.737)** | **(342.889)** | **(252.737)** | **(342.889)** |

Operator’s revenue and expenses from clearing charges show a decrease because from November 1st,2020, date of the implementation of Target Model, EnEx Clear SA took over the management of part of the clearing services.

(In thousand euro unless otherwise stated)

The assumption of clearing services by Enex Clear SA resulted in the merger of certain clearing activities that were conducted by the Company up until 1/11/2020. For this reason, in the above table, there is a differentiation of the clearing services in Operator's revenue and expenses from clearing charges between the two reporting periods.

## 6. PAYROLL COST

Payroll costs are presented in the following table :

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Salaries and wages | 54.881 | 52.373 | 53.497 | 51.316 |
| Employer's social contributions | 12.396 | 13.061 | 12.060 | 12.809 |
| Other employee benefits | 4.607 | 2.965 | 4.575 | 2.958 |
| Cost for reduced tariff to employees and pensioners | 205 | 199 | 205 | 199 |
| Net provision for reduced tariff to employees and pensioners | 86 | 148 | 86 | 148 |
| Provision for employee compensation | 1.334 | 434 | 1.334 | 434 |
| Capitalisation of Payroll cost | (14.254) | (13.496) | (12.801) | (12.250) |
| **Total** | **59.255** | **55.684** | **58.957** | **55.614** |

*The amounts of prior year have been reclassified (Note 3.3.22).

The increase in payroll cost is due to the payment of retroactive special allowances to the Company's employees amounting to approximately Euro 2 million which relate to the period 1/1/2019-31/5/2020 and were paid in 2021 under the IPTO Employees' Collective Agreement signed in 2021.

The decrease in employers' social contributions is mainly due to the fact that from 1/6/2020 there was a reduction of the percentage of employers' contributions for regular staff by 0,48% and from 1/1/2021 there was an additional reduction by 1,79%.

The increase in other employee benefits mainly concerns the cost of weekly molecular tests for all employees of the Group and the Company who work with a physical presence, in the context of fighting against the pandemic, which amounted to Euro 1.154 (2020: Euro 257).

## 7. DEPRECIATION AND AMORTIZATION

The depreciation analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 |
| Fixed assets | 111.916 | 97.165 | 111.893 | 97.158 |
| Software | 1.845 | 1.081 | 1.828 | 1.072 |
| Subsidies | (12.727) | (9.876) | (12.727) | (9.876) |
| Rights of use assets | 263 | 110 | 254 | 110 |
| **Total** | **101.296** | **88.481** | **101.247** | **88.466** |

*(In thousand euro unless otherwise stated)*

The increase in depreciation by Euro 12.815 million for the Group and by Euro 12.781 million for the Company is mainly due to the significant additions of fixed assets and projects, amounting to approximately Euro 479 million, most of which were capitalized during the last months of 2020.

## 8. THIRD PARTY BENEFITS AND THIRD PARTY FEES

### 8.1 Third party benefits

Third party benefit analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 |
| Repair and maintenance fees | 2.956 | 3.638 | 2.956 | 3.638 |
| Utilities | 2.375 | 2.119 | 2.374 | 2.119 |
| Other third party benefits | 2.127 | 1.499 | 2.127 | 1.499 |
| Capitalized third party benefits | (1.304) | (1.320) | (1.304) | (1.320) |
| **Total** | **6.153** | **5.936** | **6.153** | **5.936** |

### 8.2 Third party fees

Third party fees analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Fees for consulting services | 16.846 | 7.937 | 14.947 | 7.053 |
| Buildings security and  cleaining services | 1.934 | 1.452 | 1.934 | 1.452 |
| Other third party fees | 6.381 | 5.830 | 6.117 | 5.624 |
| Software licenses | 1.186 | 622 | 1.186 | 622 |
| Capitalized third party fees | (8.680) | (3.949) | (7.391) | (3.617) |
| **Total** | **17.667** | **11.892** | **16.792** | **11.134** |

*The amounts of the previous year have been reclassified (Note 3.3.22).

The increase in fees for consulting services by Euro 8,9 million for the Group and Euro 7,9 million for the Company, is mainly due to the fees of employees with project contracts for covering operational needs which increased by Euro 7,2 million for both the Group and the Company. The capitalized amount in relation to the aforementioned fees amounted to Euro 4,3 million (2020: Euro 1,4 million) for both the Group and the Company.

The increase in software licenses by Euro 564 is mainly due to the upcoming transition to the new SAP ERP system.

(In thousand euro unless otherwise stated)

## 9. PROVISIONS FOR RISKS AND EXPENSES

Provisions for risks and expenses analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Provision (release) for litigations (Note 28) | (897) | (6.704) | (897) | (6.704) |
| Provision for impairment of assets | (40) | 31 | (40) | 31 |
| Provision (release) for obsolescence of materials | 958 | 180 | 958 | 180 |
| Provision (release) for cadastral fee (Note 28) | (1.878) | - | (1.878) | - |
| Provision (release) for impairment of receivables | (721) | (1.737) | (700) | (1.726) |
| **Total** | **(2.578)** | **(8.230)** | **(2.556)** | **(8.219)** |

*The amounts of the previous year have been reclassified (Note 3.3.22).

During 2021, the Company formed provisions for litigation amounting to Euro 1,3 million, while provisions for litigation amounting to approximately Euro 2,2 million were released, due to third party claims against the Company being rejected and for which the Company had formed a relevant provision (LAKON ATE). Respectively, for the year 2020, provisions for litigation amounting to Euro 0,9 million were formed, while provisions for litigation amounting to Euro 7,6 million were released (HERON II Voiotia Thermal Power Plant SA).

In the Statement of Financial Position as at 31/12/2021 a provision of Euro 1,3 million is included in other provisions, which concerns the cost for cadastral fee for access rights, property and plots of land. In 2016, a relevant study was prepared by the technical services of the Company, which calculated the cost at the amount of approximately Euro 6,8 million, which, since then, is paid gradually. However, given that it is estimated from the technical department of the Company that after December 31, 2021, cadastral fees to be paid amount to Euro 426, a provision of approximately Euro 2,1 million was released, while in 2021 a new provision of Euro 263 was formed.

The Company formed a provision for obsolescent materials and spare parts of Euro 958 (2020: Euro 180) and released a provision previously formed regarding impairment of receivables of Euro 700 (2020: Euro 1.726).

## 10. OTHER EXPENSES/INCOME

### 10.1 Other Expenses

Other expenses analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Travel expenses | 8.243 | 7.001 | 8.191 | 6.988 |
| Consumables | 2.574 | 1.800 | 2.565 | 1.792 |
| Promotion and advertising costs | 744 | 516 | 740 | 511 |
| Donations and Subscriptions | 2.149 | 1.764 | 2.105 | 1.734 |
| Expenses for associate | 3.473 | - | 3.473 | - |
| Other | 2.273 | 3.141 | 2.268 | 2.978 |
| Other capitalized expenses | (5.427) | (4.754) | (5.387) | (4.744) |
| **Total** | **14.030** | **9.468** | **13.956** | **9.259** |

*The amounts of prior year have been reclassified (Note 3.3.22).

*(In thousand euro unless otherwise stated)*

With the Decisions 1650/2020 and 179/2021 RAE approved additional revenue for the Company through Revenue from transmission system rent line, regarding expenses incurred related to the associate company "SELENE CC SA". The specific expenses are shown in the line Expenses for associate.

Transportation and travel expenses show an increase of Euro 1,2 million for the Group and the Company due to the reduced travel in 2020 as a result of the restrictive travel measures that had entered into force due to the pandemic.

### 10.2 Other Income

Other income analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Gain from de-recognition of tangible assets | 1.698 | - | 492 | - |
| Other income from rent | 91 | 163 | 142 | 211 |
| Revenue from related parties | 23 | 20 | 316 | 302 |
| Revenue from optical fiber maintenance | 3 | - | 87 | 85 |
| Other income | 1.911 | 2.157 | 1.255 | 1.840 |
| **Total** | **3.726** | **2.340** | **2.292** | **2.439** |

*The amounts of prior year have been reclassified (Note 3.3.22).

The amount of Euro 1,7 million for the Group, relates to gain arising from the difference between the net book value of the asset that was de-recognized and the finance lease receivables that were recognized, based on the scope of the fiber optic lease agreements with customers.

## 11. FINANCIAL EXPENSES-INCOME

### 11.1 Financial expenses

Financial expenses analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020* |
| Interest expense and loan guarantee commission | 13.945 | 9.854 | 13.944 | 9.854 |
| Interest on finance lease-expense | 55 | 27 | 55 | 27 |
| Actuarial finance cost | 81 | 184 | 81 | 184 |
| Expense due to measurement of long-term receivable at present value | 257 | - | 257 | - |
| Amortization of loans' issuance costs | 240 | 3.023 | 240 | 3.023 |
| Amortization of gain due to change of fair value of financial products and loans | 129 | - | 129 | - |
| Other bank charges | 272 | 130 | 240 | 127 |
| **Total** | **14.980** | **13.218** | **14.946** | **13.215** |

*The amounts of prior year have been reclassified (Note 3.3.22).

The increase in interest expense and loan guarantee commission by Euro 4.090 for both the Group and the Company is mainly due to the increase in the guarantee commission to the Greek State by Euro 2.193 and the decrease in capitalized interest by

(In thousand euro unless otherwise stated)

Euro 2.240 for the Group and Euro 2.787 for the Company, due to the fact that at the end of the previous year significant capitalization of completed projects took place.

In addition, there was a decrease in interest expense on loans by Euro 890 mainly due to a more favorable interest rate. Specifically, on October 1st, 2021, IPTO together with the creditor banks (National Bank, Alpha Bank, Piraeus Bank and Bank of China) proceeded with the refinancing of the existing syndicated loan amounting to Euro 375 million.

The capitalization of construction period borrowing costs for the Group and the Company during 2021 amounted to Euro 6.170 (2020: Euro 8.410) and Euro 5.630 (2020: Euro 8.410) respectively.

The decrease in the amortization of loan issuance costs compared to the previous year is due to the fact that in the year 2020 the unamortized balance of loan issuance costs regarding previous loan agreements amounting to Euro 2.951 and the amortization of the new syndicated loan issuance costs of Euro 72, were recognized in the Income Statement.

### 11.2 Financial income

Financial income analysis is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 |
| Interest on deposits | 1.826 | 4.313 | 1.613 | 3.759 |
| Finance lease interest income | 343 | 342 | 239 | 242 |
| Other interest | 968 | 1.464 | 560 | 1.410 |
| Change in the fair value of financial products and loans | 2.925 | - | 2.925 | - |
| Income from corporate guarantee | - | - | 189 | - |
| Dividends income | 25 | - | 25 | - |
| **Total** | **6.087** | **6.119** | **5.551** | **5.410** |

In 2021 the Company proceeded with the refinancing of the existing Syndicated loan with an outstanding balance of Euro 375 million, with a reduction in the corresponding interest rate margin. The result of this amendment was the recognition of a gain of Euro 2.796 in the Income Statement for 2021, which is included in the "Financial income" in respect of the gain resulting from the reduction in interest rates (Euro 2.925) and in the "Financial expenses" in respect of its amortization recognition (Euro 129).

In addition, the decrease in interest on deposits is due to the decrease in cash and mainly cash held at the Bank of Greece and due to the decrease in deposit interest rates compared to previous year. The Company, on December 31st, 2021, maintains the amount of Euro 20,5 million approximately (31/12/2020: Euro 51,9 million approximately), at the Bank of Greece, while the yield rate averaged in the year 2021, at about 1,50% (2020: 1,84%).

The decrease in other interest is mainly due to the decrease of interest income on interest-bearing advances, which were given to subcontractors. During 2021, major projects for which advances were given were completed.

The income from a corporate guarantee amounting to Euro 189 relates to a fee from the subsidiary company " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for the provision of guarantee on its bond loan.

*(In thousand euro unless otherwise stated)*

## 12. INCOME TAX (CURRENT AND DEFERRED)

According to Law 4799/2021 - Government Gazette 78/A/18-5-2021 the tax rate for the year 2021 was reduced to 22%. Income tax was calculated with 22% tax rate for the fiscal year 2021 and 24% tax rate for the fiscal year 2020.

