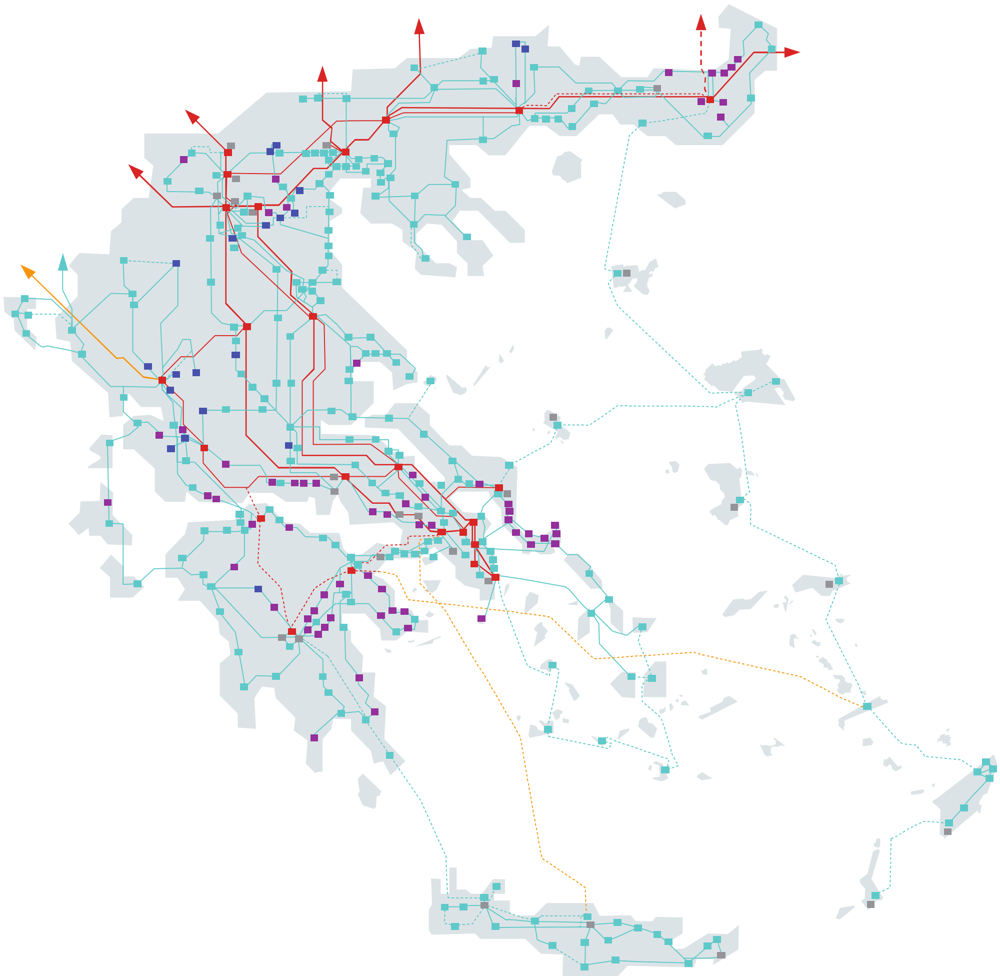
ANNUAL FINANCIAL REPORT

for the year

January 1st to December 31st 2022



INDEPENDENT POWER TRANSMISSION OPERATOR

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

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ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS

INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) S.A.
Management report of the Board of Directors
for the year 2022 (01/01/2022 – 31/12/2022)
to the Annual General Meeting of Shareholders

Dear Shareholders,

This Annual Management Report, which follows, (hereinafter the "Report") was prepared in accordance with the applicable Law and the Articles of Incorporation of the company "**Independent Power Transmission Operator**" (hereinafter referred as "IPTO S.A." or "IPTO" or "Company") and contains all relevant information required by Law, in order to provide substantial and detailed information about the activity during the twelfth fiscal year ended at December 31st, 2022.

The companies of the Group included in the consolidated financial statements are the Company and its subsidiaries "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "GRID TELECOM S.M.S.A." (hereinafter the "Group"). The annual financial statements of the subsidiaries are posted online at the websites http://www.ariadne-interconnection.gr and https://www.grid-telecom.com respectively.

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

1. Changes to the existing institutional Framework within 2022

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

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

2.1. Business model description, goals and core values

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

The purpose of the Company is to engage in the activities and perform the duties of **Owner and Operator of the Hellenic Electricity Transmission System ("HETS" or "ESMIE" in Greek)**, as stipulated in Law 4001/2011 and Law 4425/2016. IPTO in its capacity as Operator of the Hellenic Electricity Transmission System performs all duties stipulated in Article 94 of Law 4001/2011 and the provisions of Law 4425/2016. These duties are:

- Ensuring the long term ability of the System to meet reasonable demand for electricity transmission in a financially and environmentally sustainable manner.
- Granting access to the System to all electricity generation, supply and trade permit holders, as well as to those parties which have been legally exempted from permit holding obligations and to High Voltage consumers.
- Allowing the connection of the Hellenic Electricity Distribution Network to HETS, in compliance with the Hellenic Electricity Transmission System Operation Code.
- Managing electricity flows on the System, taking into account exchanges with other interconnected transmission systems.
- Ensuring the safe, reliable and efficient operation of the System ensuring as well as the availability of necessary ancillary services including those provided by demand response, insofar as such availability is independent from any other transmission system.
- Preparing the dispatch schedule for generation plants connected to the System, determination of interconnections usage and performance of real-time dispatching of available generation plants.

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

The Company's registered address is located at 89, Dyrrachiou and Kifissou Streets, Athens 104 43, and its duration has been set up to December 31, 2100. On December 31st, 2022, the Group employed 1.144 employees, and the Company 1.117 employees of whom 29 in total were seconded. Specifically, 9 were seconded to Public Sector services, 19 to Public Organizations and 1 was seconded to the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". Their total payroll cost was Euro 1,4 million approximately, of which Euro 1,1 million approximately is recharged. The subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." employed 27 employees and the subsidiary company "GRID TELECOM S.M.S.A." employed 1 employee.

Regarding the subsidiaries, the company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." was established in September 2018 by IPTO in compliance with RAE's decisions 816/2018 and 838/2018, with sole purpose of constructing and financing the Crete-Attica interconnection project as described by the Ten-Year Development Plan (TYDP) of the National Electricity Transmission System for the period 2018-2027 and in the Energy Regulatory Authority (RAE) decisions.

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

3. Principles of management and internal management systems

3.1. HETS Development and decision-making

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

Specifically, HETS Ten-Year Network Development Plan:

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

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

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

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

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

3.2. Board of Directors

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

The members of the Board of Directors shall acquire all relevant information regarding the operation of the Company. They must exercise their duties at the interests of the Company and its Shareholders. The Board of Directors (BoD) primarily formulates the strategy and development policy and supervises and controls the management of the Company's assets. The composition and duties of the members of the Board of Directors are determined by the law and the articles of association.

3.3. Internal Audit

The Company's internal control system consists of the policies, procedures and responsibilities designed and assigned by the Management in order to achieve the Company's objectives. Controls contained therein are designed and implemented to minimize risks and protect assets, ensure the accuracy of records, promote operational efficiency and encourage compliance with applicable legal and regulatory frameworks.

The Company's internal audit activity is carried out by an independent and objective internal audit division which, in compliance with the applicable regulatory operating framework, conducts periodic audits to reasonably assure that the risk identification and management procedures implemented by management are adequate and effective, that the internal control system is operating effectively and that the information provided to the Board of Directors regarding the internal control system is reliable and of high quality. The Audit Committee is the oversight body of the

Internal Audit Division to which it submits quarterly reports through which any weaknesses identified, the impact they have had or may have, and management's actions to correct them are communicated.

4. Description of past performance and tangible and intangible assets

4.1. Economic Review of year 2022

The Group's total revenue increased by 2,54% for the Group to Euro 292 million in 2022 compared to Euro 285 million in prior year and for the Company increased by 2,61% to Euro 291 million in 2022 compared to 284 million in 2021.

Operating expenses increased for the Group by 3,34% to Euro 203 million in 2022 compared to Euro 197 million in prior year, while for the Company increased by 3,08% to Euro 202 million in 2022 compared to Euro 196 million in 2021.

The above changes led to a 2,86% increase for the Group and 3,15% for the Company in EBITDA, which amounted to Euro 195 million compared to Euro 190 million the previous year for the Group and Euro 195 million compared to Euro 189 million in the previous year for the Company, with the EBITDA margin reaching 66,78% in 2022 compared to 66,58% in 2021 for the Group and 66,89% in 2022 compared to 66,53% in 2021 for the Company. The Net Debt/EBITDA ratio reached 397% in 2022 versus 350% in 2021 while the corresponding figures for the Company are 305% in 2022 versus 330% in 2021. The net profit margin was decreased to 19,91% in 2022, versus 24,34% in 2021 for the Group and 20,23% in 2022, versus 23,90% in 2021 for the Company. Return on Equity was decreased to 4,07% in 2022, compared to 4,94% in 2021 for the Group, while for the Company the percentage fluctuated to 4,13% in 2022, compared to 4,85% in 2021. Return on capital employed ratio (ROCE) slightly decreased to 3,71% in 2022, compared to 3,89% in 2021 for the Group, while for the Company increased to 4,04% in 2022, compared to 3,96% in 2021.

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

4.2. Evolution of debt

Net debt (loans and lease liabilities minus cash and cash equivalents) remained at satisfactory levels due to high cash reserves and amounts for the Group to Euro 775,4 million in 2022 compared to Euro 663,8 million in prior year, while the leverage ratio stood at 35,2% compared to 32,1% in 2021. The Company serves on a regular basis its debt obligations. Net debt of the Company amounts to Euro 594,1 million in 2022 against approximately Euro 622,8 million in 2021 while the leverage ratio of the Company stood at 29,4% in 2022 compared to 31,4% in the previous year.

4.3. Cash flows

Net cash flows from financing activities of the Group were sufficient to repay loans of Euro 34 million, expenses and interest of Euro 21,8 million and payment of dividends of Euro 33,9 million. In addition, the Group raised a loan of Euro 145 million to finance the project carried out by the subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". The corresponding amounts for the Company for the repayment of loans are Euro 34 million, expenses and interest of Euro 18,7 million approximately and the payment of dividends Euro 33,9 million.

4.4. Dividend policy

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

The Board of Directors approved the Financial Statements for the fiscal year 2022 on April 6th, 2023 and proposed to the Annual General Meeting of Shareholders the distribution of a dividend of Euro 29,4 million of the net profit for the year.

4.5. Tangible and intangible assets

The total investments for the Group amounted to Euro 335,9 million (2021: Euro 411,1 million). Respectively, for the Company total investments amounted to Euro 332,5 million (2021: Euro 409,5 million).

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

- Amount of Euro 185.231 thousand concerns works carried out in the context of the construction project of the Crete - Attica interconnection through the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."
- Amount of Euro 62.388 thousand concerns interconnection works carried out for Cyclades
- Amount of Euro 12.415 thousand concerns interconnection works carried out for Megalopolis (East and West Corridor)
- Amount of Euro 10.126 thousand concerns support projects for the existing HVS (KYT)
- Amount of Euro 9.523 thousand concerns works Upgrading circuits in the Ionian Islands

The total amount of the valuation of the transferred fixed assets of Crete, based on the valuation report by an independent specialized appraiser, is equal to approximately Euro 58,4 million, of which approximately Euro 40,6 million represents the first part of the total price that was recorded on 2021. The additions of 2022 concern the excess acquisition cost of the fixed assets approximately Euro 17,8 million acquired by PPC S.A and representσ the second part of the total price.

4.6. Significant events of fiscal year 2022

- On February 24th, 2022 the Ordinary General Meeting of the sole shareholder of the subsidiary "GRID TELECOM S.M.S.A.'' approved an increase of its share capital of Euro 3,5 million, in order to cover the company needs in the context of developing its activities and in connection with its business plan. The share capital increase was carried out via cash payment from the parent company, with the issuance of 35.000 new common registered shares, with a nominal value of Euro 100 each.
- 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 31/5/2025.
- In 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 an 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.
- On July 30th 2022, 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 cost acquisition of the high-voltage fixed assets of Crete's electricity system (Euro 17,8 million) amounting to Euro 1,5 million, was included, forming the Required Revenue of the Operator for 2022 in the amount of Euro 269,6 million.

- In September 2022, the President and CEO of IPTO Group, Mr. Manos Manousakis, in the context of the 86th International Exhibition of Thessaloniki, confirmed the Group’s strategic participation in a project of huge geopolitical importance, the new international electrical interconnection between Greece-Cyprus-Israel, as the terms of the Letter of Intent submitted by the Operator for its investment participation with a percentage of 25% in the share capital of Euroasia Interconnector, which is the implementing body of project, were accepted.
- On October 6th, 2022 IPTO announced the conclusion of the receipt of Expressions of Interest (EoI) phase of the selection process (Phase A) concerning the tender process, for the disposal of existing shares of the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". The tender process consists of two (2) phases:

  - The pre-selection phase (Phase A) 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.

  The interested parties who submitted an EoI are the following:

  i. Consortium of Macquarie Super Core Infrastructure Fund SCSp and Phaethon Holdings Single Member S/A

  ii. Gek Terna S.A.

  iii. Terna SpA

  iv. StateGrid International Development Belgium Limited
- On December 12nd 2022, the Company, the subsidiary of the Group "GRID TELECOM S.M.S.A." and "Telecom Egypt", signed in Cairo, the contract for the construction and installation of the branch line between Greece and Egypt, through Crete. The Africa submarine cable system is expected to be completed in 2024 and will have a total length of more than 45.000 km.
- On December 16th, 2022, the Company signed two Finance Agreements with EIB for the financing of the "Cyclades Interconnection Phase 4" project, a) amount of Euro 250 million (without the guarantee of the Hellenic Republic) with duration 15 years and b) amount of Euro 65 million (with guarantee of the Hellenic Republic), with duration 20 years, which will finance the construction of the electrical interconnection between mainland Greece and the Cyclades.

4.7. Major projects completed in 2022 or projects in progress

Brief Description of the Most Important Projects

Cyclades Interconnection

The Cyclades interconnection project has been identified as a project of "general importance for the country's economy". The project aims to increase the reliability of the interconnected islands' supply and to reduce production costs (substitution of oil with other energy sources, in line with the evolution of the energy mix in the mainland).

The design of the project has been formulated with a view to minimizing environmental disturbance on the Islands. In this direction, the new substations on the Islands have been located close to the seashore to avoid the construction of overhead transmission lines on the Islands, while the interconnection of the Islands with each other and with the Continental System is planned to be done through submarine cable connections. According to the above, IPTO is implementing the project in phases:

Phase A

The implementation of Phase A, with a budget of Euro 264,3 million, which included the connection of Syros with Lavrio, as well as with the islands of Paros, Mykonos and Tinos was completed in 2018. The project was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2007-2013 & 2014-2020.

Phase B

The second phase of the Cyclades interconnection with a budget of Euro 47,3 million which includes the connection between Naxos and Paros and Mykonos was completed in 2020.The project was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2014-2020.

Phase C

The third phase of the interconnection of the Cyclades was completed in 2021. It includes the laying of the second cable from Lavrio to Syros, as well as the required connection works (shunt reactors and bays) in Lavrio and Syros.

The project, with a budget of Euro 122,3 million, was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2014-2020.

Phase D

In 2021, the implementation of the fourth and final phase of the interconnection of the Cyclades, worth Euro 524 million, started, which includes the interconnection of the islands of Thira, Milos, Folegandros and Serifos with the mainland Electricity Transmission System (HETS).

The supply and installation contracts for the Naxos-Thira cable line and the substation and SVC of Thira have been signed and the construction works are in progress. They are expected to be completed in 2023. Also, the supply and installation contracts for the cable lines Lavrio-Serifos, Serifos-Milos, Milos-Folegandros and Folegandros-Thira were signed in the first quarter of 2023. The tenders for the substations of Serifos, Milos and Folegandros were announced in 2022 and the contracts are expected to be signed in 2023.

The submarine line of Thira is expected to be electrified in the first half of 2024 and the rest of the islands are expected to be interconnected to the ESMIE in the second half of 2025. The completion of the interconnection of the Cyclades will enable the development of RES plants of total power of 332MW on the islands, achieving a more stable, green, and economic energy mix for the island cluster.

The project is co-funded by the Recovery and Resilience Fund «Greece 2.0» with the funding from the European Union – Next Generation EU.

Crete Interconnection

The Crete System is characterized by:

- Very high variable production costs due to the use of oil in local production plants, which is reflected in a significant burden on consumers to cover the cost of Services of General Interest (SGIs).
- High annual growth rate of the Island's load. It is noted that the load during the summer months is marginally covered by the local stations.
- The great difficulty or impossibility of finding spaces and securing permits for the strengthening of local stations or the development of new ones.
- The growing interest in exploiting the rich local RES potential, whose penetration in the island's power generation mix is limited due to technical constraints (mainly significant stability issues that high RES penetration in an autonomous power system such as that of Crete can create).
- Low level of feed reliability, especially in case of failures in the production system.

The above-mentioned characteristics make the interconnection of Crete with the HETS a necessary project in terms of its feasibility.

Interconnection of Crete with the Peloponnese

The Crete-Peloponnese interconnection is the first phase of the interconnection of Crete with HETS. The Crete - Peloponnese AC interconnection includes two (2) 150 kV AC circuits, each with a nominal carrying capacity of 200 MVA. A thorough investigation of the operation and power adequacy of the Cretan electricity system revealed that the power that can be safely transported through this AC link ranges from 150 MW to 180 MW, depending on the operating conditions.

Within 2020, the substations in the Peloponnese and Chania, the underground transmission cable lines in Crete and the Peloponnese, the first submarine cable line and most of the overhead lines in the Peloponnese were completed, which allowed the successful test run of the interconnection in December 2020. The second submarine cable line, the final arrangements of the overhead lines in the Peloponnese and STATCOM were completed in stages until May 2021, when the interconnection was made ready to operate under load. In July 2021 the interconnection was commissioned under load and has been operating continuously since then.

The project, costing Euro 374,5 million (including upfront costs), is co-financed by the European Regional Development Fund (ERDF) and the NSRF 2014-2020 and is financed from the European Investment Bank.

Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the Crete - Peloponnese small interconnection project and serves the same purposes as the latter by further enhancing the security of supply of the island along with the need to increase the absorption capacity of electricity production from RES. At the same time, a further significant reduction in the charges for Services of General Interest (SGIs) is expected for all consumers of the system in the Greek territory.

This project is carried out by the 100% subsidiary of IPTO "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", which was established by RAE decisions 816/2018 and 838/2018 as the implementing entity, and whose sole purpose is the construction and financing of the project. In addition, it has been entrusted with the selection of companies that will enter into contracts with IPTO and will be responsible for the maintenance of the system for 10 years. The ownership, possession, operation of the cable and the technical specifications given to the contractors for the construction of the cable are purely the responsibility of IPTO (as manager and owner of the HETS). The asset will be owned by IPTO and presented in its own Financial Statements. Therefore, throughout the implementation of the project by "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", it is owned by IPTO and is reflected accordingly in the Financial Statements of IPTO, while after its completion, the project is incorporated into HETS, which is owned and managed exclusively by IPTO.

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

The design - construction work by the contractors is in full swing. Specifically, with regard to the Conversion Stations, the production of most of their equipment has been completed, while the foundation works of the buildings have almost been completed and their construction has begun. Regarding the progress of the cable section, the production of all sections of the cables (submarine and underground) has been completed. Also, the laying of the two poles (Eastern and Western, 2 x 336 km) has been completed according to schedule, as well as the laying of the optical fibers as a whole. Submarine cable protection is expected to be completed in the 2nd quarter of 2023. Finally, the construction of the underground section of the route from the Koumoundourou transport station to the sealing point in Attica is underway, where approximately 80% of the infrastructure has been completed, as well as 40% of the cable installation. In the case of Crete, road construction work is ongoing and infrastructure work to install the cables is expected to begin.

At the same time, with regard to grant funding, within 2023 the project is expected to be included for co-financing in an operational program within the NSRF, thus drawing significant resources and reducing, to a very large extent, the cost of the project of major importance for the Greek consumer.

System expansion 400 kV to the Peloponnese

The expansion of the 400kV System to Megalopolis (with the subsequent creation of a 400kV loop Patras - Megalopolis - Corinth) drastically increases the transmission capacity to and from the Peloponnese, enables the development of RES and thermal power stations, significantly improves the margin of voltage stability for the Southern System and secures the Peloponnese in any combination of generation and load conditions. Moreover, it strongly connects the Megalopolis power station with the high load areas (Attica and Patras area) and contributes to the achievement of an isobaric development of the Power Generation and Transmission Systems in the Southern Complex. Finally, it should be stressed that the development of the 400 kV system to the Peloponnese contributes to the reduction of the overall losses of HETS.

The Megalopolis project was co-financed by the European Regional Development Fund (ERDF) and the NSRF 2007-2013 and part of the extension works were financed by the European Investment Bank.

West Corridor (Megalopolis - Patras - West Sterea)

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

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

The Western Corridor projects have been completed and a small part of the overhead line (2 pylons) remains due to an engagement with a neighboring monastery. In order to avoid further delay in the completion of the project, a variation of the route was decided, which is expected to be fully completed in April 2023.

The total budget of the aforementioned projects amounts to Euro 108 million.

East Corridor (Megalopolis - Corinth - Attica)

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

- In the first stage with the Megalopolis extra-high voltage substation with the construction of a new overhead transmission line of 400 kV double-circuit Megalopolis - Corinth, which was completed in December 2022.
- Next stage with the new Koumoundourou Extra high voltage substation with the construction through a new overhead transmission line 400 kV double circuit Corinth - Koumoundourou. The subproject co-financed by the Recovery and Resilience Fund «Greece 2.0» with the funding from the European Union – Next Generation EU and was designated by the Government Gazette No. D 494 04-08-2022 as a project of general importance for the country's economy. At this stage, tenders submission was completed in March 2023, the contract award is expected in August 2023 and project completion is expected in the 1st half of 2026.

The total budget of the projects amounts to Euro 105,7 million.

Skiathos Interconnection

In order to enhance the reliability of the electrical supply of the Northern Sporades, a new substation was developed in Skiathos and connected to the existing substation Mantoudi in Evia. The interconnection includes a new 150 kV transmission line, consisting of overhead (new and upgraded), underground and underwater sections, as well as the required termination projects at the Mantoudi Substation.

The new Skiathos HV/MV Substation of closed type (SF6) (with SF6 gas insulation) was electrified for the first time through the Mantoudi substation on July 2022.

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

Koumoundouros Extra High Voltage Substation

Within 2021, the construction of the new gas-insulated (GIS) Koumoundouros Extra High Voltage Substation has been launched. This new GIS will replace the existing air-insulated Koumoundouros Extra High Voltage Substation and will enable the connection of the East 400kV 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, is expected to be completed in three (3) phases.

The first phase of the project is estimated to be completed in 2023. The project is co-financed by the European Union through RRF mechanism. Full completion of the project is planned within the 1st half of 2026.

New interconnection with Bulgaria

The second electricity interconnector between Greece and Bulgaria consists of a new 400kV overhead transmission line connecting Nea Santa EHV S/S (Greece) to Maritsa East S/S (Bulgaria). The transmission capacity of the interconnection will be 2,000MVA and its total length will be approximately 151km, 30km of which are located in the Greek territory. The project has been included by the EU in the list of Projects of Common Interest (PCIs) and it has also been included in the Ten Year Network Development Plan of ENTSO-E. For the works in the Greek territory, budgeted Euro 11,3 million, the following financing tools were used: equity, net debt and Use of Congestion Income (UCI). Moreover, both IPTO and ESO-EAD used Connecting Europe Facility (CEF) for the studies of the project.

The completion of the new interconnection is expected to increase the Net Transfer Capacity (NTC) to 1,400MW from Greece towards Bulgaria and to 1,700MW from Bulgaria towards Greece. The project will contribute to the safe transfer of the prevailing power flows in the north-south direction of the NE Europe, enhance the security of supply and increase the further installation of RES units in the northern part of Greece and southern part of Bulgaria. At the same time, it will strengthen the European transmission system on the eastern border, an area where the 400kV System is sparse and the connection to Turkey's large-scale System is relatively weak (1 interconnector with Greece and 2 with Bulgaria), contributing to the integration of the electricity markets of Europe and Turkey. More specifically, the project contributes to completing EU internal market in energy, has a strong cross-border dimension that will improve the interconnection of the European electricity and contributes to the goals of Fit for 55.

The construction of the Overhead T.L 400kV between KYT N. Santa and Substation Maritsa started in June 2022 and is expected to be completed in the 1st semester of 2023.

Upgrade of 150KV circuits in the Ionian Islands Channel

The project includes the upgrade of the Lefkada - Argostoli loop, replacing the old submarine cable connection Lefkada - Kefallinia with a new submarine cable XLPE 150 kV rated 200MVA for strengthening the connection Aktio - Lefkada - Argostoli. The completion of the tender for the replacement of the submarine cables Lefkada - Kefalonia and Kefalonia - Zakynthos are expected to be tendered within the 1st half of 2023.

In addition, in December 2022, the project of replacing the Kyllini - Zakynthos submarine cable started, which is expected to be completed at the beginning of the 2nd quarter of 2023.

The total budget of the projects amounts to Euro 85,7 million.

North-east Aegean

The North-east Aegean interconnection project concerns the interconnection with the HETS of the North-east Aegean Islands group which includes the following eight (8) autonomous electrical systems of Limnos, Agios Efstratios, Skyros, Lesvos, Chios, Samos, Ikaria and Agathonisi.

In total, the construction of five (5) new 150kV closed substations (GIS) is planned to enhance the reliability of the electricity supply of the islands of Limnos, Lesvos, Skyros, Chios and Samos. It is also planned to build 3 substations in the area of Thrace to Limnos, in the area of Evia to Skyros (in the event that the 150 kV line from the sealing point to Aliveri substation by underground cable is not implemented) and near the point of landfall in Lesvos of the submarine cables from Skyros, Limnos and Chios.

The project will be developed over three phases, to be completed in 2029.

The total budget of the projects amounts to Euro 863 million and it is planned to be co-financed by the Island Decarbonisation Fund.

