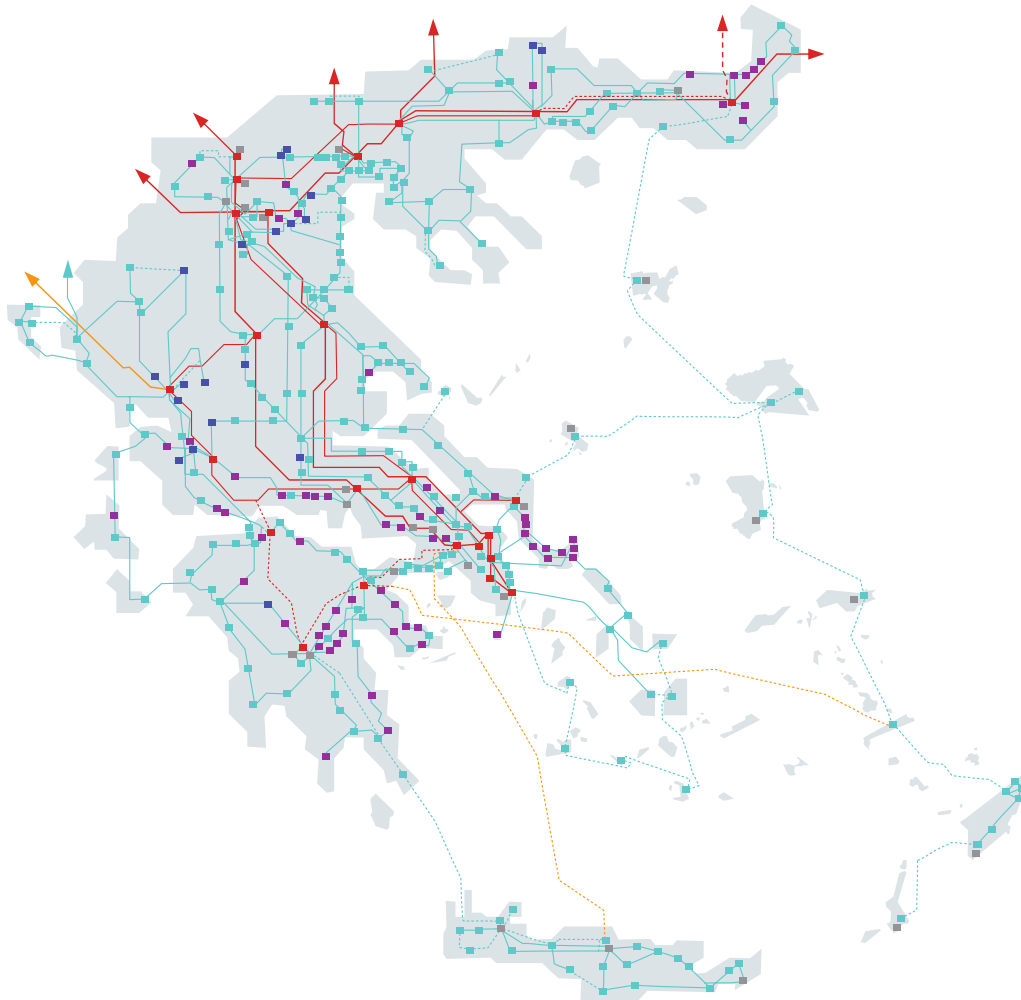


INTERIM CONDENSED FINANCIAL STATEMENTS

for the period
January 1st to June 30th 2022



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

This page has been left blank intentionally.

TABLE OF CONTENTS

INTERIM CONDENSED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS.....	4
INTERIM CONDENSED INCOME STATEMENT FOR THE PERIOD 01/01/2022 – 30/06/2022	6
INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 01/01/2022 – 30/06/2022	7
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30/06/2022	8
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP FOR THE PERIOD 01/01/2022 – 30/06/2022	9
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE COMPANY FOR THE PERIOD 01/01/2022 – 30/06/2022	10
INTERIM CONDENSED STATEMENT OF CASH FLOW FOR THE PERIOD 01/01/2022 – 30/06/2022	11
NOTES TO THE INTERIM CONDENSED COMPANY AND GROUP FINANCIAL STATEMENTS.....	12
1 ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY AND GROUP	14
2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND MAIN ACCOUNTING PRINCIPLES	14
3 FINANCIAL RISK MANAGEMENT	19
4 REVENUE	27
5 PAYROLL COST.....	29
6 DEPRECIATION AND AMORTIZATION	29
7 THIRD PARTY BENEFITS AND THIRD PARTY FEES	30
8 PROVISION (RELEASE OF PROVISION) FOR RISKS AND EXPENSES	30
9 FINANCIAL EXPENSES - INCOME	31
10 INCOME TAX (CURRENT AND DEFERRED)	32
11 INVESTMENTS IN SUBSIDIARIES	33
12 INVESTMENTS IN ASSOCIATES	33
13 TANGIBLE ASSETS	35
14 FINANCIAL ASSETS AT AMORTIZED COST AND OTHER LONG-TERM RECEIVABLES	38
15 INVENTORIES.....	38
16 SHARE CAPITAL	39
17 LEGAL RESERVE	39
18 OTHER RESERVES.....	39
19 LOANS	39
20 LIABILITY FROM CONCESSION AGREEMENT	41
21 SPECIAL ACCOUNTS (RESERVES)	41
22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.....	42
23 COMMITMENTS AND CONTINGENCIES.....	44
24 CONTINGENT LIABILITIES.....	48
25 INVESTMENTS IN OTHER COMPANIES	49
26 SUBSEQUENT EVENTS.....	49

This page has been left blank intentionally.



**INTERIM CONDENSED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST TO JUNE 30TH 2022**

**IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION (INTERIM FINANCIAL REPORT)**

**The attached Interim Condensed Financial Statements have been approved by the Board of Directors of the
“Independent Power Transmission Operator (IPTO)S.A.” on September 21st, 2022**

CHAIRMAN OF THE
BoD & CEO

EXECUTIVE VICE
CHAIRMAN OF THE BoD

DEPUTY CHIEF EXECUTIVE
OFFICER

DEPUTY GENERAL
GROUP FINANCE DIRECTOR

M. MANOUSAKIS
ID Card 579857

I MARGARIS
ID Card 286541

D.CHEN
No PE1871422
Passport Republic of China

E.ZARIKOU
1st class No 105026

This page has been left blank intentionally.

INTERIM CONDENSED INCOME STATEMENT FOR THE PERIOD 01/01/2022 – 30/06/2022

	Note	Group		Company	
		01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Revenue					
Revenue from transmission system rent	4	128.034	130.783	128.655	130.783
Revenue from balancing market	4	5.938	-	5.938	-
Concession agreement expenses	4	-	-	(1.084)	(1.287)
Operator's revenue from clearing charges	4	247.293	51.249	247.293	51.249
Operator's expenses from clearing charges	4	(247.293)	(51.249)	(247.293)	(51.249)
Revenue from other operations	4	3.494	6.947	3.494	6.947
Total revenue		137.466	137.729	137.003	136.442
Expenses/Other income					
Payroll cost	5	27.353	28.620	27.205	28.483
Depreciation and amortization	6	52.191	48.801	52.137	48.781
Contracting cost		34	878	34	878
Materials and consumables		427	386	427	386
Third party benefits	7	3.140	2.504	3.140	2.503
Third party fees	7	10.704	7.062	10.271	6.671
Taxes–duties		1.583	1.151	1.575	1.148
Provision (release of provision) for risks and expenses	8	(1.032)	(2.500)	(1.013)	(2.501)
Other income		(2.895)	(1.215)	(2.811)	(1.252)
Other expenses		6.980	4.143	6.924	4.171
Total expenses (net)		98.486	89.830	97.890	89.268
Profit before taxes and financial results		38.980	47.899	39.113	47.174
Financial expenses	9	(7.512)	(7.504)	(7.497)	(7.502)
Financial income	9	1.665	1.523	2.130	1.095
Profits before taxes		33.133	41.918	33.746	40.766
Income tax	10	(9.043)	(1.046)	(9.039)	(683)
Net profit for the period after taxes		24.090	40.871	24.707	40.083
Attributable to:					
Owners of the Company		24.090	40.871	24.707	40.083
Non-controlling interests		-	-	-	-

*Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 2.4).
The notes on pages 14 to 50 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 01/01/2022 – 30/06/2022

	Note	Group		Company	
		01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Net profit for the period after taxes		24.090	40.871	24.707	40.083
Other comprehensive income (loss) non-reclassified in the income statement					
Tax rate change effect	10	-	7.594	-	7.594
Actuarial gain based on IAS 19		-	34	-	40
Deferred tax on actuarial gain		-	(7)	-	(9)
Other comprehensive income after taxes		-	7.621	-	7.625
Cumulative comprehensive income after taxes		24.090	48.492	24.707	47.708
Attributable to:					
Owners of the Company		24.090	48.492	24.707	47.708
Non-controlling interests		-	-	-	-

The notes on pages 14 to 50 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30/06/2022

ASSETS	Note	Group		Company	
		30/06/2022	31/12/2021*	30/06/2022	31/12/2021*
Non-current assets					
Tangible assets	13	2.787.555	2.757.493	2.781.111	2.755.260
Intangible assets		5.327	5.903	5.277	5.844
Right of use asset		2.579	2.200	1.519	2.065
Investments in subsidiaries	11	-	-	205.300	201.800
Investments in associates	12	2.057	1.743	1.050	1.050
Financial assets at amortized cost	14	4.141	4.075	4.141	4.075
Long-term portion of finance lease receivables		3.726	3.732	3.357	3.224
Other long-term receivables	14	27.499	24.627	27.499	24.627
Total non-current assets		2.832.885	2.799.772	3.029.254	2.997.944
Current assets					
Inventories	15	50.806	56.394	50.806	56.394
Trade receivables		112.386	133.713	112.386	133.557
Other receivables		93.094	120.012	85.004	107.399
Short-term portion of finance lease receivables		522	364	158	150
Cash and cash equivalents		234.269	203.384	222.120	190.115
Total current assets		491.077	513.867	470.474	487.615
Total assets		3.323.962	3.313.639	3.499.727	3.485.559
EQUITY AND LIABILITIES					
Equity					
Share capital	16	38.444	38.444	38.444	38.444
Legal reserve	17	13.076	13.076	12.815	12.815
Other reserves	18	(8.237)	(8.237)	(8.231)	(8.231)
Revaluation reserve		893.967	893.967	893.967	893.967
Retained earnings		457.594	467.439	453.190	462.397
Equity attributable to owners of the Company		1.394.845	1.404.690	1.390.185	1.399.392
Non-controlling interests		-	-	-	-
Total equity		1.394.845	1.404.690	1.390.185	1.399.392
Non-current liabilities					
Long-term borrowings	19	872.144	829.224	754.050	775.041
Provisions for employee benefits		11.174	11.206	11.174	11.206
Other provisions		16.026	16.056	16.026	16.056
Deferred tax liabilities	10	181.654	182.202	181.655	182.208
Subsidies		452.406	428.291	452.406	428.291
Long-term Lease liabilities		1.398	1.956	1.309	1.851
Long-term liability from concession agreement	20	-	-	310.722	278.946
Other non-current liabilities		20.963	18.998	8.446	7.982
Special accounts (reserves)	21	61.778	61.350	61.778	61.350
Total non-current liabilities		1.617.542	1.549.283	1.797.566	1.762.932
Current liabilities					
Trade and other payables		113.055	187.228	115.284	141.176
Short-term liability from concession agreement	20	-	-	48	9.088
Short-term lease liabilities		282	298	251	268
Short-term portion of long-term borrowings	19	40.059	35.777	40.020	35.746
Income tax payable		6.206	3.489	6.126	3.407
Accrued and other liabilities		58.943	73.868	57.219	74.542
Special accounts (reserves)	21	93.028	59.007	93.028	59.007
Total current liabilities		311.575	359.666	311.977	323.235
Total equity and liabilities		3.323.962	3.313.639	3.499.727	3.485.559

*Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 2.4).