The total income taxes charged to the Income Statement are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 |
| Current tax | 18.735 | 31.063 | 18.395 | 30.722 |
| Deferred tax | (8.035) | (988) | (8.039) | (990) |
| **Total income tax** | **10.699** | **30.075** | **10.356** | **29.733** |

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 an unqualified tax certificate from its statutory auditor regarding its tax obligations for the years 2011 to 2020 and the Company has been audited by the tax authorities for the periods up to 2010. Respectively, the subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for the first fiscal year 2018 and fiscal years 2019 and 2020, while the subsidiary «Grid Telecom S.M.S.A» has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for the first fiscal year 2019 and fiscal year 2020.

Management does not expect any 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 31st, 2021, the years up to 2015 are considered statute-barred.

For the fiscal year 2021, the Group's companies have been subject to the optional tax audit of the Statutory Auditors. This audit for the issuance of Tax Certificate for the year 2021 is in progress and expected to be completed after the publication of the attached Financial Statements. The Tax Certificate will be received upon final submission of the Statutory Auditors 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 since the year in which they occurred.

The effect from the application of the new tax rate on the Income Statement for the year 2021 for the Group and the Company is income of Euro 8,892 and Euro 8,894 respectively, and on Other comprehensive income of the year 2021 is income of Euro 7,527. 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:

*(In thousand euro unless otherwise stated)*

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020-31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 |
| **Profit before tax** | **80.093** | **115.013** | **78.184** | **113.881** |
| Nominal tax rate | 22% | 24% | 22% | 24% |
| **Tax calculated at nominal tax rate** | **17.620** | **27.603** | **17.201** | **27.331** |
| Effect of change in tax rate | (8.892) | - | (8.894) | - |
| Non-deductible expenses | 2.810 | 2.473 | 2.840 | 2.402 |
| Difference in income tax 2020 | (96) | - | (145) | - |
| Deferred tax provision adjustment for prior years | (645) | - | (645) | - |
| Other differences | (97) | - | - | - |
| **Income tax** | **10.699** | **30.075** | **10.356** | **29.733** |
| **Effective tax rate** | **13,4%** | **26,1%** | **13,2%** | **26,1%** |

Deferred tax assets and liabilities are further analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 |
| **Deferred tax assets** | | | | |
| Intangible assets | 35 | 33 | 35 | 34 |
| Financial assets at amortized cost | 27 | 23 | 12 | 23 |
| Other long-term receivables | 932 | 775 | 932 | 775 |
| Inventories | 4.225 | 4.379 | 4.225 | 4.379 |
| Trade receivables | 1.359 | 2.013 | 1.359 | 2.026 |
| Subsidies | 26.721 | 25.441 | 26.721 | 25.441 |
| Provisions for employee benefits | 2.465 | 4.185 | 2.465 | 4.185 |
| Other provisions | 3.532 | 5.367 | 3.532 | 5.367 |
| Trade and other payables | 186 | 598 | 186 | 598 |
| Lease liabilities | 473 | 266 | 466 | 266 |
| Accrued and other liabilities | 1.524 | 1.378 | 1.524 | 1.543 |
| **Deferred tax assets** | **41.478** | **44.458** | **41.457** | **44.637** |

| | Group | | Company | |
|---|---|---|---|---|
| **Deferred tax liabilities** | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 |
| Tangible assets | (217.904) | (234.547) | (217.890) | (234.733) |
| Right of use asset | (456) | (254) | (454) | (257) |
| Other non-current liabilities | (4.825) | (6.040) | (4.825) | (6.040) |
| Borrowings | (496) | - | (496) | - |
| **Deferred tax liabilities** | **(223.680)** | **(240.841)** | **(223.665)** | **(241.030)** |
| | | | | |
| **Net deferred tax liabilities** | **(182.202)** | **(196.383)** | **(182.208)** | **(196.393)** |

*(In thousand euro unless otherwise stated)*

The net deferred tax liability movement is listed below:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 |
| **Opening balance** | **196.383** | **196.800** | **196.392** | **196.809** |
| Charged to income statement | (8.035) | (988) | (8.039) | (990) |
| Effect on other comprehensive income | (6.808) | 571 | (6.808) | 573 |
| Adjustment to Equity (IAS 19) | 662 | - | 662 | - |
| **Closing balance** | **182.202** | **196.383** | **182.208** | **196.392** |

The Debit / (credit) for deferred tax charged to income statement is analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 | 01/01/2021-31/12/2021 | 01/01/2020 31/12/2020 |
| Tangible assets | (8.840) | (483) | (9.039) | (486) |
| Intangible assets | (1) | (33) | (1) | (34) |
| Right of use asset | 201 | 254 | 197 | 257 |
| Financial assets at amortized cost | (4) | (23) | 11 | (23) |
| Other long-term receivables | (157) | (307) | (157) | (307) |
| Inventories | 154 | (43) | 154 | (43) |
| Trade receivables | 653 | 3.656 | 668 | 3.658 |
| Subsidies | (1.280) | (9.264) | (1.280) | (9.264) |
| Provisions for employee benefits | 61 | 46 | 61 | 44 |
| Other provisions | 1.835 | 2.284 | 1.835 | 2.284 |
| Other non-current liabilities | (1.215) | 6.040 | (1.215) | 6.040 |
| Trade and other payables | 413 | (598) | 413 | (598) |
| Borrowings | 496 | (708) | 496 | (708) |
| Lease liabilities | (207) | (266) | (200) | (266) |
| Accrued and other liabilities | (145) | (1.543) | 19 | (1.543) |
| **Total** | **(8.035)** | **(988)** | **(8.039)** | **(990)** |

(In thousand euro unless otherwise stated)

## 13. TANGIBLE ASSETS

The movements of tangible assets for the Group and the Company during the year 2021 are presented in the following tables:

| | Group | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings - Technical Works | Machinery & equipment | Transportation | Fixtures and Furniture | Construction in Progress* | Total |
| **Carrying amount 01/01/2020** | **200.529** | **94.046** | **1.319.038** | **4.961** | **8.491** | **485.782** | **2.112.847** |
| Additions | - | 4 | 508 | - | 16 | 449.803 | 450.330 |
| Depreciation | - | (4.307) | (89.837) | (689) | (2.334) | - | (97.166) |
| Disposals/ write-offs | - | - | (1) | - | (11) | - | (12) |
| Transfers from construction in progress | 4.326 | 17.832 | 454.249 | - | 7.220 | (488.377) | (4.749) |
| **Carrying amount 31/12/2020** | **204.856** | **107.575** | **1.683.956** | **4.273** | **13.383** | **447.208** | **2.461.250** |
| **Carrying amount 01/01/2021** | **204.856** | **107.575** | **1.683.956** | **4.273** | **13.383** | **447.208** | **2.461.250** |
| Additions | - | 131 | 7 | - | 5 | 411.115 | 411.258 |
| Depreciation | - | (4.715) | (103.521) | (589) | (3.091) | - | (111.916) |
| Disposals/ write-offs | - | - | (567) | (6) | (508) | (175) | (1.257) |
| Transfers from construction in progress | 3.641 | 4.083 | 241.440 | 252 | 2.795 | (253.801) | (1.591) |
| Other movements | - | - | (252) | - | - | - | (252) |
| **Carrying amount 31/12/2021** | **208.497** | **107.074** | **1.821.063** | **3.929** | **12.584** | **604.346** | **2.757.493** |
| Cost | 204.856 | 111.882 | 1.773.792 | 4.961 | 15.717 | 447.208 | 2.558.416 |
| Acc. Depreciation | - | (4.307) | (89.837) | (689) | (2.334) | - | (97.166) |
| **Net book value 31/12/2020** | **204.856** | **107.575** | **1.683.956** | **4.273** | **13.383** | **447.208** | **2.461.250** |
| Cost | 208.497 | 116.097 | 2.014.672 | 5.207 | 18.009 | 604.346 | 2.966.827 |
| Acc. Depreciation | - | (9.023) | (193.610) | (1.278) | (5.424) | - | (209.335) |
| **Net book value 31/12/2021** | **208.497** | **107.074** | **1.821.063** | **3.929** | **12.584** | **604.346** | **2.757.493** |

*The amounts of the previous year have been reclassified (Note 3.3.22).

(In thousand euro unless otherwise stated)

| | Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Land | Buildings & Technical Works | Machinery & equipment | Transportation | Fixtures and Furniture | Construction in Progress* | Total |
| **Carrying amount 01/01/2020** | **200.529** | **94.046** | **1.319.038** | **4.961** | **8.488** | **485.782** | **2.112.844** |
| Additions | - | - | - | - | - | 449.804 | 449.804 |
| Depreciation | - | (4.307) | (89.837) | (689) | (2.327) | - | (97.159) |
| Disposals/ write-offs | - | - | (1) | - | (11) | - | (12) |
| Transfers from construction in progress | 4.326 | 17.832 | 454.249 | - | 7.220 | (488.377) | (4.749) |
| **Carrying amount 31/12/2020** | **204.856** | **107.571** | **1.683.448** | **4.273** | **13.371** | **447.209** | **2.460.727** |
| | | | | | | | |
| **Carrying amount 01/01/2021** | **204.856** | **107.571** | **1.683.448** | **4.273** | **13.371** | **447.209** | **2.460.727** |
| Additions | - | - | - | - | - | 409.525 | 409.525 |
| Depreciation | - | (4.715) | (103.500) | (589) | (3.089) | - | (111.893) |
| Disposals/ write-offs | - | - | (567) | (6) | (508) | (175) | (1.257) |
| Transfers from construction in progress | 3.641 | 4.083 | 241.440 | 252 | 2.796 | (253.802) | (1.591) |
| Other movements | - | - | (252) | - | - | - | (252) |
| **Carrying amount 31/12/2021** | **208.497** | **106.940** | **1.820.569** | **3.929** | **12.570** | **602.756** | **2.755.260** |
| | | | | | | | |
| Cost | 204.856 | 111.878 | 1.773.285 | 4.961 | 15.698 | 447.209 | 2.557.887 |
| Acc. Depreciation | - | (4.307) | (89.837) | (689) | (2.327) | - | (97.159) |
| **Net book value 31/12/2020** | **204.856** | **107.571** | **1.683.448** | **4.273** | **13.371** | **447.209** | **2.460.727** |
| | | | | | | | |
| Cost | 208.497 | 115.961 | 2.014.158 | 5.207 | 17.985 | 602.756 | 2.964.564 |
| Acc. Depreciation | - | (9.022) | (193.589) | (1.278) | (5.416) | - | (209.304) |
| **Net book value 31/12/2021** | **208.497** | **106.940** | **1.820.569** | **3.929** | **12.570** | **602.756** | **2.755.260** |

*The amounts of the previous year have been reclassified (Note 3.3.22).

None of the above property, plant and equipment is pledged as collateral for liabilities of the Group or the Company.

### Additions of constructions in progress

The main projects included in the additions for construction in progress for the year of Euro 411.115 for the Group and Euro 409.525 for the Company, are analysed as follows:

- Amount of Euro 178.860 concerns works carried out within the construction project of the Crete - Attica interconnection through the subsidiary company " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

- Amount of Euro 63.143 concerns interconnection works carried out for Peloponnese-Crete.

- Amount of Euro 32.927 concerns interconnection works carried out for Cyclades.

- Amount of Euro 27.952 concerns interconnection works carried out for Corinth-Megalopolis.

According to Government Gazette 4821/2021, article 108, from 1 August 2021, all fixed assets of the high voltage electrical system of Crete are automatically transferred, from "PPC SA" to IPTO, by full ownership, freehold and possession, are integrated in the Hellenic Electricity Transmission System (HETS) and the Regulatory Asset Register (RMB) of HETS and are under the management of IPTO. Regarding the price that IPTO is required to pay to "PPC SA", this will pertain to the commercial value of the assets of Crete. Specifically, the total price is divided into two parts with the first being equal to the regulatory value of the assets which was directly included in the Regulated Assets Base of HETS from the date of transfer, and is recovered through the usage charges of HETS. Later on will follow the valuation of the transferred assets by an independent specialized appraiser of known value and common acceptance of IPTO and "PPC SA", based on which IPTO will be asked to pay in addition any positive consideration difference between the regulated assets value and the commercial value of fixed assets.