International interconnections

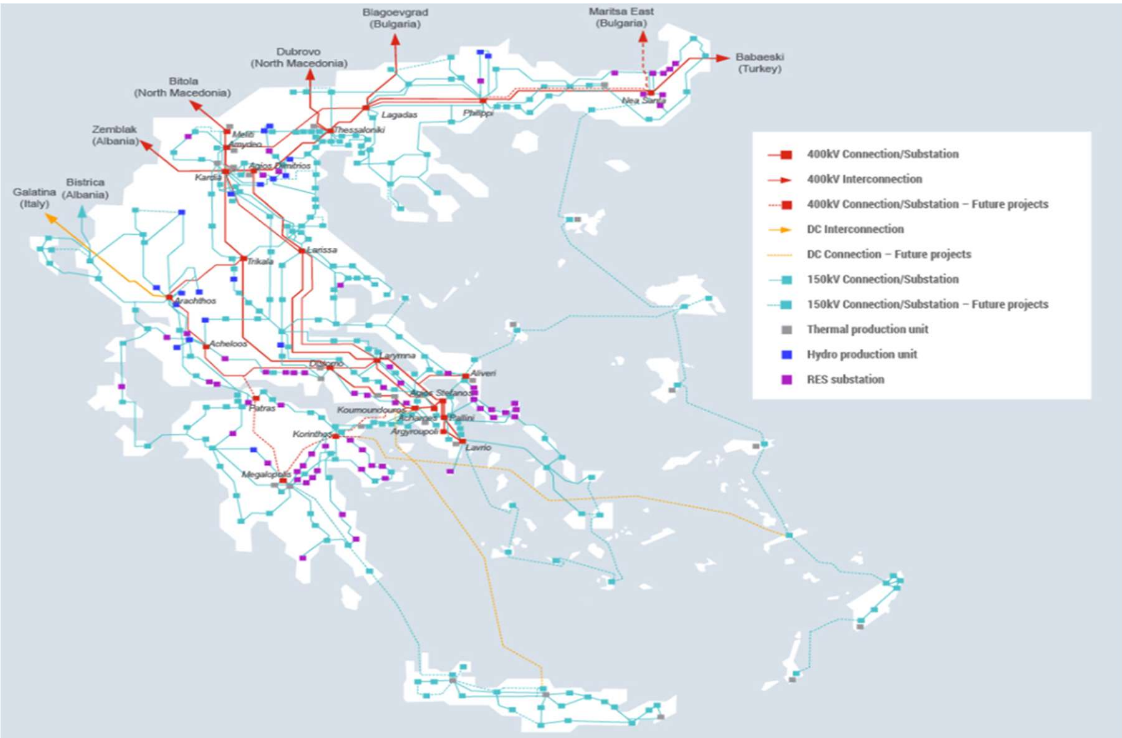
IPTO prioritizes international interconnection projects, in the context of strengthening regional cooperation in the field of Energy as well as the integration of the European electricity market. In this context, the Operator:

- Is currently constructing the domestic section of the second Greece-Bulgaria interconnection (Nea Santa-Maritsa), which will triple the energy transferred between the two countries
- Conducts feasibility studies concerning the second reinforcing interconnection between Greece and Italy, with a capacity of up to 1 GW, with the Operator of Italy, Terna
- Has signed a Memorandum of Cooperation for the construction of an electrical interconnection between Greece and Egypt. IPTO works closely with the Egyptian Operator (EETC – Egyptian Electricity Transmission Company) and the project promoter ELICA SA and intends to participate in the project as an investor

At the same time, IPTO Group:

- Contributes to the maturity and construction of Cyprus-Crete electrical interconnection, with the EuroAsia Interconnector as the implementing entity, ensuring with its know-how the operational capacity of the project. During the summer, IPTO submitted a Letter of Intent to the management of EuroAsia Interconnector, regarding its participation in the company's share capital with a percentage of 25%, which will allow the Operator to be more actively involved in the construction of the interconnection, contributing even more in know-how and generally in the implementation of the large-scale energy project.
- Accelerates the procedures for the study of a new Greece-Albania interconnection, setting up a working group along with the Transmission System Operator of Albania.
- Ripens the plans for the upgrade of Greece-Turkey interconnection, which will connect the European with the Turkish Transmission System.
- Promotes the upgrade of the existing interconnection with North Macedonia.

Regarding the maturity of the European electricity market, in November 2022 the Greek Intraday Market was coupled with the Pan-European continuous cross border trading (Single Intraday Coupling - SIDC), at the borders of Italy and Bulgaria.



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

2022-2031

The draft of the TYNDP 2022-2031 was submitted for RAE's approval on April 15th, 2021 and was set by the Authority on public consultation until March 4th, 2022. Following this, with decision 287/24.3.2022 (Government Gazette B 4789/12.09.2022) 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 and was set by the Authority on public consultation from September 2nd to October 3rd 2022. On November 8th 2022, RAE requested the submission of an updated TYNDP 2023-2032. Accordingly, IPTO submitted the requested updated data for the TYNDP on February 6th, 2023.

2024-2033

During December 2022, the Preliminary draft TYNDP 2024-2033 was finalized and set to public consultation by IPTO up until March 14th, 2023.

5. Major risks

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

5.1. Risks related to inventories

5.1.1. Risk of inventory obsolescence

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

5.1.2. Stock insurance

Spare part stocks are scattered throughout the country, and therefore the risk of a major loss is reduced. The Company has no insurance cover on its stocks, as the estimated insurance costs are higher compared to the costs of restoring any damage in a case of a risk occurrence.

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

5.2.1. Risk of demand reduction

There is no significant risk of demand reduction due to the nature of the Group activity.

5.2.2. Risk of Regulatory Framework changes

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

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

5.2.3. Operational/Regulatory risk

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

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

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

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

5.3.2. Liquidity and cash flow risks

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

5.3.3. Credit Risk

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

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

5.3.4. Interest rate risk

The Group and the Company are exposed to interest rate risk, mainly due to part of borrowings at floating interest rates linked to the Euribor, which affect their cash flows and financial results. Specifically, the borrowing with a floating interest rate at Group and Company level amounts to 56% and 45% respectively (2021: 50% and 46% respectively).

At a nationat and global level, critical issues such as the inflationary pressures stemming mainly from the energy crisis, supply chain disruptions, as well as the geopolitical turbulence in Ukraine, are expected to affect the course of the global economy during 2023 and may lead central banks to increase interest rates. The European Central Bank has recently raised the key interest rate and the Euribor is around 3% approximately. There is systematic information and monitoring by the Board of Directors and in the event of a possible fluctuation, appropriate financial hedging instruments will be used.

5.3.5. Exchange rate risk

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

5.3.6. Price risk

There is no significant price risk, since the unitary Transmission Use of System charges which form the base of the Company's revenue, are calculated through a detailed study submitted to RAE based on the estimated consumption. Moreover, according to the methodology regarding the calculation of the Required Revenue, past and projected inflation is taken into account.

5.3.7. Geopolitical and macroeconomic environment risk

The energy crisis following Russia's invasion of Ukraine led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, which are expected to lead to a slower growth rate in 2023, close to 1,5%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the economy, leading in the medium term to growth rates close to 3% in 2024 and in 2025.

In particular, investments are expected to increase at a very high rate throughout the period 2023-2025, 10% on average, supported by the maintenance of sufficient liquidity in the banking sector and by the utilization of available European resources. In the coming years, Greece will receive around Euro 40 billion in support from the EU's long-term budget 2021-2027 and Euro 30 billion from the Recovery and Resilience Fund until 2026. These resources are expected to attract additional private capital. At the same time, it is expected to attract increased foreign direct and indirect investments*.

Exports of goods have shown resilience during the pandemic. After increasing by 13,8% in 2021, it is estimated that in 2022 and 2023 they will continue to increase, albeit at a much lower pace, due to the expected decline in economic activity and the deterioration of the outlook in the euro area and the global economy. Services exports are estimated to have recovered significantly in 2022 and will continue to move upwards in the following years. At the same time, however, imports are expected to rise throughout the period 2023-2025, as a result of the stimulation of domestic demand, especially investments.

The gradual de-escalation of unemployment and the increase in the number of employed persons is expected to continue in the period 2023-2025, as a result of economic growth, which will be supported by the implementation of the National Recovery and Resilience Plan.

Inflation, based on the Harmonized Index of Consumer Prices, was formed, as in the rest of the eurozone, at a particularly high level in 2022, namely at 9,3%, mainly due to the upward trend in the prices of energy goods, but also the revaluations in foodstuffs. A gradual de-escalation is expected for 2023 and 2024, to 5,8% and 3,6% respectively, mainly due to the expected decline in energy prices and the negative effect of the comparison base. Core inflation, i.e. inflation that excludes changes in food and energy prices, stood at 4,6% in 2022 and is estimated to remain similarly high in 2023, due to the incorporation of strong inflationary pressures from the components of non-energy industrial goods and services.

In this environment and context, the absolute orientation of the economic and especially the fiscal policy towards the acquisition of investment grade for the bonds of the Greek Government is a national goal, as its achievement will have beneficial effects on all sectors of the Greek economy. The Greek economy is now very close to this goal. The development in the energy sector and the macroeconomic effects are expected to further increase the inflation risks, the treatment of which is analyzed in section 5.3.6. The activities of the Company and the Group are not expected to be affected by the above changes in the macroeconomic environment.

*Source: Bank of Greece

5.3.8. Risks related to climate change

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

For this reason, IPTO has integrated in its strategy the new data that have emerged due to climate change in order to adapt itself to the new environment. Based on current data and upcoming changes, it identifies the risks associated with climate change and the related opportunities.

Safety and Reliability in a challenging environment comprises one of the pillars of IPTO's new Strategy for 2021-2024.

IPTO's contribution is also important in terms of tackling climate change at the national level. 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 business opportunities as the transition to a low-carbon economy can only be achieved through significant structural and technological changes in the energy production system.

As climate change consequences become visible through the increasing occurrence of severe weather events, the need to shield the country from such devastating effects seems more urgent than ever. For this reason, IPTO has planned an increased maintenance plan, so that there is resistance of the System against intense weather events.

IPTO's role is important both in the context of climate change adaptation actions, through the maintenance and renewal of assets and the improvement of the Transmission System's resilience, and with regard to climate change mitigation actions, being the implementing agency of the country's major interconnections, which will allow the acceleration of the energy transition to a low-carbon economy through the increased penetration of renewable energy sources.

According to the National Energy and Climate Plan, the country aims to drastically reduce greenhouse gas emissions in order to achieve a national transition to a climate-neutral economy by 2050.

IPTO as the implementor of the country's major interconnections, is paving the way for green investments and increasing the integration of RES in the HETS, with many significant benefits for society, the environment and the economy. In particular, through interconnections and the increased integration of RES, energy production costs are reduced, carbon intensity is reduced (decarbonization), the country's energy security is improved, and the burden on the atmosphere is reduced, locally and more broadly through the reduction of air pollution due to the burning of fossil fuels.

Finally, an important priority of the Ten-Year Development Plan is the interconnection of the Aegean islands with the Mainland System. These interconnections will address their electrical isolation, increase supply reliability, reduce energy generation costs and thus SGIs costs, protect the environment and exploit the high potential of RES. At the same time, the end of the "electrical isolation" of the Aegean islands increases the size of the domestic electricity market.

IPTO's role today is crucial for the implementation of these plans and objectives and will continue to be in the future to an even greater extent.

5.3.9. Miscellaneous specific risks

5.3.9.1. Risk of non-insurance of fixed assets

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

Turn-key projects are insured by the contractors during construction.

5.3.9.2. Pending litigation risk

The Group is a defendant in various court cases. Management evaluates the outcome of the cases in conjunction with the information received from the legal department of the Group and where it is judged that the outcome will be negative, the corresponding provisions are formed. Analysis of the provisions is disclosed in note 28 of the Financial Statements.

5.3.9.3. Risk of changes in tax and other regulations

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

5.3.9.4. Risk from regulated returns on business

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

6. Environmental issues

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

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

- environmental licensing of auxiliary and accompanying works (warehouses, loan rooms) where required

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

7. Employment Issues

Promoting equal opportunities and protecting diversity are key principles of the Group. The Group's management does not discriminate in terms of recruitment/selection, remuneration, training, job assignment or any other work activity. In line with the requirements and ideas in regard with the modern working environment, IPTO has developed and applies a Workforce Regulation addressed to all its staff. This ensures employee rights and working conditions established from collective bargaining. This regulation is important in order to address issues that affect employees such as their rights and obligations in the workplace, as well as their recruitment, remuneration and working hours.

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

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

The Group on December 31st, 2022 employed as regular staff 1.144 employees of different genders and ages, and the Group's consistent policy is to provide equal opportunities to employees regardless of gender, religion, disadvantage or other aspects. Of the total regular staff, 1.117 employees were employed by the parent company, of whom 29 in total were seconded. Specifically, 9 of them were seconded to Public Sector services, 19 to Public Organizations and 1 was seconded to the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.”. The total payroll cost of the seconded employees amounts to Euro 1,4 million approximately, of which Euro 1,1 million approximately is recharged. The subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” employed 27 employees and the subsidiary company “GRID TELECOM S.M.S.A.” employed 1 employee. The Group's relations with its staff are excellent and there are no related to employment issues.

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

The Group respects the rights of employees and complies with the Labor Legislation. In the Group there are unions of employees.

7.3. Health and safety at work

With a view to protecting our employees and third parties who either collaborate with IPTO or happen to be in its facilities, we have established and put into implementation a Health and Safety Policy. Moreover, we invest in the training of our people in Health and Safety issues in order to ensure awareness, prevention and maximum protection.

Specifically, are carried out:

- IPTO has and implements a Health and Safety Policy, which sets out the framework of the principles followed and measures taken, aiming to promote a safe working environment for all. In addition, through the Health and Safety Policy, the Company aims to improve the systems, standards and practices applied. The Policy has been approved by the Management and is binding for all employees regardless of rank, as well as third parties who collaborate with IPTO or are in its premises. Furthermore, the implementation of this Policy aims to improve the Company’s performance in the area of Health and Safety through the early identification of risks, the prevention and minimisation of work-related accidents and diseases and by embedding health and safety in the company culture.
- IPTO has adopted an approach that focuses on the prevention and treatment of occupational risks at source. To protect our employees’ health and safety, IPTO ensures:
    1. preparation and updating of Occupational Risk Assessment studies for all its facilities throughout the country;
    2. workplace visits by safety technicians and occupational physicians to identify and record occupational hazards;

3. occupational physicians at all Company facilities where there are employees;
4. nursing staff available for the entire workforce placed in over nine workplaces throughout the country;
5. operating clinics in IPTO's facilities across the country staffed with a large number of employees and additional recruitment of occupational physicians mainly aiming at addressing the coronavirus pandemic;
6. preventive health check-ups for the staff and mental health helplines provided from a specialized company;
7. mandatory annual occupational health check-up for the employees working under high risk conditions and biannually for all the rest;
8. issuance of fitness-for-duty certificates for all employees, always thoroughly protecting medical confidentiality and personal data.

- Training in occupational Health and Safety is an integral part of the basic and specific technical training of IPTO's staff. The annual training programme covers occupational Health and Safety issues, such as the correct use of personal protective equipment, awareness-raising on occupational hazards, hazardous works or even dangerous situations and what the best practices are to address them. In order to establish a safety culture, training and hands-on workshops are held on the prevention and management of potential negative impacts on employee Health and Safety and during performance of duties. Each employee, depending on his/her job post, is required to attend specific training courses, tailored to the needs of his/her duties, in order to further develop his/her skills to address the occupational hazards he/she may face

7.4. Systems of recruitment, training, promotions

Recruitment procedures are carried out based on the qualifications required for the position in a non-discriminatory way.

The nature of IPTO's activities and the constant changes in the energy landscape of Greece sets a high bar for its human resources. In this context and in order to promote a strong culture of growth and development, the Group designs and implements training programmes on various subjects. The purpose of these programmes is to enhance the employees' technological and organisational knowledge, develop their creative thinking, and nurture innovation skills. Training is organised and carried out on an annual basis. Employees take part in seminars and educational events, in postgraduate, doctoral and post-graduate study programmes and also in language-learning programmes. Emphasis is placed on new practices such as experiential and distance learning, thus enhancing the quality and quantity of the training and development programmes.

Monitoring the progress of human resources contributes to the Company's long-term smooth operation and efficiency. IPTO has developed effective employee management and evaluation mechanisms, ensuring, thus, the increase of the Company's efficiency for the benefit of all in particular, IPTO implements a fully modernised electronic evaluation system. This innovative system is based on qualitative and quantitative criteria and includes each employee's self-assessment, allowing to all participants, both those who evaluate and those being evaluated, to appraise their performance and express their agreement or disagreement with the evaluation, thus gaining a better understanding of their role in the realisation of the Company's business objectives. At the same time, this system provides opportunity to highlight areas for improvement in regard with each employee, with the ultimate goal of developing IPTO's human resources as a whole, as well as improving and utilising all employees' skills and expertise. In the last three years, all (100%) IPTO's permanent employees have been evaluated according to the new evaluation system.

8. Financial performance ratios and additional information

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

	Group		Company	
In million Euro	**2022**	**2021**	**2022**	**2021**
Total revenue	292	285	291	284
EBITDA	195	190	195	189
Total assets	3.546	3.314	3.714	3.486
Non-current assets	3.019	2.800	3.217	2.998
Regulatory asset base	2.042	2.060	2.042	2.060
Total debt	974	867	777	813

	Group		Company	
	2022	**2021**	**2022**	**2021**
Current ratio				
Total current assets / Total current liabilities	120,45%	142,87%	134,90%	150,85%
Quick ratio				
Total current assets minus inventories / Total current liabilities	105,87%	127,19%	117,60%	133,41%
Cash ratio				
Cash and cash equivalents / Total current liabilities	45,46%	56,55%	49,72%	58,82%
Operating cash flow ratio				
Cash flow from operating activities / Total current liabilities	49,89%	49,17%	58,26%	43,08%
Interest coverage ratio				
Profit before tax and financial results / Interest expense	563,15%	590,66%	562,72%	585,97%
Debt to equity ratio				
Net debt / Equity	54,24%	47,26%	41,70%	44,50%
Debt to EBITDA ratio				
Net debt / EBITDA	397,25%	349,82%	305,03%	329,82%

	Group		Company	
	2022	**2021**	**2022**	**2021**
EBITDA margin				
EBITDA / Total revenue	66,78%	66,58%	66,89%	66,53%
Net operating margin				
Profit before tax and financial results / Total revenue	30,51%	31,04%	30,54%	30,86%

Net profit margin				
Net profit / Total revenue	19,91%	24,34%	20,23%	23,90%
Net Operating cash flow ratio				
Cash flow from operating activities / Total revenue	74,57%	62,04%	73,71%	49,07%
Return on equity (ROE)				
Profit before taxes / Total equity	4,07%	4,94%	4,13%	4,85%
Return on assets (ROA)				
Net profit / Total assets	1,64%	2,09%	1,59%	1,95%
Return on Capit Employed (ROCE)				
Profit before tax and financial results / Equity and total debt	3,71%	3,89%	4,04%	3,96%

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

Alternative Performance Measures and their calculation are analyzed in Note 8.2 of Management Report.

8.2. Alternative Performance Measures ("APM")

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

EBIT (Earnings before interest and tax)

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

Adjusted EBIT

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

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

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

Adjusted EBITDA

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

Adjusted earnings before tax

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

Adjusted net income

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

Net debt/EBITDA

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

Net debt

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

Return on Equity

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

The calculation of the above Rates (except for Alternative Performance Measures) directly derived from the Statement of Financial Position and Income Statement.

The following table analyzes the calculation of selected Alternative Performance Measures:

Adjusted Ratio Calculation	Group		Company	
	2022	2021	2022	2021
Total revenue	292.302	285.048	291.201	283.801
Total expenses	(203.127)	(196.568)	(202.260)	(196.221)
EBIT	**89.174**	**88.480**	**88.941**	**87.580**
Provisions* (Note 6 and 9)	(5.557)	(1.158)	(5.577)	(1.136)
Non-recurring items* (Note 6)	-	2.000	-	2.000
Adjusted EBIT	**83.617**	**89.322**	**83.364**	**88.444**
Depreciation and amortization	106.028	101.296	105.842	101.247
Adjusted EBITDA	**189.645**	**190.618**	**189.206**	**189.691**
Provisions* (Note 6 and 9)	5.557	1.158	5.577	1.136
Non-recurring items* (Note 6)	-	(2.000)	-	(2.000)
EBITDA	**195.202**	**189.776**	**194.783**	**188.827**

	Group		Company	
	2022	2021	2022	2021
EBIT	**89.174**	**88.480**	**88.941**	**87.580**
Financial expenses	(15.835)	(14.980)	(15.806)	(14.946)
Financial income	3.160	6.087	4.403	5.551
Share of profit of associates	345	506	-	-
Profit before tax	**76.845**	**80.093**	**77.538**	**78.184**
Change in the fair value of financial products and loans (Note 11.2)	-	2.925	-	2.925
Adjusted profit before tax	**71.288**	**78.011**	**71.961**	**76.124**
Effective tax rate	24,26%	24,31%	24,02%	24,47%
Adjusted income tax	(17.292)	(18.965)	(17.282)	(18.624)
Adjusted net income after tax	**53.996**	**59.045**	**54.679**	**57.500**

Effective tax rate calculation

	Group		Company	
	2022	2021	2022	2021
Profit before tax	**76.845**	**80.093**	**77.538**	**78.184**
Income tax	(18.640)	(10.699)	(18.621)	(10.356)
Effect of change in tax rate	-	8.772	-	8.772
Adjusted income tax	(18.640)	(19.472)	(18.621)	(19.128)
Effective tax rate	**24,26%**	**24,31%**	**24,02%**	**24,47%**

*Extraordinary – non-recurring items mainly include the following:

- For 2022 provision for the discount of reduced electricity given to employees and retirees of the Company amounting to Euro 36 thousand, provisions for staff compensation amounting to Euro 2.576 thousand (Note 6), and release of provision for risks and expenses amounting to Euro 8.169 thousand (Note 9).

- For 2021 provision for the discount of reduced electricity given to employees and retirees of the Company amounting to Euro 86 thousand, provisions for staff compensation amounting to Euro 1.334 thousand (Note 6), release of provision for risks and expenses amounting to Euro 2.578 thousand (Note 9), while also a retroactive charge of Euro 2.000 thousand for the Company due to remuneration to technical staff from the implementation of the new Collective Labour Agreement 2021-2024 (Note 6).

8.3 Explanation of Regulated Revenue

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

Regulated revenue from transmission system rent

	2022	2021	Movement
Composition of AR based on RAE decision 587/2022 for 2022 and RAE decision 235/2018 for 2021:			
Operating expenses	99.881	79.066	20.815
Controlled operating expenses (incl. Ariadne)	91.404	79.066	12.338
Non-controlled operating expenses (incl. Ariadne)	8.477	-	8.477
Depreciation	87.496	77.063	10.433
Total operating expenses	**187.377**	**156.129**	**31.248**
RAB	2.031.799	2.059.771	(27.972)
WACC	6,10%	6,30%	
RAB*WACC	123.940	129.766	(5.826)
Revenue from non-regulated activities	(11.393)	-	(11.393)
AR Allowed revenue	**299.924**	**285.895**	**14.029**
Plus: Items not budgeted in RAE decisions 587/2022 and 235/2018:			
Ariadne	-	2.763	(2.763)
RSC	-	2.910	(2.910)
Proportion of the excess acquisition value of the fixed assets of Crete (RAE decision 643/2022)	1.487	-	1.487
AR revised	**301.410**	**291.567**	**9.843**
Adjustments for (RAE Decisions 587/2022 and 179/2021):			
(Π1) (Over)/Under recovery of revenue	2.754	143	2.611
(Π2) Over/(Under) investment	(8.632)	(6.141)	(2.490)
(Π5) Clearance of non-controlled operating expenses	2.341	-	2.341
(Π6) Revenue from non-regulated activities	2.099	(9.699)	11.798
(Π7) Clearance due to change in the tax rate	(7.441)	-	(7.441)
(INF) Inflation clearance	11.650	-	11.650
AR adjusted	**304.181**	**275.870**	**28.311**
Revenues recovered from other sources (RAE Decisions 587/2022 and 179/2021):			
(Π3) Revenue from Interconnection rights	(35.676)	(66.180)	30.503
(Π4) ITC	1.062	1.906	(845)
RR Required revenue	**269.566**	**211.597**	**57.970**
Actual Revenue			
TUoS	**238.581**	**207.581**	**31.000**
Other sources			
(Π3) Revenue from Interconnection rights	35.676	66.180	(30.503)
(Π4) ITC	(1.062)	(1.906)	845
Revenue from transmission system rent	**273.196**	**271.854**	**1.342**

Revenue from transmission system rent as referred above, amount Euro 273.196 thousand and Euro 271.854 thousand for 2022 and 2021 respectively, have been recognized as revenue from transmission system rent at the Income Statement.

RAE΄s decision 495/2021 defined a new methodology for calculating the Allowed and Required Revenue of IPTO, which was implemented when calculating the revenue for the Regulatory Period 2022-2025. RAE's decision 587/2021 determined IPTO's Allowed Revenue (AR) for the years of Regulatory Period 2022-2025. For 2022, the estimated

Allowed Revenue (AR) amount to Euro 299.924 thousand with an increase of Euro 8,3 million compared to the respective of 2021, mainly as a result of the increased budgeted operating expenses due to IPTO's expansion in the last years.

IPTO requested RAE to update the Allowed Revenue (AR) in order to be taken into account the excess acquisition value of the high-voltage fixed assets of the electricity system of Crete (Euro 17,8 million). The request was accepted and based on RAE's decision 643/2022, incorporating 1/12 of the excess acquisition value (amount of Euro 1,5 million) in the year 2022, increasing the Allowed Revenue (AR revised) of 2022 to Euro 301.410 thousand. Therefore, the Revised Allowed Revenue for 2022 is increased by Euro 9,8 million compared to 2021.

RAE decisions 587/2022 and 179/2021 determine all adjustments used for the calculation of the Required Revenue (RR). Parameters (Π5) Clearance of non-controlled operating expenses, (Π7) Clearance due to change in the tax rate and (INF) Inflation clearance were introduced with methodology 495/2021 and did not exist in prior methodology 340/2014. The above parameters as well as the change in the clearance of the non-regulated activities of IPTO through parameter (Π6) led to an increase of Euro 18,3 million. In addition, a significant deviation presented in the parameters (Π1) and (Π3) between two years. Parameter (Π1) reflects the under-recovery of revenue and appears increased by Euro 2,6 million for 2022 compared to 2021. Parameter (Π3), which was determined by RAE's decisions 1058/2021 and 178/2021 for the years 2022 and 2021 respectively and concerns the use of interconnection rights for the reduction of System Usage Charges, appears reduced by Euro 30,5 mil in 2022 compared to 2021.

The above adjustments explain the further increase presented in 2022 in the Required Income (RR), by Euro 57,9 mil compared to 2021.

The interconnection of Crete with the Continental System since August 2021, as well as the adjustment of the unit System Usage Charges from September 2022 onwards, led to an increase of Revenue by Euro 31 million compared to 2021.

It is worth to be noted that the significant delay in the implementation of the new unit charges for the use of the system which entered into force on 1/9.2022 as well as the reduced energy demand led to under-recovery for the year 2022 which amounts to Euro 31 million.

Regulated revenue from transmission system rent

Revenue from balancing market is a new revenue stream in 2022 amounting to Euro 11,9 million. The revenue from balancing market fee for the year 2022 was approved by RAE decision 1059/2021, with the Required Revenue for 2022 amounting to Euro 13,1 million. The Required Balancing Market Revenue is apportioned through the balancing market fee between the balancing service providers and the balance responsible parties, which are registered at the HETS's Operator registry.