The notes on pages 14 to 50 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP FOR THE PERIOD 01/01/2022 – 30/06/2022

	Group					Total equity
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	
Balance as at 01/01/2021	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 period	-	-	-	-	40.871	40.871
Other comprehensive income after tax for the period	-	-	(183)	7.804	-	7.621
Total comprehensive income	-	-	(183)	7.804	40.871	48.492
Dividends paid	-	-	-	-	(42.074)	(42.074)
Balance as at 30/06/2021	38.444	13.014	(10.694)	893.967	438.979	1.373.711
Net profit for the period	-	-	-	-	28.522	28.522
Transferred reserves	-	62	-	-	(62)	-
Other comprehensive income after tax for the period	-	-	2.457	-	-	2.457
Total comprehensive income	-	62	2.457	-	28.460	30.979
Balance as at 31/12/2021	38.444	13.076	(8.237)	893.967	467.440	1.404.690
Balance as at 01/01/2022	38.444	13.076	(8.237)	893.967	467.440	1.404.690
Net profit for the period	-	-	-	-	24.090	24.090
Other comprehensive income after tax for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	24.090	24.090
Share issue transaction costs	-	-	-	-	(21)	(21)
Dividends paid	-	-	-	-	(33.914)	(33.914)
Balance as at 30/06/2022	38.444	13.076	(8.237)	893.967	457.595	1.394.845

The notes on pages 14 to 50 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE COMPANY FOR THE PERIOD 01/01/2022 – 30/06/2022

	Company					Total equity
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	
Balance as at 01/01/2021	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 period	-	-	-	-	40.083	40.083
Other comprehensive income after tax for the period	-	-	(179)	7.804	-	7.625
Total comprehensive income	-	-	(179)	7.804	40.083	47.708
Dividends paid	-	-	-	-	(42.074)	(42.074)
Balance as at 30/06/2021	38.444	12.815	(10.686)	893.967	434.652	1.369.192
Net profit for the period	-	-	-	-	27.745	27.745
Other comprehensive income after tax for the period	-	-	2.455	-	-	2.455
Total comprehensive income	-	-	2.455	-	27.745	30.200
Balance as at 31/12/2021	38.444	12.815	(8.231)	893.967	462.397	1.399.392
Balance as at 01/01/2022	38.444	12.815	(8.231)	893.967	462.397	1.399.392
Net profit for the period	-	-	-	-	24.707	24.707
Other comprehensive income after tax for the period	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	24.707	24.707
Dividends paid	-	-	-	-	(33.914)	(33.914)
Balance as at 30/06/2022	38.444	12.815	(8.231)	893.967	453.190	1.390.185

The Annual General Meeting of Shareholders held on 31st May 2022 approved the distribution of a dividend of Euro 33.914 of the net profit for the year 2021.

The notes on pages 14 to 50 form an integral part of these financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOW FOR THE PERIOD 01/01/2022 – 30/06/2022

	Note	Group		Company	
		01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Cash flows from operating activities					
Profit before tax		33.133	41.918	33.746	40.766
Adjustments for:					
Depreciation of tangible and intangible assets	6	58.554	55.204	58.499	55.184
Amortization of subsidies	6	(6.362)	(6.403)	(6.362)	(6.403)
Interest income	9	(1.665)	(1.484)	(2.130)	(1.095)
Other provisions	8	(1.032)	(2.918)	(1.013)	(2.959)
Asset write-offs	13	81	607	81	607
(Loss)/Gain from derecognition of optical fiber		7	(39)	-	-
Gain from associates		(314)	(126)	-	-
Interest expense	9	7.512	7.504	7.497	7.502
Personnel provisions	5	285	479	285	479
Operational profit before changes in the working capital		90.198	94.742	90.602	94.082
<i>(Increase)/decrease:</i>					
Trade and other receivables		19.902	33.380	19.844	30.410
Other receivables		10.108	(20.208)	11.792	(18.424)
Inventories		6.947	(5.767)	6.947	(5.767)
Trade payables		(32.270)	(45.155)	(30.451)	(23.004)
Other payables and accrued expenses		1.021	(10.528)	(2.854)	(13.205)
Income tax paid		-	(49)	-	-
Net cash inflows from operating activities		95.906	46.415	95.881	64.091
Cash flows from investing activities					
Interest received		934	763	1.597	431
Subsidies received		30.477	2.461	30.477	2.461
Capital receivables from Leases		-	69	-	-
Investments in related parties		-	-	(3.500)	-
Purchases of current and non-current assets	13	(100.979)	(168.197)	(33.118)	(97.060)
Net cash (outflows) from investing activities		(69.568)	(164.904)	(4.545)	(94.168)
Cash flows from financing activities					
Loan repayments	19	(17.000)	(5.333)	(17.000)	(5.333)
Receipt of loans	19	65.000	30.000	-	-
Loan issuance costs	19	(1.196)	(589)	(1.074)	-
Dividends paid		(33.914)	(42.074)	(33.914)	(42.074)
Share issue transaction costs		(21)	-	-	-
Lease liabilities payment (capital)		(158)	(113)	(144)	(110)
Interest paid		(8.163)	(7.100)	(7.199)	(7.097)
Net cash inflows/(outflows) from financing activities		4.548	(25.209)	(59.331)	(54.615)
Net increase/(decrease) of cash and cash equivalents		30.885	(143.698)	32.005	(84.692)
Cash and cash equivalents, opening balance		203.384	248.478	190.115	161.359
Cash and cash equivalents, closing balance		234.269	104.780	222.120	76.667

*Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 2.4).

The notes on pages 14 to 50 form an integral part of these financial statements.

NOTES TO THE INTERIM CONDENSED SEPARATE AND GROUP FINANCIAL STATEMENTS

This page has been left blank intentionally.

1 ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY AND GROUP

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

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

The headquarters of the Company are located at 89, Dyrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. The attached financial statements include the corporate financial statements of IPTO S.A. and the consolidated financial statements of IPTO S.A. and its subsidiaries (“the Group”), “ARIADNE INTERCONNECTION S.P.S.A.” and “GRID TELECOM S.M.S.A.”. On June 30th 2022, the Group employed 1.205 employees, and the Company 1.174 employees of whom 27 in total were seconded. Specifically, 8 were seconded to Public Sector services, 18 to Public Organizations and 1 was seconded to the subsidiary company “ARIADNE INTERCONNECTION S.P.S.A.”.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND MAIN ACCOUNTING PRINCIPLES

2.1 BASIS OF PREPARATION

Statement of compliance

The Interim Condensed Financial Statements for the period ended 30 June 2022 (the “Financial Statements”) have been prepared in accordance with International Financial Reporting Standard 34 (“IFRS 34”) for interim financial reporting.

2.1.1 INTERIM CONDENSED FINANCIAL STATEMENTS APPROVAL

The Board of Directors of the Group approved the Interim Condensed Financial Statements for the period ended on 30 June, 2022, on September 21th, 2021.

2.1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Interim Condensed Financial Statements do not include all the information required in the annual financial statements and therefore these should be interpreted in combination with the published audited financial statements for the year ended on 31st December, 2021, which have been published in Company’s website www.admie.gr.

The accompanying Interim Condensed Financial Statements have been prepared under the historical cost principle except for fixed assets (excluding assets under construction) measured regularly at fair value and the going concern principle. The Group Management continues to closely monitor the situation, both nationally and globally, of the geopolitical turbulence in Ukraine and the possible impact on the Group’s activities. Management declares that it still considers the going concern principle to be the appropriate basis for the preparation of the Financial Statements.

The Interim Condensed Financial Statements are presented in thousands of Euro and all values are rounded to the nearest thousand unless otherwise stated. Any differences that may be noticed in the tables are due to rounding.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS OF MANAGEMENT

The preparation of the Interim Condensed Financial Statements requires the Management of the Group and the Company, to make estimates, judgments and assumptions that affect the balances of the assets and liabilities accounts, the disclosure of any contingent assets and liabilities as at the date of the Interim Condensed Financial Statements as well as the income and expenses presented during the considered periods. Management estimates and judgments are reviewed annually. Actual results may differ from these estimates and judgments.

2.3 NEW ACCOUNTING POLICIES

The accounting policies used for the preparation of the Interim Condensed Financial Statements are the same as those used in the preparation of the annual financial statements for the year ended 31st December 2021, and are reported in detail in the notes of the annual financial statements with the exception of the application of the new amendments and interpretations listed below, the application of which is mandatory for the accounting periods beginning on 1 January 2022.

2.3.1 Standards, amendments and Interpretations effective for the current period

Specific new standards, amendments to existing standards and interpretations have been issued, which are effective for accounting periods starting on or after January 1st, 2022 and are listed below.

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 recognizes 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**.

The above amendments does not 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 that the other conditions for applying the practical expedient are met.

The above amendment does not have an impact on the Financial Statements of the Group and the Company.

2.3.2 Standards amendments and Interpretations effective on annual periods beginning on or after 1st January 2023

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 above amendments are not expected to 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 expense, 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 within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. 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 is in the process of assessing whether the amendment is expected to have a significant impact in 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 above amendments are not expected to have a significant impact on the Financial Statements of the Group and the Company.

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 is in the process of assessing whether the amendments are expected to have a significant impact in 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 is in the process of assessing whether the amendment is expected to have a significant impact in the Financial Statements of the Group and the Company.

2.4 Reclassifications

The following prior period amounts have been reclassified so that the Income Statement, the Statement of Financial Position and the Cash Flow Statement for the Group and the Company as at 30/06/2022 are comparable to the Statement of Financial Position as at 31/12/2021, the Income Statement and the Cash Flow Statement as at 30/06/2021.