This difference will be included in a separate special asset base of HETS and is recovered, from the date of its repayment, through the charges of use of HETS, in accordance with the current legislation and the relevant decisions of RAE on the calculation of the required income and the allowed income of the owner and Operator of HETS and the usage invoices of HETS, without payment of a return on this price based on the single weighted average cost of capital (WACC). The discrete asset base hereof may be depreciated over a period of up to four (4) years, starting from the year of repayment, taking into account the average annual general Consumer Price Index of the Hellenic Statistical Authority (ELSTAT), in a way which ensures the smoothing of the invoices for the use of HETS.

In the Financial Statements as at 31.12.2021, all fixed assets of the high voltage electrical system of Crete of approximately Euro 40,6 million have been included in the additions, and this value represents the first part of the total price, as mentioned above. Any difference from the appraisal is not expected to be significant.

### Fiber optics de-recognition

The Group de-recognized fiber optics with a net book value of Euro 203 in the context of its lease agreements with third parties and recognized a gain of Euro 1.698 (Note 10.2).

### 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 mortgage registry office has been completed. Its registration in the relevant local cadastral offices has not been completed yet.

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 mortgage registries and relevant cadastral offices, in order to be able to obtain the relevant certificates and excerpts.

*(In thousand euro unless otherwise stated)*

### Insurance Coverage

The Group and the Company have no insurance coverage against the usual risks related to fixed assets. This is primarily due to estimated high costs associated with fixed assets insurance compared to repairment costs in case of usual risks occurrence

### Encumbrances on tangible assets

There are no encumbrances on the tangible assets.

### Revaluation of Tangible Fixed Assets

Subsequent to the initial recognition tangible assets (excluding assets under construction valued at cost less any impairment) are measured at fair value less accumulated depreciation and impairment losses. Estimates of fair values are performed periodically by independent appraisers (three to five years) using level three assumptions of hierarchy provided under IFRS 13 and mainly the method of depreciated replacement cost, in order to ensure that fair value does not differ significantly from amortized cost. During 2019, a valuation of tangible fixed assets was made by independent appraisers with reference date on 31/12/2019.

It is worth mentioning that the Group and the Company, based on their accounting policy, on the date of the last revaluation of property, plant and equipment (31/12/2019) offset the accumulated depreciation with their pre-depreciation book value and the net amounts were adjusted according to the revalued amounts.

## 14. INTANGIBLE ASSETS

The total amount of intangible assets relates to software.

Software value for the Group and the Company is analysed as follows:

| | Group | Company |
|---|---|---|
| **Carrying amount 01/01/2020** | **2.843** | **2.843** |
| Additions | 4.832 | 4.749 |
| Amortisation | (1.079) | (1.070) |
| **Carrying amount 31/12/2020** | **6.596** | **6.522** |
| | | |
| **Carrying amount 01/01/2021** | **6.596** | **6.522** |
| Additions | 1.592 | 1.591 |
| Amortisation | (1.845) | (1.828) |
| Disposals/ write-offs | (441) | (441) |
| **Carrying amount 31/12/2021** | **5.903** | **5.844** |

## 15. RIGHT OF USE ASSET

The movement in right of use assets is presented in the following table:

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | Cars | Real estate | Total | Cars | Real estate | Total |
| **Cost** | | | | | | |
| **Balance as at 01/01/2020** | **233** | **859** | **1.092** | **233** | **859** | **1.092** |
| Additions and write-offs | 260 | 69 | 329 | 260 | 69 | 329 |
| **Balance as at 31/12/2020** | **493** | **927** | **1.420** | **493** | **927** | **1.420** |

*(In thousand euro unless otherwise stated)*

| | | | | | | |
|---|---|---|---|---|---|---|
| **Balance as at 01/01/2021** | **493** | **927** | **1.420** | **493** | **927** | **1.420** |
| Additions and write-offs | 502 | 833 | 1.335 | 406 | 783 | 1.188 |
| **Balance as at 31/12/2021** | **995** | **1.761** | **2.756** | **899** | **1.710** | **2.609** |
| | | | | | | |
| **Depreciation** | | | | | | |
| **Balance as at 01/01/2020** | **(113)** | **(125)** | **(239)** | **(113)** | **(125)** | **(239)** |
| Depreciation and write-offs | (63) | (48) | (110) | (63) | (48) | (110) |
| **Balance as at 31/12/2020** | **(176)** | **(173)** | **(349)** | **(176)** | **(173)** | **(349)** |
| | | | | | | |
| **Balance as at 01/01/2021** | **(176)** | **(173)** | **(349)** | **(176)** | **(173)** | **(349)** |
| Depreciation and write-offs | (181) | (26) | (207) | (173) | (22) | (195) |
| **Balance as at 31/12/2021** | **(357)** | **(199)** | **(556)** | **(349)** | **(195)** | **(544)** |
| | | | | | | |
| **Net book value as at 31/12/2020** | **317** | **755** | **1.072** | **317** | **755** | **1.072** |
| **Net book value as at 31/12/2021** | **638** | **1.562** | **2.200** | **549** | **1.515** | **2.065** |

The Group's lease payments are mainly related to lease of land, building facilities (offices) and cars.

## 16. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are presented in the following table:

| Subsidiary | Location | % participation | Operation | Consolidation method | 31/12/2021 | 31/12/2020 |
|---|---|---|---|---|---|---|
| Ariadne Interconnection | Athens | 100 | Special purpose company (construction) | Full | 200.000 | 200.000 |
| Grid Telecom | Athens | 100 | Electronic communications | Full | 1.800 | 1.800 |
| **Total** | | | | | **201.800** | **201.800** |

Changes in the book value of the Company's investments in subsidiaries are as follows:

| | Company | |
|---|---|---|
| | **31/12/2021** | **31/12/2020** |
| **At the beginning of the year** | **201.800** | **200.300** |
| Additions | - | 1.500 |
| **At the end of the year** | **201.800** | **201.800** |

*(In thousand euro unless otherwise stated)*

## 17. INVESTMENTS IN ASSOCIATES

Investments in associates are presented in the following table:

| Company name | Registered address | % of participation (direct and/or indirect) | Activity | Consolidation method |
|---|---|---|---|---|
| HELLENIC ENERGY EXCHANGE S.A. | Athens | 20 | Energy market Administrator | Equity |
| SELENE CC S.A. | Thessaloniki | 25 | Regional Security Coordinator | Equity |

Changes in the book value of investments in associates of the Group are presented below:

| | HELLENIC ENERGY EXCHANGE S.A. | SELENE CC SA | Total |
|---|---|---|---|
| | 20% | 25% | |
| **Balance as at 01/01/2020** | **1.021** | **-** | **1.021** |
| Increase in share capital | - | 50 | 50 |
| Profit/(loss) for the fiscal year | 171 | 1 | 172 |
| Other comprehensive income for the fiscal year | (4) | - | (4) |
| **Balance as at 31/12/2020** | **1.188** | **51** | **1.239** |
| | | | |
| **Balance as at 01/01/2021** | **1.188** | **51** | **1.239** |
| Profit/(loss) for the fiscal year | 496 | 10 | 506 |
| Other comprehensive income for the fiscal year | (2) | - | (2) |
| **Balance as at 31/12/2021** | **1.682** | **61** | **1.743** |

Changes in the book value of investments in associates of the Company are as follows:

| | HELLENIC ENERGY EXCHANGE S.A. | SELENE CC S.A. | Total |
|---|---|---|---|
| | 20% | 25% | |
| **Balance as at 01/01/2020** | **1.000** | **-** | **1.000** |
| Increase in share capital | - | 50 | 50 |
| **Balance as at 31/12/2020** | **1.000** | **50** | **1.050** |
| | | | |
| **Balance as at 01/01/2021** | **1.000** | **50** | **1.050** |
| **Balance as at 31/12/2021** | **1.000** | **50** | **1.050** |

(In thousand euro unless otherwise stated)

The following tables present concise financial information for the Group's associates (amounts in Euro):

### Summarized financial information (amounts in Euro)

| Total Accounts per Associate | HELLENIC ENERGY EXCHANGE S.A. 31/12/2021 | HELLENIC ENERGY EXCHANGE S.A. 31/12/2020 | SELENE CC S.A. 31/12/2021 | SELENE CC S.A. 31/12/2020 |
|---|---|---|---|---|
| Total assets | 378.269.424 | 157.564.738 | 956.125 | 263.594 |
| Total liabilities | 369.857.929 | 151.015.942 | 712.860 | 61.440 |
| Revenue | 8.257.451 | 6.628.137 | 1.784.109 | 108.200 |
| Profit of fiscal year | 1.853.277 | 914.025 | 41.011 | 2.153 |
| Other comprehensive income/(loss) after tax | 9.423 | (20.440) | - | - |

### Summarized information as per statement of financial position (amounts in Euro)

| | HELLENIC ENERGY EXCHANGE S.A. 31/12/2021 | HELLENIC ENERGY EXCHANGE S.A. 31/12/2020 | SELENE CC S.A. 31/12/2021 | SELENE CC S.A. 31/12/2020 |
|---|---|---|---|---|
| Non-current assets | 1.605.994 | 2.019.125 | 65.861 | 24.828 |
| Current assets | 376.663.430 | 155.545.613 | 890.264 | 238.766 |
| **Total assets** | **378.269.424** | **157.564.738** | **956.125** | **263.594** |
| Long-term liabilities | 713.453 | 866.603 | 12.422 | - |
| Short-term liabilities | 369.144.476 | 150.149.339 | 700.438 | 61.440 |
| **Total liabilities** | **369.857.929** | **151.015.942** | **712.860** | **61.440** |
| **Equity** | **8.411.495** | **6.548.796** | **243.265** | **202.153** |
| **Company participation in associates' equity** | **1.682.299** | **1.309.759** | **60.816** | **50.538** |

### Summarized information as per statement of total comprehensive income (amounts in Euro)

| | HELLENIC ENERGY EXCHANGE S.A. 31/12/2021 | HELLENIC ENERGY EXCHANGE S.A. 31/12/2020 | SELENE CC S.A. 31/12/2021 | SELENE CC S.A. 31/12/2020 |
|---|---|---|---|---|
| Revenue | 8.257.451 | 6.628.137 | 1.784.109 | 108.200 |
| **Profit/(Loss) of fiscal year** | **1.853.277** | **914.025** | **41.011** | **2.153** |
| Other comprehensive income/(loss) (after tax) | 9.423 | (20.440) | - | - |
| **Total comprehensive income of fiscal year** | **1.862.700** | **893.585** | **41.011** | **2.153** |
| **Company participation in profit after tax** | **372.540** | **178.717** | **10.253** | **538** |

Investments in associates of the Group, amounting to Euro 1.743 (2020: Euro 1.239) are accounted for using the equity method and concern a) the 20% holding of the Company in the share capital of the Hellenic Energy Exchange SA (Henex SA) and b) the 25% holding of the Company in the share capital of the company "Southeast Electricity Network Coordination Center" (SEleNe CC).

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.

(In thousand euro unless otherwise stated)

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%)
- Cyprus Stock Exchange (CSE) (10%)
- DESFA SA (7%)

The Hellenic Energy Exchange is the successor of the LAGIE Market Operator and as of November 1, 2020, undertook energy trading, i.e. consists the market where energy producers and traders will trade. According to the new model, 4 different markets created where transactions are made for different products: Day-Ahead Market, Intraday Market, Forward Market and Balancing Market. Henex SA is responsible for trading on the Forward, Day-Ahead and Intra-day markets, while the Balancing Market operates by IPTO S.A.

Regarding the holding in "Southeast Electricity Network Coordination Center" (SEleNe CC), Regional Security Coordinators – RSCs are companies established and owned by Transmission System Operators, such as IPTO SA, with main objective to maintain the operational security of Electric Power System at a European level.

In this context, on May 22, 2020, four European Transmission System Operators, IPTO SA (Greece), ESO-EAD (Bulgaria), TERNA SpA (Italy) and Transelectrica (Romania), founded RSC under the name of SEleNe CC (Southeast Electricity Network Coordination Center). The headquarters of the company and the energy center of Southeastern Europe and the Greek-Italian border is located in Thessaloniki.