9. Prospect development

Outlook for 2023

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

The 2023 Strategy enriches and strengthens the strategy of the previous year, integrating in its entirety the dimension of sustainability and addressing the challenges of climate change.

The strategic priorities of the Group are summarized below:

Final countdown to the electric interconnection of Crete-Attica

Before the summer of 2023, the subsidiary company of the IPTO Group, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", will have completed the protection works for the underwater ultra-high voltage electric cables. Immediately after that, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." will focus on the onshore construction sites, namely the Koumoundourou and Damasta Conversion Stations. The goal for 2023 is the completion of the construction of the main buildings and infrastructure of the Conversion Stations and the start of the installation of the Transformers and Conversion Valves.

Initiation of studies for the Dodecanese electrical interconnection

The goal for 2023 is to start the network studies for the first phase of the project, which will start from the new HVC of Corinth and will end in Kos.

Conclusion of the contract for the new 400 kV Corinth-Attica Transmission Line

After the completion of the first half of the Eastern Corridor, from Megalopolis to Corinth, the goal is to sign the contracts for the second section of the Line between Corinth and Attica by August, which is a binding goal, because it is a milestone of the Recovery Fund.

Completion of the new Greece-Bulgaria electrical interconnection

Another project that is about to be completed is the second Greece-Bulgaria interconnection with a 400-kV overhead transmission line. The aim is to complete the domestic part of this Line by the second quarter of 2023, which starts from the Nea Santa HVC and reaches the Greek-Bulgarian border. It is a very important project that will more than triple the energy transferred between Greece and Bulgaria and will further strengthen the energy security in Southeast Europe.

Implementation of the Energy Transition Projects Programme

The increasing penetration of RES in the energy mix brings new challenges to the System. IPTO's goal for 2023 is to continue with an intensive pace the implementation of the Energy Transition Projects Program in order to ensure the stability of the System especially in periods of low loads and high voltages, due to increased renewable electricity generation.

With new balancing equipment, more sophisticated load sharing platforms and appropriate infrastructure specifically for green energy management such as Energy Control Centres for RES, IPTO is preparing the System for the new era of clean energy.

Start of operation of the Educational Centre

In 2022, IPTO set the stage for the operation of its Educational Centre. The goal is that in September 2023, the Centre will start offering high-standard, certified technical training, with the aim of maintaining and strengthening IPTO's expertise. The new Centre will also be able to train technical personnel needed not only by IPTO, but by Greece as a whole in order for the energy transition to progress.

Upgrading asset management and monitoring systems

Another goal for 2023 related to the Operator's digital transformation is the even more effective management of the Company's assets. This will be achieved with the new Enterprise Asset Management system. This system will allow the optimal utilization of the Company's fixed assets and the significant reduction of their management costs.

In this context, another goal for 2023 is to start implementing a state-of-the-art Asset Performance Management System (APMS). This system, combined with the Online Condition Monitoring systems, will check and evaluate the condition of assets, as well as the timely execution of preventive maintenance no longer based on time, but based on their condition.

In addition, IPTO will proceed with the modernization of the online version of the Geographical Information System (GIS) with the use of new Geospatial Analysis (GSA) software in 2023.

Finally, the Operator aims to upgrade the security systems in all its infrastructures, in order to protect its valuable equipment and materials kept in its facilities throughout Greece in 2023.

Expansion of our telecommunications network

The subsidiary of IPTO Group, "GRID TELECOM S.M.S.A.", keeps on upgrading the telecommunications infrastructure and services in Greece.

The goal for 2023 is to further develop the existing DWDM telecommunications infrastructure in new areas - Peloponnese, Crete, Attica and Thrace - and to expand capacity services for even better commercial utilization of the optical fibre network.

An equally important goal for 2023 is the expansion of IPTO's telecommunications network used for communication and control of electrical infrastructure.

In the context of the specific project, IPTO will expand the new IP/MPLS network to 150 nodes of the System and use it to provide critical telecommunications services that until now have been based on older technologies.

Establishing a strong presence in the electric vehicle charging market

Another goal of IPTO for 2023 is for GRID CHARGE (electric vehicle charging infrastructure development activity) to establish itself in the field of electric mobility and advance its plans for the development of an ultra-fast electric vehicle charging network, with chargers up to 360 kW.

Utilisation of state-of-the-art technologies for the digital shielding of the System

IPTO's goal for 2023 is to develop its digital cyber defence infrastructures by developing advanced and intelligent cyber security solutions and strengthening Threat Detection mechanisms in IT & OT Systems.

The Company will prepare special business continuity and business risk plans and will launch special information and awareness actions on Cybersecurity issues.

Implementation of the new circular waste management system

The goal is to design a Waste Recording, Evaluation and Recycling System. The contract for the project will be entered into and the design of the System will begin in 2023. The project will be completed within a 3-year horizon. Comprehensive processes and policies for integrated and horizontal waste management will be designed.

Development of an Equality and Inclusion Policy and Action Plan

IPTO will soon issue a Policy and Action Plan for Equality and Inclusion of Diversity. The new Policy will describe IPTO's commitments in matters of equality, and the action plan will incorporate the main axes of the Company's Policy into everyday working life.

10. Company operation in the field of research and development

During the reporting period the Group incurred research and development expenditure of Euro 858 thousand (2021: 873 thousand). Expenditures relate to third party fees amounting to Euro 635 thousand (2021: 686 thousand), personnel salaries amounting to Euro 92 thousand (2021: 89 thousand), software purchase and support equipment amounting to Euro 47 thousand (2021: 23 thousand), other expenses amounting to Euro 83 thousand (2021: 55 thousand) and third party benefits amounting to Euro 1 thousand, (2021: 20 thousand).

The Group participated in the European Community's subsidized program "Horizon 2020" and "Horizon Europe", while on 2022 received subsidies amounting to Euro 323 thousand (2021: Euro 638 thousand) for the above programs.

11. Own Shares

No own shares were acquired during fiscal year 2022.

12. Company Branches

The Company maintains 6 branches in Northern Greece, West Macedonia, Larissa, Agrinio and Athens in order to serve the cash requirements of the respective Regional Sectors.

13. Financial instruments

The Group and the Company as of 31/12/2022 held bonds of the Cooperative Bank of Chania and Pancretan Cooperative Bank, with total nominal value of Euro 4 million.

14. Significant transactions with related parties

On December 31st, 2022 "STATE GRID EUROPE LIMITED" holds 24% of Company's paid-up share capital, "ADMIE HOLDING S.A." holds 51% of Company's paid-up share capital, and the "PUBLIC HOLDING COMPANY ADMIE S.A." ("PHC ADMIE S.A.") holds 25% of Company's paid-up share capital. The Group is indirectly controlled by the Greek state, through "PUBLIC HOLDING COMPANY ADMIE S.A." ("PHC ADMIE S.A."), which controls directly 25% of "IPTO S.A." paid-up share capital and 51,12% of "ADMIE HOLDING S.A." (the parent company) paid-up share capital and is the parent company. The Company's transactions with related parties have been carried out under normal market terms.

Related parties of the Company are presented in the table below:

Company	Relation
ADMIE HOLDING S.A.	Shareholder
PHC ADMIE S.A.	Shareholder
STATE GRID LTD	Shareholder
ARIADNE INTERCONNECTION SINGLE MEMBER 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 (Note 36) , whose the balances (receivables, liabilities and revenues and expenses) on December 31st, 2022 are as follows:

	Group			
	31/12/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ADMIE HOLDING S.A.	32	12	28	6
EnExClear	23.744	6.239	67.417	38.953
SELENE CC S.A.	358	-	82	79
Total	**24.134**	**6.252**	**67.528**	**39.038**

	Company			
	31/12/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ARIADNE INTERCONNECTION S.M.S.P.S.A.	266	475.269	449	292.692
GRID TELECOM S.M.S.A.	5.503	27	4.089	18
ADMIE HOLDING S.A.	32	12	28	6
EnExClear	23.744	6.239	67.417	38.953
SELENE CC S.A.	358	-	82	79
Total	**29.903**	**481.548**	**72.066**	**331.747**

	Group			
	01/01/2022- 31/12/2022		01/01/2021- 31/12/2021	
	Revenue	Expenses	Revenue	Expense
ADMIE HOLDING S.A.	34	5	31	5
EnExClear	445.534	451.759	235.623	235.623
HELLENIC ENERGY EXCHANGE S.A.	-	75	-	62
SELENE CC S.A.	253	275	102	276
Total	**445.821**	**452.114**	**235.756**	**235.966**

	Company			
	01/01/2022- 31/12/2022		01/01/2021- 31/12/2021	
	Revenue	Expenses	Revenue	Expenses
ARIADNE INTERCONNECTION S.M.S.P.S.A	1.589	2.337	482	2.757
GRID TELECOM S.M.S.A.	632	-	365	-
ADMIE HOLDING S.A.	34	5	31	5
EnExClear	445.534	451.759	235.623	235.623
HELLENIC ENERGY EXCHANGE S.A.	100	75	-	62
SELENE CC S.A.	253	275	102	276
Total	**448.142**	**454.451**	**236.602**	**238.723**

The Company's revenue transactions with the companies "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", " GRID TELECOM S.M.S.A." and "IPTO HOLDINGS S.A." relate mainly to revenues from a) provision of services such as the recharge of shared expenses, b) income from leases, c) financial income according to the IFRS 16, d) income from the guarantee of the bond loan of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", as well as e) revenue from the sale of electric vehicle fast charging stations to "GRID TELECOM S.M.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 SINGLE MEMBER S.P.S.A.". The Company's liabilities towards its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." include mainly an amount of Euro 456.293 thousand (before VAT), which relates to assets under construction in the context of the construction project of the Crete-Attica interconnection, at amount of Euro 470.228 thousand and other taxes and duties, which decrease the liability by the amount of Euro 13.935 thousand. Amount of Euro 182.758 thousand (before VAT) consists additions in construction in progress of the fiscal year.

The major part of the liability to "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." is included in the item "Long-term liability from concession agreement" regarding the value of construction invoices before VAT and in the item "Short-term liability from concession agreement" regarding 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 November 1st, 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 and amounted to Euro 11,9 million during 2022. In 2021 revenue and expenses with "EnExClear" are equal in contrast to 2022. The reason is that in 2022:

- expenses of Euro 18,1 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.

- revenue of Euro 11,9 million which concerns the Balancing Market have been invoiced by "EnExClear" to “IPTO S.A.” and there are no corresponding expenses

The major part of receivables from "EnExClear" is included in "Trade receivables" and relates to clearing services and Balancing Market Fee and in "Other receivables" relating to Prefinanced Financial Resources.

The liabilities to "EnExClear" are included in "Accrued and other liabilities" and in "Trade 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 recharge of expenses. Respectively, the nature and balances of receivables, as at 31/12/2022, are related to the transactions mentioned above.

The Company's revenue transactions with the "HELLENIC ENERGY EXCHANGE S.A." in 2022 relate to the collection of dividends in the amount of Euro 100 thousand which was recorded in financial income.

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 “ELPEDISON”. With the exception of the transaction with "PPC S.A.", concerning the fixed assets of Crete which is described in paragraph 4.5 above, all other transactions with the above companies are made on commercial terms and are not disclosed.

15. Management Remuneration

The Board of Directors’ members and the Directors’ remuneration social security contributions and representation expenses inclusive, for the year ended at December 31st, 2022 for the Group and the Company amount to Euro 1.685 thousand, and Euro 1.420 thousand, respectively (2021: Euro 1.147 thousand and Euro 1.015 thousand).

There are no liabilities towards members of the Board of Directors and General Managers of the Group and the Company on 31/12/2022.

The actuarial obligation for retirement of the members of the Board of Directors and the General Managers of the Group and the Company for the fiscal year ended on December 31st, 2022 amounts to Euro 34 thousand (2021: Euro 45 thousand) and service cost amount to Euro 1 thousand (2021: Euro 2 thousand).

The executives of the Group have not received compensation for retirement during 2022 and during the corresponding prior year.

16. Applied Key Accounting Principles

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

17. Other issues

The Company has no foreign exchange currency.

There are no encumbrances on the Company's property. Details regarding the ownership of the Company's property are disclosed in Note 37 of the Financial Statements. The latest estimate of the current value of properties was conducted on December 31st, 2019.

18. Subsequent events

Signing of IPTO-EIB loan agreement through RRF for the interconnection of the SW Cyclades

On January 24th, 2023, the Company, with the aim to obtain a more favorable interest rate, proceeded with:

a) partial cancellation of the loan agreement signed with the EIB on December 16th, 2022, of amount Euro 250 million (without the guarantee of the Greek State). The partial cancellation concerned to an amount of Euro 93 million, with the result that the available loan balance equals to Euro 157 million

b) cancellation of the loan agreement with the EIB of amount Euro 65 million (with the guarantee of the Greek State)

c) signing a new loan agreement with the EIB through the Recovery and Resilience Fund amounting to Euro 108,44 million for the financing of the "Cyclades Interconnection Phase 4" project, with a duration of 15 years.

Share capital increase of the subsidiary company "GRID TELECOM S.M.S.A"

On February 1st, 2023 the Extraordinary General Assembly of the sole shareholder of the subsidiary "GRID TELECOM S.M.S.A." approved an increase of its share capital by the amount of Euro 9,7 million, in order to address the financial needs of the subsidiary "GRID TELECOM S.M.S.A." for capital expenditure. The share capital increase will be carried out by issuing 97.383 new common registered voting shares, with a nominal value of one hundred euro (Euro 100) each.

Purchase of 8.33% and share capital increase of the related company "Selene CC S.A."

Transelectrica due to regulatory reasons decided to withdraw from the shareholdership of “SELENE CC S.A.” and pertain only a contractual relationship with the company.

According to Article 26 par. 3 of the company’s Article of Association (“AoA”), the withdrawing shareholder is obliged to assign its shares, subject to the choice of the remaining shareholders, to all shareholders in equal parts or to the Company itself or a combination thereof. Therefore, each shareholder (IPTO, ESO-EAD, TERNA) purchased and acquired an equal part of the share capital currently owned by Transelectrica, (25% of the company's share capital), which corresponds to 16.666 shares with a nominal value of Euro 1,073 each (8 .33% of the share capital). In addition, "SELENE CC S.A." purchased and acquired as own shares 0.01% of the share capital currently owned by Transelectrica, which corresponds to 2 shares of the company. The Company paid approximately Euro 18 for the acquisition of 16,666 shares, which corresponds to 8.33% of the share capital of "SELENE CC S.A.".

On February 21st, 2023 the Extraordinary General Meeting of “SELENE CC S.A.’’ approved an increase of its share capital of Euro 6 million, in order to cover the Company’s financial needs. The share capital increase was carried out with the issuance of 6.010.002 new common registered shares, with a nominal value of one euro (Euro 1) each. On March 17th, the Board of Directors of IPTO approved the payment of the share capital of its share amounting to Euro 2.003.334 in order to assume 2.003.334 new common registered shares with a nominal value of one euro each.

As a consequence of the above, IPTO in 2023 holds 33.33% of the total paid in share capital of "SELENE CC S.A.".

Issuance of bond loan

On March 28th, 2023, the Company issued Series A bonds of Euro 80 million, as part of the Euro 150 million bond loan agreement from 30/12/2021 with a consortium of banks.

The Group and the Company consider these events as non-adjusting events after the reporting period.

After that we hereby kindly request that you:

1. Approve the Income Statement, the Statement Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, the summary of key accounting policies and methods and other explanatory information for FY 2022 (fiscal period 01/01/2022 - 31/12/2022) and the distribution of dividend amount of Euro 29,4 million from the net profits of the fiscal year 2022,
2. Discharge the members of the Board of Directors and auditors from all liability for the operations of FY 2022 (fiscal period 01/01/2022 - 31/12/2022),
3. Appoint for the FY 2023 an audit firm to carry out the regular audit of the year.

Athens, April 6th, 2023

On behalf of the Board of Directors

Chairman of the BOD & CEO	Deputy Chief Executive Officer
M. Manousakis	Chen Dong

INDEPENDENT AUDITORS' REPORT

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Independent Power Transmission Operator S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Independent Power Transmission Operator S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2022, the separate and consolidated income statement and total comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Independent Power Transmission Operator S.A. and its subsidiaries (the Group) as at December 31, 2022 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

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

Other information

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

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018 and the content of the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2022.

b) Based on the knowledge and understanding concerning Independent Power Transmission Operator S.A and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

Athens, April, 6 2023

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

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

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

INDEPENDENT POWER TRANSMISSION OPERATOR (IPTO) S.A.

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2022

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

The attached financial statements have been approved by the Board of Directors of the Independent Power Transmission Operator (IPTO) S.A. on April 6th, 2023 and they have been posted on the web site http://www.admie.gr

CHAIRMAN OF THE BoD & CEO	DEPUTY CHIEF EXECUTIVE OFFICER	HEAD OF ACCOUNTING SERVICES BRANCH
M. MANOUSAKIS ID Card 165741	D. CHEN No PE1871422 Passport People's Republic of China	G.KONSTANTOPOULOS Class A' ID No 0127209

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(Amounts in thousand Euro unless otherwise stated)

INCOME STATEMENT FOR YEAR 01/01/2022 – 31/12/2022

		Group		Company	
Revenue	**Note**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021***	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021***
Revenue from transmission system rent	5	271.959	270.357	273.196	271.854
Revenue from balancing market	5	11.943	-	11.943	-
Concession agreement expenses	5	-	-	(2.337)	(2.744)
Operator's revenue from clearing charges	5	510.723	252.737	510.723	252.737
Operator's expenses from clearing charges	5	(510.723)	(252.737)	(510.723)	(252.737)
Revenue from other operations	5	8.399	14.691	8.399	14.691
Total revenue (net)		**292.302**	**285.048**	**291.201**	**283.801**
Expenses/(Other Income)					
Payroll cost	6	56.632	59.255	56.266	58.957
Depreciation and amortization	7	106.028	101.296	105.842	101.247
Contracting cost	35	213	1.669	213	1.669
Materials and consumables		965	542	965	542
Third party benefits	8.1	8.485	6.153	8.481	6.153
Third party fees	8.2	25.565	17.667	24.343	16.792
Taxes–duties		2.688	2.735	2.659	2.724
Provision (release of provision) for risks and expenses	9	(8.169)	(2.578)	(8.189)	(2.556)
Other income	10.2	(7.818)	(4.200)	(6.582)	(3.262)
Other expenses	10.1	18.539	14.030	18.262	13.956
Total expenses (net)		**203.127**	**196.568**	**202.260**	**196.221**
Profit before tax and financial results		**89.174**	**88.480**	**88.941**	**87.580**
Financial expenses	11.1	(15.835)	(14.980)	(15.806)	(14.946)
Financial income	11.2	3.160	6.087	4.403	5.551
Share of profit of associates		345	506	-	-
Profit before tax		**76.845**	**80.093**	**77.538**	**78.184**
Income Tax	12	(18.640)	(10.699)	(18.621)	(10.356)
Net profit after tax		**58.205**	**69.394**	**58.917**	**67.828**
Attributable to:					
Owners of the Company		58.205	69.394	58.917	67.828
Non-controlling interests		-	-	-	-

*Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).

The notes on pages 48 to 123 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR YEAR 01/01/2022 – 31/12/2022

		Group		Company	
	Note	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**
Net profit after tax		**58.205**	**69.394**	**58.917**	**67.828**
Other comprehensive income (non-reclassified in the income statement)					
Tax rate change effect	12	-	7.527	-	7.527
Actuarial gain based on IAS 19	27	721	3.269	712	3.272
Deferred tax on actuarial gain		(159)	(719)	(157)	(720)
Other comprehensive income after tax		**562**	**10.078**	**556**	**10.080**
Cumulative comprehensive income after tax		**58.767**	**79.471**	**59.472**	**77.908**
Attributable to:					
Owners of the Company		58.767	79.471	59.472	77.908
Non controlling interests		-	-	-	-

The notes on pages 48 to 123 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2022

		Group		Company	
ASSETS	**Note**	**31/12/2022**	**31/12/2021***	**31/12/2022**	**31/12/2021***
Non-current assets					
Tangible assets	13	2.991.275	2.757.493	2.984.901	2.755.260
Intangible assets	14	6.693	5.903	6.623	5.844
Right of use asset	15	2.425	2.200	1.346	2.065
Investments in subsidiaries	16	-	-	205.300	201.800
Investments in associates	17	1.994	1.743	1.050	1.050
Financial assets at amortized cost	18	4.068	4.075	4.068	4.075
Deferred tax assets	12	5	-	-	-
Long-term portion of finance lease receivables	18	3.568	3.732	4.200	3.224
Other long-term receivables	18	9.388	24.627	9.380	24.627
Total non-current assets		**3.019.416**	**2.799.772**	**3.216.867**	**2.997.944**
Current assets					
Inventories	19	63.722	56.394	63.722	56.394
Trade receivables	20	126.086	133.713	125.993	133.557
Other receivables	21	125.957	114.803	123.888	107.399
Income tax receivable		10.714	5.208	-	-
Short-term portion of finance lease receivables	18	1.133	364	195	150
Cash and cash equivalents	22	198.617	203.384	183.158	190.115
Total current assets		**526.228**	**513.867**	**496.956**	**487.615**
Total assets		**3.545.644**	**3.313.639**	**3.713.823**	**3.485.559**
EQUITY AND LIABILITIES					
Equity					
Share capital	23	38.444	38.444	38.444	38.444
Legal reserve	24	13.101	13.076	12.815	12.815
Other reserves	25.1	(7.675)	(8.237)	(7.675)	(8.231)
Revaluation reserve	25.2	893.967	893.967	893.967	893.967
Retained earnings		491.685	467.439	487.400	462.397
Equity attributable to owners of the Company		**1.429.522**	**1.404.690**	**1.424.950**	**1.399.392**
Non controlling interests		-	-	-	-
Total equity		**1.429.522**	**1.404.690**	**1.424.950**	**1.399.392**
Non-current liabilities					
Long-term borrowings	26	927.274	829.224	730.705	775.041
Provisions for employee benefits	27	10.904	11.206	10.904	11.206
Other provisions	28	9.003	16.056	9.003	16.056
Deferred tax liabilities	12	182.538	182.202	182.533	182.208
Subsidies	29	451.738	428.291	451.738	428.291
Long-term lease liabilities		1.240	1.956	1.162	1.851
Long-term liability from concession agreement	30	-	-	456.293	278.946
Other non-current liabilities	31	31.235	18.998	12.834	7.982
Special accounts (reserves)	34	65.308	61.350	65.308	61.350
Total non-current liabilities		**1.679.241**	**1.549.283**	**1.920.481**	**1.762.932**
Current liabilities					
Trade and other payables	32	207.436	187.228	123.312	141.176
Short-term liability from concession agreement	30	-	-	16.606	9.088
Short-term lease liabilities		264	298	233	268
Short-term portion of long-term borrowings	26	45.271	35.777	45.199	35.746
Income tax payable		2.225	3.489	2.147	3.407
Accrued and other liabilities	33	65.078	73.868	64.289	74.542
Special accounts (reserves)	34	116.607	59.007	116.607	59.007
Total current liabilities		**436.881**	**359.666**	**368.392**	**323.235**
Total equity and liabilities		**3.545.644**	**3.313.639**	**3.713.823**	**3.485.559**

*Comparative figures on specific items have been reclassified for comparability purposes (analysis in Note 3.3.22).
The notes on pages 48 to 123 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR YEAR 01/01/2022 – 31/12/2022

	Group					
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total equity
Balance as at 31/12/2020	**38.444**	**13.014**	**(11.201)**	**886.163**	**438.776**	**1.365.197**
Effect of change in accounting policy (IAS 19)	-	-	690	-	1.406	2.096
Balance as at 01/01/2021	**38.444**	**13.014**	**(10.511)**	**886.163**	**440.182**	**1.367.293**
Net profit for the fiscal year	-	-	-	-	69.394	69.394
Other comprehensive income after tax for the year	-	-	2.274	7.804	-	10.078
Total comprehensive income	**-**	**-**	**2.274**	**7.804**	**69.394**	**79.471**
Dividends paid	-	-	-	-	(42.074)	(42.074)
Transferred reserves	-	62	-	-	(62)	-
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 fiscal year	-	-	-	-	58.205	58.205
Other comprehensive income after tax for the year	-	-	562	-	-	562
Total comprehensive income	**-**	**-**	**562**	**-**	**58.205**	**58.767**
Share capital increase costs	-	-	-	-	(21)	(21)
Formation of legal reserve	-	24	-	-	(24)	-
Dividends paid	-	-	-	-	(33.914)	(33.914)
Balance as at 31/12/2022	**38.444**	**13.100**	**(7.675)**	**893.967**	**491.685**	**1.429.522**

The notes on pages 48 to 123 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR YEAR 01/01/2022 – 31/12/2022

	Company					
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total equity
Balance as at 31/12/2020	**38.444**	**12.815**	**(11.197)**	**886.163**	**435.237**	**1.361.462**
Effect of change in accounting policy (IAS 19)	-	-	690	-	1.406	2.096
Balance as at 01/01/2021	**38.444**	**12.815**	**(10.507)**	**886.163**	**436.643**	**1.363.558**
Net profit for the year	-	-	-	-	67.828	67.828
Other comprehensive income after tax for the year	-	-	2.276	7.804	-	10.080
Total comprehensive income	**-**	**-**	**2.276**	**7.804**	**67.828**	**77.908**
Dividends paid	-	-	-	-	(42.074)	(42.074)
Balance as at 31/12/2021	**38.444**	**12.815**	**(8.231)**	**893.967**	**462.397**	**1.399.392**
Balance as at 01/01/2022	**38.444**	**12.815**	**(8.231)**	**893.967**	**462.397**	**1.399.392**
Net profit for the year	-	-	-	-	58.917	58.917
Other comprehensive income after tax for the year	-	-	556	-	-	556
Total comprehensive income	**-**	**-**	**556**	**-**	**58.917**	**59.472**
Dividends paid	-	-	-	-	(33.914)	(33.914)
Balance as at 31/12/2022	**38.444**	**12.815**	**(7.675)**	**893.967**	**487.400**	**1.424.950**

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

The notes on pages 48 to 123 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CASH FLOW FOR YEAR 01/01/2022 – 31/12/2022

		Group		Company	
Cash flows from operating activities	**Note**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**
Profit before tax		76.845	80.093	77.538	78.184
Adjustments for:					
Depreciation of tangible assets	7	119.030	114.276	118.845	114.226
Amortization of subsidies	7	(13.003)	(12.727)	(13.003)	(12.727)
Interest income	11.2	(3.160)	(6.087)	(4.403)	(5.551)
Other provisions	9	(8.169)	(2.578)	(8.189)	(2.556)
Asset write-offs	13	1.383	1.698	1.383	1.698
Amortization of loan issuance costs	11.1,26	283	240	280	240
(Gain) from derecognition of optical fiber	10.2	(2.245)	(1.698)	(895)	(492)
Gain from Associates	17	(345)	(506)	-	-
Interest expense	11.1	15.551	14.736	15.526	14.706
Personnel provisions	6	2.612	1.420	2.612	1.420
Operational profit before changes in the capital employed		**188.783**	**188.866**	**189.694**	**189.149**
(Increase)/decrease:					
Trade and other receivables		5.279	50.804	5.427	49.719
Other receivables		(25.916)	(47.583)	(19.811)	(57.433)
Inventories	19	(2.720)	(4.102)	(2.720)	(4.102)
Trade payables		(5.309)	(43.530)	(6.927)	(66.267)
Other payables and accrued expenses		60.976	32.571	52.101	28.194
Income Tax paid	21	(3.129)	(175)	(3.129)	-
Net cash inflows from operating activities	-	**217.965**	**176.852**	**214.636**	**139.260**
Cash flows from investing activities					
Interest received		4.564	3.499	5.678	2.626
Subsidies received	29	34.794	115.732	34.794	115.732
Capital receivables from leases		271	435	205	119
Investments in related parties and subsidiares		-	-	(3.500)	-
Purchases of current and non-current assets	13,14	(317.638)	(396.916)	(172.158)	(230.612)
Net cash (outflows) from investing activities	-	**(278.008)**	**(277.250)**	**(134.980)**	**(112.136)**
Cash flows from financing activities					
Loan repayments	26	(34.000)	(32.833)	(34.000)	(32.833)
Receipt of loans	26	145.000	145.000	-	90.000
Loan issuance costs	26	(1.498)	(778)	(1.189)	-
Dividends paid		(33.914)	(42.074)	(33.914)	(42.074)
Share issue transaction costs		(21)	-	-	-
Lease liabilities payment (capital)		(302)	(247)	(272)	(234)
Interest paid		(19.989)	(13.764)	(17.237)	(13.226)
Net cash inflows/(outflows) from financing activities		**55.275**	**55.304**	**(86.613)**	**1.632**
Net (decrease)/increase of cash and cash equivalents		**(4.767)**	**(45.094)**	**(6.957)**	**28.756**
Cash and cash equivalents, opening balance		**203.384**	**248.478**	**190.115**	**161.359**
Cash and cash equivalents, closing balance		**198.617**	**203.384**	**183.158**	**190.115**

The notes on pages 48 to 123 form an integral part of these financial statements.