Specifically, the most significant reclassifications are:

- 1) Amount of Euro 212 for both the Group and the Company in the Income Statement as at 30/06/2021 was reclassified from "Other income" to "Revenue from other operations" (Note 4) for comparability purposes with the Income Statement on 30/06/2022. This amount relates to revenue from maintenance and support services.
- 2) Amount of Euro 536 for both the Group and the Company in the Income Statement as at 30/06/2021 was reclassified from "Other expenses" to "Payroll cost" (Note 5) for comparability purposes with the Income Statement as at 30/06/2022. This amount relates to other employee benefits.
- 3) Amount of Euro 458 for both the Group and the Company in the Income Statement as at 30/06/2021 was reclassified from "Provision (release of provision) for risks and expenses" (Note 8) to "Other expenses" by the amount of Euro 6 and to "Taxes–duties" by the amount of Euro 452 for comparability purposes with the Income Statement on 30/06/2022. This amount relates to court costs, for which a provision that had been formed in the past was used.
- 4) Amount of Euro 357 for both the Group and the Company in the Income Statement as at 30/06/2021 was reclassified from "Revenue from other operations" (Note 4) to "Other income" and specifically to "Revenue from recovery of administrative expenses" for comparability purposes with the Income Statement as at 30/06/2022.
- 5) Amount of Euro 19 for the Group and Euro 14 for the Company in the Income Statement as at 30/06/2021, was reclassified from "Revenue from other operations" (Note 4) and specifically from line "Other revenue from operations" to "Other income" for comparability purposes with the Income Statement as at 30/06/2022. This amount relates to non-organic revenue from ancillary activities.

6) The "Capitalized expenses", which until 31/12/2021 were presented separately in "Payroll Cost" (Note 5) and in "Third Party Benefits and Third Party Fees" (Note 7), from 01/01/2022 are shown subtractive from the relevant expenses. Reclassifications have also been made in the notes for the period 01/01-30/06/2021, for comparability reasons.

7) Amount of Euro 1.089 for the Group and Euro 1.278 for the Company in the Statement of Financial Position as at 31/12/2021, was reclassified from "Trade receivables" and specifically "Accrued trade receivables" to "Other receivables" and specifically "Accrued other receivables" by the amount of Euro 680 for the Group and Euro 869 for the Company and to "Deferred expenses" by the amount of 409 for both the Group and the Company for comparability purposes with the Statement of Financial Position as at 30/06/2022. This amount relates to accrued revenue and deferred expenses.

8) Amount of Euro 878 concerning contract costs, was reclassified in the Cash Flow Statement as at 30/06/2021 from "Asset write-offs" to "Purchases of current and non-current assets" for comparability purposes on 30/06/2022. This amount relates to third party projects (PoC) and therefore the purchases should not be presented increased by this amount.

The aforementioned reclassifications have also been made in the notes for comparability purposes.

The above reclassifications have no impact on the financial position and total financial results.

Reclasses in Income Statement of 01/01/2021-30/06/2021

	Group			Company			Note
	01/01/2021-30/06/2021 Published	Reclassifications	01/01/2021-30/06/2021 Adjusted	01/01/2021-30/06/2021 Published	Reclassifications	01/01/2021-30/06/2021 Adjusted	
Revenue							
Revenue from transmission system rent	130.783		130.783	130.783		130.783	
Revenue from balancing market	-		-	-		-	
Concession agreement expenses	-		-	(1.287)		(1.287)	
Operator's revenue from clearing charges	51.249		51.249	51.249		51.249	
Operator's expenses from clearing charges	(51.249)		(51.249)	(51.249)		(51.249)	
Revenue from other operations	7.111	(164)	6.947	7.105	(159)	6.947	1,4,5
Total revenue	137.893	(164)	137.729	136.601	(159)	136.442	
Expenses/(Other income)							
Payroll cost	28.083	536	28.620	27.946	536	28.483	2
Depreciation and amortization	48.801		48.801	48.781		48.781	
Contracting cost	878		878	878		878	
Materials and consumables	386		386	386		386	
Third party benefits	2.504		2.504	2.503		2.503	
Third party fees	7.062		7.062	6.671		6.671	
Taxes–duties	1.604	(452)	1.151	1.601	(452)	1.148	3
Provision (release of provision) for risks and expenses	(2.959)	458	(2.500)	(2.959)	458	(2.501)	3
Other income	(1.051)	(164)	(1.215)	(1.093)	(159)	(1.252)	1,4,5
Other expenses	4.686	(542)	4.143	4.714	(542)	4.171	2,3
Total expenses (net)	89.995	(164)	89.830	89.427	(159)	89.268	
Profit before taxes and financial results	47.899	-	47.899	47.174	-	47.174	
Financial expenses	(7.504)		(7.504)	(7.502)		(7.502)	
Financial income	1.523		1.523	1.095		1.095	
Profit before taxes	41.918	-	41.918	40.766	-	40.766	
Income tax	(1.046)		(1.046)	(683)		(683)	
Net profit of fiscal year	40.871	-	40.871	40.083	-	40.083	

Attributable to:

Owners of the Company	40.871	40.871	40.083	40.083
Non controlling interests	-	-	-	-

2.5 Significant Events of the Period

Election of a new Board of Directors

On May 31st, 2022, the Ordinary General Meeting of the Company's shareholders, elected a new Board of Directors, which was constituted as follows:

1. Manousos Manousakis, as Chairman of the Board of Directors and CEO (Executive member).
2. Ioannis Margaris, as Vice-President of the Board of Directors (Executive member).
3. Dong Chen, as Deputy CEO (Executive member).
4. Wang Yuanhang, as a Board Member (Non-Executive member).
5. Yunpeng He, as a Board Member (Non-Executive member).
6. Ioannis Karampelas, as a Board Member (Non-Executive member).
7. Stavros Ignatiadis, as a Board Member (Non-Executive member).
8. Antonios Aspras, as a Board Member (Non-Executive member).
9. Fotios Nikolopoulos, as a Board Member, Representative of the employees (Non-Executive member).

The term of office of the above Board of Directors is three years (3 years) and expires on 31/05/2025.

Agreement to connect Greece and Egypt

During June 2022, the Company, the subsidiary of the Group, "GRID TELECOM S.M.S.A." and "Telecom Egypt", Egypt's first integrated telecom operator, signed Heads of Agreement to connect Greece and Egypt by extending a branch from a major subsea cable system, which is currently being laid across the Mediterranean Sea, with a sealing point in Crete. The planned connectivity between Egypt and Greece will serve the increasing data traffic in the Mediterranean Sea, creating a new reliable telecommunications corridor interconnection. Additionally, it will be the shortest possible path crossing the Mediterranean basin to reach the Balkans region as well as other important destinations like Genoa and Marseilles over hybrid terrestrial and submarine networks.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group and the Company are exposed to financial risks, such as market risks (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management program, focuses on the uncertainty of financial and non – 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 on a periodic basis. Also, there are no speculative transactions.

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 of similar items.
- Level 3: Values for assets or liabilities that are not based on stock market prices from active financial markets.

There were no changes in the valuation techniques used by the Group during the period ended 30 June 2022. Also, during the period there were no transfers between Levels 1 and 2, nor transfers into and out of Level 3 for the measurement of fair value. The fair value of trade receivables and trade payables approximates their book values.

The main financial instruments of the Group and the Company are as follows:

Assets	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
<i>At amortized cost</i>				
Financial assets	4.141	4.075	4.141	4.075
Finance lease receivables	4.248	4.096	3.514	3.374
Other non- current assets	27.499	24.627	27.499	24.627
Trade and other receivables	205.480	253.725	197.390	240.956
Cash and cash equivalents	234.269	203.384	222.120	190.115
Total	475.637	489.907	454.664	463.146
Liabilities				
<i>At amortized cost</i>				
Lease liabilities	1.681	2.254	1.560	2.119
Loans	912.203	865.000	794.070	810.788
Liabilities from Concession agreement	-	-	310.771	288.033
Other non-current liabilities	20.963	18.998	8.446	7.982
Trade, accrued and other liabilities	178.205	264.584	178.628	219.125
Total	1.113.051	1.150.836	1.293.475	1.328.048

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, the supply chain disruptions, the evolution of the pandemic as well as recent geopolitical turbulence in Ukraine 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. At this point ECB raised the key interest rate and the Euribor is positive. There is systematic information and monitoring by the Board of Directors and in the event of a significant 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, will affect the results, equity and the 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	
		Group	Company
01/01/2022			
30/06/2022			
Euro	15	(362)	(272)
Euro	(15)	362	272
01/01/2021			
30/06/2021			
Euro	15	(254)	(231)
Euro	(15)	254	231

b) Exchange rate risk

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

c) Credit Risk

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

For trade receivables arising from the Electricity Market, the Company operates as an intermediate. According to the provisions of Law 4001/2011 and as mentioned in the Management Code of Hellenic Electricity Transmission System, IPTO is the competent Administrator for the clearance of imbalances and settlement of financial transactions between the Participants

arising therefrom. In carrying out its responsibilities, it acts as an intermediary, with a mediating role, among the Participants in the electricity market. The above-mentioned mediation responsibility 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 itself, 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 anticipated, nor can be drawn up any obligation of IPTO be paid with its own funds, the financial obligations of any defaulting Participant, nor of course, there is a legal basis for parallel responsibility. Therefore, IPTO is not exposed to credit risk related to any default by the Participants.

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Group and the Company. The Group and Company manage liquidity risk by monitoring and planning its cash flows, and act appropriately to ensure sufficient credit lines and cash deposits, aiming, at the same time, to extend the average maturity of its debt and the diversification of its funding sources. Simultaneously, the Group ensures the efficient and low-risk cash and cash equivalents management, compensating the cost of interest on loans and maintaining the cash available for the implementation of investments set out in Ten-Year Development plan of HETS.

The contractual maturities of the principal financial liabilities, including interest payments and commissions, are as follows:

Payable amounts as at 30.06.2022

Group	Within 1 year	1 to 5 years	>5 years	Total
Trade, Accrued and Other Payables	178.205	-	-	178.205
Lease liabilities	324	676	1.163	2.163
Loans	59.321	521.079	471.081	1.051.480
Total	237.849	521.754	472.244	1.231.847

Company	Within 1 year	1 to 5 years	>5 years	Total
Trade, Accrued and Other Payables	178.628	-	-	178.628
Lease liabilities	290	607	1.125	2.022
Loans	56.315	483.303	374.225	913.843
Total	235.234	483.909	375.350	1.094.493

Payable amounts as at 31.12.2021

Group	Within 1 year	1 to 5 years	>5 years	Total
Trade, Accrued and Other Payables	264.584	-	-	264.584
Lease liabilities	361	826	1.951	3.138
Loans	53.622	509.840	440.047	1.003.509
Total	318.568	510.667	441.997	1.271.232

Company	Within 1 year	1 to 5 years	>5 years	Total
---------	---------------	--------------	----------	-------

Trade, Accrued and Other Payables	219.125	-	-	219.125
Lease liabilities	328	741	1.913	2.981
Loans	52.395	495.016	393.394	940.805
Total	271.848	495.757	395.307	1.162.912

The payable amounts related to lease and loan liabilities differ from the corresponding amounts in the Statement of Financial Position, in which the accounting value is shown, as they refer to undiscounted amounts to be paid.

3.2 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 capital employed. 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	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Long- term loans and leases	873.542	831.179	755.358	776.893
Short- term part of long-term loans and leases	40.342	36.074	40.272	36.014
Minus: cash and cash equivalents	(234.269)	(203.384)	(222.120)	(190.115)
Net debt	679.615	663.870	573.510	622.792
Equity	1.394.845	1.404.690	1.390.185	1.361.462
Total working capital	2.074.460	2.068.560	1.963.695	1.984.255
Net debt to equity ratio	49%	47%	41%	46%
Leverage ratio	33%	32%	29%	31%

The table below presents an analysis of the Group's net debt and its movement for the current financial period and the comparative year.