## 18. FINANCIAL ASSETS AT AMORTIZED COST, LEASE RECEIVABLES AND OTHER LONG TERM RECEIVABLES

### Financial Assets at amortized cost - Unlisted securities (Bonds)

Changes in the book value of the Bonds are presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Opening Balance** | **4.000** | **4.000** | **4.000** | **4.000** |
| Less: impairment loss | (95) | (64) | (95) | (64) |
| **Balance at the beginning after impairment** | **3.905** | **3.936** | **3.905** | **3.936** |
| Accrued income from coupons | 130 | 130 | 130 | 130 |
| Impairment loss release | 40 | (31) | 40 | (31) |
| **Balance at the end after impairment** | **4.075** | **4.035** | **4.075** | **4.035** |

The Company, on June 15, 2018 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 2 million. On December 31st 2021 the Company identified the total impairment loss of the aforementioned Bond at Euro 34 (31/12/2020: 44), recognizing in the Income Statement a loss of Euro 10.

Also, on December 19, 2018, 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

*(In thousand euro unless otherwise stated)*

6,50%, paying the amount of Euro 2 million. On December 31st, 2021 the Company identified the impairment loss of the aforementioned Bond at Euro 20 (31/12/2020: 50), recognizing in the income statement loss of Euro 30.

The valuation / amortization of the Bonds is made using the effective interest method.

**Lease receivables**

At 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." (lessee) operating as sub-lessor, subleased the "Dark fiber" to WIND HELLAS for the same period.

Moreover, during 2021, new optical fiber lease contracts were signed between IPTO and "GRID TELECOM S.M.S.A." with a duration of 15 years, which also subleased to WIND HELLAS for the same period.

The maturity analysis of receivables is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Long-term portion of finance lease receivables | 3.798 | 3.912 | 3.224 | 2.763 |
| Short-term portion of finance lease receivables | 364 | 190 | 150 | 119 |
| **Total** | **4.162** | **4.103** | **3.374** | **2.882** |
| Provisions against expected credit losses | (66) | (44) | - | - |
| **Total** | **4.096** | **4.059** | **3.374** | **2.882** |

Provisions for expected credit losses appear as a deduction in the long-term portion of lease receivables.

Maturity dates of long-term receivables analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 1 to 2 years | 248 | 206 | 311 | 266 |
| 2 to 5 years | 786 | 1.002 | 815 | 673 |
| >5 years | 2.764 | 2.704 | 2.097 | 1.823 |
| **Total** | **3.798** | **3.912** | **3.224** | **2.763** |

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

**Other long term receivables**

In the context of the of Target Model commencement on 1st November 2020, IPTO concluded an agreement of assignment of clearing operations of balancing transactions (the “Agreement”) with Energy Exchange Clearing Company SA (“EnExClear”). Based on the Agreement and the Regulation of clearing balancing positions (the “Regulation”), IPTO has paid to EnExClear, before the operational commencement the amount of Euro 7.451 and during the current year an amount of Euro 11.472 as Pre-financed financial resources.

The Pre-financed financial resources ( the “Resources”) are covered by the cash collections of the Non-Compliance Charges Account of the article 110 of the Regulation, which IPTO is receiving from monthly settlement invoicing and, as HETS’s operator, sets at the disposal of EnExClear. EnExClear, as the Clearing Agent, could use these resources for covering potential losses in cases of an overdue balance of a Clearing Member which exceed the losses which are covered by the insurances provided by the Clearing Member in overdue, and the Clearing Fund, as set by the articles 2.32 and 2.33 of the Regulation.

The duration of the Agreement is in force for three (3) years from the date of the Operational Commencement of the Target Model. The Agreement will be renewed automatically for consecutive periods of three (3) years, unless it is terminated at any time by any Contracting Party with six (6) months' notice. At the end of the period the receivable was measured at present value.

*(In thousand euro unless otherwise stated)*

Other long-term receivables include capitalized costs from "Extension or Connection Projects" amounting to Euro 6.021 (2020: Euro 4.053). "Expansion or Connection Projects" are projects for the Connection of Users (or "Producers") in the System, for example for the connection of a wind / photovoltaic park or a Thermal Power Plant.

The cost of these works is recognized as an expense in the Income Statement at the date of completion of the connection workings. Since the projects have a construction period of more than one year, the fiscal year recognized as an expense is much later than the fiscal year occurred, and therefore they are classified in the other long-term requirements.

## 19. INVENTORIES

The inventories analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| Materials, spare parts and consumables | 73.665 | 70.498 | 73.665 | 70.498 |
| Advance payments for purchases | 1.931 | 826 | 1.931 | 826 |
| Provision for impairment of materials and spare parts (Note 9) | (19.202) | (18.244) | (19.202) | (18.244) |
| **Total** | **56.394** | **53.080** | **56.394** | **53.080** |

The impairment provision of materials and spare parts is is presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| **Opening balance** | 18.244 | 18.064 | 18.244 | 18.064 |
| Additional provision (Note 9) | 958 | 180 | 958 | 180 |
| **Closing balance** | **19.202** | **18.244** | **19.202** | **18.244** |

Inventories are held free of encumbrances.

## 20. TRADE RECEIVABLES

Trade receivables analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020*** | **31/12/2021** | **31/12/2020*** |
| Receivables from «Electricity Market» transactions | 33.754 | 110.563 | 33.671 | 126.990 |
| Receivables from contracting works | 20.163 | 38.622 | 20.163 | 39.393 |
| Accrued receivables | 62.640 | 1.986 | 62.755 | 1.936 |
| Receivables from contracts | 3.313 | 2.286 | 3.313 | 2.286 |
| **Total receivables from customers without delay and impairment** | **119.869** | **153.457** | **119.902** | **170.604** |
| Total receivables from customers with delay and impairment | 24.587 | 25.572 | 24.587 | 25.572 |
| Less: provision for impairment of receivables | (9.654) | (10.428) | (9.654) | (10.353) |
| **Total** | **134.802** | **168.600** | **134.835** | **185.823** |

*The amounts of prior year have been reclassified (Note 3.3.22).

*(In thousand euro unless otherwise stated)*

Receivables from "Electricity Market" transactions decreased mainly due to the fact that in the year 2021, a significant part of the Pass Through (expenses and revenue of energy operator clearing) transactions with "PPC SA" was cleared. In addition, following a relevant Min. Decision, significant offsets of receivables with liabilities of "PPC SA" took place and finally significant receivables were collected, with the consequence that the balances of receivables and liabilities with "PPC SA" were significantly reduced.

With the implementation of Target Model from November 1st, 2020, EnEx Clear SA took over the management of a part of clearing services conducted by the Company as Operator of the Energy Market with largest the Uplift Accounting service - Recovery of variable production unit costs. Consequently these services are invoiced directly by EnEx Clear SA to Participants.

In addition, accrued receivables increased due to different method of clearing and invoicing by Enex Clear SA comparing to previous model.

A corresponding increase is noted in the accrued expenses, which relates to accrued liabilities against clearings by Enex Clear SA (Note 33).

For overdue receivables from customers with impairment of Euro 24.587, a provision for impairment of Euro 9.654 has been made and for the remaining amount of Euro 14.933 was used in previous years from the Reserve Account Non-compliance charges according to article 164 of the HETS Grid Code to be covered of overdue receivables.

The movement of the impairment provision for receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Opening balance 01/01/2021** | **10.428** | **12.134** | **10.353** | **12.079** |
| Impairment provision based on IFRS 9 | - | 93 | - | 73 |
| Release of provision | (774) | (1.799) | (700) | (1.799) |
| **Closing balance 31/12/2021** | **9.654** | **10.428** | **9.654** | **10.353** |

Overdue receivables more than one year are mainly included.

## 21. OTHER RECEIVABLES

Other receivables analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Receivables from the Greek State | 98.647 | 103.869 | 92.887 | 100.736 |
| Optical fiber rents | - | - | 662 | 539 |
| Enex Clearing blocked accounts | 6.996 | 1.560 | 6.996 | 1.560 |
| Receivables from employees | 1.249 | 1.278 | 1.249 | 1.278 |
| Deferred borrowing costs | 294 | 129 | 294 | 129 |
| Other | 13.623 | 22.175 | 5.920 | 3.095 |
| **Total trade receivables without delay and impairment** | **120.809** | **129.012** | **108.008** | **107.337** |
| Less provision for impairment of other receivables | (1.887) | (1.887) | (1.887) | (1.887) |
| **Total** | **118.922** | **127.125** | **106.121** | **105.450** |

*Previous year amounts have been reclassified (Note 3.3.22).

*(In thousand euro unless otherwise stated)*

Receivables from Greek State on December 31, 2021 mainly relate to VAT receivable amounting to Euro 92.844 (2020: Euro 100.701).

In 2021, the Company proceeded with actions for receiving a VAT refund claim of approximately Euro 100 million, of which Euro 80 million were settled in 2021 and Euro 20 million in 2022.

More specifically, in 2021 FAE approved the specific receivable, resulting in 2021 to offset an amount of Euro 44,6 million approximately, with a liability of Income Tax of Euro 39,6 million and a liability from Other Taxes (ENFIA, Contractor Tax, Employee Tax etc) amounting approximately to Euro 5 million. In addition, an amount of Euro 35,4 million was collected from the Greek State.

Respectively in 2022, a receivable from VAT refund amounting to Euro 9,6 million was offset, with an liability from Income Tax amounting to Euro 6,5 million and a liability from Other Taxes (ENFIA, Contractor Tax, Employee Tax etc.) amounting to Euro 3,1 million, while it was collected from the Greek State amount Euro 10,4 million.

Most of the other receivables for the Group relate to advances to contractors, borrowing costs and commitment fees, for loans that have not yet been disbursed, mainly from the subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and receivables from special projects (Polypotamos).

## 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Cash in hand | 15 | 5 | 15 | 5 |
| Cash at bank | 203.369 | 246.463 | 190.100 | 159.344 |
| Time deposits | - | 2.010 | - | 2.010 |
| **Total** | **203.384** | **248.478** | **190.115** | **161.359** |

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

The Company, as at December 31st, 2021, maintains the amount of Euro 20,5 million (31/12/2020: approx. 51,9 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 and cash equivalents.. 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 for the operators, which for 2021 reached on average 1,50% (2020: 1,84%). Annuity of these funds was recognized in the Income Statement, in financial income (note 11.1).

The following table presents the deposits per credit rating class by Moody's on December 31, 2021 and 2020:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Rating (Moody's)** | | | | |
| Caa1 | 12.632 | 85.450 | 725 | 299 |
| Caa2 | 170.050 | 108.884 | 168.688 | 106.916 |
| Caa3 | 187 | 2.183 | 187 | 2.183 |
| N/A | 20.514 | 51.960 | 20.514 | 51.960 |
| **Total** | **203.384** | **248.478** | **190.115** | **161.359** |

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

## 23. SHARE CAPITAL

(Amounts in Euro)

The Share Capital of the Company on December 31, 2021 amounts to Euro 38.444.193,00 consisting of 38.444.193 registered shares, with a nominal value of Euro 1,00 each.

At the Annual Ordinary General Meeting of Shareholders of 14/6/2021 it was decided the dividend distribution of Euro 42,07 million from the net profit of the year 2020.

### *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%) of the 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 2021 on April 6th, 2022 and proposed to the Ordinary General Meeting of Shareholders the dividend distribution of Euro 33,9 million from the net profit of the year.

## 24. 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 2021, the Company did not form legal reserve, since as at 2013 the mandatory amount of third (1/3) of the share capital had been covered. Thus, the Company's legal reserve as at December 31st, 2021 amounts to Euro 12.815 (2020: Euro 12.815), while at Group level, the amount of Euro 194 was formed by the subsidiary ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A. and Euro 67 by the subsidiary GRID TELECOM S.M.S.A.

(In thousand euro unless otherwise stated)

## 25. RESERVES

### 25.1. OTHER RESERVES

The analysis of Other reserves is presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020* |
| Redundancy compensation reserve | 2.064 | 2.227 | 2.058 | 2.227 |
| Actuarial results reserve for reduced electricity tariff | 6.449 | 8.970 | 6.449 | 8.970 |
| Effect of tax rate change in reserve | (276) | - | (276) | - |
| Redundancy compensation reserve of Associate | - | 4 | - | - |
| **Total** | **8.237** | **11.201** | **8.231** | **11.197** |

### 25.2. REVALUATION RESERVE

The analysis is presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Opening Balance** | **886.163** | **886.163** | **886.163** | **886.163** |
| Effect of tax rate change in reserve | 7.804 | - | 7.804 | - |
| **Closing Balance** | **893.967** | **886.163** | **893.967** | **886.163** |

The latest revaluation of fixed assets held on December 31st, 2019 (Note 13).