NOTES TO THE ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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(Amounts in thousand Euro unless otherwise stated)

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

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

The purpose of the Company is to engage in the activities and perform the duties of the Owner and Operator of the Hellenic Electricity Transmission System ("HETS" or "ESMIE" in Greek), as stipulated in Law 4001/2011 and in Law 4425/2016. 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 provisions of Law 4425/2016, and the delegated acts issued, and mainly of the Operation Code of HETS, the Balancing Market Regulation and the operation license of HETS.

The headquarters of the Company are located at 89, Dyrrachiou and Kifissou Streets, Athens 104 43, and its duration has been set up to December 31, 2100. The companies of the Group included in the consolidated financial statements are "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "GRID TELECOM S.M.S.A." (hereinafter the "Group"). The Annual Financial Statements of the subsidiaries are posted online at the websites http://www.ariadne-interconnection.gr and http://www.grid-telecom.com respectively.

Regarding the subsidiaries, the company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." was established in September 2018 by IPTO in compliance with RAE's decisions 816/2018 and 838/2018, with sole purpose of constructing and financing the Crete-Attica interconnection project as described by the Ten-Year Development Plan (DPA) of the National Electricity Transmission System (HETS) for the period 2018-2027 and in the Energy Regulatory Authority (RAE) decisions.

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

The number of employees of the Group and the Company on December 31st, 2022 and 2021 is as follows:

	Group	Company
31 December 2022	1.144	1.117
31 December 2021	1.198	1.168

On December 31st, 2022, the Group employed 1.144 employees, and the Company 1.117 employees of whom 29 in total were seconded. Specifically, 9 were seconded to Public Sector services, 19 to Public Organizations and 1 was seconded to the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". Their total payroll cost was Euro 1,4 million approximately, of which Euro 1,1 million approximately is recharged. The subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." employed 27 employees and the subsidiary company "GRID TELECOM S.M.S.A." employed 1 employee.

2. AMENDMENTS IN THE LEGAL AND REGULATORY FRAMEWORK

2.1. AMENDING THE LEGAL FRAMEWORK OF THE ELECTRIC POWER MARKET

2.1.1 Ministerial Decision No. YPEN / DAPEEK / 16507/816 (Government Gazette B' 986/04.03.2022)

Determination of issues concerning the Power Purchase Agreements of article 12 of Law 3468/2006 (A' 129), the electricity purchase and sale agreements prior to Law 468/2006 and the Contracts for Differential State Aid Support of the RES and CHP stations of Crete, by the date of completion of Phase A' of the electrical interconnection and the subsequent integration of the electricity system of Crete into the HETS and the Hellenic Electricity Distribution Network (HEDN) as a Small Interconnected System (SIS) and the date of completion of Phase B' of the interconnection, based on article 108C of law 4001/2011 (A' 179) and particularly paragraph 6 thereof.

2.1.2 Ministerial Decision No. YPEN / DIE / 69734/2413 (Government Gazette B' 3517/06.07.2022)

Determination of the exact date of entry into force of the Temporary Mechanism for Returning Part of (Electricity) Day Ahead Market Revenues of article 12A of Law 4425/2016 (A' 185).

2.1.3 Ministerial Decision No. YPEN / DIE / 70248/2434 (Government Gazette B' 3517/06.07.2022)

Determination of methodology and mathematical formula, for the calculation of the administratively determined unit price for each category of production units and for the RES portfolios in the context of the operation of the Temporary Mechanism for Returning Part of (Electricity) Day Ahead Market Revenues of article 12A of Law 4425/2016 (A' 185).

2.1.4 Ministerial Decision No. YPEN / DIE / 87027/2890 (Government Gazette B' 4658/05.09.2022)

Extraordinary contribution of electricity producers of article 37 of Law 4936/2022 (A' 105).

2.1.5 Ministerial Decision No. YPEN / DIE / 111281/4111 (Government Gazette B' 5537/26.10.2022)

Amendment of the joint decision of the Ministers of Finance, Environment and Energy, under data of YPEN/DIE/87027/2890/30.08.2022, "Extraordinary contribution of electricity producers of article 37 of Law 4936/2022 (A' 105)" (B' 4658).

2.1.6 Ministerial Decision No. YPEN / DIE / 115180/4229 (Government Gazette B' 5649/04.11.2022)

Amendment of the decision of the Ministers of Finance, Environment and Energy under data YPEN/DIE/70248/2434/05.07.2022 "Determination of methodology and mathematical formula, for the calculation of the administratively determined unit price for each category of production units and for the RES portfolios in the context of the operation of the Temporary Mechanism for Returning Part of the Next-Day Market Revenues (Electricity) of article 12A, law 4425/2016 (A' 185)" (B' 3517).

2.1.7 Ministerial Decision No. YPEN / DIE / 138775/4768 (Government Gazette B' 6950/30.12.2022)

Application of the Temporary Mechanism for Returning Part of the Day Ahead Market Revenues of article 12A of Law 4425/2016 (A' 185) to the Intraday Market as well.

2.1.8 By Law No. 4903 (Government Gazette A' 46/05.03.2022)

In "CHAPTER TWO PROVISIONS OF THE COMPETENCE OF THE MINISTRIES OF ENVIRONMENT AND ENERGY AND CULTURE AND SPORTS" regulations are established regarding the following:

- Establishment of a single procedure for concluding a Contract for Differential State Aid Support in the context of competitive bidding procedures Replacement of par. 5 of article 12A of Law 4414/2016
- Redefinition of categories and readjustment of Reference Prices of Renewable Energy Sources and Cogeneration Electricity-Heat stations with Contracts for Differential State Aid Support

2.1.9 By Law No. 4920/2022 (Government Gazette A' 74/15.04.2022)

In "CHAPTER B' REGULATIONS OF THE MINISTRY OF ENVIRONMENT AND ENERGY AIMING TO STRENGTHEN THE ENERGY MARKET" regulations are established regarding the following:

- Investment and operational support to electricity storage stations.
- Special Account of Renewable Energy Sources and of High Efficiency Heat and Power Cogeneration and sub-accounts - Amendment of article 143 of Law 4001/2011.
- Installation and operation of pumped storage hydropower storage stations

2.1.10 By Law No. 4936 (Government Gazette A' 105/27.05.2022)

National Climate Law - Transition to climate neutrality and adaptation to climate change, emergency provisions to address the energy crisis and protect the environment.

In "CHAPTER A: PROVISIONS TO ADDRESS THE ENERGY CRISIS" regulations are established regarding the following:

- Extraordinary contribution of electricity producers

2.1.11 Law No. 4951/2022 (Government Gazette A' 129/04.07.2022)

Modernization of the licensing process for Renewable Energy Sources - Phase B', Licensing of electricity production and storage, framework for the development of Pilot Marine Floating Photovoltaic Plants and more specific provisions for energy and environmental protection.

2.1.12 Law No. 4964/2022 (Government Gazette A' 150/30.07.2022)

Provisions regarding the simplification of environmental licensing, the establishment of the framework for the development of Offshore Wind Farms, the handling of the energy crisis, the environmental protection and other provisions.

2.1.13 Law No. 4986/2022 (Government Gazette A' 204/28.10.2022)

Incorporation of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal electricity market and the amendment of Directive 2012/27/EU and other urgent provisions.

2.1.14 By Law No. 4994 (Government Gazette A' 215/18.11.2022)

In "PART C: DEVELOPMENTAL CHARACTER PROVISIONS " regulations are established regarding the following:

- Temporary Mechanism for Returning Part of Revenues from Electricity Suppliers
- Electricity Demand Reduction Service Addition of article 143G to Law 4001/2011
- Energy Transition Fund Addition of paragraphs 15, 16 and 17 to the sixty-first article of Law 4839/2021

2.2 ISSUANCE OF RAE DECISIONS

2.2.1 RAE DECISION 611/2021, GOVERNMENT GAZETTE B' 410/03.02.2022

Approval of the Ten-Year Development Program (TYDP) of the National Electricity Transmission System (NETS) for the period 2021 - 2030.

2.2.2 RAE DECISION 1034/2021, GOVERNMENT GAZETTE B' 1874/15.04.2022

Determination of the single estimate of the Value of lost load for Reliability Standard (VOLLRS), in accordance with article 11 of Regulation (EU) 2019/943.

2.2.3 RAE DECISION 57/2022, GOVERNMENT GAZETTE B' 872/25.02.2022

Determination of the percentage of the reserves of the Non-Compliance Charges Account for the calculation of the Pre-Funded Financial Resources of the Energy Exchange Clearing House S.A. for the year 2022 in accordance with the provisions of section 2.33 of the Clearing Rulebook for Positions on Balancing Market.

2.2.4 RAE DECISION 98/2022, GOVERNMENT GAZETTE B' 725/18.02.2022

Amendment of the Balancing Market Rulebook (B' 4516/2020), in accordance with article 17 of Law 4425/2016 and the Hellenic Electricity Transmission System Grid Code (B' 4658/2020) and the Manual of Guarantees of the HETS Grid Code (B' 4659/2020), in accordance with Article 96 of Law 4001/2011.

2.2.5 RAE DECISION 163/2022, GOVERNMENT GAZETTE B' 1344/23.03.2022

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

- For customers whose facilities are connected to the MV of the interconnected with the System HEDN: 1,0367
- For customers whose facilities are connected to the LV of the interconnected with the System HEDN: 1,1357

(Amounts in thousand Euro unless otherwise stated)

2.2.6 RAE DECISION 185/2022, GOVERNMENT GAZETTE B' 985/04.03.2022

Amendment of the Balancing Market Rulebook (B΄ 4516/2020) regarding the Participation of Portfolios of Dispatchable Load and Portfolios of Dispatchable RES Units in the Balancing Market, in accordance with article 17 of Law 4425/2016.

2.2.7 RAE DECISION 212/2022, GOVERNMENT GAZETTE B' 1644/06.04.2022

Amendment of RAE Decision 798/2020 - Approval of the Baseline Calculation Methodology, in accordance with the provisions of paragraphs 14 and 15 of article 84 of the Balancing Market Rulebook (Government Gazette B' 4516/14.10.2020) and paragraph 4 of article 18 of Law 4425 /2016 (Government Gazette A' 185/2016), as applicable.

2.2.8 RAE DECISION 241/2022, GOVERNMENT GAZETTE B' 1617/05.04.2022

Amendment of the Infeasible Market Schedule Calculation Methodology, in accordance with the provisions of paragraph 6 of article 2 and paragraph 4 of article 102 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016, as applicable.

2.2.9 RAE DECISION 287/2022, GOVERNMENT GAZETTE B' 4789/12.09.2022

Approval of the Ten-Year Development Program (TYDP) of the National Electricity Transmission System (NETS) for the period 2022 - 2031.

2.2.10 RAE DECISION 363/2022, GOVERNMENT GAZETTE B' 2212/06.05.2022

Approval of protocol No. RAE I-303832/02.06.2021 following the request of IPTO S.A. for the granting of a derogation from the provisions of paragraph 6 of article 20 and paragraph 6 of article 21 of Commission Regulation (EU) 2017/2195 "regarding the establishment of a guideline on electricity balancing", as applicable, based on of those defined in article 62 of the above Regulation.

2.2.11 RAE DECISION 476/2022, GOVERNMENT GAZETTE B' 3124/20.06.2022

Determination of the numerical values of the parameters of the Non-Compliance Charges for non-timely commitment of Balancing Service Entities in accordance with the provisions of article 96 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016, as applicable. The parameter values are defined as follows:

Parameter	Numerical Value
UNCDS	0,4 €/MW
k_{NP}	1,5
k_{BC}	1,1
TOL_{commit}	3%

2.2.12 RAE DECISION 477/2022, GOVERNMENT GAZETTE B' 3173/22.06.2022

Determination of the numerical values of the parameters of the Non-Compliance Charges regarding Non-Compliance with manual FRR Test Instructions in accordance with the provisions of article 98 of the Market Balancing Rulebook and paragraph 4 of article 18 of Law 4425/2016, as applicable. The parameter values are defined as follows:

Parameter	Numerical Value
UNCTDINST	(Average mFRR Balancing Capacity price for the relevant entity and for the relevant direction, for the last 30 days, in €/MW) x (Number of Dispatch Periods during which the entity has been awarded mFRR Balancing Capacity for the relevant direction, for the last 30 days)
$TOLUD_{TDINST}$	3%
$TOLOD_{TDINST}$	3%
A_{TDI}	$N^2_{\text{last six months}}$
B_{TDI}	1

(Amounts in thousand Euro unless otherwise stated)

2.2.13 RAE DECISION 478/2022, GOVERNMENT GAZETTE B' 3127/20.06.2022

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

Parameter		Numerical Value
UNCNPBE		3,5 €/MWh
ANPBE		$\frac{3{,}22}{1+e^{-0{,}0026(N-1050)}}+0{,}8$
TOL_{BE}	Dispatchable RES Intermittent Unit Portfolios and Dispatchable Load Portfolios offering more balancing Energy than the Instructed Energy.	20%
	Dispatchable RES Intermittent Unit Portfolios and Dispatchable Load Portfolios offering less balancing Energy than the Instructed Energy.	3%
	Other Entities	3%

2.2.14 RAE DECISION 479/2022, GOVERNMENT GAZETTE B' 3173/22.06.2022

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

Parameter		Numerical Value
$UNCBAL_{ADEV}$		54 €/MWh
$UNCBAL_{RMSDEV}$		360 €/MWh
$TOL_{Id,ADEV} = a * \left(\frac{\sum_{t\in m} MQ_{pt}}{ημέρες\ μήνα * 24}\right)^b + c$	$TOL_{Id,ADEV}$ **a**	0,5
	$TOL_{Id,ADEV}$ **b**	-0,075
	$TOL_{Id,ADEV}$ **c**	-0,3
	minimum $TOL_{Id,ADEV}$	3,3%
	maximum $TOL_{Id,ADEV}$	10%
$TOL_{Id,RMSDEV} = a * \left(\frac{\sum_{t\in m} MQ_{pt}}{ημέρες\ μήνα * 24}\right)^b + c$	$TOL_{Id,RMSDEV}$ **a**	0,52
	$TOL_{Id,RMSDEV}$ **b**	-0,08
	$TOL_{Id,RMSDEV}$ **c**	-0,3
	minimum $TOL_{Id,RMSEV}$	3,3%
	maximum $TOL_{Id,RMSEV}$	12%

2.2.15 RAE DECISION 480/2022, GOVERNMENT GAZETTE B' 2810/06.06.2022

Amendment of RAE Decision 212/2022 - Approval of the Baseline Calculation Methodology, in accordance with the provisions of paragraphs 14 and 15 of article 84 of the Balancing Market Rulebook (Government Gazette B' 985/04.03.2022) and paragraph 4 of article 18 of Law 4425 /2016 (Government Gazette A' 185/2016), as applicable.

2.2.16 RAE DECISION 481/2022, GOVERNMENT GAZETTE B' 3668/13.07.2022

Amendment of the Terms and Conditions of the Balancing Service Providers, in accordance with the provisions of article 5 par. 2 of the Balancing Market Rulebook, articles 5 and 18 of Regulation (EU) 2017/2195 and article 18 par. 4 of Law 4425/2016, as applicable.

(Amounts in thousand Euro unless otherwise stated)

2.2.17 RAE DECISION 482/2022, GOVERNMENT GAZETTE B' 3823/21.07.2022

Amendment of the Terms and Conditions of the Balancing Responsible Parties, in accordance with the provisions of article 5 par. 5 of the Balancing Market Rulebook, articles 5 and 18 of Regulation (EU) 2017/2195 and article 18 par. 4 of Law 4425 /2016, as applicable.

2.2.18 RAE DECISION 495/2022, GOVERNMENT GAZETTE B' 3729/14.07.2022

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

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

2.2.19 RAE DECISION 496/2022, GOVERNMENT GAZETTE B' 3619/11.07.2022

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

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

2.2.20 RAE DECISION 497/2022, GOVERNMENT GAZETTE B' 3777/18.07.2022

Determination of the numerical values of the parameters of the Non-Compliance Charges for systematic failure to attain a feasible Market Schedule, in accordance with par. 3 of article 102 of the Balancing Market Rulebook and par. 4 of article 18 of Law 4425/2016, as applicable. The parameter values are defined as follows:

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

(Amounts in thousand Euro unless otherwise stated)

2.2.21 RAE DECISION 558/2022, GOVERNMENT GAZETTE B' 4335/16.08.2022

Amendment of the Balancing Market Rulebook (Government Gazette B' 985/04.03.2022) regarding the declarations of the schedules of the entities which are under Testing Operation and the settlement rules which concerns the entities in Commissioning Operation, in accordance with article 17 of Law 4425/2016, as applicable.

2.2.22 RAE DECISION 585/2022, GOVERNMENT GAZETTE B' 3426/04.07.2022

Amendment of the Balancing Market Rulebook (Government Gazette B' 985/04.03.2022), in accordance with Article 17 of Law 4425/2016 and the Hellenic Electricity Transmission System Grid Code (Government Gazette B' 4658/22.10.2020), in accordance with Article 96 of Law 4001/2011, as applicable.

2.2.23 RAE DECISION 587/2022

Approval of the Allowed Revenue for the Regulatory Period 2022-2025, as well as of the Required Revenue for 2022 of the Hellenic Electricity Transmission System (HETS).

2.2.24 RAE DECISION 643/2022, GOVERNMENT GAZETTE B' 4090/30.07.2022

Approval of the Charges for the Use of the Hellenic Electricity Transmission System (HETS, based on the Required Revenues for 2022, as follows:

Customers Category	Capacity Charge (€/MW per month)	Energy Charge (minutes € / kWh)
HV	3.122	-
MV	3.240	-
LV	-	0,844

2.2.25 RAE DECISION 671/2022, GOVERNMENT GAZETTE B' 6457/05.09.2022

Approval of a Risk Preparedness Plan, in accordance with the Regulation (EU) 2019/941 of the European Parliament and of the Council, of June 5, 2019, on risk preparedness in the electricity sector and repealing Directive 2005/89/EC.

2.2.26 RAE DECISION 672/2022, Official Gazette B' 4792/12.09.2022

Approval of a Preventive Action Plan in accordance with Regulation (EU) 2017/1938 regarding measures to ensure the security of natural gas supply and the repeal of Regulation (EU) no. 994/2010.

2.2.27 RAE DECISION 693/2022, Official Gazette B' 4960/22.09.2022

Amendment of the Day-Ahead & Intra-Day Markets Trading Rulebook (B' 3857/2021), in accordance with article 10 of Law 4425/2016.

2.2.28 RAE DECISION 694/2022, Official Gazette B' 4926/21.09.2022

Amendment of the Day-Ahead & Intra-Day Markets Clearing Rulebook (B' 428/2020), in accordance with paragraph 2 of article 13 of Law 4425/2016 (A' 185) and the executive decision regarding the "Management Procedures risk in the Clearing System and other related issues", in accordance with paragraph 2 of article 13 of Law 4425/2016 (A' 185) and the provisions of chapter 2 of the same Regulation.

2.2.29 RAE DECISION 695/2022, GOVERNMENT GAZETTE B' 5012/26.09.2022

Approval of the Annual Planning of Balancing Services for the Year 2023.

2.2.30 RAE DECISION 792/2022, Official Gazette B' 5534/26.10.2022

Amendment of RAE decision no. 672/2022 "Approval of a Preventive Action Plan in accordance with Regulation (EU) 2017/1938 regarding the measures to secure the security of natural gas supply and with the repeal of Regulation (EU) no. 994/2010" (B' 4792).

2.2.31 RAE DECISION 821/2022, GOVERNMENT GAZETTE B' 119/17.01.2023

Amendment of the Hellenic Electricity Transmission System Grid Code (Government Gazette B' 3426/2022) for the introduction of an Annex with Regulatory Instructions regarding the HETS Operation Performance Report with Key Performance Indicators (KPIs).

2.2.32 RAE DECISION 840/2022, GOVERNMENT GAZETTE B' 6087/29.11.2022

Amendment of the Balancing Market Rulebook in order to determine the numerical values of the parameters of the Non-Compliance Charges for significant systematic imbalances of the production of the Portfolios of RES Units in accordance with articles 12a and 18 of Law 4425/2016, as applicable.

2.2.33 RAE DECISION 859/2022, GOVERNMENT GAZETTE B' 6064/28.11.2022

Amendment of the Infeasible Market Schedule Calculation Methodology, in accordance with the provisions of paragraph 6 of article 2 and paragraph 4 of article 102 of the Balancing Market Rulebook and paragraph 4 of article 18 of Law 4425/2016, as applicable.

2.2.34 RAE DECISION 860/2022, GOVERNMENT GAZETTE B' 6066/28.11.2022

Determination of the percentage of the reserves of the Non-Compliance Charges Account for the calculation of the Pre-Funded Financial Resources of the Energy Exchange Clearing House S.A., in accordance with the provisions of section 2.33 of the Clearing Rulebook for Positions on Balancing Market, from the Commencement Day of the coupled operation of Intraday Electricity Market through the Continuous Intraday Trading.

2.2.35 RAE DECISION 861/2022, GOVERNMENT GAZETTE B' 6065/28.11.2022

Amendment of the Balancing Market Rulebook (B' 985/2022), in accordance with Article 17 of Law 4425/2016 and of the Hellenic Electricity Transmission System Grid Code (B' 4658/2020), in accordance with Article 96 of Law 4001/2011.

2.2.36 RAE DECISION 862/2022, GOVERNMENT GAZETTE B' 6063/28.11.2022

Commencement day of the coupled operation of the Intraday Market through Continuous Intraday Trading, in accordance with the provisions of subsection 7.1.2 of Chapter 7 of the Day-Ahead & Intra-Day Markets Trading Rulebook, as applicable.

2.2.37 RAE DECISION 863/2022, Official Gazette B 6339/14.12.2022

Approval of Capacity Allocation Rules at the Borders of Bidding Zones between Greece and countries outside the EU (Albania, North Macedonia and Turkey) for the year 2023, in accordance with the provisions of subsections 7.8 and 7.11 of the HETS Grid Code, as applicable.

2.2.38 RAE DECISION 864/2022, GOVERNMENT GAZETTE B' 20/09.01.2023

Scope of the data exchange between Transmission System Operators (TSOs), Distribution System Operators (DSOs) and Significant Grid Users (SGUs), in accordance with Article 40(5) of Regulation (EU) 2017/1485.

2.2.39 RAE DECISION 879/2022, GOVERNMENT GAZETTE B' 59/12.01.2023

Determination of Methodology for the cost sharing of System expansion projects for the connection of Producers or Customers or the Grid to the Hellenic Electricity Transmission System (HETS), in accordance with the provisions of subsection 8.12 and 8.19 of the HETS Grid Code, as applicable.

2.2.40 RAE DECISION 910/2022, GOVERNMENT GAZETTE B' 7229/31.12.2022

Use of congestion income from the granting of access rights to the country's international connections based on Regulation 943/2019 of the European Parliament and of the Council.

2.2.41 RAE DECISION 930/2022, Gazette Gazette B' 6982/30.12.2022

Approval of Unit Cost of Losses for the Year 2023 in the Context of the Implementation of the Compensation Mechanism between the Operators of the Electricity Transmission Systems.

2.2.42 RAE DECISION 945/2022, GOVERNMENT GAZETTE B' 7056/31.12.2022

Determination of the price of the Unit Charge of the Imbalances Component (**UNBMFIMB**) and the price of the Unit Charge of the Energy Component (**UNBMFEN**) of the Balancing Market Fee for the year 2023, as follows:

Parameter	Numerical Value
$UNBMF^{IMB}$	0,31432 €/MWh
$UNBMF^{EN}$	0,11893 €/MWh

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

3.1. BASIS OF PREPARATION

Statement of compliance

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as issued by the IFRS Interpretations Committee of the IASB and adopted by the European Union (EU) and are mandatory for years starting as of January 1st, 2022.

3.1.1. Approval of the Financial Statements

The Board of Directors of the Group approved the Consolidated and Separate Annual Financial Statements of year 2022 on April 6th, 2023. The Financial Statements are subject to approval by the Annual General Meeting of the Shareholders.

3.1.2. Basis of preparation of the Financial Statements

The accompanying Financial Statements have been prepared under the historical cost principle, except for fixed assets (excluding assets under construction) which are adjusted to fair value at a regular base and the going concern principle. The Financial Statements are presented in thousands of 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 roundings.

3.1.3. Going Concern basis

3.1.3.1. Risk of the macroeconomic and corporate environment in Greece

The energy crisis following Russia's invasion of Ukraine led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, which are expected to lead to a slower growth rate in 2023, close to 1,5%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the economy, leading in the medium term to growth rates close to 3% in 2024 and in 2025.

In particular, investments are expected to increase at a very high rate throughout the period 2023-2025, 10% on average, supported by the maintenance of sufficient liquidity in the banking sector and by the utilization of available European resources. In the coming years, Greece will receive around Euro 40 billion in support from the EU's long-term budget 2021-2027 and Euro 30 billion from the Recovery and Resilience Fund until 2026. These resources are expected to attract additional private capital. At the same time, it is expected to attract increased foreign direct and indirect investments*.