Net Debt Group

	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	Total
Net debt as at 1st January 2021	248.478	(35.188)	(722.498)	(509.209)
(Decrease) in cash flows	(45.094)	-	-	(45.094)
Loan repayments and lease liabilities payments/(Receipt of loans)	-	33.076	(144.995)	(111.919)
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	-	(34.351)	34.351	-
Non cash movements-(Recognition)/Write off of financial leases	-	(38)	(1.353)	(1.391)
Net debt as at 31st December 2021	203.384	(36.074)	(831.179)	(663.870)
Net debt as at 1st January 2022	203.384	(36.074)	(831.179)	(663.870)
Increase in cash flows	30.885	-	-	30.885
Loan repayments and lease liabilities payments/(Receipt of loans)	-	17.158	(65.000)	(47.842)
Accrued interest payable	-	60	-	60
Non cash movements -amendment of loan's terms	-	236	(477)	(242)
Non cash movements-Loan issuance costs	-	80	898	978
Non-cash items - Transfer to short-term loan and lease liabilities	-	(21.799)	21.799	-
Non cash movements-(Recognition)/Write off of financial leases	-	(2)	417	415
Net debt as at 30th June 2022	234.269	(40.342)	(873.542)	(679.615)

The table below presents an analysis of the Group's net debt and its movement for the current financial period and the comparative year.

	Net Debt Company			Total
	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	
Net debt as at 1st January 2021	161.359	(35.188)	(722.498)	(596.328)
Increase in cash flows	28.756	-	-	28.756
Loan repayments and lease liabilities payments/(Receipt of loans)	-	33.067	(90.000)	(56.933)
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	-	(34.351)	34.351	-
Non cash movements-(Recognition)/Write off of financial leases	-	-	(1.243)	(1.243)
Net debt as at 31st December 2021	190.115	(36.014)	(776.893)	(622.792)
Net debt as at 1st January 2022	190.115	(36.014)	(776.893)	(622.792)
Increase in cash flows	32.005	-	-	32.005
Loan repayments and lease liabilities payments	-	17.144	-	17.144
Accrued interest payable	-	79	-	79
Non cash movements -amendment of loan's terms	-	236	(477)	(242)
Non cash movements-Loan issuance costs	-	78	(198)	(120)
Non-cash items - Transfer to short-term loan and lease liabilities	-	(21.794)	21.794	-
Non cash movements-(Recognition)/Write off of financial leases	-	-	415	415
Net debt as at 30th June 2022	222.120	(40.272)	(755.358)	(573.510)

3.3 OTHER FINANCIAL RISKS

Risk of change of the Regulatory Framework:

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

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

Regulatory risk:

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

Risk of regulated returns of the Company:

The Company's operation is significantly determined by the implementation of the Ten Year Network Development Plan (TYNDP), as it affects both the investments, that the Company is required to execute 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 safeguards and controls to limit regulatory risks and, in cooperation with the Regulatory Authority for Energy, ensures that the necessary approvals for each transaction are in place.

Geopolitical and macroeconomic environment risk:

The Russian invasion in Ukraine on 24 February 2022 has caused energy and food prices to soar further and compounded existing supply chain pressures. These factors pose strong headwinds for the economic recovery in the euro area and come at the same time as a relaxation of pandemic-related restrictions, which is providing a strong boost to the services sector. The macroeconomic projections for the Euro zone for the years 2022-2024 are built on the assumptions that the current sanctions against Russia will remain in place over the full projection horizon (including the EU's oil embargo); the intense phase of the war will continue until the end of this year with no further escalation; disruptions to energy supplies will not lead to rationing in euro area countries; and supply bottlenecks will gradually be resolved by the end of 2023.

All this implies much weaker (though still positive) near-term growth prospects, with headwinds fading after 2022 and growth in the medium term standing somewhat above historical average rates, reflecting a gradual recovery from the economic fallout from the pandemic, as well as the fading of the negative impacts of the war amid overall robust labour markets.

Euro area real GDP is expected to grow by 2.8% on average in 2022 (of which 2.0 percentage points relates to carry-over from 2021) and by 2.1% in both 2023 and 2024. Following the surge in inflation in early 2022, the outlook is for higher and more

persistent inflation. Headline HICP inflation is expected to remain very high for most of 2022, averaging 6.8%, before abating gradually from 2023 and converging to the ECB's inflation target in the second half of 2024.

Price pressures will remain exceptionally high in the near term owing to elevated oil and gas prices, and increases in food commodity prices which have been strongly affected by the war in Ukraine, as well as the effects of the reopening of the economy and global supply shortages. HICP inflation excluding energy and food will remain very elevated until the end of 2022, but thereafter it is expected to decline as the upward pressures from the reopening of the economy subside and as supply bottlenecks and energy input cost pressures ease.

From the beginning of 2021, there is a continuous appreciation of raw materials, which concerns all sectors of the economy, with consequence that the significant increase in their prices is passed on the production of products, their transportation costs and the general international shortage of products. In addition, rising electricity prices due to energy costs increase across Europe, mainly due to rising emissions and natural gas prices, have resulted in increased costs for businesses, and especially for heavy industry. The consequence of the above is the disruption of the smooth operation of the supply chain. Following this, clarifications were provided by H.S.P.A., based on the decision 2040/13.4.2022 in relation to price increases and supply chain problems due to the energy crisis, the crisis in Ukraine and the continuing effects of COVID-19. More specifically, it is provided the opportunity, after the approval of the competent body, to modify the concluded contracts and to adjust the contract price by up to 50% on the value of the original contract, subject to the other cumulative conditions. Regarding the issues that have arisen with respect to smooth operation of the supply chain, due to COVID-19 but also the crisis in Ukraine, it is pointed out that the relevant delays, on the part of economic operators, in the implementation of their obligations arising from already concluded contracts and which are linked to the delivery of goods, if they are due to supply chain problems, then a basis for postponing the delivery time and amending the relevant contracts is provided. Based on current data, there do not seem to be any significant effects from the above events on the Group's and the Company's activity. The Management of the Group and the Parent Company constantly monitors the above situation and evaluates any possible further effects on the operations, financial position and results of the Group and the Parent Company, being alert to take further appropriate preventive measures for safeguarding the liquidity and business activities of the Group and the Parent Company.

Risks related to climate change:

Climate change is nowadays considered one of the most important global issues with a significant adverse impact on the Company's activities, as well as on the natural environment and society itself. Addressing it is one of the most important challenges today.

For this reason, IPTO included new parameters in its strategy in order to adapt to the new conditions that are created due to climate change. Based on current data and upcoming changes, IPTO identifies the risks associated with climate change, as well as the potential opportunities.

A pillar of IPTO's new Strategy for the years 2021-2024, comprises Safety and Reliability in a difficult environment.

IPTO's contribution is also important in terms of tackling climate change at the national level. Specifically, the construction of new interconnections that integrate more RES in the System, results in a "greener" energy mix, thus contributing to the transition to a lower carbon economy and decarbonization. At the same time, IPTO supports innovative technologies that

enhance “green transition” such as energy storage for increasing RES contribution in the energy mix and vehicle charging infrastructure.

These changes also contribute to the creation of new opportunities for action as the transition to a low-carbon economy can only be achieved through significant structural and technological changes in the energy production system.

More specifically, according to the Ten-Year Development Plan 2022-2031, the development projects include, among others, the following:

- necessary reinforcements of the System, such as new transmission lines, upgrades of existing transmission lines, new Ultra High Voltage Centers (UHVCs) and Substations, as well as extensions of existing UHVCs or Substations, as required for the safe transmission of electric power,
- modernization and upgrading of existing infrastructure (e.g. Substations and UHVCs), as well as their respective control infrastructure, necessary works to improve operation and costs of the System, such as the upgrade of the existing UHVCs and construction of new transmission lines to best serve the needs of System Users,
- integration into the System of new interconnections and/or upgrading existing ones with neighboring countries,
- projects for expanding the System such as transmission lines and substations which are required for integrating new power plants and new high-voltage consumers, for which relevant studies have been completed,
- development of the necessary infrastructure, such as measurement collection systems (SCADA), telecommunications backbone network, telecommunications links between Substations/UHVCs and the Energy Control Centers, development and software installation in accordance with the requirements for a safer and more efficient operation of the System and the electricity market.

4 REVENUE

Revenue is presented in the table below:

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Revenue from transmission system rent	128.034	130.783	128.655	130.783
Revenue from balancing market	5.938	-	5.938	-
Operator’s revenue from clearing charges	247.293	51.249	247.293	51.249
Operator’s expenses from clearing charges	(247.293)	(51.249)	(247.293)	(51.249)
Concession agreement expenses	-	-	(1.084)	(1.287)
Revenue from other operations				
Revenue from contracts	37	930	37	930
Revenue from services related to fixed assets	1.926	4.789	1.926	4.789
Costumers’ contributions	1.531	1.227	1.531	1.227
Total revenue from other operations	3.494	6.947	3.494	6.947
Grand total	137.466	137.729	137.003	136.442

*The amounts of prior period have been reclassified (Note 2.4).

According to the no. 587/2022 Decision of RAE, the Required Revenue for 2022 was approved and amounted to Euro 268 million. Additionally, according to the no. 643/2022, the unitary TUoS charges were approved and incorporated into the invoicing of the charges by IPTO S.A. from 1 September 2022. In particular, in this Decision, the 1/12 of the excess acquisition

value of the high-voltage fixed assets of Crete’s electricity system (Euro 17,8) amounting to Euro 1,5 million, was taken into consideration, forming the Required Revenue of the Administrator for 2022 in the amount of Euro 269,5 million. As the commencement of the implementation of current year’s charges was delayed, the unitary TUoS charges were configured in such a way so that the estimated revenue recovery in the last quarter of the year would amount to Euro 121,2 million.

As a consequence of the above, Revenue from transmission system rent in the first semester of 2022 is not representative and proportional to the estimated revenue that would be recovered in the year, as the 2021 unitary TUoS charges were in force for the current period.

Revenue from transmission system rent during the current period decreased by Euro 2,8 million and by Euro 2,1 million for the Group and the Company respectively and amounted to Euro 128 million and Euro 128,7 million against Euro 130,8 million in the corresponding period of 2021. The decrease is mainly due to:

- Reduction of interconnection rights by Euro 15,3 million, from Euro 33 million in the first semester of 2021 to Euro 17,7 million in the first semester of 2022. According to the no. 1058/2021 RAE Decision, the annual revenue from interconnection rights amounts to Euro 35,3 million compared to Euro 66,2 in the comparative year.
- Increase in Unitary TUoS charges by Euro 12,9 million, mainly due to the incorporation of Crete’s assets to HETS, which took place on 1st August 2021 based on the Official Gazette 4821/2021, and the increase in Unitary TUoS charges, which took place in August 2021 based on RAE’s Decision 492/2021.

Revenue from the Balancing Market constitutes a new revenue stream in 2022 and amounted to Euro 5,9 million for the period 01/01-30/06/2022. Revenue from the Balancing Market Fee for the year 2022 was approved by RAE Decision 1059/2021. The Required Balancing Market Revenue is apportioned through the Balancing Market Fee between the Balancing Service Providers and the Counterparties with Balancing Responsibility, who are registered in the HETS’s Administrator Registry.