## 26. LOANS

The amount of loan interest capitalized for the year ended December 31st, 2021 is included in tangible assets (Note 13) in the Statement of Financial Position while the remaining amount is included in financial expenses in the Income Statement (Note 11.1). The capitalization of the of construction period interest expenses for the Group and the Company for 2021 amounted Euro 6.170 (2020: Euro 8.410) and Euro 5.630 (2020: Euro 8.410). The total borrowing of the Company is presented in Euro.

Below is presented an analysis of Group’s and Company's long-term borrowings:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Bank Loans | 438.033 | 445.867 | 438.033 | 445.867 |
| Bonds payable | 430.000 | 310.000 | 375.000 | 310.000 |
| Accrued Interest on loans | 2.662 | 2.498 | 2.638 | 2.498 |
| Gain from modification of loan's terms | (2.796) | - | (2.796) | - |
| Unamortized portion of loan issuance fees | (2.899) | (1.788) | (2.088) | (1.788) |
| **Total borrowings** | **865.000** | **756.577** | **810.788** | **756.577** |
| Less short term portion: | | | | |
| Bank Loans | 9.000 | 7.833 | 9.000 | 7.833 |
| Bonds payable | 25.000 | 25.000 | 25.000 | 25.000 |
| Accrued interest on loans | 2.662 | 2.498 | 2.638 | 2.498 |
| Gain from modification of loan's terms | (610) | - | (610) | - |
| Unamortized portion of loan issuance fees | (275) | (294) | (281) | (294) |
| **Total short-term borrowings** | **35.777** | **35.038** | **35.746** | **35.038** |
| **Long term borrowings** | **829.224** | **721.539** | **775.041** | **721.539** |

*The amounts of prior year have been reclassified (Note 3.3.22).

(In thousand euro unless otherwise stated)

European Investment Bank's (EIB) loans, amounted to Euro 438 millon at December 31st, 2021 (31/12/2020: Euro 445,8 million), are guaranteed by the Greek State.

On July, Euros 90 million bonds were issued in the form of revolving credit under the Company's bond loan, signed in September 2020, Euro 400 million.

On October 1st, 2021, IPTO, together with the creditor banks (National Bank, Alpha Bank, Piraeus Bank and Bank of China) proceeded to refinancing the existing syndicated loan with an outstanding balance of Euro 375 million. The new interest rate is set at 1,9%, decreased by 20 basis point (from 2,1%) and has retroactive effect from September 29th, 2021.

In accordance with the provisions of IFRS 9 - Financial Instruments, the Company proceeded with an assessment as to whether the change in interest rates constitutes the cancellation / repayment or modification of the loan agreements. All other terms of the loan agreements remained unchanged. The Management carried out the quantitative control of 10% as well as the quality control (significant changes in the duration or in other terms of the loan agreement) provided by the standard, and ruled that the change of the reference interest rate for these loans does not lead to a substantial modification of the terms of the existing financial liabilities and therefore it is a modification and therefore did not derecognize the liabilities from these loans.

The result of the amendment was the recognition in the Income Statement of Euro 2.796 (Note 11.2).

The above loan agreements include terms whose non-compliance may lead to termination of the agreement, such as not changing the shareholding structure of the Company provided in them. Also, some contracts include financial terms that must be abide by the Company. The Company complies with the above conditions.

The total borrowing of the Company does not include terms of conversion into share capital.

The total repayment of loans for the year ended December 31st, 2021 amounted to Euro 32.833 (2020: Euro 50.580).

" ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." on 24/6/2021 and on 24/12/2021 disbursed an amount of Euro 30 million and Euro 25 million respectively, within the framework of the joint bond loan from 1/7/2020, with a total amount of Euro 200 million, with EUROBANK Bank SA for the financing of the project "Electric Interconnection of Crete - Attica".

The breakdown of loans in fixed and floating rates on December 31, 2020 and 2021 is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020** | **31/12/2021** | **31/12/2020** |
| Floating rate: | | | | |
| *Bank loans and bonds* | 430.000 | 310.000 | 375.000 | 310.000 |
| Fixed rate: | | | | |
| *European Investment Bank* | 438.033 | 445.867 | 438.033 | 445.867 |
| **Total** | **868.033** | **755.867** | **813.033** | **755.867** |

Loan movement is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31/12/2021** | **31/12/2020*** | **31/12/2021** | **31/12/2020*** |
| **Opening balance** | **756.577** | **626.833** | **756.577** | **626.833** |
| New loans | 145.000 | 178.200 | 90.000 | 178.200 |
| Repayment | (32.833) | (50.580) | (32.833) | (50.580) |
| Accrued interest and other bank charges | 13.156 | 13.688 | 12.797 | 13.688 |
| Payment of interest and other expenses | (12.993) | (12.726) | (12.657) | (12.726) |
| Amendment of loan terms | (2.796) | - | (2.796) | |
| Loan issuance fees | (1.347) | (1.860) | (540) | (1.860) |
| Depreciation of loan issuance fees | 236 | 3.023 | 240 | 3.023 |
| **Closing balance** | **865.000** | **756.577** | **810.788** | **756.577** |

*The amounts of prior year have been reclassified (Note 3.3.22).

*(In thousand euro unless otherwise stated)*

## 27. PROVISION FOR EMPLOYEE BENEFITS

### Personnel provision for reduced electricity

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. 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 31st, 2021, 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 regarding the staff retirement compensation for the reduced electricity for the year ended December 31st, 2021 and changes in net liability are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Net liability on January 1st** | **6.699** | **9.961** | **6.699** | **9.961** |
| Benefits paid | (271) | (295) | (271) | (295) |
| Expense to be charged in the income statement | 119 | 216 | 119 | 216 |
| Actuarial (Income) / expense to be charged in the other comprehensive income | (3.232) | (3.182) | (3.232) | (3.182) |
| **Net liability on December 31st** | **3.316** | **6.699** | **3.316** | **6.699** |

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

| 31/12/2021 | Actuarial liability change | Actuarial liability change rate |
|---|---|---|
| Increase in discount rate by 0,5% | -206 | -6,20% |
| Decrease in discount rate by 0,5% | 229 | 6,90% |
| **31/12/2020** | **Actuarial liability change** | **Actuarial liability change rate** |
| Increase in discount rate by 0,5% | -462 | -6,90% |
| Decrease in discount rate by 0,5% | 516 | 7,70% |

| Evaluation Date 31/12/2021 | Discount Rate | Margin Rate |
|---|---|---|
| **Number of beneficiaries** | 1,05% | 6,0% 2022 |
| Retired employees | 1.759 | 10,1% 2023 |
| Active employees | 1.159 | 13,7% 2024 |
| | | 16,5% 2025+ |
| **31/12/2020 Number of beneficiaries** | **Discount Rate** | **Margin Rate** |
| | 0,51% | 8,4% 2021 |
| Retired employees | 1.874 | 10,1% 2022 |
| Active employees | 1.212 | 14,0% 2023 |
| | | 15,8% 2024+ |

(In thousand euro unless otherwise stated)

Actuarial liability decreased by Euro 3.383 The decrease is mainly due to the following reasons:

*Actuarial gain due to change of assumptions*

• Change of the discount rate from 0,51% per year on 31/12/2020 to 1,05% on 31/12/2021, which resulted in the reduction of the obligation by approximately Euro 300.

• Increase of the estimated future profit margin compared to last year's study, which resulted in a reduction of the liability by approximately Euro 2.400.

*Actuarial gain due to user experience*

• Mobility of the population, which resulted in the reduction of the liability by approximately Euro 525.

### Staff retirement compensation provision

The results of the actuarial study regarding the staff retirement compensation for the year ended December 31st, 2021 and changes in net liability are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020* |
| **Net Liability on 1st January** | **10.737** | **10.047** | **10.737** | **10.047** |
| Change of policy effect (IAS 19) | (2.758) | - | (2.758) | - |
| Benefits paid | (1.431) | (654) | (1.431) | (654) |
| Expense to be charged in the income statement | 1.382 | 550 | 1.382 | 550 |
| Actuarial (Income) / expense to be charged in the other comprehensive income | (40) | 794 | (40) | 794 |
| **Net Liability on 31st December** | **7.890** | **10.737** | **7.890** | **10.737** |
| | | | | |
| **Total Net Liability on 31st December** | **11.206** | **17.436** | **11.206** | **17.436** |

### Impact of accounting policy change - IAS 19

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits over a period of time services on a specific defined benefit plan.

Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past on this issue, and consequently, according to what is defined in the "IASB Due Process Handbook" (par.8.6), the economic entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policy accordingly to this Decision.

Until the issuance of the Decision of the IFRS Interpretation Committee, the Group and the Company applied IAS 19, distributing the benefits, mainly, in the period from the recruitment to the date of retirement of the employees.

The application of this final Decision in the consolidated and standalone financial statements, results in the distribution of benefits in the last 16 years until the date of retirement of employees in accordance with the applicable legal framework.

In view of the above, the implementation of the above final Decision has been treated as a change in accounting policy. The Management, taking into account the instructions “IFRS Practice Statement 2 Making Materiality Judgements” of the IASB, estimates that the effect of the implementation of the above Decision does not have a significant effect on any item of the consolidated financial position such as e.g. (Employee benefits due to retirement, New earnings or deferred tax assets and liabilities) and therefore is applied from the beginning of the current accounting period and not retrospectively.

*(In thousand euro unless otherwise stated)*

The impact of the implementation of the Decision of the interpretation committee for the Group and the Company is presented in the following tables:

**Extract from Statement of Financial Position 31.12.2020**

| | Group | | |
|---|---|---|---|
| | 31.12.2020 (as published) | IAS 19 effect | 1.1.2021 (after the effect of IAS 19) |
| **Equity:** | | | |
| Other reserves (after taxes) | (11.201) | 690 | (10.511) |
| Retained earnings | 438.776 | 1.406 | 440.182 |
| **Long-term liabilities:** | | | |
| Retirement benefit obligations | 10.737 | (2.758) | 7.979 |
| Deferred tax liabilities | 196.383 | 662 | 197.045 |

| | Company | | |
|---|---|---|---|
| | 31.12.2020 (as published) | IAS 19 effect | 1.1.2021 (after the effect of IAS 19) |
| **Equity:** | | | |
| Other reserves (after taxes) | (11.197) | 690 | (10.507) |
| Retained earnings | 435.237 | 1.406 | 436.643 |
| **Long-term liabilities:** | | | |
| Retirement benefit obligations | 10.737 | (2.758) | 7.980 |
| Deferred tax liabilities | 196.393 | 662 | 197.054 |

The following tables present an extract from the statement of Financial Position assuming that the implementation of the change in IAS 19 for the Group and the Company would have taken effect on or after January 1st, 2020:

**Extract from Statement of Financial Position 31.12.2019**

| | Group | | |
|---|---|---|---|
| | 31.12.2019 (as published) | IAS 19 effect | 1.1.2020 (after the effect of IAS 19) |
| **Equity:** | | | |
| Other reserves (after taxes) | (12.884) | 321 | (12.563) |
| Retained earnings | 405.219 | 1.666 | 406.885 |
| **Long-term liabilities:** | | | |
| Retirement benefit obligations | 10.047 | (2.614) | 7.433 |
| Deferred tax liabilities | 196.800 | 627 | 197.427 |

| | Company | | |
|---|---|---|---|
| | 31.12.2019 (as published) | IAS 19 effect | 1.1.2020 (after the effect of IAS 19) |
| **Equity:** | | | |
| Other reserves (after taxes) | (12.884) | 321 | (12.563) |
| Retained earnings | 402.418 | 1.666 | 404.084 |
| **Long-term liabilities:** | | | |
| Retirement benefit obligations | 10.047 | (2.614) | 7.433 |
| Deferred tax liabilities | 196.809 | 627 | 197.436 |

(In thousand euro unless otherwise stated)

If the change in IAS 19 had been implemented since January 1st, 2020, this would have resulted in an additional expense in the profits after tax 2020 of Euro 260 and additional actuarial gains of Euro 369 in other comprehensive income after taxes.