Exports of goods have shown resilience during the pandemic. After increasing by 13,8% in 2021, it is estimated that in 2022 and 2023 they will continue to increase, albeit at a much lower pace, due to the expected decline in economic activity and the deterioration of the outlook in the euro area and the global economy. Services exports are estimated to have recovered significantly in 2022 and will continue to move upwards in the following years. At the same time, however, imports are expected to rise throughout the period 2023-2025, as a result of the stimulation of domestic demand, especially investments.

The gradual de-escalation of unemployment and the increase in the number of employed persons is expected to continue in the period 2023-2025, as a result of economic growth, which will be supported by the implementation of the National Recovery and Resilience Plan.

*Source: Bank of Greece

Inflation, based on the Harmonized Index of Consumer Prices, was formed, as in the rest of the eurozone, at a particularly high level in 2022, namely at 9,3%, mainly due to the upward trend in the prices of energy goods, but also the revaluations in foodstuffs. A gradual de-escalation is expected for 2023 and 2024, to 5,8% and 3,6% respectively, mainly due to the expected decline in energy prices and the negative effect of the comparison base. Core inflation, i.e. inflation that excludes changes in food and energy prices, stood at 4,6% in 2022 and is estimated to remain similarly high in 2023, due to the incorporation of strong inflationary pressures from the components of non-energy industrial goods and services.

In this environment and context, the absolute orientation of the economic and especially the fiscal policy towards the acquisition of investment grade for the bonds of the Greek Government is a national goal, as its achievement will have beneficial effects on all sectors of the Greek economy. The Greek economy is now very close to this goal. The development in the energy sector and the macroeconomic effects are expected to further increase the inflation risks, the treatment of which is analyzed in paragraph 4. The activities of the Company and the Group are not expected to be affected by the above changes in the macroeconomic environment.

3.1.3.2. Risks for the adequacy of the capital employed

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

In view of the above, as well as of the operating profitability, the high amount of cash and positive operating cash flows of the Company, the capital employed for the current year is positive and is expected to remain positive for subsequent years. Therefore, the accompanying Financial Statements have been prepared based on the going concern basis of accounting.

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

3.2. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS

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

The most significant judgments and estimates referring to events the development of which could significantly affect the items of the Financial Statements during the forthcoming period are as follows:

Employee benefits

The PPC Group supplies employees of all companies of the PPC Group and their pensioners with electricity at a reduced tariff. This benefit continues to exist even after the ownership unbundling from the PPC Group has been completed . The reduced tariff for employees and pensioners is recognized as an obligation of "IPTO S.A." to "PPC S.A." (former Parent company) and it is calculated as the present value of future benefits deemed accrued by the end of the year on the basis of employee benefit rights accumulated during their service, and is calculated on the basis of financial and actuarial assumptions.

The net expenditure of the year is included in the personnel cost in the Income Statement and relates to the present value of the benefits recognized in the year less the amount of benefits offered. This liability is not financed.

The estimate is made by an independent certified actuary. Actuarial gains or losses from a change in underlying assumptions are recognized through the Statement of Other Comprehensive Income in equity.

Details of the underlying assumptions and estimates are included in Note 27, which significantly affect the amount of the liability and include estimates by "PPC S.A." management regarding the amount and changes in future tariffs and the related profit margin. The figures for the number of pensioners are given by the "PPC S.A." services.

Retirement benefit obligations

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

Fair values and useful lives of tangible fixed assets

The Group measures tangible fixed assets at remeasured values (estimated fair values) as identified by a company of independent certified valuers. Independent valuations are performed periodically (every 3-5 years). The determination of the fair values of property, plant and equipment requires estimates, assumptions and judgments in respect of ownership, value in use and the existence of any economic, operational and physical depreciation of tangible fixed assets. Additionally, Management makes estimates of the total and remaining useful life of the depreciable fixed assets based on past experience and the technical specifications of assets that are subject to periodic review. The total useful lives as estimated are included in Note 3.3.6.

On December 31st, 2022, taking into consideration the changes in the economic environment as well as the evolution within the basic assumptions used in the latest revaluation of fixed assets, the Group's Management estimated, that any change in the fair values of tangible fixed assets would not have significant effect on the separate and consolidated financial statements.

Provisions for risks

The Group forms provisions for risks related to third party claims against it and the outcome of which may lead to an outflow of resources for their settlement. The provision is formed on the basis of probability of the outcome of the litigation, the lawsuit amount as well as the estimated outflow amount. Estimates are made in conjunction with the Company's legal advisors. A description of the risks and a reference to the amount of the related provisions is made in note 28.

Impairment of inventories

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

Provisions for expected credit losses

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

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

Impairment of fixed assets

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

Management does not consider that there is evidence of impairment for the reporting date of 31/12/2022.

Impairment of investments in subsidiaries

The Group's management assesses at each reporting date whether there is any evidence of impairment of the investments in “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and “GRID TELECOM S.M.S.A.” and if such evidence is found, the holdings are tested for impairment. Management does not consider that there is evidence of impairment for the reporting date of 31/12/2022.

Income tax and deferred tax

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

Estimates for the budget of construction contracts

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

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

Leases

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

Leases in which the Group is a lessor which mainly relate to lease of fiber optic lines, are classified either as finance or operating. The main factors that the Group needs to evaluate in order to classify each lease, at the commencement date indicative are:

a) The relation between the lease duration and the remaining useful life of the underlying asset. According to the Group's policy, the above ratio should amount to 75% or more to be classified as financial lease.

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

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

3.3. SIGNIFICANT ACCOUNTING POLICIES

3.3.1 CONSOLIDATION

(a) Subsidiaries

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

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

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

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

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

(c) Sale/cease control of subsidiary

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

(d) Associates

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

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

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

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

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

3.3.2 Foreign Currency Conversion

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

3.3.3 Intangible Assets

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

3.3.4 Tangible fixed assets

Tangible assets are initially recognized at their acquisition cost which includes all direct attributable expenses for their acquisition or construction until they are available for use as intended by Management. Any necessary part of the process of preparing an asset for its intended use is deemed as its acquisition cost. Subsequent of their initial recognition, tangible assets (excluding assets under construction) are valued at their fair values minus accumulated depreciation and impairments. Estimations of fair values are performed periodically by independent appraisers (every three to five years) using Level 3 assumptions of the hierarchy stipulated in the IFRS 13 and mainly the depreciated replacement cost method in order to ensure that fair value does not differ significantly from the amortized cost. During 2019, a valuation of the tangible fixed assets was made by independent appraisers with reference date 31/12/2019.

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

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

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

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

According to Article 273 of the System Management Code (SMC), the electromechanical equipment, its accessories and related civil engineering projects after the completion of control procedures fall under the ownership of the System Connection Manager (IPTO) and constitute system assets. For this purpose, the user is obliged to transfer (without consideration) to IPTO the ownership and possession. The Group does not recognize these as assets in the Statement of Financial Position, as it does not expect future economic benefits from them.

Costs related to temporary interruption construction of a project are capitalized only if these costs relate to activities necessary to prepare an asset for its intended use.

3.3.5 Borrowing Cost

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

(Amounts in thousand Euro unless otherwise stated)

3.3.6 Depreciation

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

General use buildings	50
Transmission lines	35
Transmission substations	35
Other equipment	35
Transportation means	15
Furniture and other equipment	5-25
Software	5
Right of Use Asset	Duration of the Contract

The useful life of the assets is equal to the one used by the independent appraiser during the appraisal of 31/12/2019, regarding the calculation of the remaining useful life of IPTO's assets which are based on the evidence and the information it received from constructors – representatives of similar assets, is in line with international practices, as well as the details which he keeps in his data base either from past projects of "PPC S.A." or similar appraisals carried out abroad.

3.3.7 Impairment of Non-Financial Assets

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

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

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

3.3.8 Financial Assets

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

- at amortized cost
- at Fair value through other comprehensive income (for equity investments)
- at fair value through other comprehensive income (for debt investments)

- at fair value through Income statement,

Based on:

a. Business model of the group for the management of financial assets, and

b. The characteristics of contractual cash flows of the financial asset.

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

Trade and Other receivables, Loans and Lease receivables

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

Impairment of Financial Assets

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

Financial assets measured at amortized cost

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

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

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

Measurement of expected credit losses

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

Impairment Presentation

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

Write-off of Financial Assets

Financial assets (or, where applicable, the part of a financial asset or part of a group of financial assets) are deleted when:

(1) contractual rights are expired over Cash flows of the financial asset or

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

3.3.9 Fair value of financial instruments

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

Fair value valuation methods are ranked at three levels:

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

The fair value of financial assets and liabilities is classified in Level 3 of the fair value hierarchy as it is based on valuation techniques that do not use information available from current transactions in active money markets.

3.3.10 Inventory

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

3.3.11 Cash and Cash Equivalents

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

3.3.12 Offsetting of Financial Receivables and Liabilities

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

3.3.13 Interesting bearing Loans and Borrowings

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

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in income statement during the borrowing period using the effective interest method.

Borrowing costs paid while signing a new loan are recognized as borrowing costs when the new credit line is partly or fully received. In the case where partly or fully of the loan is not withdrawn at that time they are recorded as future loan expenses. If the loans are not used, partly or fully, then these costs are remained in the prepaid expenses and recognized in income statement during the life of the relevant credit line. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months from the Statement of Financial Position date.

3.3.14 Financial Liabilities

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

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

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

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.3.16 Subsidies for Fixed Assets

The Group receives subsidies from the Hellenic Republic and from the European Union (through the investment budget of the Hellenic Republic) in order to fund specific projects executed through a specific time period. Subsidies are recorded when their collection is almost certain and are reflected as deferred income in the accompanying Statement of Financial Position. Amortization is accounted for in accordance with the remaining useful life of the related assets and is included in depreciation and amortization in the accompanying Income Statement.

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

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

Specifically, the Company, under the contract with the User, against payment, checks, tests and supervises the connection of power generating unit to the Transmission System and issues a relevant certificate confirming the compliance with technical and quality standards set by regulatory authorities. The certification provided by the Company is part of a series of certifications received by the user from the regulatory and other administrative authorities, in order to obtain the Operating License which ensures the connection to the System. The electromechanical equipment, its accessories and related civil engineering projects, after completing the inspection and acceptance procedures become the property of the System Operator and constitute a connection asset. For this purpose, the User is obliged to transfer them to IPTO in ownership, freehold and possession. IPTO does not recognize the above as assets in the Statement of Financial Position, as no future economic benefits are expected to arise from them.In addition, IPTO according with IFRS 15 recognizes as revenue in the “Revenue from other operations” of the Income Statement all the amounts receiving from clients and consumers/producers in the context of their connection to the networks.

3.3.18 Income Tax (Current and Deferred)

Current income tax

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

Deferred income tax

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

3.3.19 Employee Benefits

a) Retirement benefits

Defined contribution plan

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

The Group recognizes in the income statement as an expense, contributions attributable to the services received from the employees and paid to the insurance institution EFKA (former IKA/TAP-PPC) (defined contribution plan) and as a liability the part of those who have not yet paid.

Defined benefit plan

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

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

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

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

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

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

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

b) Employment termination benefits

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

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

Under Law 4533/2018 Government Gazette A’75/27.04.2018 IPTO will pay severance compensation, which may not exceed the amount of Euro 15.000 (Euro fifteen thousand) to employees who leave due to termination of the employment contract or completion of the age limit, or any other reason prescribed by law (article 21 par.13 Law 3144/2003).

3.3.20 Revenue Recognition

Revenue is recognized by the Group and the Company when a contractual obligation to the individual customer is fulfilled by the provision of services or delivery of goods (which is identical to the time that the control over the goods or service passes to the customer). The customer obtains control of a service when it can direct its use and receive substantially all the remaining economic benefits from it. If a contract contains more than one contractual obligations, the total value of the contract is allocated to the individual liabilities based on the individual revenue values.

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

Revenue from contracts for projects under construction

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

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

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

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

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

Revenue from ownership and management of the Network

Revenues from the rental of the Transmission System are accounted for in the respective year in accordance with the pricing data resulting from the measurement data relating to the billing power per customer on the unit System Usage Charges, as defined by RAE and the HETS Grid Code.

Other Revenue

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

Clearance revenue

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

Special Accounts (Reserves)

In case where the Company does not operate as an assignee but the settlement invoicing is charged for specific purpose as defined by HETS Management, RAE decisions or other legislation the related charge is not recognized as Revenue but as Special Account in Liabilities in the form of Reserve. Such Special Accounts are Interconnection rights which are formed in order to reduce the annual Transmission System Rent or for the funding of interconnection projects with neighboring countries after RAE's decision, Non-Compliance charges which are formed in order to cover losses from insolvent providers and Extraordinary Surplus of Energy Imports which its utilization is determined by RAE's decision upon the recommendation of the Transmission System Operator.

Interest Income

Interest income is recognized on the accrual basis.

3.3.21 Leases

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

Moreover, the Group and the Company apply the new provisions to leases with a lease term of 12 months or less (short-term) or to leases for which the underlying asset is low value (Euro 5.000).

The payments of rents for the Group are mainly related to leases of plots, buildings, transportation and mechanical equipment. The Group and the Company concluded that the existing operational and business equipment lease contracts are of low value and therefore not included in the recognition as Finance Leases of rights of use and under IFRS 16.

The Group and the Company as lessee

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

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

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

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

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

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

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

Initial measurement of the lease liability

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

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

(a) fixed payments, less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease period;

(c) amounts expected to be payable by the Group under residual value guarantees;

(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

After the commencement date of the lease period, the Group measures the right-of-use asset applying the cost model:

(a) less any accumulated amortization and any accumulated impairment losses; and

(b) adjusted for any remeasurement of the lease liability.

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

Subsequent measurement of the lease liability

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

(a) increasing the carrying amount to reflect interest on the lease liability;

(b) reducing the carrying amount to reflect the lease payments made; and

(c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

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

(a) interest expense on the lease liability; and

(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Group and the Company as a lessor

The Group also operates as a final lessor, leasing assets to third parties.Through its subsidiary “GRID TELECOM S.M.S.A.”, which operates as an intermediate lessor, leases optical fibers (dark fibers) to third parties.

3.3.22 Reclassifications

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

1. Amount of Euro 877 for both the Group and the Company in the Income Statement as at 31/12/2021, was reclassified from "Revenue from other operations" (Note 5) to "Other income" and specifically to "Revenue from recovery of administrative expenses" (Note 10.2) for comparability purposes with the Income Statement as at 31/12/2022. This amount relates to revenue from ancillary activities.

2. Amount of Euro 103 for the Group and Euro 93 for the Company in the Income Statement as at 31/12/2021, was reclassified from "Revenue from other operations" (Note 5) and specifically from line "Other revenue from operations" to "Other income" and specifically to line "Other income" (Note 10.2) for comparability purposes with the Income Statement as at 31/12/2022. This amount relates to revenue from ancillary activities.

3. Amount of Euro 506 for the Group in the Income Statement as at 31/12/2021, was reclassified from "Other income" (Note 10.2) to "Share of profit of associates" for comparability purposes with the Income Statement on 31/12/2022.

4. 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" (Note 20) to "Other receivables" and specifically "Accrued other receivables" (Note 21) by the amount of Euro 680 for the Group and Euro 869 for the Company and to "Deferred expenses" (Note 21) by the amount of Euro 409 for both the Group and the Company for comparability purposes with the Statement of Financial Position as at 31/12/2022. This amount relates to accrued revenue and deferred expenses.

5. Amount of Euro 5.208 for the Group in the Statement of Financial Position as at 31/12/2021, was reclassified from "Other receivables" and specifically from "Receivables from the Greek State" (Note 21) to "Income tax receivable" for comparability purposes with the Statement of Financial Position as at 31/12/2022.

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

The above reclassifications have no effect on Equity and Overall Results.

3.4. NEW ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and the Company as of 1st January 2022:

Standards and Interpretations effective for the current financial year 2022

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 January 1st, 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 previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly 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 any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. 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.

The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities

- **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 amendments do not have an impact on the Financial Statements of the Group and the Company.

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

The Amendment applies to annual reporting periods beginning on or after April 1st, 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 June 30th, 2022, provided the other conditions for applying the practical expedient are met.

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

Standards issued but not yet effective and not early adopted by the Group and the Company

IFRS 17: Insurance Contracts

The standard is effective for annual periods beginning on or after January 1st, 2023 with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts.

The Group and the Company do not issue contracts in scope of IFRS 17.

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 1st, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

The Management of the Group and the Company assesses whether the amendment has any 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 1st, 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, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

The Management of the Group and the Company assesses whether the amendment has any impact on the Financial Statements of the Group and the Company.

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

The amendments are effective for annual periods beginning on or after January 1st, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The Management of the Group and the Company assesses whether the amendment has any impact on the Financial Statements of the Group and the Company.

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

The amendments are effective for annual reporting periods beginning on or after January 1st, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU.

The Management of the Group and the Company assesses whether the amendment has any impact on the Financial Statements of the Group and the Company.

IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1st, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU.

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

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

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

(Amounts in thousand Euro unless otherwise stated)

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

4. FINANCIAL RISK MANAGEMENT

4.1. FINANCIAL RISK FACTORS

The Group and the Company are exposed to financial risk, such as market risk (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management, focuses on the uncertainty of financial markets, aiming to minimize their possible adverse effect on the Group's and Company's financial position. The Group and the Company determine, evaluate and, if necessary, hedge the risks related to operating activities, while control and revise the relevant policies and procedures related to financial risk management. Also, there are no speculative transactions.

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

	Group		Company	
Assets	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
At amortized cost				
Financial assets	4.068	4.075	4.068	4.075
Finance lease receivables	4.700	4.096	4.395	3.374
Other non-current assets	9.388	24.627	9.380	24.627
Trade and other receivables	252.042	248.516	249.881	240.956
Cash and cash equivalents	198.617	203.384	183.158	190.115
Total	**468.815**	**484.698**	**450.881**	**463.146**
Liabilities				
At amortized cost				
Lease liabilities	1.505	2.254	1.395	2.119
Loans	972.545	865.000	775.903	810.788
Liabilities from concession agreement	-	-	472.899	288.033
Other non-current liabilities	31.235	18.998	12.834	7.982
Trade, accrued and other liabilities	274.739	264.584	189.747	219.125
Total	**1.280.024**	**1.150.836**	**1.452.779**	**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. Specifically, the borrowing with a floating interest rate at Group and Company level amounts to 56% and 45% respectively (2021: 50% and 46% respectively). The Group and the Company are exposed to interest rate fluctuations which affect their cash flows as well as their financial results. Borrowing costs may increase as a result of such changes and generate losses or decrease when unexpected events occur.

At a national and global level, critical issues such as the inflationary pressures stemming mainly from the energy crisis, supply chain disruptions, as well as geopolitical turbulence, with Ukraine being at the center, are expected to affect the course of the global economy during 2023 and may lead central banks to increase interest rates. At this point ECB has recently raised the key interest rate and the Euribor is around 3% approximately. 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.

(Amounts in thousand Euro unless otherwise stated)

Regarding the loan liabilities of the Group and the Company, there is no interest rate hedging policy and consequently any change in interest rates on December 31st, 2022, would affect the results, equity, and cash flow statement of the Group and the Company in case of change in Euribor rates.

The following table shows the sensitivity analysis of profit before taxes from possible interest rate changes from the beginning of the year, in case of change by 100 basis points, with the other variables remaining fixed, through the impact on floating rate borrowings:

	Increase/Decrease in basis (%)	Effect on profit before taxes	
2022		**Group**	**Company**
Euro	100	(5.500)	(3.500)
Euro	(100)	5.500	3.500
2021			
Euro	100	(4.300)	(3.750)
Euro	(100)	4.300	3.750

b) Exchange rate risk

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

c) Credit risk

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

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

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Group. The Group manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash and cash equivalents, while aiming to extend the average maturity of its debt and the diversification of its funding sources. The Group also ensures efficient and low-risk placement of cash, offsetting the cost of interest on loans and keeping the cash available to implement the investment set out in Ten-Year Development Plan (TYDP) of HETS.

(Amounts in thousand Euro unless otherwise stated)

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

Payable amounts as at 31/12/2022

Group	Within 1 year	1 to 5 years	>5 years	Total
Trade, accrued and other payables	274.739	-	-	274.739
Lease liabilities	306	516	1.165	1.986
Loans	76.477	572.040	516.231	1.164.748
Total	**351.521**	**572.556**	**517.396**	**1.441.473**

Company	Within 1 year	1 to 5 years	>5 years	Total
Trade, accrued and other payables	189.747	-	-	189.747
Lease liabilities	271	460	1.125	1.856
Loans	66.549	486.871	355.252	908.672
Total	**256.567**	**487.331**	**356.377**	**1.100.274**

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.

4.2. CAPITAL RISK MANAGEMENT

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

The Group and the Company monitor its capital based on the leverage ratio. Leverage ratio is calculated as the net debt divided by total 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.

(Amounts in thousand Euro unless otherwise stated)

The net debt ratio relative to equity is as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Long- term loans and leases	928.515	831.179	731.866	776.893
Short- term part of long-term loans and leases	45.535	36.074	45.431	36.014
Minus: cash and cash equivalents	(198.617)	(203.384)	(183.158)	(190.115)
Net debt	**775.433**	**663.870**	**594.140**	**622.792**
Equity	**1.429.522**	**1.404.690**	**1.424.950**	**1.361.462**
Total capital employed	**2.204.954**	**2.068.560**	**2.019.091**	**1.984.255**
Net debt to equity ratio	**54,2%**	**47,3%**	**41,7%**	**45,7%**
Leverage ratio	**35,2%**	**32,1%**	**29,4%**	**31,4%**

The table below presents an analysis of the Group's net debt and its movement for the years 2022 and 2021.

	Net debt Group			
	Cash and cash equivalents	Loan and finance lease liabilities up to 1 year	Loan and finance lease 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)**
(Decrease) in cash flows	(4.767)	-	-	(4.767)
Loan repayments and lease liabilities payments/(Receipt of loans)	-	34.304	(145.000)	(110.696)
Accrued interest payable	-	1.689	-	1.689
Non cash movements -amendment of loan's terms	-	268	(879)	(610)
Non cash movements - loan issuance costs	-	168	2.208	2.376
Non-cash items - transfer to short-term loan and lease liabilities	-	(45.878)	45.878	-
Non cash movements - (Recognition)/Write off of financial leases	-	(12)	457	445
Net debt as at 31st December 2022	**198.617**	**(45.535)**	**(928.514)**	**(775.432)**

(Amounts in thousand Euro unless otherwise stated)

The table below presents an analysis of the Company's net debt and its movement for the years 2022 and 2021.

	Net debt Company			
	Cash and cash equivalents	Loan and finance lease liabilities up to 1 year	Loan and finance lease liabilities after 1 year	Total
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)**
(Decrease) in cash flows	(6.957)	-	-	(6.957)
Loan repayments and lease liabilities payments/(Receipt of loans)	-	34.272	-	34.272
Accrued interest payable	-	1.775	-	1.775
Non cash movements - amendment of loan's terms	-	268	(879)	(610)
Non cash movements - loan issuance costs	-	171	(451)	(280)
Non-cash items - transfer to short-term loan and lease liabilities	-	(45.904)	45.904	-
Non cash movements - Write off (recognition) of financial leases	-	-	453	453
Net debt as at 31st December 2022	**183.158**	**(45.431)**	**(731.866)**	**(594.140)**

4.3. OTHER FINANCIAL RISKS

Risk of change of the Regulatory Framework

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

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

Regulatory risk

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

Risk of regulated returns of the company

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

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

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

Geopolitical and macroeconomic environment risk

The energy crisis following Russia's invasion of Ukraine led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, which are expected to lead to a slower growth rate in 2023, close to 1,5%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the economy, leading in the medium term to growth rates close to 3% in 2024 and in 2025.

Risks related to climate change

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

For this reason, IPTO has integrated in its strategy the new data that have emerged due to climate change in order to adapt itself to the new environment. Based on current data and upcoming changes, it identifies the risks associated with climate change and the related opportunities.

Safety and Reliability in a challenging environment comprises one of the pillars of IPTO's new Strategy for 2021-2024.

IPTO's contribution is also important in terms of tackling climate change at the national level. 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 business opportunities as the transition to a low-carbon economy can only be achieved through significant structural and technological changes in the energy production system.

As climate change consequences become visible through the increasing occurrence of severe weather events, the need to shield the country from such devastating effects seems more urgent than ever. For this reason, IPTO has planned an increased maintenance plan, so that there is resistance of the System against intense weather events.

IPTO's role is important both in the context of climate change adaptation actions, through the maintenance and renewal of assets and the improvement of the Transmission System's resilience, and with regard to climate change mitigation actions, being the implementing agency of the country's major interconnections, which will allow the acceleration of the energy transition to a low-carbon economy through the increased penetration of renewable energy sources.

According to the National Energy and Climate Plan, the country aims to drastically reduce greenhouse gas emissions in order to achieve a national transition to a climate-neutral economy by 2050.

IPTO as the implementor of the country's major interconnections, is paving the way for green investments and increasing the integration of RES in the HETS, with many significant benefits for society, the environment and the economy. In particular, through interconnections and the increased integration of RES, energy production costs are reduced, carbon intensity is reduced (decarbonization), the country's energy security is improved, and the burden on the atmosphere is reduced, locally and more broadly through the reduction of air pollution due to the burning of fossil fuels.

Finally, an important priority of the Ten-Year Development Plan is the interconnection of the Aegean islands with the Mainland System. These interconnections will address their electrical isolation, increase supply reliability, reduce energy generation costs and thus SGIs costs, protect the environment and exploit the high potential of RES. At the same time, the end of the "electrical isolation" of the Aegean islands increases the size of the domestic electricity market.

IPTO's role today is crucial for the implementation of these plans and objectives and will continue to be in the future to an even greater extent.

(Amounts in thousand Euro unless otherwise stated)

5. REVENUE

Revenue is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021*	01/01/2022-31/12/2022	01/01/2021-31/12/2021*
Revenue from transmission system rent	271.959	270.357	273.196	271.854
Revenue from balancing market	11.943	-	11.943	-
Operator’s revenue from clearing charges	510.723	252.737	510.723	252.737
Operator’s expenses from clearing charges	(510.723)	(252.737)	(510.723)	(252.737)
Concession agreement expenses	-	-	(2.337)	(2.744)
Revenue from other operations				
Revenue from contracts	225	3.679	225	3.679
Revenue from services related to fixed assets	2.905	8.373	2.905	8.373
Revenue from technical and operational services	2.000	-	2.000	-
Costumers’ contributions	3.269	2.639	3.269	2.639
Total revenue from other operations	**8.399**	**14.691**	**8.399**	**14.691**
Grand total	**292.302**	**285.048**	**291.201**	**283.801**

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

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 September 1st, 2022. In particular, in this decision, the 1/12 of the excess acquisition cost of the high-voltage fixed assets of Crete’s electricity system (Euro 17,8 million) amounting to Euro 1,5 million, was taken into consideration, forming the Required Revenue of the Operator for 2022 in the amount of Euro 269,6 million. Due to the delay in starting the implementation of the unitary TUoS charges of the year, as well as the reduced demand due to the energy crisis and the recommendations of the Authorities for reduced consumption, the under-recovery for the year is estimated at Euro 31 million, in relation to the approved 2022 Required Revenue.