Total revenue from other operations amounted to Euro 3,5 million approximately on 30/06/2022, recording a decrease of Euro 3,4 million approximately compared to the corresponding period (30/06/2021: Euro 6,9 million approximately). The decrease is mainly due to the decrease in revenue from contracts as well as the decrease in revenue from maintenance services of fixed assets due to the fact that maintenance services of medium voltage substations were gradually transferred to “HENDO S.A.”. The decrease was partially offset by the positive contribution of increased revenue from customer participations received due to the completion of more wind farm connection contracts in the current period.

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

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Operator’s revenue from clearing charges				
Periodical network settlement	35.462	11.568	35.462	11.568
Deviations	-	29	-	29
Buy of HETS Losses including imbalances	181.409	36.942	181.409	36.942
Imbalances for HETS Losses	13.742	2.710	13.742	2.710
Intended energy exchanges	2.271	-	2.271	-
Unintended energy exchanges	14.409	-	14.409	-
Total operator’s revenue from clearing charges	247.293	51.249	247.293	51.249

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Operator's expenses from clearing charges				
Periodical network settlement	(35.462)	(11.568)	(35.462)	(11.568)
Deviations	-	(29)	-	(29)
Buys on DAM	(181.409)	(36.942)	(181.409)	(36.942)
Buy of HETS Losses including imbalances	(13.742)	(2.710)	(13.742)	(2.710)
Intended energy exchanges	(2.271)	-	(2.271)	-
Unintended energy exchanges	(14.409)	-	(14.409)	-
Total operator's expenses from clearing charges	(247.293)	(51.249)	(247.293)	(51.249)

Operator's revenue – expenses from clearing present an increase in the current period by Euro 196 million approximately mainly due to the increase in the price of the Day-Ahead Market (DAM Price), which affects the activities "Buy of HETS Losses including imbalances" and "Imbalances for HETS Losses".

5 PAYROLL COST

Payroll costs are presented in the following table:

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Salaries and wages	20.798	21.841	20.707	21.761
Employer's social contributions	4.297	4.312	4.249	4.270
Other employee benefits	1.871	1.888	1.861	1.874
Cost for reduced tariff to employees and pensioners	103	99	103	99
Net provision for reduced tariff to employees and pensioners	18	43	18	43
Provision for employee compensation	267	436	267	436
Total	27.353	28.620	27.205	28.483

*The amounts of prior period have been reclassified (Note 2.4).

Payroll costs are decreased as a result of the voluntary redundancy program which was mainly implemented in the 2nd semester of 2021.

6 DEPRECIATION AND AMORTIZATION

Depreciation and amortization analysis are presented in the following table:

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Fixed assets	57.428	54.201	57.385	54.190
Software	971	887	963	878
Subsidies	(6.362)	(6.403)	(6.362)	(6.403)
Right of use assets	154	116	152	116
Total	52.191	48.801	52.137	48.781

The increase in depreciation is mainly due to the increased capitalization of projects, which the majority of them were completed at the end of the comparative period, amounting to Euro 188 million, as a result of the implementation of the Group's investment program. As a consequence of the mentioned significant increase in assets base and the subsequently expansion

of the Asset Base, is the fact that the current period charged with the depreciation of the above capitalized projects, compared to the previous period where depreciation was calculated from the date of capitalization of the respective projects.

7 THIRD PARTY BENEFITS AND THIRD PARTY FEES

Third party benefits and Third party fees are presented in the following tables:

7.1 Third party benefits

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Repair and maintenance fees	1.394	1.072	1.394	1.072
Utilities	1.315	924	1.315	924
Other third party benefits	431	508	431	507
Total	3.140	2.504	3.140	2.503

*The amounts of prior period have been reclassified (Note 2.4).

The increase in Utilities by Euro 391, from Euro 924 in the first semester of 2021 to Euro 1,315 in the first semester of 2022, is mainly due to the increase in electricity prices as a result of the energy crisis.

7.2 Third party fees

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
Fees for consulting services	6.696	3.801	6.460	3.510
Buildings security and cleaning services	998	911	998	911
Other third party fees	2.492	2.119	2.296	2.019
Software licenses	518	232	518	232
Total	10.704	7.062	10.271	6.671

*The amounts of prior period have been reclassified (Note 2.4).

The increase in fees for consulting services by Euro 2,9 million for both the Group and the Company, is mainly due to the increase of employees with project contracts required for covering extended operational needs due to Company's expansion.

8 PROVISION (RELEASE OF PROVISION) FOR RISKS AND EXPENSES

Provisions for risks and expenses are presented in the following table:

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021*
(Release) of provision for litigations	(7)	(1.147)	(7)	(1.147)
(Release) of provision for impairment of assets	(1)	(2)	(1)	(2)
(Release)/Provision for obsolescence of materials	(1.359)	1.127	(1.359)	1.127
Provision/(Release) for cadastral fee	430	(2.249)	430	(2.249)
(Release) of provision for impairment of receivables	(95)	(228)	(77)	(229)
Total	(1.032)	(2.500)	(1.013)	(2.501)

*The amounts of prior period have been reclassified (Note 2.4).

The release of provision for outstanding legal disputes on 30/06/2022 amounting to Euro 7, is due to recognition of an additional provision amounting to Euro 314 and release and use of provision amounting to Euro 321. Respectively on 30/06/2021, the release of provision for outstanding legal disputes amounted to Euro 1,14 million, was mainly due to the issuance of a decision by the Court of Athens, which rejected a lawsuit against the Company for which a relevant provision had been recognised.

The release of provision for valuation of materials and spare parts on 30/06/2022 (net of additional provision amount of Euro 610) amounting to Euro 1.359 is mainly due to the fact that for the materials and spare parts that were sold, mainly to the company "HENDO S.A.", during the current period, a provision for obsolescence of Euro 1.969 was accounted for on 31/12/2021, which was released (Note 15).

In the Statement of Financial Position as at 30/06/2022, in "Other Provisions" a provision of Euro 430 included for Group and Company, which concerns the registration cost in the cadaster of rights of easements, plots and parcels, that is estimated to be paid after 30 June 2022. In 2016 a relevant study carried out by the Technical Services of the Company which calculated the cost to the amount of Euro 6,8 million approximately, which since then, is paid gradually. On 30 June 2021 a provision of Euro 2.249 approximately was released, based on the opinion of the Technical Services, while on 30 June 2022, an additional provision of Euro 430 was recognized and a provision of Euro 426 was used.

9 FINANCIAL EXPENSES - INCOME

Financial expenses and income analysis are presented in the following table:

Financial expenses

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Interest expense and loan guarantee commission	7.059	6.970	7.059	6.970
Interest on finance lease	25	19	23	19
Actuarial finance cost	46	81	46	81
Expense/(Income) due to measurement of long-term receivable at present value	(55)	237	(55)	237
Amortization of loans' issuance costs	118	148	120	148
Amortization of gain due to change of fair value of financial products and loans	242	-	242	-
Other bank charges	77	48	63	46
Total	7.512	7.504	7.497	7.502

The capitalisation of the interest expense during construction period for the Group and the Company as at 30/06/2022 amounted to Euro 3.076 and Euro 2.100 respectively (30/06/2021: Euro 2.103).

Financial Income

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Interest on deposits	565	1.143	565	811
Finance lease interest	169	212	140	116
Other interest	48	168	30	168
Income from default interest	883	-	883	-
Income from corporate guarantee	-	-	512	-
Total	1.665	1.523	2.130	1.095

The increase in financial income for the Group and the Company is mainly due to income from default interest of Euro 883 resulting from the settlement of old overdue receivables to the Company. During the previous period, there was no corresponding income for the Group and the Company.

The income from a corporate guarantee amounting to Euro 512 relates to a fee from the subsidiary company “ARIADNE INTERCONNECTION S.P.S.A.” for the provision of guarantee on its bond loan, which is disbursed gradually starting from 24/06/2021.

10 INCOME TAX (CURRENT AND DEFERRED)

Income tax analysis is presented in the following table:

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Current tax	9.592	10.383	9.592	10.022
Deferred tax	(549)	(9.337)	(553)	(9.338)
Total income tax	9.043	1.046	9.039	683

According to the law 4799/2021 FEK (Official Gazette) 78/A/18-5-2021 the tax rate for the year 2021 is decreased to 22%. Therefore, the income tax was calculated at a tax rate of 22% for the period 01/01–30/06/2022 as well as for the comparative period 01/01–30/06/2021.

The effect from the application of the new tax rate for the Group and the Company led to the recognition of income in the Income Statement and in the Statement of Other Comprehensive Income for the period 01/01-30/06/2022, amount to Euro 8.772 and Euro 7.594 respectively.

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

	Group		Company	
	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Profit before tax	33.133	41.918	33.746	40.766
Nominal tax rate	22%	22%	22%	22%

Tax calculated at nominal tax rate	7.289	9.222	7.424	8.969
Effect of change in tax rate	-	(8.772)	-	(8.772)
Non-deductible expenses	1.820	597	1.615	487
Other	(66)	-	-	-
Income tax	9.043	1.046	9.039	683
Effective tax rate	27%	2%	27%	2%

11 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are presented in the following table:

Subsidiary	Location	% partici- pation	Operation	Consolida- tion method	30/06/2022	31/12/2021
ARIADNE INTERCONNEC- TION S.P.S.A.	Athens	100	Special purpose company (construction)	Full	200.000	200.000
GRID TELECOM S.M.S.A.	Athens	100	Electronic communications	Full	5.300	1.800
Total					205.300	201.800

During the reporting period, changes in the book value of the parent company's investments in subsidiaries that are consolidated are as follows:

	Company	
	30/06/2022	31/12/2021
At the beginning of the period	201.800	200.300
Additions	3.500	1.500
At the end of the period	205.300	201.800

On February 24th, 2022 the Ordinary General Meeting of the sole shareholder of the subsidiary "GRID TELECOM S.M.S.A." (IPTO 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 Euro 100 each.

12 INVESTMENTS IN ASSOCIATES

The Investments in associates, amount of Euro 2.057 (31/12/2021: Euro 1.743), 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 S.A." ("Henex S.A.") and b) 25% holding of the Company in the share capital of the company "South East Electric Network Coordination Center" ("SELENE CC S.A.").

Pursuant to Law 4512/2018, the "Hellenic Energy Exchange S.A." was established with the responsibility to manage the Energy Markets and the Energy Financial Markets in accordance with the provisions of the law and its delegated acts.

The Hellenic Energy Exchange, through its subsidiary named "Energy Exchange Clearing Company S.A.", with the distinctive title "EnExClear", took over from November 1st, 2020, the handling of the Positions Clearing operations, risk management and Financial Settlement of the Positions arising in the context of the operation of the Balancing Market. According to the new model, 4 different markets were created where transactions are conducted for different products: day-ahead market,

intraday market, forward market and balancing market. “EnExClear” is responsible for trading on the forward, day-ahead and intra-day markets, while the balancing market is operated by IPTO S.A..

Regarding the holding in the “South East Electric Network Coordination Center” (“SELENE CC S.A.”), Regional Security Coordinators (RSCs) are companies, established and owned by Transmission Systems Operators, such as IPTO S.A, with main object to maintain the operational security of the Electricity System at an European level.