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

| Financial assumptions | 31/12/2021 | 31/12/2020 |
|---|---|---|
| Discounting rate | 0,75% | 0,60% |
| Expected Future salary increase | 2,00% | 2,00% |
| Inflation | 1,80% | 1,50% |

| Demographic assumptions | Valuation Date | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| 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 11,09 years.

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

| 31/12/2021 | Actuarial Liability | Percentage change |
|---|---|---|
| Increase in discount rate by 0,5% | 7.589 | -4,00% |
| Decrease in discount rate by 0,5% | 8.022 | 2,00% |
| Increase of expected wages increase by 0,5% | 7.806 | 1,00% |
| Decrease of expected wages increase by 0,5% | 7.794 | -1,00% |
| **31/12/2021** | **Normal cost for next year** | **Percentage change** |
| Increase in discount rate by 0,5% | 10.167 | -5,00% |
| Decrease in discount rate by 0,5% | 11.351 | 6,00% |
| Increase of expected wages increase by 0,5% | 10.796 | 1,00% |
| Decrease of expected wages increase by 0,5% | 10.658 | -1,00% |

## 28. OTHER PROVISIONS

Other provisions concern third party lawsuits against the Company and estimation of total charge for the property registration fee. The reporting period movement is presented below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Lawsuits from third parties | 15.630 | 19.337 | 15.630 | 19.337 |
| Provision for registration fee | 426 | 3.026 | 426 | 3.026 |
| **Total provisions** | **16.056** | **22.363** | **16.056** | **22.363** |

*(In thousand euro unless otherwise stated)*

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| **Opening balance** | **22.363** | **31.379** | **22.363** | **31.379** |
| Additional provision for third party lawsuits | 1.343 | 859 | 1.343 | 859 |
| Additional provision for cadastral fee | 263 | - | 263 | - |
| Use of provision | (3.532) | (2.512) | (3.532) | (2.512) |
| Release of provision for third party lawsuits | (2.240) | (7.362) | (2.240) | (7.362) |
| Release of provision for cadastral fee | (2.141) | - | (2.141) | - |
| **Closing balance** | **16.056** | **22.363** | **16.056** | **22.363** |

On December 31st, 2021, the total amount claimed by third parties amounts to Euro 123.240 (2020: Euro 126.416), 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 43.225 (2020: Euro 39.717). 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 7.414 on December 31st, 2021, (2020: Euro 9.300).

**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 56.594 (2020: Euro 57.005). Against the above amount, the Company has formed a provision of Euro 5.247 on December 31st, 2021, (2020: Euro 5.369).

**3. *Employee Claims:*** Employees have raised claims amounting to Euro 9.122 (2020: Euro 5.707) 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 1.726 on December 31st, 2021, (2020: Euro 1.698).

**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 14.300 (2020: Euro 23.986). Against the above amount, the Company has formed a provision of Euro 1.244 on December 31st, 2021, (2020: Euro 2.970).

Against all the above amounts, a provision has been formed on December 31st, 2021 amounting to Euro 15.630 (2020: Euro 19.337).

The major part of the release of the provision for third parties lawsuits amounting to Euro 2.150 is mainly due to the issuance of a decision of the Administrative Court of First Instance of Athens which rejects the lawsuit of "Lakon ATE". Respectively, in 2020, the release of the provision of Euro 5.690 is mainly due to the decision of the Athens Court to reject the lawsuit of HERON II Voiotia Thermal Power Plant SA.

Most of the use of the provision of Euro 2,200 is mainly due to the payment of a fine imposed in a previous year against the Company by RAE. Respectively in 2020, the major part of the amount of Euro 1,851 is mainly due to the payment of cadastral fees.

Other Provisions include a provision of Euro 426 (2020: Euro 3.026) 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. The study calculated the cost at Euro 6,8 million approximately. During 2021 this provision was impaired approximately by the amount of Euro 723 (2020: Euro 1.851), which was paid for cadastral fees. As it is estimated from the technical department of the Company that after December 31st, 2021, cadastral fees of Euro 426 will be paid, a provision of Euro 2,1 million (2020: Euro 0) was released, while a new provision of Euro 263 (2020: Euro 0) was formed.

*(In thousand euro unless otherwise stated)*

## 29. SUBSIDIES

The movement in subsidies is presented in the table below:

| | Group | Company |
|---|---|---|
| **Balance as at 1st January 2020** | **293.586** | **293.586** |
| Additions | 41.577 | 41.577 |
| Amortization of subsidies | (9.876) | (9.876) |
| **Balance as at 31st December 2020** | **325.287** | **325.287** |
| | | |
| **Balance as at 1st January 2021** | **325.287** | **325.287** |
| Additions | 115.732 | 115.732 |
| Amortization of subsidies | (12.727) | (12.727) |
| **Balance as at 31st December 2021** | **428.291** | **428.291** |

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 78.491, concern the granting for Cyclades interconnection project (2020: Euro 16.403), while the amount of Euro 22.189 concerns the granting of Interconnection Peloponnese – Crete (2020: Euro 23.923).

## 30. LEASE LIABILITIES

Lease liabilities for the Group and the company are analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Long-term portion of finance lease liabilities | 1.956 | 958 | 1.851 | 958 |
| Short-term portion of finance lease liabilities | 298 | 150 | 268 | 150 |
| **Total** | **2.254** | **1.109** | **2.119** | **1.109** |

Termination dates of long-term part of finance leases, analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| 1 to 2 years | 263 | 139 | 232 | 139 |
| 2 to 5 years | 378 | 206 | 331 | 206 |
| >5 years | 1.315 | 613 | 1.289 | 613 |
| | **1.956** | **958** | **1.851** | **958** |

Finance lease liabilities current value, analyzed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Up to 1 year | 298 | 150 | 268 | 150 |
| 1 to 5 years | 641 | 345 | 563 | 345 |
| >5 years | 1.315 | 613 | 1.289 | 613 |
| | **2.254** | **1.109** | **2.119** | **1.109** |

(In thousand euro unless otherwise stated)

### Finance leases

| Finance lease's liabilities-minimum rentals | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Up to 1 year | 361 | 182 | 328 | 182 |
| 1 to 5 years | 826 | 434 | 741 | 434 |
| >5 years | 1.951 | 1.025 | 1.913 | 1.025 |
| **Totals** | **3.138** | **1.641** | **2.981** | **1.641** |
| Minus: future financial charges of finance leases | (885) | (532) | (862) | (532) |
| **Current value of finance lease's liabilities** | **2.254** | **1.109** | **2.119** | **1.109** |

## 31. CONCESSION AGREEMENT LIABILITY

This item includes liabilities from construction services of the subsidiary Ariadne Interconnection based on the agreement signed on 10/04/2020. The Attica - Crete interconnection project has been designated as a Project of Major Importance. Based on the Regulated Revenue calculation methodology, IPTO does not receive revenue for this asset during its construction. According to the Concession Agreement between IPTO and Ariadne Interconnection, it is provided that:

"During the Operation Period, IPTO will pay Ariadne Interconnection the Monthly Revenue received by the Project and these amounts will be credited against the Invoices issued during the Construction Period"

Therefore, construction invoices are a long-term liability that begins to settle by the electrification of the project (estimated year 2024). However, based on the amendment of the above contract on July 2021, part of these invoices, which relates to VAT, will become due in less than a year and for this reason it was reclassified from long-term to short-term liabilities.

## 32. TRADE AND OTHER PAYABLES

Trade and other payable analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Liabilities from «Electricity Market» transactions | 76.028 | 129.650 | 77.929 | 129.650 |
| Other suppliers and contractors | 78.038 | 42.612 | 31.454 | 28.869 |
| Contractual obligation | 843 | 2.493 | 843 | 2.493 |
| Customer advance payments | 16.046 | 18.919 | 16.046 | 18.919 |
| Other payable taxes | 7.797 | 5.377 | 6.479 | 7.759 |
| Social security contributions, payable | 2.466 | 2.282 | 2.418 | 2.188 |
| Other creditors | 6.009 | 754 | 6.007 | 800 |
| **Total** | **187.228** | **202.087** | **141.176** | **190.678** |

*The amounts of prior year have been reclassified (Note 3.3.22).

The above obligations are interest free and short-term.

The electricity market liabilities were reduced mainly due to the fact that in the year 2021, a significant part of the Pass Through (Charges and revenue of energy operator clearances) transactions with "PPC SA" was settled, and additionally following a relevant Min. Decision, significant offsets of receivables with liabilities of "PPC SA" took place, with the consequence that its balances were significantly reduced (Note 20).

Most of the other creditors relate to an obligation to "HEDNO" amounting to Euro 5,4 million, due to the fact that the Company received a grant from the Recovery Fund for sub-projects of the Cyclades Phase D' in which there is a co-declaration with «HEDNO». The part of the grant corresponding to HEDNO is included in the liabilities.

The increase in other suppliers and contractors is related to the progress of the work carried out in the framework of the construction projects of the Group and mainly in the project concerning the Crete-Attica interconnection.

(In thousand euro unless otherwise stated)

## 33. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Accrued expenses energy clearance | 57.642 | 4.072 | 57.642 | 4.072 |
| Subsidiaries expenses payable | 366 | - | 2.757 | 1.575 |
| Other accrued expenses | 2.734 | 783 | 2.496 | 238 |
| Deferred Revenue | 5.613 | 1.491 | 4.135 | 1.469 |
| Personnel day off, overtime and leaves | 7.512 | 6.824 | 7.512 | 6.824 |
| **Total** | **73.868** | **13.170** | **74.542** | **14.179** |

*The amounts of prior year have been reclassified (Note 3.3.22).

With the implementation of Target Model from November 1st, 2020, EnEx Clear SA took over the management of part of clearing services conducted by the Company as Operator of the Energy Market with the largest one being the Uplift Accounting service Recovery of variable production unit costs. Consequently these services are invoiced directly by EnEx Clear SA to Participants. Consequently these services are invoiced directly by EnEx Clear SA to Participants.

In addition, accrued receivables increased due to different method of clearing and invoicing by Enex Clear SA comparing to previous model.

A corresponding increase is noted in the accrued receivables, which concerns clearing invoices for the year 2021 which were issued the following year by Enex Clear SA (Note 20).

The above obligations are interest free and short-term.

## 34. SPECIAL ACCOUNTS (RESERVES)

Special accounts (reserves) analysis is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2021 | 31/12/2020* | 31/12/2021 | 31/12/2020* |
| Interconnection rights | 41.944 | 67.441 | 41.944 | 67.441 |
| Non-compliance charges | 61.350 | 60.082 | 61.350 | 60.082 |
| Extraordinary surplus of energy Imports L-B | 1.924 | 1.924 | 1.924 | 1.924 |
| Transitional duty of security of supplying / interruptible Load (L.4203/19) | 15.140 | 2.979 | 15.140 | 2.979 |
| **Total** | **120.357** | **132.426** | **120.357** | **132.426** |

*The amounts of prior year have been reclassified (Note 3.3.22).

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 2021, the Company used the amount of Euro 66,1 million (2020: 68,1 million) based on 179/11.2.2021 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 Grid Code. These amounts do not relate to Company's revenue but are mainly available to cover losses from insolvent providers following Management's decision. An amount of Euro 14.933 (Note 20) has been used in previous years from the Reserve Account Non-compliance charges in accordance with article 164 of the HETS Grid Code to cover the due amounts of overdue receivables.

*(In thousand euro unless otherwise stated)*

Non-compliance charges amounting to Euro 61.350 are included in the long-term liabilities, as the use of the reserve is intended to cover receivables, for which the Company has no knowledge when they will become uncollectible.

Extraordinary Surplus of Energy Imports refer to the Company's reserve of monthly settlement invoicing under Article 178 par.8 of the HETS Grid 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 1st, 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.

With the no. YPEN / DIE / 66759/811 / 09.07.2020 (Government Gazette B '2997/2020) decision of the Minister of Environment and Energy, the Interruptible Load Service was reactivated with an expiration date of September 30, 2021. Based on the specific decision, September 2021 was the last month for which Transitional Charges of Security of Supply and Performance of Interruptible Load were issued.