Total revenue in 2022 amounted to Euro 292,3 million and Euro 291,2 million approximately for the Group and the Company respectively, compared to Euro 285 million and Euro 283,8 million in 2021 marking an increase of Euro 7,3 million and Euro 7,4 million respectively.

Revenue from transmission system rent, including revenue from the balancing market, stood at Euro 283,9 million and at Euro 285,1 million versus Euro 270,3 million and Euro 271,9 million in 2021, marking an increase of Euro 13,5 million and Euro 13,2 million for the Group and the Company respectively.

Revenue from transmission system rent during 2022 increased by Euro 1,6 million and by Euro 1,3 million approximately for the Group and the Company and amounted to Euro 271,9 million and Euro 273,1 million versus Euro 270,3 million and Euro 271,8 million in 2021 respectively. The increase is mainly due to:

- increase in TUoS charges by Euro 31 million, mainly due to the incorporation of Crete’s assets to HETS, and the increase in unitary TUoS charges.
- decrease in interconnection rights by Euro 30,8 million. The interconnection rights are recognized following decisions of RAE. According to the no. 1058/2021 RAE decision, the annual revenue from interconnection rights concerning 2022 amounts to Euro 35,3 million compared to Euro 66,2 million in the comparative year,

Revenue from balancing market is a new revenue stream in 2022 amounting to Euro 11,9 million in 2022. The corresponding revenue in 2021 was included in the transmission system rent. The revenue from 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 balance responsible parties, which are registered at the HETS's Operator registry.

(Amounts in thousand Euro unless otherwise stated)

Revenue from other operations amounted to Euro 8,4 million approximately marking a decrease of Euro 6,3 million approximately compared to the prior year (2021: Euro 14,7 million approximately). The reduction is mainly due to the decrease in revenue from maintenance services related to fixed assets, since maintenance services for medium voltage substations is gradually transferred to "HEDNO S.A.", as well as due to the decrease in revenue from contracts. This decrease was partly offset by the positive contribution of revenue from the technical and operational support services of the project of common interest (PCI) 3.10.2 interconnection of Crete and Cyprus and of revenue from customers' contributions, due to the increase of the completed connection contracts during the current year.

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

	Group		Company	
Operator's revenue from clearing charges	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**
Periodical network settlement	35.462	11.568	35.462	11.568
Deviations	-	32	-	32
Settlement balance	-	2	-	2
Buy of HETS Losses including imbalances	403.178	193.790	403.178	193.790
Imbalances for HETS Losses	26.894	38.018	26.894	38.018
Intended energy exchanges	7.710	2.753	7.710	2.753
Unintended energy exchanges	37.480	6.574	37.480	6.574
Total operator's revenue from clearing charges	**510.723**	**252.737**	**510.723**	**252.737**

	Group		Company	
Operator's expenses from clearing charges	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**
Periodical network settlement	(35.462)	(11.568)	(35.462)	(11.568)
Deviations and settlement balance	-	(34)	-	(34)
Buys on DAM and Imbalances for HETS Losses	(403.178)	(193.790)	(403.178)	(193.790)
Buy of HETS Losses including imbalances	(26.894)	(38.018)	(26.894)	(38.018)
Intended energy exchanges	(7.710)	(2.753)	(7.710)	(2.753)
Unintended energy exchanges	(37.480)	(6.574)	(37.480)	(6.574)
Total operator's expenses from clearing charges	**(510.723)**	**(252.737)**	**(510.723)**	**(252.737)**

Operator's revenue – expenses from clearing present an increase in the current year by Euro 258 million approximately mainly due to the increase in the price of the Day-Ahead Market (DAM Price), which affects the activity "Buy of HETS Losses including imbalances", as well as due to the activities "Intended energy exchanges" and "Unintended energy exchanges", which started their activity in June 2021, and as a consequence they were not be charged and paid for the whole 2021.

(Amounts in thousand Euro unless otherwise stated)

6. PAYROLL COST

Payroll costs are presented in the following table :

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Salaries and wages	41.390	43.796	41.120	43.622
Employer's social contributions	8.859	9.229	8.803	9.138
Other employee benefits	3.611	4.604	3.571	4.572
Cost for reduced tariff to employees and pensioners	160	205	160	205
Net provision for reduced tariff to employees and pensioners	36	86	36	86
Provision for employee compensation	2.576	1.334	2.576	1.334
Total	**56.632**	**59.255**	**56.266**	**58.957**

The decrease in salaries and wages by Euro 2,4 million for the Group and by 2,5 million for the Company is mainly due to :

- the voluntary redundancy program which was mainly implemented in the 2nd semester of 2021 and as a consequence the employees who left the Company in 2021 do not burden the current year and
- the payment of retroactive special allowances to the Company's employees amounting to approximately Euro 2 million which relate to the period 1/1/2019-31/5/2020 and were paid in 2021 under the IPTO Employees' Collective Agreement signed in 2021

The decrease in other employee benefits mainly concerns the cost of weekly molecular tests for all employees of the Group and the Company who work with a physical presence, during previous year, in the context of fighting against the pandemic COVID-19.

Provision for staff compensation is increased, mainly due to the voluntary redundancy plan approved in 2022. The voluntary redundancy plan concerns 91 employees (2021: 46) and the financial incentive provision is equal to Euro 1.830 (2021: Euro 815).

The "Capitalized expenses" amount of Euro 14.069 and Euro 12.621 in 2022 and of Euro 14.254 and Euro 12.801 in 2021 for the Group and the Company respectively, which until 31/12/2021 were presented separately in "Payroll Cost", from 01/01/2022 are shown subtractive from the relevant expenses.

7. DEPRECIATION AND AMORTIZATION

The depreciation analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Fixed assets	116.433	111.916	116.288	111.893
Software	2.287	1.845	2.269	1.828
Subsidies	(13.003)	(12.727)	(13.003)	(12.727)
Right of use assets	310	263	289	254
Total	**106.028**	**101.296**	**105.842**	**101.247**

The increase in depreciation by Euro 4.732 for the Group and by Euro 4.595 for the Company is mainly due to the increased capitalization of projects, which the majority of them were completed at the end of the comparative year, amounting to Euro 218,7 million, as a result of the implementation of the Group's investment program. As a consequence of the increase in assets base the current year was charged proportionally with higher depreciation.

(Amounts in thousand Euro unless otherwise stated)

8. THIRD PARTY BENEFITS AND THIRD PARTY FEES

8.1 THIRD PARTY BENEFITS

Third party benefit analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Repair and maintenance fees	4.202	2.753	4.201	2.753
Utilities	3.142	2.367	3.142	2.367
Other third party benefits	1.140	1.033	1.139	1.033
Total	**8.485**	**6.153**	**8.481**	**6.153**

The increase in repair and maintenance fees by Euro 1,4 million for the Group and the Company is mainly due to a) charges by Euro 407 related to services provided by HEDNO to IPTO for the maintenance of the high voltage installations of the electricity system of Crete, which began to be provided in August 2021, as a consequence did not burden the entire prior fiscal year, b) increase by Euro 337 of deforestation works of territorial areas and c) charges by Euro 240 services of maintenance and technical support of the market management system, which began to be provided in November 2021, as a consequence did not burden the entire prior fiscal year.

The increase in utilities by Euro 775 for the Group and the Company, is mainly due to the increase in electricity prices as a result of the energy crisis.

The "Capitalized expenses" amount of Euro 2.025 and Euro 2.024 in 2022 and of Euro 1.304 in 2021 for the Group and the Company respectively, which until 31/12/2021 were presented separately in "Third party benefits", from 01/01/2022 are shown subtractive from the relevant expenses.

8.2 THIRD PARTY FEES

Third party fees analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Fees for consulting services	15.681	9.564	15.050	8.925
Buildings security and cleaning services	2.026	1.916	2.026	1.916
Other third party fees	6.676	5.112	6.086	4.877
Software licenses	1.182	1.074	1.182	1.074
Total	**25.565**	**17.667**	**24.343**	**16.792**

The increase in fees for consulting services by Euro 6,1 million approximately for both the Group and the Company, is due to the increase by amount of Euro 5 million approximately of employees with project contracts required for covering extended operational needs of the Group.

The "Capitalized expenses" amount of Euro 10.224 and Euro 8.876 in 2022 and of Euro 8.680 and Euro 7.391 in 2021 for the Group and the Company respectively, which until 31/12/2021 were presented separately in "Third party fees", from 01/01/2022 are shown subtractive from the relevant expenses.

(Amounts in thousand Euro unless otherwise stated)

9. PROVISIONS FOR RISKS AND EXPENSES

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

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
(Release) of provision for litigations (Note 28)	(6.596)	(897)	(6.596)	(897)
Provision/(Release) for impairment of assets	8	(40)	8	(40)
(Release)/Provision for obsolescence of materials (Note 19)	(1.585)	958	(1.585)	958
(Release) for cadastral fee (Note 28)	-	(1.878)	-	(1.878)
Provision/(Release) for impairment of trade and other receivables	5	(721)	(15)	(700)
Total	**(8.169)**	**(2.578)**	**(8.189)**	**(2.556)**

During 2022, the Company formed provisions for litigation amounting to Euro 1,4 million approximately, while provision for litigation amounting to approximately Euro 8 million were released, due to third party claims against the Company being rejected and for which the Company had formed a relevant provision. Respectively, for the year 2021, provisions for litigation amounting to Euro 1,3 million approximately were formed, while provisions for litigation amounting to Euro 2,2 million were released.

The Company released a provision for obsolescent materials and spare parts of Euro 1.585, while in 2021 formed a provision for obsolescent materials and spare parts of 958. The decrease in the obsolescence provision of materials and spare parts as at 31/12/2022, is due to the sale of materials and spare parts mainly to the company "HEDNO S.A.", in the context of the agreement for the support of the assets of "PPC S.A." by the Company. The obsolescence provision of materials and spare parts of the sold inventory, which was released in 31/12/2022 amounts to Euro 1.969. In addition, an additional obsolescence provision of materials and spare parts was formed, during 2022, amounting to Euro 384.

10. OTHER EXPENSES/INCOME

10.1 OTHER EXRENSES

Other expenses analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Travel expenses	4.002	3.313	3.977	3.301
Consumables	1.831	2.107	1.820	2.098
Promotion costs	1.284	744	1.247	740
Donations and Subscriptions	2.790	2.149	2.642	2.105
Expenses for associate	-	3.473	-	3.473
Loss from PPE disposal	902	310	902	341
Material suitability assessment	1.385	430	1.385	430
Expenses for backup services	3.657	-	3.657	-
Other	2.689	1.503	2.633	1.468
Total	**18.539**	**14.029**	**18.262**	**13.955**

Travel expenses increased by Euro 689 and Euro 676 for the Group and the Company respectively, mainly due to the removal of Covid-19 measures.

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

(Amounts in thousand Euro unless otherwise stated)

Expenses for backup services of amount Euro 3.657 concern the coverage of emergency needs to the island of Zakynthos. Specifically, the expense concerns the supply, installation and operation of power generating pairs.

The "Capitalized expenses" amount of Euro 7.012 and Euro 6.946 in 2022 and of Euro 5.427 and Euro 5.387 in 2021 for the Group and the Company respectively, which until 31/12/2021 were presented separately in "Other expenses", from 01/01/2022 are shown subtractive from the relevant expenses.

10.2 OTHER INCOME

Other income analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021*	01/01/2022-31/12/2022	01/01/2021-31/12/2021*
Gain from de-recognition of tangible assets due to leasing	2.252	1.698	895	492
Other income from rent	176	91	203	142
Revenue from recovery of administrative expenses	1.072	877	1.072	877
Revenue from related parties	26	23	296	316
Revenue from optical fiber maintenance	-	3	103	87
Gain from inventory sale	1.587	-	1.587	-
Other income	2.705	1.508	2.426	1.348
Total	**7.818**	**4.200**	**6.582**	**3.262**

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

The amount of Euro 2.252 for the Group, relates to gain arising from the difference between the net book value of the asset that was de-recognized and the finance lease receivables that were recognized, based on the fiber optic lease agreements with customers.

The amount of Euro 1.587 for the Group and the Company refer to the sale of materials and spare parts mainly to the company "HEDNO S.A." in the context of the agreement for the support of the assets of "PPC S.A." by the Company.

11. FINANCIAL EXPENSES-INCOME

11.1 FINANCIAL EXPENSES

Financial expenses analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Interest expense and loan guarantee commission	14.539	13.945	14.529	13.944
Interest on finance lease	50	55	46	55
Expense from default interest	300	-	300	-
Actuarial finance cost	94	81	94	81
(Income)/Expense due to measurement of long-term receivable at present value	(179)	257	(179)	257
Amortization of loans’ issuance costs	283	240	280	240
Amortization of income due to amendment of loan terms	610	129	610	129
Other financial expenses	136	272	124	240
Total	**15.835**	**14.980**	**15.806**	**14.946**

The increase in interest expense and loan guarantee commission by Euro 594 for the Group and by Euro 585 for the Company is mainly because of the increase in interest expense of the Bond loan, due to the increase in floating interest rates due to Euribor increase during 2022.

(Amounts in thousand Euro unless otherwise stated)

The expense from default interest of Euro 300 resulted from old overdue debts of the Company to third parties. During the previous year, there was no corresponding expense for the Group and the Company.

The amortization of gain due to change of fair value of loans amount of Euro 610 (2021: Euro 129), derives from the refinancing of the existing Syndicated loan of an outstanding balance of Euro 350 million, with a reduction in the corresponding interest rate margin during 2021.

11.2 FINANCIAL INCOME

Financial income analysis is presented in the following table:

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Interest on deposits	1.405	1.826	1.405	1.613
Finance lease interest	340	343	293	239
Other interest	507	968	379	560
Income from default interest	908	-	908	-
Change in the fair value of financial products and loans	-	2.925	-	2.925
Income from corporate guarantee	-	-	1.318	189
Dividends income	-	25	100	25
Total	**3.160**	**6.087**	**4.403**	**5.551**

The income from default interest of Euro 908 resulted from the settlement of old overdue receivables to the Company. During the previous year, there was no corresponding income for the Group and the Company.

The income from a corporate guarantee amounting to Euro 1.318 relates to a fee from the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for the provision of guarantee on its bond loan, which is disbursed gradually starting from 24/06/2021.

In 2021 the Company proceeded with the refinancing of the existing Syndicated loan with an outstanding balance of Euro 350 million, with a reduction in the corresponding interest rate margin. The result of this amendment was the recognition of a gain of Euro 2.796 in the Income Statement for 2021, which is included in the "Financial income" in respect of the gain resulting from the reduction in interest rates (Euro 2.925) and in the "Financial expenses" in respect of its amortization recognition (Euro 129). In 2022 there was no corresponding income for the Group and the Company, while the recognition of amortization in "Financial expenses" for 2022 equals to Euro 610 for the Group and the Company.

12. INCOME TAX (CURRENT AND DEFERRED)

According to Law 4799/2021 - Government Gazette 78/A/18-5-2021 the tax rate for the year 2021 was reduced to 22%. Income tax was calculated with 22% tax rate for the fiscal year 2022 and 2021.

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

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021-31/12/2021
Current tax	18.465	18.735	18.453	18.395
Deferred tax	175	(8.035)	169	(8.039)
Total income tax	**18.640**	**10.699**	**18.621**	**10.356**

The income tax statement is submitted on a yearly basis but the profits or losses declared are temporary until the tax authorities audit the tax statements and records and the final audit report is issued. The Company has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for the years 2011 to 2021 and the Company has been audited by the tax authorities for the periods up to 2010.

(Amounts in thousand Euro unless otherwise stated)

Respectively, the subsidiary “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for fiscal years 2018 to 2021, while the subsidiary “GRID TELECOM S.M.S.A.” has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for 2019 to 2021.

Management does not expect any significant tax liabilities to arise, other than those recorded and presented in the Financial Statements, both at Company level and at Group level. It is noted that pursuant to the relevant tax provisions on December 31st, 2022, the years up to 2016 are considered statute-barred.

For the fiscal year 2022, the Group's companies have been subject to the optional tax audit of the Statutory Auditors. This audit for the issuance of Tax Certificate for the year 2022 is in progress and expected to be completed after the publication of the attached Financial Statements. The Tax Certificate will be received upon final submission of the Statutory Auditors to the tax authorities. Upon completion of the tax audit, Management does not expect significant tax obligations to arise other than those recorded and disclosed in the Financial Statements of the Group and the Company.

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

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

	Group		Company	
	01/01/2022-31/12/2022	01/01/2021-31/12/2021	01/01/2022-31/12/2022	01/01/2021 31/12/2021
Profit before tax	**76.845**	**80.093**	**77.538**	**78.184**
Nominal tax rate	22%	22%	22%	22%
Tax calculated at nominal tax rate	**16.906**	**17.620**	**17.058**	**17.201**
Effect of change in tax rate	-	(8.892)	-	(8.894)
Non-deductible expenses	1.677	2.810	1.563	2.840
Adjustment of prior year income tax	-	(96)	-	(145)
Deferred tax adjustment for prior years	-	(645)	-	(645)
Other differences	57	(97)	-	-
Income tax	**18.640**	**10.699**	**18.621**	**10.356**
Effective tax rate	**24,26%**	**13,36%**	**24,02%**	**13,25%**

Deferred tax assets and liabilities are further analysed as follows:

	Group		Company	
Deferred tax liabilities	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Tangible assets	220.111	217.904	220.091	217.890
Right of use asset	302	456	296	454
Other non-current liabilities	4.710	4.825	4.710	4.825
Borrowings	481	496	481	496
Deferred tax liabilities	**225.605**	**223.680**	**225.578**	**223.665**

(Amounts in thousand Euro unless otherwise stated)

	Group		Company	
Deferred tax assets	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Intangible assets	(30)	(35)	(31)	(35)
Financial assets at amortized cost	(14)	(27)	(14)	(12)
Other long-term receivables	(39)	(932)	(39)	(932)
Inventories	(3.876)	(4.225)	(3.876)	(4.225)
Trade and other receivables	(2.579)	(1.359)	(2.560)	(1.359)
Subsidies	(30.252)	(26.721)	(30.252)	(26.721)
Provisions for employee benefits	(2.399)	(2.465)	(2.399)	(2.465)
Other provisions	(2.176)	(3.532)	(2.176)	(3.532)
Trade and other payables	(29)	(186)	(29)	(186)
Lease liabilities	(314)	(473)	(307)	(466)
Accrued and other liabilities	(1.363)	(1.524)	(1.363)	(1.524)
Deferred tax assets	**(43.071)**	**(41.478)**	**(43.045)**	**(41.457)**
Net deferred tax liabilities	**182.534**	**182.202**	**182.533**	**182.208**

The net deferred tax liability movement is listed below:

	Group		Company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Opening balance	**182.202**	**196.383**	**182.208**	**196.392**
Charged to income statement	175	(8.035)	169	(8.039)
Effect on other comprehensive income	157	(6.808)	157	(6.808)
Adjustment to Equity (IAS 19)	-	662	-	662
Closing balance	**182.533**	**182.202**	**182.533**	**182.208**

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

	Group		Company	
	01/01/2022-31/12/2022	**01/01/2021-31/12/2021**	**01/01/2022-31/12/2022**	**01/01/2021-31/12/2021**
Tangible assets	2.208	(8.840)	2.201	(9.039)
Intangible assets	5	(1)	5	(1)
Right of use asset	(153)	201	(158)	197
Financial assets at amortized cost	13	(4)	(2)	11
Other long-term receivables	893	(157)	893	(157)
Inventories	349	154	349	154
Trade and other receivables	(1.220)	653	(1.202)	668
Subsidies	(3.532)	(1.280)	(3.532)	(1.280)
Provisions for employee benefits	(90)	61	(90)	61
Other provisions	1.356	1.835	1.356	1.835
Other non-current liabilities	(115)	(1.215)	(115)	(1.215)
Trade and other payables	157	413	157	413
Borrowings	(15)	496	(15)	496
Lease liabilities	159	(207)	159	(200)
Accrued and other liabilities	161	(145)	162	19
Total	**175**	**(8.035)**	**169**	**(8.039)**

(Amounts in thousand Euro unless otherwise stated)

13. TANGIBLE ASSETS

The movements of tangible assets for the Group and the Company during the year 2022 are presented in the following tables:

	Group						
	Land	Buildings - Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	Total
Carrying amount 01/01/2021	**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 - Cost	-	-	(490)	(10)	(519)	-	(1.019)
Disposals/Write-offs - Acc. Depreciation	-	-	126	4	11	-	141
Derecognition of leased fiber optics - Cost	-	-	(216)	-	-	-	(216)
Derecognition of leased fiber optics - Acc. Depreciation	-	-	14	-	-	-	14
Transfers from construction in progress	3.641	4.083	241.440	252	2.795	(253.801)	(1.591)
Write offs of assets under constructions	-	-	-	-	-	(175)	(175)
Other movements	-	-	(252)	-	-	-	(252)
Carrying amount 31/12/2021	**208.497**	**107.074**	**1.821.063**	**3.929**	**12.584**	**604.346**	**2.757.492**
Carrying amount 01/01/2022	**208.497**	**107.074**	**1.821.063**	**3.929**	**12.584**	**604.346**	**2.757.492**
Additions	3.154	14	15.366	-	13	335.910	354.458
Depreciation	-	(4.792)	(107.747)	(576)	(3.317)	-	(116.432)
Disposals/Write-offs - Cost	-	-	(1.362)	(19)	(21)	-	(1.402)
Disposals/Write-offs - Acc. Depreciation	-	-	475	4	14	-	493
Derecognition of leased fiber optics - Cost	-	-	(174)	-	-	-	(174)
Derecognition of leased fiber optics - Acc. Depreciation	-	-	22	-	-	-	22
Transfers from construction in progress	2.797	8.084	101.916	452	2.967	(119.091)	(2.876)
Write offs of assets under constructions	-	-	-	-	-	(82)	(82)
Transfers - Cost	16	1.561	(2.060)	-	249	-	(233)
Transfers - Acc. Depreciation	-	(111)	170	-	(28)	-	31
Other movements	-	-	(18)	-	(4)	-	(22)
Carrying amount 31/12/2022	**214.464**	**111.830**	**1.827.651**	**3.789**	**12.458**	**821.083**	**2.991.276**
Cost	208.497	116.097	2.014.527	5.203	18.004	604.346	2.966.674
Acc. Depreciation	-	(9.023)	(193.464)	(1.274)	(5.420)	-	(209.181)
Net book value 31/12/2021	**208.497**	**107.074**	**1.821.063**	**3.929**	**12.584**	**604.346**	**2.757.493**
Cost	214.464	125.756	2.128.213	5.636	21.213	821.083	3.316.365
Acc. Depreciation	-	(13.926)	(300.562)	(1.847)	(8.755)	-	(325.090)
Net book value 31/12/2022	**214.464**	**111.830**	**1.827.651**	**3.789**	**12.458**	**821.083**	**2.991.276**

(Amounts in thousand Euro unless otherwise stated)

	Company						
	Land	**Buildings - Technical Works**	**Machinery & equipment**	**Transportation**	**Fixtures and Furniture**	**Construction in Progress**	**Total**
Carrying amount 01/01/2021	**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 - Cost	-	-	(490)	(10)	(519)	-	(1.019)
Disposals/Write-offs - Acc. Depreciation	-	-	126	4	11	-	141
Derecognition of leased fiber optics - Cost	-	-	(216)	-	-	-	(216)
Derecognition of leased fiber optics - Acc. Depreciation	-	-	14	-	-	-	14
Transfers from construction in progress	3.641	4.083	241.440	252	2.796	(253.802)	(1.591)
Write offs of assets under constructions	-	-	-	-	-	(175)	(175)
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	-	-	332.546	350.384
Depreciation	-	(4.786)	(107.613)	(576)	(3.313)	-	(116.288)
Disposals/Write-offs - Cost	-	-	(1.354)	(19)	(21)	-	(1.394)
Disposals/Write-offs - Acc. Depreciation	-	-	475	4	14	-	493
Derecognition of leased fiber optics - Cost	-	-	(464)	-	-	-	(464)
Derecognition of leased fiber optics - Acc. Depreciation	-	-	64	-	-	-	64
Transfers from construction in progress	2.797	8.084	100.325	452	2.967	(117.471)	(2.846)
Write offs of assets under constructions	-	-	-	-	-	(82)	(82)
Transfers - Cost	16	1.561	(2.057)	-	246	-	(233)
Transfers - Acc. Depreciation	-	(111)	167	-	(25)	-	31
Other movements	-	-	(25)	-	-	-	(25)
Carrying amount 31/12/2022	**214.464**	**111.697**	**1.824.763**	**3.789**	**12.438**	**817.749**	**2.984.900**
Cost	208.497	115.961	2.014.018	5.203	17.974	602.756	2.964.410
Acc. Depreciation	-	(9.022)	(193.449)	(1.274)	(5.404)	-	(209.150)
Net book value 31/12/2021	**208.497**	**106.940**	**1.820.569**	**3.929**	**12.570**	**602.756**	**2.755.260**
Cost	214.464	125.615	2.125.144	5.636	21.167	817.749	3.309.775
Acc. Depreciation	-	(13.918)	(300.381)	(1.847)	(8.729)	-	(324.875)
Net book value 31/12/2022	**214.464**	**111.697**	**1.824.763**	**3.789**	**12.438**	**817.749**	**2.984.900**

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 total investments for the Group amounted to Euro 335,9 million (2021: Euro 411,1 million). Respectively, for the Company total investments amounted to Euro 332,5 million (2021: Euro 409,5 million).

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

- Amount of Euro 185.231 concerns works carried out in the context of the construction project of the Crete - Attica interconnection through the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."
- Amount of Euro 62.388 concerns interconnection works carried out for Cyclades
- Amount of Euro 12.415 concerns interconnection works carried out for Megalopolis (East and West Corridor)
- Amount of Euro 10.126 concerns support projects for the existing HVS (KYT)
- Amount of Euro 9.523 concerns works Upgrading circuits in the Ionian Islands.

The total amount of the valuation of the transferred fixed assets of Crete, based on the valuation report by an independent specialized appraiser, is equal to approximately Euro 58,4 million, of which approximately Euro 40,6 million represents the first part of the total price that was recorded on 2021. The additions of 2022 concern the excess acquisition cost of the fixed assets approximately Euro 17,8 million acquired by PPC S.A. and represents the second part of the total price.

Fiber optics derecognition

The Group derecognized fiber optics from the Machinery and equipment with a net book value of Euro 152 in the context of its lease agreements with third parties and recognized a gain of Euro 2.252 (Note 10.2).

Ownership of Property

IPTO S.A., under Article 98 of Law 4001/2011, has become -among other provisions- the quasi universal legal successor to the rights in rem of PPC S.A.'s Electricity Transmission Division, regardless of the time when they arise, as of the date of entry in the Register of Sociétés Anonymes of the decision approving the spin-off of the said division and its contribution to IPTO S.A. (Government Gazette, Issue on Sociétés Anonymes and Limited Liability Companies 12292/22-11-2011).