In this context, on May 22, 2020, four European Transmission System Operators, IPTO (Greece), ESO-EAD (Bulgaria), TERNA SpA (Italy) and Transelectrica (Romania), founded RSC under the name of “SELENE CC S.A.” (“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.

13 TANGIBLE ASSETS

The movements of tangible assets for the Group and the Company during the period 01/01-30/06/2022 are presented in the following tables:

	Group						Total
	Land	Buildings & Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	
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
Carrying amount 01/01/2022	208.497	107.074	1.821.063	3.929	12.584	604.346	2.757.493
Additions	3.154	14	14.676	-	9	70.144	87.997
Depreciation	-	(2.376)	(53.197)	(278)	(1.577)	-	(57.428)
Disposals/Write-offs	-	-	(84)	-	(4)	-	(88)
Transfers from construction in progress	730	31	3.082	22	454	(4.716)	(397)
Other movements	-	-	(19)	-	(2)	-	(21)
Carrying amount 30/06/2022	212.381	104.743	1.785.520	3.672	11.464	669.773	2.787.554
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
Cost	212.381	116.142	2.032.327	5.228	18.465	669.773	3.054.317
Acc. Depreciation	-	(11.399)	(246.806)	(1.556)	(7.001)	-	(266.763)
Net book value 30/06/2022	212.381	104.743	1.785.520	3.672	11.464	669.773	2.787.554

	Company						Total
	Land	Buildings & Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	
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
Carrying amount 01/01/2022	208.497	106.940	1.820.569	3.929	12.570	602.756	2.755.260
Additions	3.154	8	14.676	-	-	65.897	83.736
Depreciation	-	(2.373)	(53.160)	(278)	(1.574)	-	(57.385)
Disposals/Write-offs	-	-	(77)	-	(4)	-	(81)
Transfers from construction in progress	730	31	1.828	22	454	(3.463)	(397)
Other movements	-	-	(21)	-	-	-	(21)
Carrying amount 30/06/2022	212.381	104.606	1.783.816	3.672	11.446	665.190	2.781.111
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
Cost	212.381	116.001	2.030.586	5.228	18.435	665.190	3.047.822
Acc. Depreciation	-	(11.395)	(246.770)	(1.556)	(6.989)	-	(266.710)
Net book value 30/06/2022	212.381	104.606	1.783.816	3.672	11.446	665.190	2.781.111

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 that included in the additions for constructions in progress, for the period 01/01-30/06/2022, of Euro 70.411 for the Group and Euro 65.897 for the Company, are analysed as follows:

- Amount of Euro 32.781 concerns works carried out in the context of the construction project of Crete - Attica interconnection through the subsidiary company "ARIADNE INTERCONNECTION S.P.S.A."
- Amount of Euro 6.846 concerns interconnection works carried out for Megalopolis (East and West Corridor).
- Amount of Euro 5.591 concerns support projects for the existing HVS (KYT).
- Amount of Euro 3.470 concerns interconnection works carried out for Cyclades.
- Amount of Euro 2.878 concerns interconnection works carried out for Skiathos.

According to article 108 of Government Gazette 4821/2021 the following is mentioned: "From 1 August 2021, all fixed assets of the high voltage electrical system of Crete are automatically transferred, from "PPC S.A." 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 S.A.", 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 revenue and the accepted revenue 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). This discrete asset base will be recovered within 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 Euro 40,6 million approximately had been included in the additions, and this value represents the first part of the total price, as mentioned above.

In the Financial Statements as at 30/06/2022, the excess acquisition value of the fixed assets of Euro 17,8 million has been included in the additions, which represents the second part of the total price, as mentioned above. The final amount of the valuation of the transferred fixed assets of Crete, based on the valuation report which carried out by an independent expert appraiser, is equal to Euro 58,4 million approximately.

The balance due to PPC for the aforementioned transaction as at 30/06/2022, is Euro 17,8 million and is included in other short-term liabilities.

14 FINANCIAL ASSETS AT AMORTIZED COST AND OTHER LONG-TERM RECEIVABLES

Financial assets at amortized cost - Unlisted securities (Bonds)

The Company, on June 15, 2018, under Decision No. 99/2018 of the CEO, decided to purchase 200 bonds with a nominal value of Euro 10.000 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 30/06/2022 the Company's impairment provision of the aforementioned bond amounts to Euro 34 (31/12/2021: Euro 34).

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 6,50%, paying the amount of Euro 2 million. On 30/06/2022 the Company's impairment provision of the aforementioned bond amounts to Euro 20 (31/12/2021: Euro 21).

Other long-term receivables

In the context of the 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 as Pre-financed Financial Resources and during 2021 and the period 1/1-30/06/2022 amount of Euro 11.472 and Euro 1.457 respectively.

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 of potential losses in cases of an overdue balance of a Clearing Member which exceed the losses that 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, which amounts to Euro 20.069.

Other long-term receivables include deferred expenses from "Extension or Connection Projects" amounting to Euro 7.429 (31/12/2021: Euro 6.021). "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 year of expense recognition is much later than the year occurred, and therefore they are classified in the other long-term requirements.

15 INVENTORIES

The analysis of Inventory is presented in the following table:

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Materials, spare parts and consumables	67.784	73.665	67.784	73.665
Advance payments for purchases	866	1.931	866	1.931
Provision for impairment of materials and spare parts	(17.843)	(19.202)	(17.843)	(19.202)
Total	50.806	56.394	50.806	56.394

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

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Opening balance	19.202	18.244	19.202	18.244
(Release)/Additional provision (Note 8)	(1.359)	958	(1.359)	958
Closing balance	17.843	19.202	17.843	19.202

The decrease in the inventory and in the impairment provision of materials and spare parts by Euro 5,5 million for the Group and by Euro 1,3 million for the Company as at 30/06/2022, is mainly due to the sale of materials and spare parts to the company "HEDNO S.A." during the current period, in the context of the extension of the agreement for the support of the assets of "PPC S.A." under the responsibility of "HEDNO S.A." by "IPTO S.A.". The impairment provision of materials and spare parts of the sold inventory, which was released on 30/06/2022 amounts to Euro 1,969. In addition, an additional impairment provision of materials and spare parts was made, during the first semester of 2022, amounting to Euro 610.

Inventories are held free of encumbrances.

16 SHARE CAPITAL

(Amounts in Euro)

The share capital of the Company on June 30th, 2022 amounts to Euro 38.444.193,00 consisting of 38.444.193 registered shares with a nominal value of Euro 1,00 each.

17 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.

Within 2022, 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 June 30th, 2022 amounts to Euro 12.815 (31/12/2021: Euro 12.815), while at Group level, the amount of Euro 148 was formed by the subsidiary "ARIADNE INTERCONNECTION S.P.S.A." and Euro 50,4 by the subsidiary "GRID TELECOM S.M.S.A.".

18 OTHER RESERVES

The analysis of reserves is presented below:

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Redundancy compensation reserve	2.064	2.064	2.058	2.058
Actuarial results reserve for reduced electricity tariff	6.449	6.449	6.449	6.449
Effect of tax rate change in reserve	(276)	(276)	(276)	(276)
Total	8.237	8.237	8.231	8.231

19 LOANS

The amount of loan interest capitalized for the period ended June 30th, 2022 included in the tangible assets (Note 13) in the Statement of Financial Position, while the remaining amount included in financial expenses (Note 9) in the Income Statement. The capitalisation of interest expense during the construction period interest expense for the Group and the Company as at

30/06/2022 amounted to Euro 3.076 and to Euro 2.100 respectively (30/06/2021: Euro 2.103 both for the Group and the Company). The total borrowing of the Company is presented in Euro.

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

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Bank Loans	433.533	438.033	433.533	438.033
Bonds payable	482.500	430.000	362.500	375.000
Accrued interest on loans	2.602	2.662	2.559	2.638
Unamortized portion of gain from modification of loan's terms	(2.554)	(2.796)	(2.554)	(2.796)
Unamortized portion of loan issuance fees	(3.878)	(2.899)	(1.969)	(2.088)
Total borrowings	912.203	865.000	794.070	810.788
Less short term portion:				
Bank Loans	11.167	9.000	11.167	9.000
Bonds payable	27.500	25.000	27.500	25.000
Accrued interest on loans	2.602	2.662	2.559	2.638
Unamortized portion of gain from modification of loan's terms	(846)	(610)	(846)	(610)
Unamortized portion of loan issuance fees	(363)	(275)	(359)	(281)
Total short-term borrowings	40.059	35.777	40.020	35.746
Long term borrowings	872.144	829.224	754.050	775.041

European Investment Bank's (EIB) loans, amounted to Euro 433,5 million at June 30th, 2022 (31/12/2021: Euro 438 million approximately), are guaranteed by the Greek State.

For the period ended on June 30th, 2022 the Company repaid loan amount of Euro 17.000 (30/06/2021: Euro 5.333).

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.

"ARIADNE INTERCONNECTION S.P.S.A." for the purposes of financing the project "Electric Interconnection of Attica-Crete", proceeded on 01/07/2020 to issue a ten-year bond loan amount up to Euro 200 million and the full acceptance of its issue was undertaken by Eurobank S.A. On 03/02/2022 the subsidiary made a disbursement of Euro 40 million and on 28/06/2022 made a disbursement of Euro 25 million. In addition, in December 2020, the subsidiary entered into a loan agreement with the European Investment Bank for a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case the estimated construction cost is exceeded.

The breakdown of loans in fixed and floating rates is as follows:

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Floating rate:				
Bank loans and bonds	482.500	430.000	362.500	375.000
Fixed rate:				
European Investment Bank	433.533	438.033	433.533	438.033
Total	916.033	868.033	796.033	813.033

Loan movement is as follows:

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Opening balance	865.000	756.577	810.788	756.577
New loans	65.000	145.000	-	90.000
Repayment	(17.000)	(32.833)	(17.000)	(32.833)
Accrued interest and other bank charges	7.264	13.156	6.288	12.797
Payment of interest and other expenses	(7.324)	(12.993)	(6.368)	(12.657)
Amortization of income due to amendment of loan terms	242	(2.796)	242	(2.796)
Loan issuance fees	(1.096)	(1.347)	-	(540)
Depreciation of loan issuance fees	118	236	120	240
Closing balance	912.203	865.000	794.070	810.788

20 LIABILITY FROM CONCESSION AGREEMENT

The liability from concession agreement includes construction services of the subsidiary “ARIADNE INTERCONNECTION S.P.S.A.” 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 project during its construction. According to the initial Concession Agreement between IPTO and “ARIADNE INTERCONNECTION S.P.S.A.” it was provided that:

“During the Operation Period, IPTO will pay the Monthly Revenue received by the Project to “ARIADNE INTERCONNECTION S.P.S.A.” 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 be settled 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.

The long-term liability from concession agreement amounts to Euro 310.772 on 30/06/2022 (31/12/2021: 278.946), while the corresponding short-term liability from concession agreement amounts to Euro 48 (31/12/2021: 9.088).