## 35. 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 3.679 (Note 5). The constructing cost of these projects for the year ended December 31st, 2021 amounts to Euro 1.668.

## 36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(Amounts in Euro)

The Group is controlled by the Greek State indirectly through ADMIE HOLDING S.A. which holds 51% of its paid-up share capital and the “PUBLIC HOLDING COMPANY ADMIE S.A.” (“PHC ADMIE S.A.”), which holds 25% of its paid-up share capital. Moreover, “PHC ADMIE S.A.”, holds 51,12% paid-up share capital of “ADMIE HOLDING S.A.” and is the Parent company. In the ordinary course of business, the Company and the aforementioned companies have had the following transactions during the reporting period, while there are no material transactions that have not been carried out under normal market terms.

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

| Company | Relation |
|---|---|
| ADMIE HOLDING SA | Shareholder |
| PHC ADMIE SA | Shareholder |
| STATE GRID LTD | Shareholder |
| ARIADNE INTERCONNECTION S.M.S.P.S.A | Subsidiary |
| GRID TELECOM SMSA | Subsidiary |
| EnEx Clearing House S.A | Associate |
| HELLENIC ENERGY EXCHANGE S.A. | Associate |
| SEleNe CC SA | Associate |

(In thousand euro unless otherwise stated)

The Group and the Company in the ordinary course of business conducted, the following transactions, the balances (receivables, liabilities and revenues and expenses) of which on December 31, 2021 are as follows:

| | Group | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| **Amounts in Euro** | **Receivables** | **Liabilities** | **Receivables** | **Liabilities** |
| ADMIE HOLDING SA | 28.396 | 6.200 | 29.032 | 3.720 |
| EnEx Clearing House S.A | 67.417.043 | 38.952.599 | 9.330.728 | 64.230 |
| HELLENIC ENERGY EXCHANGE S.A. | - | - | 124.096 | 1.612 |
| SELENE CC A.E. | 82.287 | 78.751 | 25.792 | - |
| **Total** | **67.527.726** | **39.037.550** | **9.509.648** | **69.562** |

| | Company | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| **Amounts in Euro** | **Receivables** | **Liabilities** | **Receivables** | **Liabilities** |
| ARIADNE INTERCONNECTION S.M.S.P.S.A | 449.106 | 292.691.965 | 169.480 | 133.478.931 |
| GRID TELECOM SMSA | 4.089.441 | 17.911 | 3.462.887 | 13.710 |
| ADMIE HOLDING SA | 28.396 | 6.200 | 29.032 | 3.720 |
| EnEx Clearing House S.A | 67.417.043 | 38.952.599 | 9.330.728 | 64.230 |
| HELLENIC ENERGY EXCHANGE S.A. | - | - | 124.096 | 1.612 |
| SEleNe CC SA | 82.287 | 78.751 | 25.792 | - |
| **Total** | **72.066.273** | **331.747.426** | **13.142.015** | **133.562.203** |

The Company's liabilities towards its subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." include mainly an amount of Euro 278.945.683 (before VAT), which relates to assets under construction, included in the project of the Crete-Attica interconnection, at amount of Euro 287.469.458 and other taxes and duties, which are decreasing the liability by the amount of Euro 8.524.270. Amount of Euro 178.859.740 (before VAT) consists additions of the fiscal year.

Most of the receivables from the subsidiary " GRID TELECOM S.M.S.A." are included in the receivables from leases. Most of the receivables from "EnEXClear SA» are included in "Other receivables" and "Other long-term receivables".

Most of the liability to " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." is included in the item "Long-term liability from Concession agreement" regarding the value of construction invoices before VAT and in the item "Short-term liability from Concession agreement" as regards the VAT on these invoices.

| | Group | | | |
|---|---|---|---|---|
| | 01/01/2021- 31/12/2021 | | 01/01/2020- 31/12/2020 | |
| **Amounts in Euro** | **Revenue** | **Expenses** | **Revenue** | **Expenses** |
| ADMIE HOLDING SA | 31.000 | 5.000 | 27.829 | 3.000 |
| EnEx Clearing House S.A | 235.623.086 | 235.623.086 | 14.385.459 | 14.646.131 |
| HELLENIC ENERGY EXCHANGE S.A. | - | 61.957 | 312.562 | 16.885 |
| SELENE CC A.E. | 101.669 | 276.128 | 19.200 | - |
| **Total** | **235.755.755** | **235.966.171** | **14.745.050** | **14.666.016** |

*(In thousand euro unless otherwise stated)*

| | Company | | | |
|---|---|---|---|---|
| | 01/01/2021- 31/12/2021 | | 01/01/2020- 31/12/2020 | |
| **Amounts in Euro** | **Revenue** | **Expenses** | **Revenue** | **Expenses** |
| ARIADNE INTERCONNECTION S.M.S.P.S.A | 481.646 | 2.757.130 | 291.159 | 1.574.745 |
| GRID TELECOM SMSA | 365.005 | - | 352.319 | - |
| ADMIE HOLDING SA | 31.000 | 5.000 | 27.829 | 3.000 |
| EnEx Clearing House S.A | 235.623.086 | 235.623.086 | 14.385.459 | 14.646.131 |
| HELLENIC ENERGY EXCHANGE S.A. | - | 61.957 | 312.562 | 16.885 |
| SEleNe CC SA | 101.669 | 276.128 | 19.200 | - |
| **Total** | **236.602.406** | **238.723.301** | **15.388.528** | **16.240.761** |

The Company's revenue transactions with the companies " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", " GRID TELECOM S.M.S.A." and "IPTO HOLDINGS SA" relate mainly to revenues from a) provision of services such as the re-invoicing of utilities, b) income from leases, c) financial income according to the IFRS 16 as well as d) income from the guarantee of the bond loan of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". Respectively, the nature and the balances of the receivables, as at 31/12/2021, are related to the income transactions mentioned above.

The expense transactions relate mainly to expenses within the scope of the Company's concession agreement with its subsidiary " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and respectively the balance of the liability relates to both expenses and costs of assets under construction, in the context of the contract of the construction project of the Crete-Attica interconnection as analyzed above.

The income and expense transactions of the Group and the Company with «EnEx Clearing House S.A» come from the implementation of the Target Model from November 1st, 2020, where as a clearing body, «EnEx Clearing House S.A» undertakes the management of part of the Clearing services performed by the Company as the operator of the Energy Market. Respectively, the nature and balances of receivables and liabilities, as at 31/12/2021, are related to the transactions mentioned above.

The income transactions of the Group and the Company with "SELENE CC SA" mainly concern the rental of building, equipment and software, while the expense transactions relate to re-invoicing of expenses. Respectively, the nature and balances of receivables and liabilities, as at 31/12/2021, are related to the transactions mentioned above.

Moreover, the Group and the Company in the scope of their operations, are conducting transactions with companies in which the Greek State participates, such as PPC S.A., HEDNO, DAPEEP (previous LAGIE), ELPE and ELPEDISON. All these transactions are made on commercial terms and are not disclosed.

### Management remuneration

The Board of Directors' members and the Directors' remuneration representation expenses and social security contributions inclusive, for the year ended at December 31st, 2021 for the Group and the Company amount to Euro 1.147, and Euro 1.015, respectively (2020: Euro 1.191 and Euro 1.104).

The executives of the Group have not received compensations for retirement during the period of 1/1–31/12/2021 and the corresponding prior year.

## 37. COMMITMENTS AND CONTINGENCIES

### 37.1 COMMITMENTS

### 37.1.1 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.

According to a relevant study carried out in 2016 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 was formed. This provision impaired due to payment of land registration fees and the release of the provision. The balance on December 31, 2021 amounted to Euro 426 and is included in the item Other provisions.

### 37.1.2 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 assesses that the conditions for the recognition of provisions for environmental liabilities of the Company are not met.

#### Responding to climate change

The steadily accelerating course of climate change causes an increasing number of adverse effects of rising tension, while at the same time climate change has a chronic impact on the environment and human beings. IPTO's strategic planning takes into account the new conditions created by climate change in order to adapt to the new environment. Based on the current data and upcoming changes, the Company identifies the risks associated with climate change, as well as the potential opportunities.

In this context, one of the pillars of the new IPTO Strategy is security and reliability in a difficult environment. This planning takes into account a number of parameters, including climate parameters which change at multiple levels, as the occurrence of extreme weather phenomena is now more and more frequent in our country. At the same time, IPTO's contribution in the area of confrontation and climate mitigation is particularly important at a national level. New interconnections enable the change of the country's energy mix by allowing the integration of a greater percentage of RES, and thus contribute to the transition to a low-carbon economy and the gradual decarbonization. This new environment also shows new opportunities for action, as the transition to a low-carbon economy can only be achieved through radical structural and technological changes in the energy production system.

## 37.2 COMMITMENTS FROM THE COMPLETION OF PROJECT CONSTRUCTION

***Brief description of the most important projects***

### 1. Cyclades Interconnection

Cyclades interconnection project has been designated 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, in relation to 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, budgeted at Euro 264,3 million, which included the connection of Syros with Lavrio, as well as with the islands of Paros, Mykonos and Tinos was completed in 2018.

#### Phase B

The implementation of Phase B of the Cyclades interconnection, budgeted at Euro 47,3 million, which included the connection of the island of Naxos with the islands of Paros and Mykonos, was completed in 2020.

#### Phase C

The Phase C of the Cyclades interconnection was set in normal operation with temporary connection in Syros in October 2020 and with final connection in June 2021. It includes the lay of the second cable between Lavrio – Syros, as well as with the required connection works (shunt reactors and bays) 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.

The project with a budget of Euro 122,3 million is co-financed by the European Union and the NSRF 2014-2020.

#### Phase D

The implementation of the fourth and last phase of the Cyclades interconnection, amounting to 410 million euros, launched in 2021, including the interconnection of the islands of Thira, Milos, Folegandros and Serifos with the mainland Electricity Transmission System (HETS).

The tendering procedures for the interconnection of Thira have been completed and the supply and installation contracts for the Naxos-Thira cable line and the Substation & SVC of Thira have already been signed. Also, the tenders for the connection of the islands of Milos, Folegandros and Serifos with the HETS have been announced.

The submarine connection of Thira is expected to be electrified within the first semester of 2023, while the other islands is expected to be interconnected with the HETS within the first semester of 2024. The completion of Cyclades interconnection will enable the development of RES units with a total capacity of 332 MW on the islands, in accordance with the estimations reflected in the Ten-Year Development Plan 2022-2031, achieving a more stable, green and economical energy mix for the island complex.

The project has been approved for co-financing by the Recovery and Resilience Facility.

### 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 make 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 is implemented with 2 circuits of alternative current 150 kV, with a nominal capacity of 200 MVA each. After a thorough investigation into the operation and power adequacy of the electrical system of Crete, it established 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.

Within 2020 the substations in Peloponnese and Chania, the underground cable lines in Crete and Peloponnese, the first submarine cable line and almost the overall works of the overhead lines in Peloponnese were completed and as a result, the successful trial electrification of the interconnection took place in December 2020. The second submarine cable line, the final arrangements of the overhead lines in Peloponnese and STATCOM were completed gradually till May 2021 and from this point on the interconnection was ready to operate with loads. In July 2021 the interconnection was set in operation with loads and since then it remains in normal operation.

The project has cost Euro 374,5 million (including preliminary expenses), it was co-financed by the European Union and NSRF 2014-2020 and was funded by the European Investment Bank.

#### Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the project of the small interconnection of Crete – Peloponnese and 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 (SGI) charges is expected for all consumers of the system in the Greek Territory.

This project is carried out by the 100% subsidiary of IPTO, “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", 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 (as administrator and owner of HETS). The asset will belong to IPTO and is presented in its own Financial Statements. 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 relates to 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 to the "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 design - construction works by the contractors are in full deployment. Specifically, regarding the Conversion Stations, the production of their equipment has started, while preliminary construction works have also started. Regarding the progress of the cable section, the lay of the east pole by half according to schedule as well as the lay of the optical fibers has been completed in total. In addition, the production of the last sections of cables (submarine and underground) is completed. Finally, the construction of the underground part of the route from HVC Koumoundourou to the landing point in Attica is in progress.