Such rights in rem of the Company have been lawfully obtained (through expropriations or other administrative acts e.g. approval of intervention, or purchase or, more rarely, usucaption), and the aforementioned spin-off deed (No 34.815/10-11-2011 prepared by the Notary Public Chr. Steiros) has been transcribed free of charge in all local Land Registers, and its entry has not yet been completed in local cadastres. Article 98 of Law 4001/2001 provides that the transfer to IPTO of its predecessor's (PPC S.A.) rights in rem over immovable properties, cars, and other movable assets will occur automatically upon the entry in the Register of Sociétés Anonymes of the spin-off deed, and their transcription or entry, under applicable provisions, is solely of declaratory effect.

Accordingly, under Article 108D of Law 4001/2011, as of August 1st, 2021, all high voltage (HV) fixed assets of the electricity system of Crete, owned by PPC and managed by HEDNO being the Network Operator of Non-Interconnected Islands (NIIs), as such assets are reflected in the relevant Fixed Asset Register (FAR) of Distribution for NIIs with reference date 30/6/2021, were automatically transferred by PPC to IPTO on freehold terms, became part of the HETS and were placed under the management of IPTO, the owner and Operator of HETS. The relevant spin - off deed, by derogation to any other contrary legal provision, is declaratory in nature. As of the date when fixed assets were transferred, in light of the above, IPTO S.A. automatically became the successor to all, in general, rights, obligations, and legal relations of PPC S.A. involving all transferred HV fixed assets on the island of Crete.

Insurance Coverage

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

(Amounts in thousand Euro unless otherwise stated)

Encumbrances on tangible assets

There are no encumbrances on the Group's and the Company's tangible assets.

Revaluation of Tangible Fixed Assets

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

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

The net book value of tangible fixed assets as of 31/12/2022 does not differ significantly from their fair value.

14. INTANGIBLE ASSETS

The total amount of intangible assets relates to software.

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

	Group	Company
Carrying amount 01/01/2021	**6.596**	**6.522**
Additions	1.592	1.591
Amortisation	(1.845)	(1.828)
Disposals/Write-offs - Cost	(490)	(490)
Disposals/Write-offs - Acc. Amortisation	49	49
Carrying amount 31/12/2021	**5.903**	**5.844**
Carrying amount 01/01/2022	**5.903**	**5.844**
Additions	2.876	2.846
Amortisation	(2.287)	(2.269)
Disposals/Write-offs - Acc. Amortisation	(7)	(7)
Disposals/Write-offs - Acc. Amortisation	7	7
Transfers - Cost	155	155
Transfers - Acc. Amortisation	47	47
Carrying amount 31/12/2022	**6.693**	**6.623**

	Group	Company
Cost	16.155	16.070
Acc. Amortisation	(10.252)	(10.226)
Net book value 31/12/2021	**5.903**	**5.844**
Cost	19.179	19.064
Acc. Amortisation	(12.486)	(12.441)
Net book value 31/12/2022	**6.693**	**6.623**

(Amounts in thousand Euro unless otherwise stated)

15. RIGHT OF USE ASSET

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

	Group				Company			
Cost	**Cars**	**Real Estate**	**Equipment**	**Total**	**Cars**	**Real Estate**	**Equipment**	**Total**
Balance as at 01/01/2021	**493**	**927**	**-**	**1.420**	**493**	**927**	**-**	**1.420**
Additions and write-offs	502	833	-	1.335	406	783	-	1.188
Balance as at 31/12/2021	**995**	**1.761**	**-**	**2.756**	**899**	**1.710**	**-**	**2.609**
Balance as at 01/01/2022	**995**	**1.761**	**-**	**2.756**	**899**	**1.710**	**-**	**2.609**
Additions and write-offs	1	(636)	1.066	431	-	(636)	59	(577)
Amendments	1	36	-	36	-	32	-	32
Balance as at 31/12/2022	**997**	**1.160**	**1.066**	**3.222**	**899**	**1.105**	**59**	**2.063**
Depreciation								
Balance as at 01/01/2021	**(176)**	**(173)**	**-**	**(349)**	**(176)**	**(173)**	**-**	**(349)**
Depreciation and write-offs	(181)	(26)	-	(207)	(173)	(22)	-	(195)
Balance as at 31/12/2021	**(357)**	**(199)**	**-**	**(556)**	**(349)**	**(195)**	**-**	**(544)**
Balance as at 01/01/2022	**(357)**	**(199)**	**-**	**(556)**	**(349)**	**(195)**	**-**	**(544)**
Depreciation and write-offs	(217)	43	(67)	(241)	(193)	50	(31)	(173)
Balance as at 31/12/2022	**(574)**	**(156)**	**(67)**	**(797)**	**(542)**	**(144)**	**(31)**	**(717)**
Net book value as at 31/12/2021	**638**	**1.562**	**-**	**2.200**	**549**	**1.515**	**-**	**2.065**
Net book value as at 31/12/2022	**423**	**1.004**	**999**	**2.425**	**357**	**961**	**28**	**1.346**

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

Long-term and short-term lease liabilities amount to Euro 1.505 (2021: Euro 2.254) for the Group and Euro 1.395 (2021: Euro 2.119) for the Company. Interest on finance leases amounts to Euro 50 (2021: Euro 55) for the Group and Euro 46 (2021: Euro 55) for the Company. Capital payments of financial leases amount to Euro 302 (2021: Euro 247) for the Group and Euro 272 (2021: Euro 234) for the Company.

16. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are presented in the following table:

Subsidiary	Location	% participation	Operation	Consolidation method	31/12/2022	31/12/2021
ARIADNE INTERCONNECTION S.M.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**

(Amounts in thousand Euro unless otherwise stated)

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

	Company	
	31/12/2022	31/12/2021
At the beginning of the year	**201.800**	**201.800**
Additions	3.500	-
At the end of the year	**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.'' 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.

17. INVESTMENTS IN ASSOCIATES

Investments in associates are presented in the following table:

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

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

	HELLENIC ENERGY EXCHANGE S.A.	SELENE CC S.A.	Total
	20%	25%	
Balance as at 01/01/2021	**1.188**	**51**	**1.239**
Profit for the fiscal year	496	10	506
Other comprehensive income for the fiscal year	(2)	-	(2)
Balance as at 31/12/2021	**1.682**	**61**	**1.743**
Balance as at 01/01/2022	**1.682**	**61**	**1.743**
Profit for the fiscal year	324	21	345
Other comprehensive income for the fiscal year	7	-	6
Dividends received	(100)	-	(100)
Balance as at 31/12/2022	**1.913**	**81**	**1.994**

There are no changes in the book value of investments in associates at Company level.

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

(Amounts in thousand Euro unless otherwise stated)

Summarized financial information per Group's associate (amounts in Euro)

Total Accounts per Associate (amounts in Euro)

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Total assets	607.849.919	378.269.424	1.539.074	956.125
Total liabilities	598.283.304	369.857.929	1.213.328	712.860
Revenue	8.915.010	8.257.451	3.036.600	1.784.109
Profit of fiscal year	1.727.335	1.853.277	83.494	41.011
Other comprehensive income/(loss) after tax	32.839	9.423	(1.011)	-

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

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Non-current assets	1.133.336	1.605.994	564.564	65.861
Current assets	606.716.583	376.663.430	974.510	890.264
Total assets	**607.849.919**	**378.269.424**	**1.539.074**	**956.125**
Long-term liabilities	584.124	713.453	3.981	12.422
Short-term liabilities	597.699.180	369.144.476	1.209.347	700.438
Total liabilities	**598.283.304**	**369.857.929**	**1.213.328**	**712.860**
Equity	**9.566.615**	**8.411.495**	**325.746**	**243.265**
Company participation in associates' equity	**1.913.323**	**1.682.299**	**81.437**	**60.816**

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

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Revenue	8.915.010	8.257.451	3.036.600	1.784.109
Profit of fiscal year	**1.727.335**	**1.853.277**	**83.494**	**41.011**
Other comprehensive income (after tax)	32.839	9.423	(1.011)	-
Total comprehensive income of fiscal year	**1.760.174**	**1.862.700**	**82.482**	**41.011**
Dividends paid	(500.000)	-	-	-
Total equity	**1.260.174**	**1.862.700**	**82.482**	**41.011**
Company participation in profit after tax	**231.024**	**372.540**	**20.621**	**10.253**

The Investments in associates, amount of Euro 1.994 (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",entered into an agreement with the Company for the handling of the Balancing Market operations.

(Amounts in thousand Euro unless otherwise stated)

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 22nd, 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.

Transelectrica due to regulatory reasons decided to withdraw from the shareholdership of "SELENE CC S.A." and pertain only a contractual relationship with the company.

According to Article 26 par. 3 of the company's Article of Association("AoA"), the withdrawing shareholder is obliged to assign its shares, subject to the choice of the remaining shareholders, to all shareholders in equal parts or to the Company itself or a combination thereof. Therefore, each shareholder (IPTO, ESO-EAD, TERNA) purchased and acquired an equal part of the share capital currently owned by Transelectrica, (25% of the company's share capital), which corresponds to 16.666 shares with a nominal value of Euro 1.073 each (8 .33% of the share capital). In addition, "SELENE CC S.A." purchased and acquired as own shares 0.01% of the share capital currently owned by Transelectrica, which corresponds to 2 shares of the company. The Company paid approximately Euro 18 for the acquisition of 16.666 shares, which corresponds to 8.33% of the share capital of "SELENE CC SA".

On February 21st, 2023 the Extraordinary General Meeting of "SELENE CC S.A.'' approved an increase of its share capital of Euro 6 million, in order to cover the Company's financial needs. The share capital increase was carried out with the issuance of 6.010.002 new common registered shares, with a nominal value of one euro (Euro 1) each. On March 17th, 2023 the Board of Directors of IPTO approved the payment of the share capital of its share amounting to Euro 2.003.334 in order to assume 2.003.334 new common registered shares with a nominal value of one euro each.

As a consequence of the above, IPTO in 2023 holds 33.33% of the total paid in share capital of "SELENE CC S.A.".

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

Financial Assets at amortized cost - Unlisted securities (Bonds)

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening Balance	**4.000**	**4.000**	**4.000**	**4.000**
Less: impairment loss	(55)	(95)	(55)	(95)
Balance at the beginning after impairment	**3.945**	**3.905**	**3.945**	**3.905**
Accrued income from coupons	130	130	130	130
Impairment loss release (additional provision)	(8)	40	(8)	40
Balance at the end after impairment	**4.068**	**4.075**	**4.068**	**4.075**

The Company, on June 15, 2018 under Decision No. 99/2018 of the Board of Directors, decided to purchase 200 bonds with a nominal value of 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 December 31st 2022 the Company's impairment loss of the aforementioned Bond amounts to Euro 36 (31/12/2021: Euro 34).

Also, on December 19th, 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 December 31st, 2022 the Company's impairment loss of the aforementioned Bond amounts to Euro 26 (31/12/2021: Euro 21).

(Amounts in thousand Euro unless otherwise stated)

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

Lease receivables

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

Moreover, during 2022 and 2021, new optical fiber lease contracts were signed between IPTO and "GRID TELECOM S.M.S.A." with a duration of 15 years, where the majority of which, were subleased to third parties for the corresponding period.

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Long-term portion of finance lease receivables	3.621	3.798	4.200	3.224
Short-term portion of finance lease receivables	1.133	364	195	150
Total	**4.754**	**4.162**	**4.395**	**3.374**
Provisions against expected credit losses	(54)	(66)	-	-
Total	**4.700**	**4.096**	**4.395**	**3.374**

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

Maturity dates of long-term receivables are analyzed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
1 to 2 years	307	248	211	311
2 to 5 years	850	786	748	815
>5 years	2.465	2.764	3.241	2.097
Total	**3.621**	**3.798**	**4.200**	**3.224**

Other long term receivables

Other long-term receivables include mainly deferred expenses from "Extension or Connection Projects" amounting to Euro 8.920 (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 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 recognition is much later than the year occurred, and therefore they are classified in other long-term receivables.

19. INVENTORIES

The inventories analysis is presented in the table below:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Materials, spare parts and consumables	80.233	73.665	80.233	73.665
Advance payments for purchases	1.106	1.931	1.106	1.931
Provision for impairment of materials and spare parts	(17.617)	(19.202)	(17.617)	(19.202)
Total	**63.722**	**56.394**	**63.722**	**56.394**

(Amounts in thousand Euro unless otherwise stated)

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening balance	19.202	18.244	19.202	18.244
(Release)/Additional provision (Note 9)	(1.585)	958	(1.585)	958
Closing balance	**17.617**	**19.202**	**17.617**	**19.202**

The Company released a provision for obsolescent materials and spare parts of Euro 1.585, while in 2021 formed a provision for obsolescent materials and spare parts of 958. The decrease in the obsolescence provision of materials and spare parts as at 31/12/2022, is due to the sale of materials and spare parts mainly to the company "HEDNO S.A.", in the context of the agreement for the support of the assets of "PPC S.A." by the Company.

Inventories are held free of encumbrances.

20. TRADE RECEIVABLES

Trade receivables analysis is presented in the table below:

	Group		Company	
	31/12/2022	31/12/2021*	31/12/2022	31/12/2021*
Receivables from “Electricity Market” transactions	76.102	33.754	76.102	33.671
Receivables from contract works and connection projects	7.393	20.163	7.300	20.163
Accrued trade receivables	26.866	61.551	26.866	61.476
Receivables from contracts	791	3.313	791	3.313
Total receivables from customers without delay and impairment	**111.153**	**118.780**	**111.060**	**118.624**
Total receivables from customers with delay and impairment	24.530	24.587	24.530	24.587
Less: provision for impairment of receivables	(9.597)	(9.654)	(9.597)	(9.654)
Total	**126.086**	**133.713**	**125.993**	**133.557**

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

Receivables from "Electricity Market" transactions, as well as accrued trade receivables, increased due to an increase in receivable from energy customers, mainly from interconnection rights, as well as from activities "Intended energy exchanges" and "Unintended energy exchanges".

The increase in receivables for interconnection rights in 2022 is mainly due to the significant increase in energy prices through interconnections, due to the energy crisis. The result of this is that the receivables regarding interconnections rights are disproportionate compared to previous year. The activities "Intended energy exchanges" and "Unintended energy exchanges" started in June 2021, as a result there are no invoices for the whole year 2021.

Receivables from contracts and connection projects decreased mainly due to the decrease in revenue from contracts during 2022, as well as significant collections of relevant receivables.

Accrued trade receivables mainly concern the balancing of Pass Through (charges and revenue of energy operator clearances) transactions and their decrease is related to the timing of energy clearances.

For overdue receivables from customers with impairment of Euro 24.530, a provision for impairment of Euro 9.597 has been made and for the remaining balance an amount of Euro 14.933 was used in previous years from the Reserve Account Non-compliance charges according to article 164 of the HETS Grid Code to be covered of overdue receivables (Note 34).

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening balance 01/01/2022	**9.654**	**10.428**	**9.654**	**10.353**
Release of impairement provision	(57)	(774)	(57)	(700)
Closing balance 31/12/2022	**9.597**	**9.654**	**9.597**	**9.654**

(Amounts in thousand Euro unless otherwise stated)

Receivable from customers with delay mainly include overdue receivables by more than one year.

21. OTHER RECEIVABLES

Other receivables analysis is presented in the table below:

	Group		Company	
	31/12/2022	31/12/2021*	31/12/2022	31/12/2021*
Receivables from the Greek State	92.111	93.439	91.347	92.887
Optical fiber rents	2.034	1.367	1.108	662
EnExClear blocked accounts	7.608	6.996	7.608	6.996
Receivables from employees	583	1.249	583	1.249
Accrued other receivables	940	680	972	869
Receivables from special projects (Polypotamus)	3.135	3.327	3.135	3.327
Receivables from technical and operational services	2.000	-	2.000	-
Deferred expenses	3.837	3.005	3.283	704
Other receivables Enex Clear	12.368	-	12.368	-
Other receivables	3.301	6.627	3.413	2.592
Total other receivables without delay and impairment	**127.917**	**116.690**	**125.817**	**109.286**
Less provision for impairment of other receivables	(1.961)	(1.887)	(1.929)	(1.887)
Total	**125.957**	**114.803**	**123.888**	**107.399**

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

Receivables from Greek State on December 31st, 2022 mainly relate to VAT receivable amounting to Euro 91.174 (2021: Euro 92.884).

In 2021 the Company proceeded with actions for receiving a VAT refund claim of approximately Euro 100 million, of which Euro 80 million were settled in 2021 and Euro 20 million in 2022. In 2022, the Company proceeded with actions for receiving an additional VAT refund claim of approximately Euro 60 million, which were settled in the same year.

The General Secretariat of Public Revenue approved these specific receivables, resulting:

- in 2021 to offset an amount of Euro 44,6 million approximately, with a liability of income tax amounting approximately to 39,6 million and other taxes amounting approximately to Euro 5 million. In addition, an amount of Euro 35,4 million was collected from the Greek State.
- In 2022, an amount of Euro 25,1 million approximately was offset with a liability of income tax amounting to 15,9 million and other taxes amounting to Euro 9,2 million. Additionally, an amount of Euro 54,9 million approximately was collected from the Greek State.

In the context of the Target Model commencement on November 1st, 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 2022 amount of Euro 11.472 and Euro 1.691 respectively.

Additionally, in 2022 part of the receivable from "EnExClear", amount of Euro 8.025, was refunded , and was transferred to Special Accounts (Note 34) and specifically to Non-compliance charges, as IPTO must maintain a reserve regarding the management of the financial risk that may arise from the beginning of the coupled operation of the Intraday Electricity Market through Continuous Intraday Trading (XBID). The reserve is equal to 20% of the Non-Compliance Charges Account, and can be used to cover the mentioned risk (RAE decision 860/2022).

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

(Amounts in thousand Euro unless otherwise stated)

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 year the receivable was measured at present value, which amounts to Euro 12.368. The difference between payments and the balance of the receivable is due to interest, which reduces the balance of the receivable.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are presented in the table below:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Cash in hand	29	15	29	15
Cash at bank	198.588	203.369	183.129	190.100
Total	**198.617**	**203.384**	**183.158**	**190.115**

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

The following table presents the deposits per credit rating class by Moody's on December 31st, 2022 and 2021:

Rating (Moody's)

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Ba2	15.357	12.632	1.328	725
Ba3	83.896	170.050	82.466	168.688
Caa1	187	-	187	-
Caa3	-	187	-	187
N/A	99.176	20.514	99.176	20.514
Total	**198.617**	**203.384**	**183.158**	**190.115**

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

23. SHARE CAPITAL

(Amounts in Euro)

The Share Capital of the Company on December 31st, 2022 amounts to Euro 38.444.193,00 consisting of 38.444.193 registered shares, with a nominal value of Euro 1,00 each.

At the Annual Ordinary General Meeting of Shareholders of 31/5/2022 it was decided the dividend distribution of Euro 33,9 million from the net profit of the year 2021.

Dividends

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

(Amounts in thousand Euro unless otherwise stated)

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

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

The Company's Board of Directors approved the Financial Statements for the year 2022 on April 6th, 2023 and proposed to the Ordinary General Meeting of Shareholders the dividend distribution of Euro 29,4 million from the net profit of the year.

24. LEGAL RESERVE

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

Within 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 December 31st, 2022 amounts to Euro 12.815 (2021: Euro 12.815), while at Group level, the amount of Euro 194 (2021: Euro 194) was formed by the subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and Euro 92 (2021: Euro 67) by the subsidiary "GRID TELECOM S.M.S.A.".

25. RESERVES

25.1. OTHER RESERVES

The analysis of Other reserves is presented below:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Redundancy compensation reserve	927	1.541	928	1.536
Actuarial results reserve for reduced electricity tariff	6.748	6.696	6.748	6.696
Total	**7.675**	**8.237**	**7.675**	**8.231**

25.2. REVALUATION RESERVE

The analysis is presented below:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening Balance	**893.967**	**886.163**	**893.967**	**886.163**
Effect of tax rate change on reserve	-	7.804	-	7.804
Closing Balance	**893.967**	**893.967**	**893.967**	**893.967**

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

26. LOANS

The amount of loan interest capitalized for the year ended December 31st, 2022 is included in tangible assets (Note 13) in the Statement of Financial Position while the remaining amount is included in financial expenses (Note 11.1) in the Income Statement. The capitalization of the construction period interest expenses for the Group and the Company for 2022 amounted Euro 7.399 (2021: Euro 6.170) and Euro 4.595 (2021: Euro 5.630) respectively. The total borrowing of the Company is presented in Euro.

(Amounts in thousand Euro unless otherwise stated)

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Bank Loans	429.033	438.033	429.033	438.033
Bonds payable	550.000	430.000	350.000	375.000
Accrued Interest on loans	972	2.662	863	2.638
Unamortized portion of income due to amendment of loan terms	(2.185)	(2.796)	(2.185)	(2.796)
Unamortized portion of loan issuance fees	(5.275)	(2.899)	(1.808)	(2.088)
Total borrowings	**972.545**	**865.000**	**775.903**	**810.788**
Less short term portion:				
Bank Loans	15.667	9.000	15.667	9.000
Bonds payable	30.000	25.000	30.000	25.000
Accrued interest on loans	972	2.662	863	2.638
Unamortized portion of income due to amendment of loan terms	(879)	(610)	(879)	(610)
Unamortized portion of loan issuance fees	(489)	(275)	(452)	(281)
Total short-term borrowings	**45.271**	**35.777**	**45.199**	**35.746**
Long term borrowings	**927.274**	**829.224**	**730.705**	**775.041**

European Investment Bank's (EIB) loans, amounted to Euro 429 million approximately at December 31st, 2022 (31/12/2021: Euro 438 million approximately), are guaranteed by the Greek State.

For the year ended on December 31st, 2022 the Company repaid loan amount of Euro 34.000 (2021: Euro 32.833).

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 for 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.

On December 16th, 2022, the Company signed two finance agreements with EIB for the financing of the "Cyclades Interconnection Phase 4" project, a) amount of Euro 250 million (without the guarantee of the Hellenic Republic) with duration 15 years and b) amount of Euro 65 million (with guarantee of the Hellenic Republic), with duration 20 years, which will finance the construction of the electrical interconnection between mainland Greece and the Cyclades.

The Company has not yet made any withdrawals regarding the above mentioned agreements.

"ARIADNE INTERCONNECTION SINGLE MEMBER 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.". During 2022 "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." received the amount of Euro 145 million, thus reaching the maximum borrowing limit from the "Eurobank S.A.", of Euro 200 million. In addition, in December 2020, the subsidiary entered into a loan agreement with the EIB for a total amount of Euro 200 million with the right of additional borrowing of Euro 100 million in case the estimated construction cost is exceeded. On 31/12/2022, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." had as a total loan line for the project from both banks, the maximum amount of Euro 400 million.

(Amounts in thousand Euro unless otherwise stated)

The breakdown of loans in fixed and floating rates on December 31st, 2022 and 2021 is as follows:

	Group		Company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Floating rate:				
Bank loans and bonds	550.000	430.000	350.000	375.000
Fixed rate:				
European Investment Bank	429.033	438.033	429.033	438.033
Total	**979.033**	**868.033**	**779.033**	**813.033**

Loan movement is as follows

	Group		Company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Opening balance	**865.000**	**756.577**	**810.788**	**756.577**
New loans	145.000	145.000	-	90.000
Repayment of capital	(34.000)	(32.833)	(34.000)	(32.833)
Accrued interest and other bank charges	16.195	13.156	13.391	12.797
Payment of interest and other expenses	(17.884)	(12.993)	(15.166)	(12.657)
Amortization of income due to amendment of loan terms	610	(2.796)	610	(2.796)
Additions of loan issuance fees	(2.660)	(1.347)	-	(540)
Depreciation of loan issuance fees	283	236	280	240
Closing balance	**972.545**	**865.000**	**775.903**	**810.788**

27. PROVISION FOR EMPLOYEE BENEFITS

On December 31st, 2021, actuarial estimates for both the provision of reduced tariff and the obligation to compensate staff due to retirement, were made by independent actuaries. The present value of the obligation was calculated with the «projected unit credit method».

Personnel provision for reduced electricity

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

The results of the actuarial study regarding the staff retirement compensation for the reduced electricity for the year ended December 31st, 2022 and changes in net liability are as follows:

	Group		Company	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Net liability on January 1st	**3.316**	**6.699**	**3.316**	**6.699**
Benefits paid by the employer	(253)	(271)	(253)	(271)
Expense to be charged in income statement	72	119	72	119
Actuarial expense/(income) in other comprehensive income	67	(3.232)	67	(3.232)
Net liability on December 31st	**3.201**	**3.316**	**3.201**	**3.316**

(Amounts in thousand Euro unless otherwise stated)

Actuarial liability decreased by Euro 115. The basic assumptions of the actuarial obligation are as follows:

Valuation Date 31/12/2022	**Discount Rate/ Number of beneficiaries**	**Margin Rate**
Discount rate	3,57%	2,3% 2023
Number of beneficiaries		4,5% 2024
Retired employees	1.785	8,2% 2025
Active employees	1.165	7,4% 2026+

31/12/2021	**Discount Rate/ Number of beneficiaries**	**Margin Rate**
Discount rate	1,05%	6,0% 2022
Number of beneficiaries		10,1% 2023
Retired employees	1.759	13,7% 2024
Active employees	1.159	16,5% 2025+

The sensitivity analysis of the actuarial liability based on a change in the discount rate is presented below:

31/12/2022	**Actuarial liability change**	**Percentage change**
Increase in discount rate by 0,5%	(163)	(5,10)%
Decrease in discount rate by 0,5%	179	5,60%

31/12/2021	**Actuarial liability change**	**Percentage change**
Increase in discount rate by 0,5%	(206)	(6,20)%
Decrease in discount rate by 0,5%	229	6,90%

Staff retirement compensation provision

The Group has the obligation, in accordance with Law 2112/1920 and the applicable legislation, to compensate personnel due to retirement with a maximum benefit limit of Euro 15.

The results of the actuarial study regarding the staff retirement compensation for the year ended December 31st, 2022 and changes in net liability are as follows:

	Group		**Company**	
	31/12/2022	**31/12/2021**	**31/12/2022**	**31/12/2021**
Net Liability on 1st January	**7.890**	**10.737**	**7.890**	**10.737**
Change of policy effect (IAS 19)	-	(2.758)	-	(2.758)
Benefits paid by the employer	(2.044)	(1.431)	(2.044)	(1.431)
Expense to be charged in income statement	2.635	1.382	2.635	1.382
Actuarial (Income)/expense in other comprehensive income	(779)	(40)	(779)	(40)
Net Liability on 31st December	**7.702**	**7.890**	**7.702**	**7.890**
Total Net Liability on 31st December	**10.904**	**11.206**	**10.904**	**11.206**

The total actuarial income of the Group amount to Euro 721, which includes the actuarial results of the staff retirement compensation provision and the staff personnel provision for reduced electricity total amount Euro 712, as well as the actuarial income from the related party HELLENIC ENERGY EXCHANGE S.A. amount to Euro 9.