21 SPECIAL ACCOUNTS (RESERVES)

	Group		Company	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Long-term special accounts				
Non-compliance charges	61.778	61.350	61.778	61.350
Short-term special accounts				
Interconnection rights	73.209	41.944	73.209	41.944
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)	17.895	15.140	17.895	15.140
Total short-term special accounts	93.028	59.007	93.028	59.007
Total	154.806	120.357	154.806	120.357

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

An amount of Euro 14.933 has been used in previous years from the Reserve Account Non-Compliance Charges in accordance with article 164 of the HETS Management Code to cover the due amounts of overdue receivables.

Non-Compliance Charges amounting to Euro 61.778 (31/12/2021: 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.

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 Cost Of Transmission System Rent or for the funding of interconnection projects with neighboring countries after RAE's decision. During 2022, the Company is going to use the amount of Euro 35,3 million (31/12/2021: Euro 66,1 million) to reduce the Annual Cost of Transmission System Rent, based on the decision of RAE 1058/2021. For the current period the proportion of interconnection rights is approximately Euro 17,7 million.

Extraordinary Surplus of Energy Imports refer to the Company's reserve of monthly settlement invoicing under Article 178 par.8 of the HETS Management 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 beneficiaries of interruptible load. 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. The change of the period concerns regular movements.

22 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% of "ADMIE HOLDING S.A." paid-up share capital and is its 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 are presented in the following table:

Company	Relation
ADMIE HOLDING S.A.	Shareholder
PHC ADMIE S.A.	Shareholder
STATE GRID LTD	Shareholder
ARIADNE INTERCONNECTION S.P.S.A.	Subsidiary
GRID TELECOM S.M.S.A.	Subsidiary
ENERGY EXCHANGE CLEARING COMPANY S.A. Energy Exchange Clearing Company S.A. (EnExClear S.A.)	Associate
HELLENIC ENERGY EXCHANGE S.A.	Associate
SELENE CC S.A.	Associate

The Group and the Company, in the ordinary course of business, conducted transactions with the related parties, whose the balances (receivables, liabilities and revenues and expenses) on June 30th, 2022 are as follows:

Amounts in Euro	Group			
	30/06/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ADMIE HOLDING S.A.	11.500	6.875	28.396	6.200
EnExClear	47.222.583	17.445.163	67.417.043	38.952.599
SELENE CC S.A.	95.900	-	82.287	78.751
Total	47.329.983	17.452.038	67.527.726	39.037.550

Amounts in Euro	Company			
	30/06/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ARIADNE INTERCONNECTION S.P.S.A.	127.455	315.150.614	449.106	292.691.965
GRID TELECOM S.M.S.A.	4.348.241	-	4.089.441	17.911
ADMIE HOLDING S.A.	11.500	6.875	28.396	6.200
EnExClear	47.222.583	17.445.163	67.417.043	38.952.599
SELENE CC S.A.	95.900	-	82.287	78.751
Total	51.805.679	332.602.652	72.066.273	331.747.426

Amounts in Euro	Group			
	01/01/2022- 30/06/2022		01/01/2021- 30/06/2021	
	Revenue	Expenses	Revenue	Expenses
ADMIE HOLDING S.A.	15.550	-	8.050	-
EnExClear	201.229.978	206.629.492	39.652.097	39.652.097
HELLENIC ENERGY EXCHANGE S.A.	-	43.881	-	30.095
SELENE CC S.A.	106.316	134.527	21.086	151.115
Total	201.351.844	206.807.900	39.681.233	39.833.307

Amounts in Euro	Company			
	01/01/2022- 30/06/2022		01/01/2021- 30/06/2021	
	Revenue	Expenses	Revenue	Expenses
ARIADNE INTERCONNECTION S.P.S.A.	657.858	1.051.118	117.351	1.290.220
GRID TELECOM S.M.S.A.	276.698	-	164.755	-
ADMIE HOLDING S.A.	15.550	-	8.050	-
EnExClear	201.229.978	206.629.492	39.652.097	39.652.097
HELLENIC ENERGY EXCHANGE S.A.	-	43.881	-	30.095
SELENE CC S.A.	106.316	134.527	21.086	151.115
Total	202.286.400	207.859.018	39.963.339	41.123.527

The Company's revenue transactions with the companies "ARIADNE INTERCONNECTION S.P.S.A.", " GRID TELECOM S.M.S.A." and "IPTO HOLDINGS S.A." relate mainly to revenues from a) provision of services such as the re-invoicing of shared expenses, 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 S.P.S.A.".

The major part of the receivables from the subsidiary company "GRID TELECOM S.M.S.A." relates to the revenue transactions mentioned above and is included in receivables from financial leases.

The expense transactions relate mainly to expenses within the scope of the Company's concession agreement with its subsidiary "ARIADNE INTERCONNECTION S.P.S.A.". The Company's liabilities towards its subsidiary "ARIADNE INTERCONNECTION S.P.S.A." include mainly an amount of Euro 310.722.488 (before VAT), which relates to assets under construction in the context of the construction project of the Crete-Attica interconnection, at amount of Euro 320.251.109 and other taxes and duties, which decrease the liability by the amount of Euro 9.528.621. Amount of Euro 32.781.155 (before VAT) consists additions in construction in progress of the period 01/01-30/6/2022.

The major part of the liability to "ARIADNE INTERCONNECTION S.P.S.A." 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.

The income and expense transactions of the Group and the Company with "EnExClear" come from the implementation of the Target Model from 1st November 2020, where, as a clearing body, "EnExClear" undertakes the management part of the Clearing services performed by the Company as the Operator of the Energy Market. In addition, revenue transactions with "EnExClear" include revenue from the Balancing Market, which constitute a new revenue stream in 2022 and amounted to Euro 5,9 million for the period 01/01-30/06/2022.

The difference between revenue and expense in the transactions with "EnExClear" amounting to Euro 5,4 million approximately on 30/06/2022, is due to expenses of Euro 11,3 million related to the activities "Intended energy exchanges" and "Unintended energy exchanges" and have been invoiced by "EnExClear" to IPTO S.A., but the equivalent revenue is invoiced (self-billing) by the company "Joint Allocation Office (JAO S.A)" to IPTO S.A.. The deviation was compensated by the positive contribution of revenue from the Balancing Market amounting to Euro 5,9 million for the period 01/01-06/30/2022.

The major part of receivables from "EnExClear" included in "Trade receivables" in relation to Clearing services and Balancing Market Fee and in "Other long term receivables" in relation to Prefinanced Financial Resources.

The liabilities to "EnExClear" included in "Accrued and other liabilities".

The revenue transactions of the Group and the Company with "SELENE CC S.A." 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 30/6/2022, 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 S.A.", "DAPEEP S.A" (previous "LAGIE"), "ELPE S.A." and "ELPEDI-SON". With the exception of the transaction with "PPC S.A.", concerning the fixed assets of Crete and is described in note 13 above, all other transactions with the above companies are made on commercial terms and are not disclosed.

23 COMMITMENTS AND CONTINGENCIES

23.1 Brief Description of the most important projects

IPTO seeks to develop into a modern Transmission System Operator, a company utilizing its infrastructure and know-how, adjusted to the needs of the country and the challenges of the present and the future. IPTO through cutting edge technologies and good governance practices is transformed to meet European and international requirements for energy transition and sustainable development. The company's strategy focuses on its main activity of securing the uninterrupted power supply, taking into account the environmental footprint of the operation and the local communities in which it operates, as well as the modernization of its internal processes.

With the revision of its current Strategy for the years 2021-2024 for the Sustainable Development Goals, IPTO incorporates in the entire range of its activities the dimension of sustainability and the actions to face the challenge of climate change.

The course of the important projects implemented by IPTO, within the framework of its investment program of Euro 5 billion until 2030, is as follows:

Interconnection of Crete - Attica

The largest national electricity transmission project, with a budget of Euro 1 billion, is on track regarding the sea and land parts. After the installation of the fiber optic cables and the laying of the first part of the 500 kV eastern electric pole, in 2022 we will proceed to the installation of the western electric pole with a length of 330 km, which will be laid at a maximum depth of 1,200 meters between Korakia in Heraklion, Crete and Pachi Megara, Attica. With regards to the terrestrial part of the project, works are in progress on the side of Attica for the installation of the underground cable sections that will connect the submarine power cables to the Koumoundourou Converter Station, where the earthworks will have been completed and the erection of the buildings will have commenced by the end of the year. During the same period, according to the project's planning, the erection of the building facilities for the Converter Station in Damasta, Heraklion, will also begin.

Electricity interconnection of the Cycladic Islands

The Phase IV of Cycladic Interconnection related to interconnection of Santorini, Folegandros, Milos and Serifos, has been included in the National Recovery and Resilience Fund. The first section of the interconnection Santorini – Naxos has entered its construction phase, with a horizon of completion in 2023. In the summer of 2022, the installation of the subsea electric cable between the two islands was completed. At the same time, works are progressing intensively for the construction of the High Voltage Substation of Santorini. Within 2022, the tenders are expected to be completed for the other three islands of the South-West Cyclades (Folegandros, Milos, Serifos) that will integrate the entire island complex in the High Voltage System by 2024.

Western Corridor of Peloponnese

The last part of the interconnection of HVC Megalopolis with the existing Transmission Line 400 kV Acheloos - Distomo proceeds with the implementation of an alternative route in the area of Kalavrita, following reactions from local communities and is expected to be completed by the end of 2022. The expansion of the 400 kV System to Megalopolis will drastically increase the transmission capacity to and from the Peloponnese, accelerating the further development of RES in the region and enhancing the stability of voltages for the Southern System as a whole.

Eastern Corridor of Peloponnese

The subproject of new 400 kV Transmission Line, which will connect the current Megalopolis HVC with Korinthos HVC that is under construction, is in the phase of completion. The new HVC that is constructed in Korinthos is a crucial infrastructure of the Eastern Corridor of Peloponnese and we expect the construction of this project to be completed in 2022. With the integration of the entire New High Voltage Line (Megalopolis – Korinthos – Patras) by 2025, will drastically increase the ability of electricity transmission to and from Peloponnese and will significantly improve the stability of voltage for the Southern System.

The upgrade of Koumoundourou HVC

The construction of the new gas-insulated (GIS) Koumoundouros Extra High Voltage Substation, which will replace the existing air-insulated Koumoundouros Extra High Voltage Substation, is in progress. It will enable the connection of the East 400 kV Peloponnese Corridor, comprise 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 for the part of Megalopolis – Corinth – Koumoundourou HVC Transmission Line amounting to Euro 30 million. Full completion of the project is scheduled by 2025.

Skiathos Interconnection

In July 2022, Skiathos-Evia interconnection was completed, transporting successfully the first electrical loads from the mainland. Despite the challenges posed by the pandemic, the complex technical project with a total budget of Euro 57 million was

completed according to schedule and now offers energy security to the entirety of the northern Sporades (Skiathos, Skopelos, Alonissos), regardless of demand and operating conditions.