The project with a budget of Euro 1,044 billion has been included in the specialization of the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014-2020" (EPANEK) with No. 4101/1467 / A1 / 25-6-2019 decision of the Monitoring Committee for funding from NSRF 2014-2020.

### 3. System expansion 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 of the expansion projects was funded by the European Investment Bank.

### West Corridor (Megalopolis - Patras - West Sterea)

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 Antirio 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 projects of the Western Corridor have been completed, except a small part of the overhead line (2 pylons) due to reactions from an adjacent monastery. This part is planned to be fully completed by the end of 2022.

The total budget of projects amounts to Euro 163,7 million.

### 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:

- In the first stage, with the Megalopolis Extra High Voltage Substation through a new 400 kV double-circuit overhead transmission line.

- In a next stage, with the Koumoundourou Extra High Voltage Substation through a new 400 kV double-circuit overhead transmission line. The specific sub-project is approved for co-financing by the European Union through RRF mechanism.

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 2022).

The total budget of projects amounts to Euro 95,6 million.

### 4. Skiathos Interconnection

The construction of a new Substation in Skiathos island and its connection to the existing Mantoudi Substation in Evia has been scheduled for the enhancement of the reliability of power supply to the complex of North Sporades islands. The interconnection includes an 150kV transmission line, consisting of overhead (new and upgraded), underground and submarine parts, as well as the required termination projects in the existing Mantoudi Substation.

Within 2021 the construction of the underground sections of the 150kV Cable Transmission Line (TL) throughout the terrestrial sections in Northern Evia and Skiathos was completed. The test electrification of the total cable TL comprising the submarine cable, the underground sections, the transition joints as well as the longwise Fiber Optic cable was successfully performed. Additionally, within 2021 the contract for the construction of the new single circuit Overhead Transmission Line 150kV was awarded.

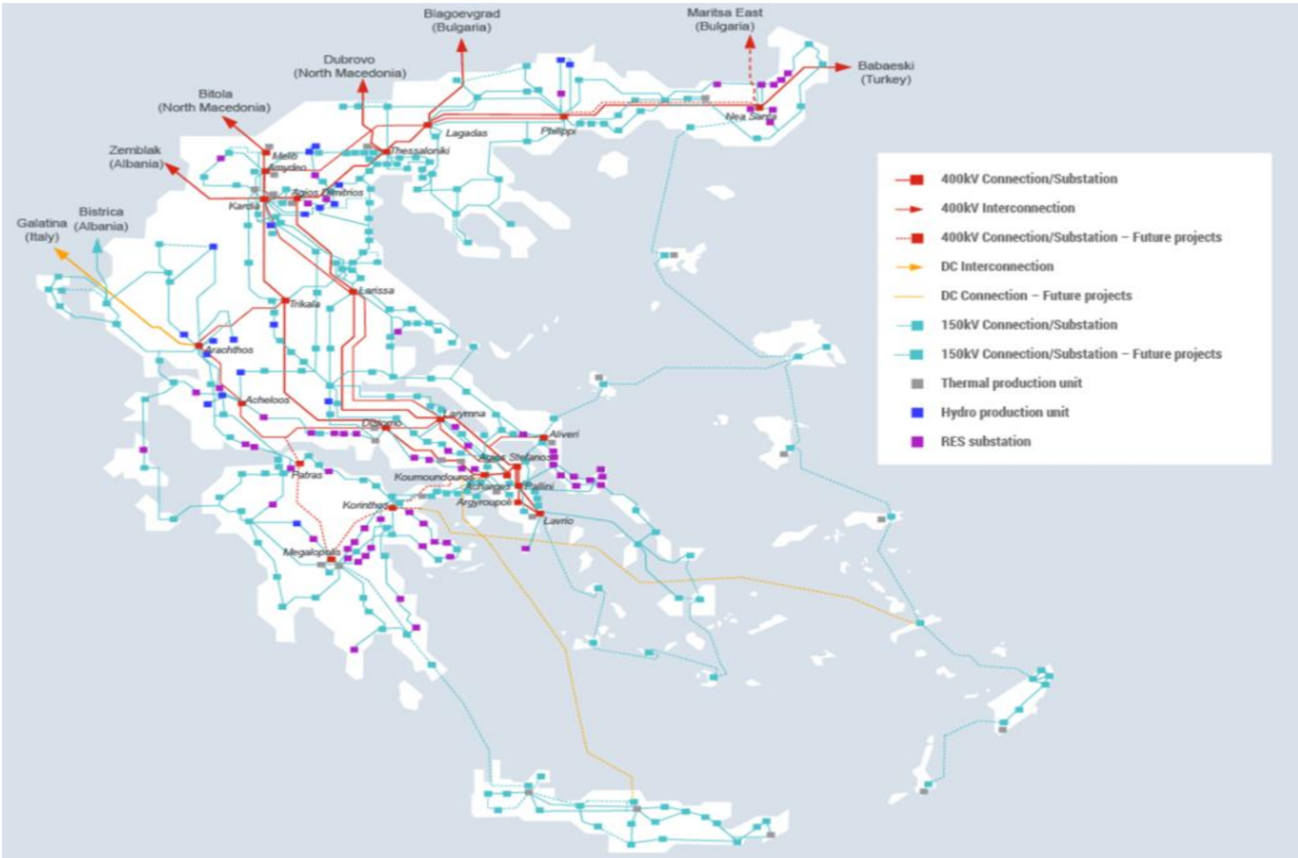
The construction and upgrade work on either terminating side, i.e., Skiathos and Mantoudi Substations, are in progress and the completion of the overall Interconnection is expected within 2022.

The total budget of the project amounts to Euro 56,3 million.

### 5. Koumoundouros Extra High Voltage Substation

Within 2021, the construction of the new gas-insulated (GIS) Koumoundouros Extra High Voltage Substation has been launched which will replace the existing air-insulated type Extra High Voltage Substation. This will enable the connection of the East 400 kV Peloponnese Corridor, comprising the connection point of Crete - Attica Interconnection to the mainland grid and enhance the reliability of supply to the loads of (West, mainly) Attica region.

The first phase of the project is estimated to be completed within 2023 and its total budget amounts to Euro 46 million. The project will be co-financed by the European Union through RRF mechanism. Full completion of the project is planned for 2025.




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

### 2021-2030

IPTO put the TYND Preliminary Plan 2021 - 2030, on public consultation from December 31st, 2019 to January 31st, 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 31st, 2020 and has been set to public consultation by the Authority from November 2 to December 2nd, 2020. The revised final draft of the TYNDP 2021 2030, based on the RAE letter O-87542/06.05.2021, was submitted on June 11th, 2021 for approval to RAE. Following this, with decision 611/29.7.2021 of RAE, the revised final draft TYNDP 2021- 2030 was approved.

### 2022-2031

The Preliminary Draft 2022 - 2031 was set to public consultation by IPTO from January 5th, 2021 to February 5th, 2021. IPTO considering the comments submitted during the public consultation, prepared the final plan of the TYNDP 2022-2031, which was submitted for RAE's approval on April 15th 2021.

### 2023-2032

During December 2021, the Preliminary draft TYNDP 2023-2032 was finalized and set to public consultation by IPTO until February 11th, 2022. Following the above, the final Plan will be submitted to RAE for approval on April 2022.

### 37.3 CONTINGENT LIABILITIES

The Company, as the energy transmission system operator under the current legislation, 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.

With the 345/2021 decision of RAE, a sanction was imposed on the Company in the form of a fine of Euro 5 million, regarding the Transmission Line (TL) 400 kV HVC Patras-HVC Megalopolis project to be completed. The Company filed a timely review request requesting the disappearance or the reform of RAE decision 345/2021, as the assessment of the legal service is that there are valid legal reasons, which may overturn RAE decision. Therefore, the Management of the Group estimates that it is more probable that there will be a positive outcome in this case and for this reason it did not form a provision in the Financial Statements.

"ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." on 24/6/2021 made a first disbursement of the amount of Euro 30 million and on 24/12/2021 a second amount of Euro 25 million within the framework of 1/7/2020 common bond loan, totaling Euro 200 million, with EUROBANK Bank SA for the financing of the project "Electric Interconnection of Crete - Attica".

Based on the Concession Agreement of 10/04/2020 signed between "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "IPTO SA" as well as the decision of 28/2/2020 of the Board of Directors of "IPTO SA", the latter provides corporate guarantee regarding the obligation to cover to EUROBANK SA the amounts due from "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

It is noted that "IPTO SA" recognized in 2021, based on the arm's length principle, income from corporate guarantee amounting to Euro 189 which was recorded in the account Financial income of the Company.

#### 37.3.1 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 Certificate". For fiscal years 2016 onwards, the tax audit and the issuance of a "Tax Certificate" are valid on an optional basis.

The Company has chosen to continue the tax audit by the statutory auditors which is now based on voluntarily basis. In this context, the Company has been audited and received an unqualified Tax Certificate for fiscal years 2015 to 2020 with no findings.

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 2011-2015 have expired and no additional tax liabilities are expected to arise.

For the year ended December 31, 2021, 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 presented in the financial statements.

Regarding the Group's subsidiaries, the company «ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.» has received an unqualified Tax Certificate by the statutory auditor with respect to the tax obligations during the first fiscal year (2018) and fiscal years 2019 and 2020, while the subsidiary «Grid Telecom S.M.S.A» has received an unqualified Tax Certificate from its statutory auditor regarding its tax obligations for the first fiscal year (2019) and 2020. For the year 2021, the companies "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "GRID TELECOM S.M.S.A" are subject to optional tax audit. The audit for the receipt of Tax Certificate of both subsidiaries for the year 2021, 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 recorded and presented in the financial statements.

## 38 HOLDINGS IN OTHER COMPANIES

Apart from its holding in subsidiaries «ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.» and «GRID TELECOM S.M.S.A» and in associates «Hellenic Energy Exchange SA» and «SEleNe CC SA», the Company participates with a 5% stake in Joint Allocation Office S.A. and has paid Euro 65 by December 31st, 2021 (2020: 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 31st, 2021 (2020: Euro 40).

These Holdings due to the bad return on investment are presented totally impaired in «Other receivables» in the statement of financial position.

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

## 39 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 after the methodology approval from RAE and publish them separately from the Annual Financial Statements.

## 40 AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER ASSURANCE SERVICES

The auditors' fees for the statutory and tax audit of the fiscal year 2021 amounted to Euro 125 thousand (2020: 125 thousand) for the Group and Euro 99 thousand (2020: 99 thousand) for the Company.

## 41 SUBSEQUENT EVENTS

On February 15th, 2022, by virtue of 221 Ministerial Decision of the Special Management and Implementation Service for Information and Communication Technologies of the Ministry of Digital Governance, the subsidiary company 'GRID TELECOM S.M.S.A.'' in collaboration with the company ''TERNA ENERGIAKI S.A'' (the "Joint") was named Temporary Contractor of the "Ultra-Fast Broadband" (UFBB) tender, for four geographical areas (LOT) out of seven announced, with an estimated budget of Euro 400 million. The Joint had successfully completed its participation in the tender process in September 2021. The UFBB tender concerns the largest Public-Private Partnership project for the construction and operation of fiber optic network and the provision of wholesale services to telecommunications companies in various regions of the country, with a total budget of Euro 700 million. With an update on 8.3.2022 from the Ministry of Digital Government, the period of finalization of the Partnership Agreement for the completion and signing of the required documents was determined.

On February 24th, 2022 the Ordinary General Meeting of the sole shareholder of the subsidiary 'GRID TELECOM S.M.S.A.'' approved an increase of its share capital of Euro 3,5 million, in order to cover the company needs in the context of developing its activities and in connection with its business plan. The share capital increase was carried out via cash payment from the parent company, with the issuance of 35,000 new common registered shares, with a nominal value of one hundred euros (Euro 100) each.

Recent geopolitical events in Ukraine, military action by Russia and the response of European countries and the United States in the form of economic sanctions have significantly begun to affect global energy markets and economic developments in general. The Group and the Company monitor the developments in Ukraine and plan the corresponding actions.

The Group and the Company consider these events as non-adjusting events after the reporting period and their potential impact on the financial statements cannot be estimated at this time.