International Interconnections

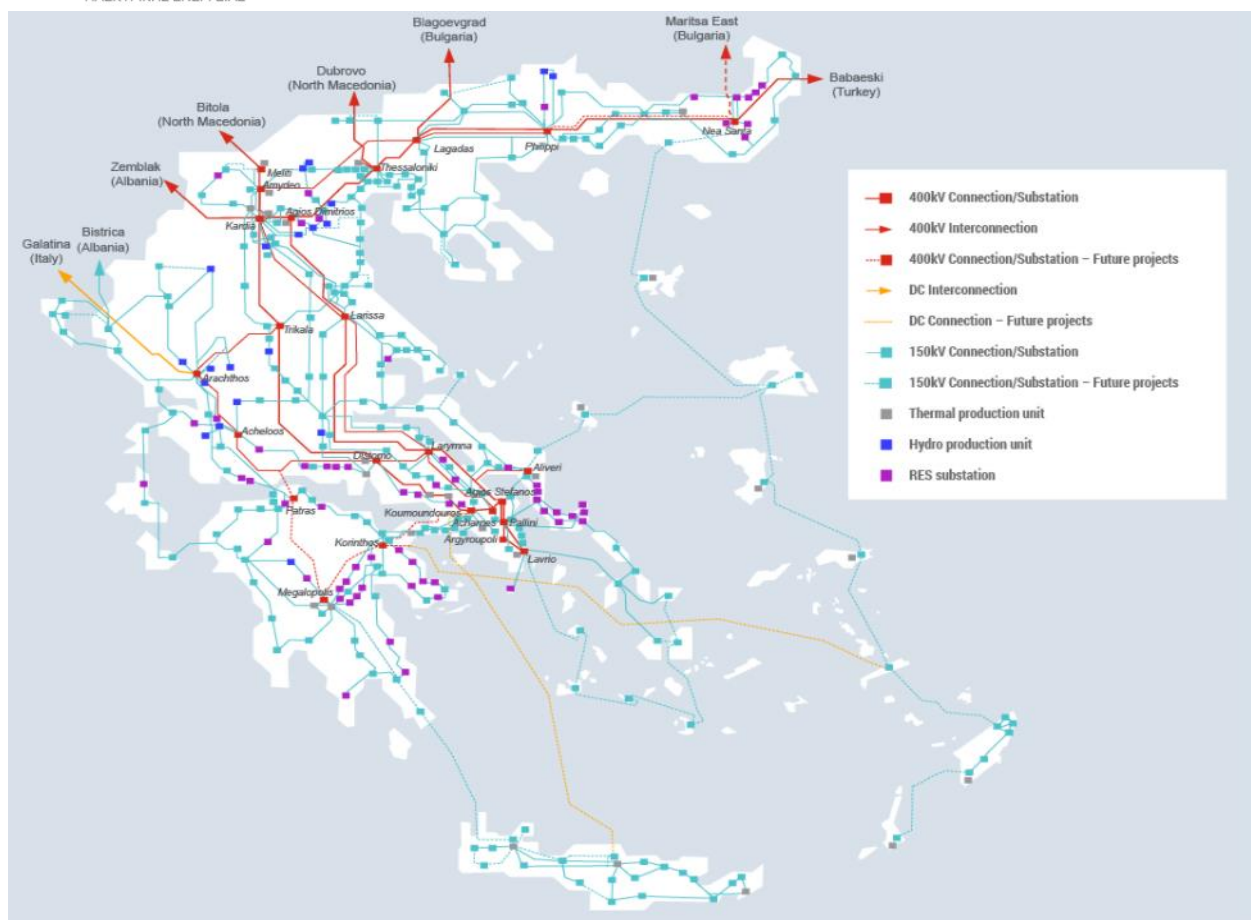
IPTO prioritizes international interconnection projects, in the context of strengthening regional cooperation in the field of Energy and migration to the European electricity market. In this context, the Operator:

- Is currently constructing the domestic section of the second Greece-Bulgaria interconnection (Nea Santa-Maritsa). Conducts feasibility studies concerning the second reinforcing interconnection between Greece and Italy with the Operator of Italy, Terna SpA.
- Signed a Memorandum of Cooperation for the construction of electricity interconnection between Greece and Egypt. IPTO, in collaboration with the Egyptian Electricity Transmission Company (EETC), has set up a working group on the preparation of the energy project. The technical discussions for the new electrical interconnection are in progress. In the following period, a call for tenders will be launched for the recruitment of a consultant who will implement the techno-economic study.

At the same time, IPTO Group:

- Contributes to the maturity and construction of the Cyprus-Crete electricity interconnection, with the Euroasia Interconnector as the implementing agency, ensuring, with its know-how, the operational adequacy of the project. During the summer, IPTO submitted Letter of Intent to EuroAsia Interconnector regarding its participation in the company's share capital with a percentage of 25%, which will allow the Operator to gain control over the implementation of the large-scale energy project.
- Accelerates the procedures for the study of a new Greek-Albanian interconnection, setting up a working group together with the System Administrator of Albania.
- Matures the plans for the upgrade of the Greece-Turkey interconnection, which will connect the European with the Turkish Transmission System.
- Promotes the upgrade of the existing interconnection with Northern Macedonia.

At the maturity level of the European electricity market, in 2022 the coupling of the Greek Intraday Market with the Pan-European Continuous Trading Market (XBID) will take place at the borders of Italy and Bulgaria.



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 and set by the Authority on public consultation from 3 February to 4 March 2022. Following this, with decision 287/24.3.2022 (RAE letter O-96589/01.09.2022), RAE approved the TYNDP 2022-2031.

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 was submitted to RAE for approval on April 28th 2022.

Strengthening the resilience of the System

With the aim of continuously enhancing the resilience of the System and shielding the safe supply of electricity to consumers, in 2021 IPTO expanded the Fixed Assets Renewal Program, increasing its budget from Euro 80 million to Euro 200 million. According to the current planning, the Operator will upgrade the most critical High and Ultra High Voltage equipment throughout the country by 2023 and will achieve a replacement of 60% of the existing elements of the System with state-of-the-art equipment by 2026.

24 CONTINGENT LIABILITIES

The Company, as the energy transmission system operator under the current legislation, acts as an intermediary for collecting the energy charges between the parties responsible for paying these amounts and attributing them to the beneficiaries, and therefore no surcharge of the financial performance of the Company is expected. However, participants in the electricity market have 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 a justifiable breach of its obligations under the Contract of the Operator's Transactions, which however would 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 in the Company in the form of a fine of Euro 5 million, regarding the under completion project of Transmission Line (TL) 400 kV HVC Patras-HVC Megalopolis. The Company filed, in time, 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 S.P.S.A." for the purposes of financing the project "Electric Interconnection of Attica-Crete", proceeded on 01/07/2020 to issue a ten-year bond loan amount up to Euro 200 million and the full acceptance of its issue was undertaken by Eurobank S.A. On 03/02/2022 the subsidiary made a disbursement of Euro 40 million and on 28/06/2022 made a disbursement of Euro 25 million. In addition, in December 2020, the subsidiary entered into a loan agreement with the European Investment Bank for a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case the estimated construction cost is exceeded.

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

It is noted that "IPTO S.A." recognized in 2022, based on the arm's length principle, income from corporate guarantee amounting to Euro 512 which was recorded in the account Financial income of the Company.

24.1 Tax liabilities

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" pursuant to par. 5 art. 82 of Law 2238/1994 and art. 65A of Law 4174/2013. 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 relevant audit for fiscal year 2021 is ongoing and is expected to be completed without findings.

The Company's tax liabilities have not yet been audited by the tax authorities for the years 2011 onwards. According to the current legislation on the five-year statute of limitations, the years 2011-2015 have expired and no additional tax liabilities are expected to arise.

The Company proceeded with actions for receiving a VAT refund claim of approximately Euro 120 million, of which Euro 80 million were settled in 2021 and Euro 40 million in 2022. A partial tax audit order concerning VAT with number 360/01-07-2022 has been issued for the Company by the KE.ME.EP audit service. The order concerns a partial tax audit of VAT refund applications for the tax period 01/01/2020 to 31/03/2021. The audit is ongoing and no findings have been communicated to the Company.

Regarding the Group's subsidiaries, the company "ARIADNE INTERCONNECTION S.P.S.A." has received an unqualified Tax Certificate by the statutory auditor with respect to the tax obligations during the fiscal years 2018, 2019 and 2020. "GRID TELECOM S.M.S.A." has received an unqualified Tax Certificate by the statutory auditor with respect to the tax obligations during the first fiscal year 2019 and 2020. The tax audit for the subsidiaries concerning 2021 is expected to be finalized with no findings.

25 INVESTMENTS IN OTHER COMPANIES

Apart from its holding in the Group subsidiaries and associates (in subsidiaries "ARIADNE INTERCONNECTION S.P.S.A." and "GRID TELECOM S.M.S.A." and in associates "Hellenic Energy Exchange SA" and "SELENE CC S.A."), the Company participates with a 5% stake in "Joint Allocation Office S.A." and has paid amount of Euro 65 by June 30th, 2022 (31/12/2021: 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 the company "COORDINATED AUCTION OFFICE (CAO) IN SOUTH EAST EUROPE D.O.O." and has paid amount of Euro 40 by June 30th, 2022 (31/12/2021: Euro 40).

These holdings due to the unexpected 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.

26 SUBSEQUENT EVENTS

The Skiathos-Evia electrical interconnection has been in full operation since July 11th 2022, already successfully covering the increased demand of this year's tourist season for Skiathos and the northern Sporades as a whole. It is a project of great technical complexity, which includes a 29 km submarine cable, a 30 km aerial Transmission Line on the territory of Evia, a new closed type Substation (GIS) in Skiathos and the upgrade of the existing High Voltage Substation in Mantoudi. The interconnection was contracted in May 2020 and it was electrified according to the time schedule.

IPTO S.A., which currently owns 100% of "ARIADNE INTERCONNECTION S.P.S.A." share capital, intends, through the tender process, to dispose of existing shares which correspond to 20% of its share capital.

The Call for Expression of Interest is posted on the IPTO SA website since August 4th, 2022 and interested parties can submit their Expression of Interest (Eoi) no later than September 28th, 2022.

The tender process consists of two (2) phases:

- The pre-selection phase (A' phase) during which interested investors are invited to express their interest and document that they meet all the criteria described in the Call for Expression of Interest in order to participate in the tender process.

- The phase of submitting binding offers (Phase B) during which the selected investors will be invited to submit binding offers. Phase B is expected to last 3-4 months, approximately.

On July 30th, the no. 643/2022 decision of RAE was published based on which, the unitary TUoS charges were approved and incorporated into the invoicing of the charges by IPTO S.A. from 1 September 2022. In particular, in this Decision, the 1/12 of the excess acquisition value of the high-voltage fixed as-sets of Crete's electricity system (Euro 17,8) amounting to Euro 1,5 million, was included, forming the Required Revenue of the Administrator for 2022 in the amount of Euro 269,5 million.

IPTO ensures its strategic participation in a project of huge geopolitical importance such as the new international electrical interconnection between Greece-Cyprus-Israel, as the technical terms of the Letter of Intent submitted by the Administrator for its investment participation with a percentage of 25% in the share capital were accepted of Euroasia Interconnector, project implementing body. This was announced by the President and CEO of IPTO, Mr. Manos Manousakis, at the 86th International Exhibition of Thessaloniki, as he said, "the Administrator laid the foundations for an initial investment participation of 25% in an already mature project, with secured European funding, which will upgrade Greece's position on the international energy map and place it at the center of energy exchanges between Europe and the Middle East". The relevant procedures have already started and the finalization of the agreement is expected in the next period.