(Amounts in thousand Euro unless otherwise stated)

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

Financial assumptions	31/12/2022	31/12/2021
Discount rate	2,80%	0,75%
Expected future salary increase	2,20%	2,00%
Inflation	2,20%	1,80%

Demographic assumptions

	31/12/2022	31/12/2021
Mortality	EVK 2000	EVK 2000
Inability	50% EVK 2000	50% EVK 2000
Retirement Age Limits	As determined by the main social security organisation of each employee	
Retirement percentage (Turnover)	0,00%	0,00%

The average life of the personnel benefit is to 4,48 years.

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

31/12/2022	Actuarial Liability	Percentage change
Increase in discount rate by 0,5%	7.538	(2,00)%
Decrease in discount rate by 0,5%	7.874	2,00%
Increase of expected wages increase by 0,5%	7.708	0,00%
Decrease of expected wages increase by 0,5%	7.697	0,00%

31/12/2022	Normal cost for next year	Percentage change
Increase in discount rate by 0,5%	449	(3,00)%
Decrease in discount rate by 0,5%	482	4,00%
Increase of expected wages increase by 0,5%	467	0,00%
Decrease of expected wages increase by 0,5%	463	(0,00)%

28. OTHER PROVISIONS

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Provision for litigations	9.003	15.630	9.003	15.630
Provision for cadastral fee	-	426	-	426
Total provisions	**9.003**	**16.056**	**9.003**	**16.056**

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening balance	**16.056**	**22.363**	**16.056**	**22.363**
Additional provision for third party lawsuits	1.432	1.343	1.432	1.343
Additional provision for cadastral fee	-	263	-	263
Use of provision	(456)	(3.532)	(456)	(3.532)
Release of provision for third party lawsuits	(8.028)	(2.240)	(8.028)	(2.240)
Release of provision for cadastral fee	-	(2.141)	-	(2.141)
Closing balance	**9.003**	**16.056**	**9.003**	**16.056**

(Amounts in thousand Euro unless otherwise stated)

On December 31st, 2022, the total amount claimed by third parties amounts to Euro 122.262 (2021: Euro 123.240), as analyzed below:

1. *Claims of Contractors/Suppliers and Other Claims:* A number of third parties and suppliers/contractors have raised claims that are either pending in court or amid arbitration and/or conciliation procedures. The total amount is Euro 32.566 (2021: Euro 43.225). In most cases the Company raises counterclaims that are not reflected in the accounting records until the moment of collection. Against the above amount, the Company has formed a provision of Euro 1.779 on December 31st, 2022, (2021: Euro 7.414).

2. *Environmental Claims:* A number of individuals has raised claims for losses that are allegedly caused by environmental interventions at the Company's fault, as well as municipalities' claims for payment of municipal fees, amounting to Euro 82.094 (2021: Euro 56.594). Against the above amount, the Company has formed a provision of Euro 5.565 on December 31st, 2022, (2021: Euro 5.247).

3. *Employee Claims:* Employees have raised claims amounting to Euro 5.908 (2021: Euro 9.122) for benefits and allowances which, according to the employees, should have been paid to them. Against the above amount, the Company has formed a provision of Euro 877 on December 31st, 2022, (2021: Euro 1.726).

4. *Miscellaneous Claims:* A number of third parties have raised various claims for compensation against the Company. The above claims amount to Euro 1.694 (2021: Euro 14.300). Against the above amount, the Company has formed a provision of Euro 782 on December 31st, 2022, (2021: Euro 1.244).

Against all the above amounts, a provision has been formed on December 31st, 2022 amounting to Euro 9.003 (2021: Euro 15.630).

The major part of the release of the provision for third parties lawsuits amounting to Euro 6.493 is mainly due to the issuance of a decision of the Supreme Court of Justice which rejects the lawsuit of "HERON II Voiotia Thermal Power Plant S.A.". Respectively, in 2021, the release of the provision of Euro 2.150 is mainly due to the decision of the Athens First Instance Court to reject the lawsuit of "LAKON ATE".

29. SUBSIDIES

The movement in subsidies is presented in the table below:

	Group	Company
Balance as at 1st January 2021	**325.287**	**325.287**
Additions	115.732	115.732
Amortization of subsidies	(12.727)	(12.727)
Balance as at 31st December 2021	**428.291**	**428.291**
Balance as at 1st January 2022	**428.291**	**428.291**
Additions	36.449	36.449
Amortization of subsidies	(13.003)	(13.003)
Balance as at 31st December 2022	**451.738**	**451.738**

The Group's subsidies consist of the Company's subsidies, as the subsidiaries did not receive such amounts within the reporting period. The majority of the additions, concern the granting for Cyclades interconnection project by Euro 29.232 (2021: Euro 78.491), and the granting of Interconnection Peloponnese – Crete by Euro 4.320 (2021: Euro 22.189).

30. CONCESSION AGREEMENT LIABILITY

The liability from concession agreement includes construction services of the subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER 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 asset during its construction. According to the Concession Agreement between IPTO and "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A", it is provided that:

(Amounts in thousand Euro unless otherwise stated)

"During the Operation Period, IPTO will pay the Monthly Revenue received by the Project to "ARIADNE INTERCONNECTION SINGLE MEMBER 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 settle by the electrification of the project (estimated year 2024). However, based on the amendment of the above contract on July 2021, part of these invoices, which relates to VAT, become due in less than a year and for this reason it is depicted from 2021 and onwards from long-term to short-term liabilities.

The long-term liability from concession agreement amounts to Euro 456.293 on 31/12/2022 (31/12/2021: 278.946), while the corresponding short-term liability from concession agreement amounts to Euro 16.606 (31/12/2021: 9.088).

31. OTHER LONG-TERM LIABILITIES

The other long-term liabilities of the Group include withheld guarantees of good execution of the contractual works of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A" amounting to Euro 18,4 million , as arising from the project contracts signed between the subsidiary company and contractors.

The other long-term liabilities of the Group and the Company also include deferred revenue from not completed "Expansion or Connection Projects" amounting to Euro 9,3 million. "Expansion or Connection Projects" are projects for the Connection of Users (or "Producers") to the System, e.g. for the connection of a wind/photovoltaic park or thermal power plant. The deferred revenue and the costs of these projects are recognized in the Income Statement on the date of completion of the connection projects.

Additionally, amount of Euro 3,4 million concerns guarantees received from energy customers for their participation in the energy market.

32. TRADE AND OTHER PAYABLES

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Liabilities from "Electricity Market" transactions	22.555	37.796	22.555	39.697
Other suppliers and contractors	149.017	116.270	67.678	69.687
Contractual obligation	131	843	131	843
Customer advance payments	23.656	16.046	23.437	16.046
Other payable taxes	8.863	7.797	6.352	6.479
Social security contributions, payable	2.520	2.466	2.472	2.418
Other creditors	694	6.009	687	6.007
Total	**207.436**	**187.228**	**123.312**	**141.176**

The electricity market liabilities were reduced mainly due to the fact that a significant part of the Pass Through (Charges and revenue of energy operator clearances) transactions, mainly with "PPC S.A.", was settled.

The other suppliers and contractors for the Group increased due to increased invoicing of the contractors at the end of the year concerning the Attica - Crete interconnection project.

The other creditors decreased mainly due to the payment of an obligation to "HEDNO S.A." amounting to Euro 5,4 million, concerning a grant that the Company received from the Recovery and Resilience Fund for sub-projects of the Cyclades Phase D', in which there is a co-declaration with "HEDNO S.A.".

The above obligations are interest free and short-term.

(Amounts in thousand Euro unless otherwise stated)

33. ACCRUED AND OTHER LIABILITIES

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Accrued expenses from energy clearance	45.399	56.686	45.399	56.686
Subsidiaries expenses payable	370	366	2.370	2.757
Other accrued expenses	2.922	3.691	2.922	3.452
Deferred revenue	9.589	5.613	6.800	4.135
Liabilities from personnel day off, overtime and leaves	6.797	7.512	6.797	7.512
Total	**65.078**	**73.868**	**64.289**	**74.542**

The accrued expenses from energy clearance mainly include expenses for energy clearing services and interconnection rights.

The increase in interconnection rights in 2022 is mainly due to the significant increase in the prices of energy through the interconnections, due to the energy crisis. As a result, receivables and liabilities regarding interconnection rights are disproportionate compared to the previous year.

Deferred revenue increased due to deferred interconnection rights billings, which concern a subsequent fiscal year.

All the above obligations are interest-free and short-term.

34. SPECIAL ACCOUNTS (RESERVES)

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

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Long-term special accounts				
Non-compliance charges	65.308	61.350	65.308	61.350
Short-term special accounts				
Interconnection rights	114.933	41.944	114.933	41.944
Extraordinary surplus of energy Imports L-B	1.574	1.924	1.574	1.924
Transitional duty of security of supplying/interruptible Load (L.4203/19)	100	15.140	100	15.140
Total short-term special accounts	**116.607**	**59.007**	**116.607**	**59.007**
Total	**181.915**	**120.357**	**181.915**	**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 65.308 (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 used the amount of Euro 35,3 million (2021: Euro 66,1 million) to reduce the Annual Cost of Transmission System Rent, based on the decision of RAE 1058/2021. The increase in interconnection rights in 2022 is mainly due to the significant increase in the prices of energy through the interconnections, due to the energy crisis.

(Amounts in thousand Euro unless otherwise stated)

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 beneficiaries of interruptible load (industries) after the final settlement. The rest of the amount that has not been paid so far, is expected to be paid during the next years, after the issuance of final settlements.

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

35. CONTRACTING COST

During the year, the Company proceeded to recognition of total revenue under IFRS 15 for the construction of third party projects amounting to Euro 225 (Note 5). The constructing cost of these projects for the year ended December 31st, 2022 amounts to Euro 213.

36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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 year, while there are no material transactions that have not been carried out under normal market terms.

Related parties of the Company are presented in the table below:

Company	Relation
ADMIE HOLDING S.A.	Shareholder
PHC ADMIE S.A.	Shareholder
STATE GRID LTD	Shareholder
ARIADNE INTERCONNECTION SINGLE MEMBER 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

(Amounts in thousand Euro unless otherwise stated)

The Group and the Company, in the ordinary course of business, conducted transactions with the related parties, whose balances (receivables, liabilities and revenues and expenses) on December 31st, 2022 are as follows:

	Group			
	31/12/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ADMIE HOLDING S.A.	32	12	28	6
EnExClear	23.744	6.239	67.417	38.953
SELENE CC S.A.	358	-	82	79
Total	**24.134**	**6.252**	**67.528**	**39.038**

	Company			
	31/12/2022		31/12/2021	
	Receivables	Liabilities	Receivables	Liabilities
ARIADNE INTERCONNECTION S.M.S.P.S.A.	266	475.269	449	292.692
GRID TELECOM S.M.S.A.	5.503	27	4.089	18
ADMIE HOLDING S.A.	32	12	28	6
EnExClear	23.744	6.239	67.417	38.953
SELENE CC S.A.	358	-	82	79
Total	**29.903**	**481.548**	**72.066**	**331.747**

	Group			
	01/01/2022- 31/12/2022		01/01/2021- 31/12/2021	
	Revenue	Expenses	Revenue	Expenses
ADMIE HOLDING S.A.	34	5	31	5
EnExClear	445.534	451.759	235.623	235.623
HELLENIC ENERGY EXCHANGE S.A.	-	75	-	62
SELENE CC S.A.	253	275	102	276
Total	**445.821**	**452.114**	**235.756**	**235.966**

	Company			
	01/01/2022- 31/12/2022		01/01/2021- 31/12/2021	
	Revenue	Expenses	Revenue	Expenses
ARIADNE INTERCONNECTION S.M.S.P.S.A.	1.589	2.337	482	2.757
GRID TELECOM S.M.S.A.	632	-	365	-
ADMIE HOLDING S.A.	34	5	31	5
EnExClear	445.534	451.759	235.623	235.623
HELLENIC ENERGY EXCHANGE S.A.	100	75	-	62
SELENE CC S.A.	253	275	102	276
Total	**448.142**	**454.451**	**236.602**	**238.723**

The Company's revenue transactions with the companies "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", " GRID TELECOM S.M.S.A." and "IPTO HOLDINGS S.A." relate mainly to revenues from a) provision of services such as the recharge of shared expenses, b) income from leases, c) financial income according to the IFRS 16, d) income from the guarantee of the bond loan of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", as well as e) revenue from the sale of electric vehicle fast charging stations to "GRID TELECOM S.M.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 SINGLE MEMBER S.P.S.A.". The Company's liabilities towards its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." include mainly an amount of Euro 456.293 (before VAT), which relates to assets under construction in the context of the construction project of the Crete-Attica interconnection, at amount of Euro 470.228 and other taxes and duties, which decrease the liability by the amount of Euro 13.935. Amount of Euro 182.758 (before VAT) consists additions in construction in progress of the fiscal year.

The major part of the liability to "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." is included in the item "Long-term liability from concession agreement" regarding the value of construction invoices before VAT and in the item "Short-term liability from concession agreement" regarding 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 November 1st, 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 and amounted to Euro 11,9 million during 2022. In 2021 revenue and expenses with "EnExClear" are equal in contrast to 2022. The reason is that in 2022:

- expenses of Euro 18,1 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.
- revenue of Euro 11,9 million which concerns the Balancing Market have been invoiced by "EnExClear" to "IPTO S.A." and there are no corresponding expenses

The major part of receivables from "EnExClear" is included in "Trade receivables" and relates to clearing services and Balancing Market Fee and in "Other receivables" relating to Prefinanced Financial Resources.

The liabilities to "EnExClear" are included in "Accrued and other liabilities" and in "Trade 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 recharge of expenses. Respectively, the nature and balances of receivables, as at 31/12/2022, are related to the transactions mentioned above.

The Company's revenue transactions with the "HELLENIC ENERGY EXCHANGE S.A." in 2022 relate to the collection of dividends in the amount of Euro 100 which was recorded in financial income.

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 "ELPEDISON". With the exception of the transaction with "PPC S.A.", concerning the fixed assets of Crete which is described in note 13 above, all other transactions with the above companies are made on commercial terms and are not disclosed.

Management remuneration

The Board of Directors' members and the Directors' remuneration, social security contributions and representation expenses inclusive, for the year ended at December 31st, 2022 for the Group and the Company amount to Euro 1.685, and Euro 1.420, respectively (2021: Euro 1.147 and Euro 1.015).

There are no liabilities towards members of the Board of Directors and General Managers of the Group and the Company on 31/12/2022.

The actuarial obligation for retirement of the members of the Board of Directors and the General Managers of the Group and the Company for the fiscal year ended on December 31st, 2022 amounts to Euro 34 (2021: Euro 45) and service cost amounts to Euro 1 (2021: Euro 2).

The Directors of the Group have not received compensation for retirement during 2022 and during the corresponding prior year.

37. COMMITMENTS AND CONTINGENCIES

37.1 COMMITMENTS

37.1.1 OWNERSHIP OF PROPERTY

IPTO S.A., under Article 98 of Law 4001/2011, has become -among other provisions- the quasi universal legal successor to the rights in rem of PPC S.A.'s Electricity Transmission Division, regardless of the time when they arise, as of the date of entry in the Register of Sociétés Anonymes of the decision approving the spin-off of the said division and its contribution to IPTO S.A. (Government Gazette, Issue on Sociétés Anonymes and Limited Liability Companies 12292/22-11-2011).

Such rights in rem of the Company have been lawfully obtained (through expropriations or other administrative acts e.g. approval of intervention, or purchase or, more rarely, usucaption), and the aforementioned spin-off deed (No 34.815/10-11-2011 prepared by the Notary Public Chr. Steiros) has been transcribed free of charge in all local Land Registers, and its entry has not yet been completed in local Cadastres. Article 98 of Law 4001/2001 provides that the transfer to IPTO of its predecessor's (PPC) rights in rem over immovable properties, cars, and other movable assets will occur automatically upon the entry in the Register of Sociétés Anonymes of the spin-off deed, and their transcription or entry, under applicable provisions, is solely of declaratory effect.

Accordingly, under Article 108D of Law 4001/2011, as of August 1st, 2021, all high voltage (HV) fixed assets of the electricity system of Crete, owned by PPC and managed by HEDNO being the Network Operator of Non-Interconnected Islands (NIIs), as such assets are reflected in the relevant Fixed Asset Register (FAR) of Distribution for NIIs with reference date 30/6/2021, were automatically transferred by PPC to IPTO on freehold terms, became part of the (HETS) and were placed under the management of IPTO, the owner and Operator of HETS. The relevant spin - off deed, by derogation to any other contrary legal provision, is declaratory in nature. As of the date when fixed assets were transferred, in light of the above, IPTO S.A. automatically became the successor to all, in general, rights, obligations, and legal relations of PPC S.A. involving all transferred HV fixed assets on the island of Crete.

37.1.2 ENVIRONMENTAL OBLIGATIONS

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

1. Strategic Environmental Impact Assessment for the inclusion of new Transmission Projects in the HETS as described in the Ten-Year Network Development Plans.
2. Carry out Environmental Studies for new and existing Transmission Projects for the purpose of licensing, through the issuance of new Decisions for the Approval of Environmental Terms or the renewal/modification of existing ones. The above Environmental Impact Assessments are submitted for approval to the relevant authority (Ministry of Environment and Energy or Decentralized Administrations).
3. Access Area Studies, Afforestation or Reforestation Studies and Agricultural Rehabilitation Studies and then launching their implementation in the framework of the implementation of the Transmission Projects.
4. The location decision-making for the Transmission Projects takes into consideration detailed studies and assessments of all the parameters related to environmental and spatial criteria, concerning the anthropogenic environment, the protected areas, the visual noise, the areas of archaeological interest, residential control zones etc. All the above increase the final construction cost of the Transmission Projects.
5. Development of special environmental studies (Special Ecological Assessment, Ornithological Study) in cases where the Transmission Projects pass through or are in the vicinity of environmentally protected areas (Natura 2000 network Protection of mountainous regions etc).
6. During the Transmission System operation (Transmission Lines, Substations and HVC) there is no emission of electromagnetic radiation, but two independent fields, an electric and a magnetic. In areas within reach of the public and the Company's employees, the values of these fields are well below the threshold values established by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), in cooperation with the World Health

Organization (WHO). These thresholds are included in a European Union Directive that has been incorporated into Greek legislation (CFCA (tax) 3060/GG b512/2002). It should be clarified that the thresholds of the electric and magnetic fields in the regulations do not constitute danger thresholds but contain high safety factors to cover any uncertainty about the limited knowledge of the effect of the fields and to meet the requirement to prevent possible adverse effects.

7. Compliance with environmental obligations that result either from the approved Environmental Terms of each Transmission Project related to its construction and operation phases or are listed in the Environmental Management and Monitoring Plan. Indicatively:
   - annual update of the Electronic Waste Register (HMA)
   - Harmonization with environmental legislation in case of deviations of the final technical design from the Decision for the Approval of Environmental Terms (submission of Technical Environmental Study, Compliance File)
   - compliance with archaeological heritage legislation when antiquities are detected
   - environmental licensing of auxiliary and accompanying works (warehouses, loan rooms) where required

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

37.2 COMMITMENTS FROM THE COMPLETION OF PROJECT CONSTRUCTION

Brief description of the most important projects

Cyclades Interconnection

The Cyclades interconnection project has been identified as a project of "general importance for the country's economy". The project aims to increase the reliability of the interconnected islands' supply and to reduce production costs (substitution of oil with other energy sources, in line with the evolution of the energy mix in the mainland).

The design of the project has been formulated with a view to minimizing environmental disturbance on the Islands. In this direction, the new substations on the Islands have been located close to the seashore to avoid the construction of overhead transmission lines on the Islands, while the interconnection of the Islands with each other and with the Continental System is planned to be done through submarine cable connections. According to the above, IPTO is implementing the project in phases:

Phase A

The implementation of Phase A, with a budget of Euro 264,3 million, which included the connection of Syros with Lavrio, as well as with the islands of Paros, Mykonos and Tinos was completed in 2018. The project was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2007-2013 & 2014-2020.

Phase B

The second phase of the Cyclades interconnection with a budget of Euro 47,3 million which includes the connection between Naxos and Paros and Mykonos was completed in 2020.The project was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2014-2020.

Phase C

The third phase of the interconnection of the Cyclades was completed in 2021. It includes the laying of the second cable from Lavrio to Syros, as well as the required connection works (shunt reactors and bays) in Lavrio and Syros.

The project, with a budget of Euro 122,3 million, was co-funded by the European Regional Development Fund (ERDF) and the NSRF 2014-2020.

Phase D

In 2021, the implementation of the fourth and final phase of the interconnection of the Cyclades, worth Euro 524 million, started, which includes the interconnection of the islands of Thira, Milos, Folegandros and Serifos with the mainland Electricity Transmission System (HETS).

The supply and installation contracts for the Naxos-Thira cable line and the substation and SVC of Thira have been signed and the construction works are in progress. They are expected to be completed in 2023. Also, the supply and installation contracts for the cable lines Lavrio-Serifos, Serifos-Milos, Milos-Folegandros and Folegandros-Thira were signed in the first quarter of 2023. The tenders for the substations of Serifos, Milos and Folegandros were announced in 2022 and the contracts are expected to be signed in 2023.

The submarine line of Thira is expected to be electrified in the first half of 2024 and the rest of the islands are expected to be interconnected to the ESMIE in the second half of 2025. The completion of the interconnection of the Cyclades will enable the development of RES plants of total power of 332MW on the islands, achieving a more stable, green, and economic energy mix for the island cluster.

The project is co-funded by the Recovery and Resilience Fund «Greece 2.0» with the funding from the European Union – Next Generation EU.

Crete Interconnection

The Crete System is characterized by:

- Very high variable production costs due to the use of oil in local production plants, which is reflected in a significant burden on consumers to cover the cost of Services of General Interest (SGIs).
- High annual growth rate of the Island's load. It is noted that the load during the summer months is marginally covered by the local stations.
- The great difficulty or impossibility of finding spaces and securing permits for the strengthening of local stations or the development of new ones.
- The growing interest in exploiting the rich local RES potential, whose penetration in the island's power generation mix is limited due to technical constraints (mainly significant stability issues that high RES penetration in an autonomous power system such as that of Crete can create).
- Low level of feed reliability, especially in case of failures in the production system.

The above-mentioned characteristics make the interconnection of Crete with the HETS a necessary project in terms of its feasibility.

Interconnection of Crete with the Peloponnese

The Crete-Peloponnese interconnection is the first phase of the interconnection of Crete with HETS. The Crete - Peloponnese AC interconnection includes two (2) 150 kV AC circuits, each with a nominal carrying capacity of 200 MVA. A thorough investigation of the operation and power adequacy of the Cretan electricity system revealed that the power that can be safely transported through this AC link ranges from 150 MW to 180 MW, depending on the operating conditions.

Within 2020, the substations in the Peloponnese and Chania, the underground transmission cable lines in Crete and the Peloponnese, the first submarine cable line and most of the overhead lines in the Peloponnese were completed, which allowed the successful test run of the interconnection in December 2020. The second submarine cable line, the final arrangements of the overhead lines in the Peloponnese and STATCOM were completed in stages until May 2021, when the interconnection was made ready to operate under load. In July 2021 the interconnection was commissioned under load and has been operating continuously since then.

The project, costing Euro 374,5 million (including upfront costs), is co-financed by the European Regional Development Fund (ERDF) and the NSRF 2014-2020 and is financed from the European Investment Bank.

Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the Crete - Peloponnese small interconnection project and serves the same purposes as the latter by further enhancing the security of supply of the island along with the need to increase the absorption capacity of electricity production from RES. At the same time, a further significant reduction in the charges for Services of General Interest (SGIs) is expected for all consumers of the system in the Greek territory.

This project is carried out by the 100% subsidiary of IPTO "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", which was established by RAE decisions 816/2018 and 838/2018 as the implementing entity, and whose sole purpose is the construction and financing of the project. In addition, it has been entrusted with the selection of companies that will enter into contracts with IPTO and will be responsible for the maintenance of the system for 10 years. The ownership, possession, operation of the cable and the technical specifications given to the contractors for the construction of the cable are purely the responsibility of IPTO (as manager and owner of the HETS).

The asset will be owned by IPTO and presented in its own Financial Statements. Therefore, throughout the implementation of the project by ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", it is owned by IPTO and is reflected accordingly in the Financial Statements of IPTO, while after its completion, the project is incorporated into HETS, which is owned and managed exclusively by IPTO.

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

The design - construction work by the contractors is in full swing. Specifically, with regard to the Conversion Stations, the production of most of their equipment has been completed, while the foundation works of the buildings have almost been completed and their construction has begun. Regarding the progress of the cable section, the production of all sections of the cables (submarine and underground) has been completed. Also, the laying of the two poles (Eastern and Western, 2 x 336 km) has been completed according to schedule, as well as the laying of the optical fibers as a whole. Submarine cable protection is expected to be completed in the 2nd quarter of 2023. Finally, the construction of the underground section of the route from the Koumoundourou transport station to the sealing point in Attica is underway, where approximately 80% of the infrastructure has been completed, as well as 40% of the cable installation. In the case of Crete, road construction work is ongoing and infrastructure work to install the cables is expected to begin.

At the same time, with regard to grant funding, within 2023 the project is expected to be included for co-financing in an operational program within the NSRF, thus drawing significant resources and reducing, to a very large extent, the cost of the project of major importance for the Greek consumer.

System expansion 400 kV to the Peloponnese

The expansion of the 400kV System to Megalopolis (with the subsequent creation of a 400kV loop Patras - Megalopolis - Corinth) drastically increases the transmission capacity to and from the Peloponnese, enables the development of RES and thermal power stations, significantly improves the margin of voltage stability for the Southern System and secures the Peloponnese in any combination of generation and load conditions. Moreover, it strongly connects the Megalopolis power station with the high load areas (Attica and Patras area) and contributes to the achievement of an isobaric development of the Power Generation and Transmission Systems in the Southern Complex. Finally, it should be stressed that the development of the 400 kV system to the Peloponnese contributes to the reduction of the overall losses of HETS.

The Megalopolis project was co-financed by the European Regional Development Fund (ERDF) and the NSRF 2007-2013 and part of the extension works were financed by the European Investment Bank.

West Corridor (Megalopolis - Patras - West Sterea)

The construction of a new high-voltage center in Megalopolis is important for the Peloponnese region. The Megalopolis High Voltage Centre, which became fully operational in 2014, was necessary to connect the new production unit in Megalopolis (“Megalopolis V” unit), to increase the penetration of RES in the Peloponnese and to support voltages during high load hours.

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

The Western Corridor projects have been completed and a small part of the overhead line (2 pylons) remains due to an engagement with a neighboring monastery. In order to avoid further delay in the completion of the project, a variation of the route was decided, which is expected to be fully completed in April 2023.

The total budget of the aforementioned projects amounts to Euro 108 million.

East Corridor (Megalopolis - Corinth - Attica)

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

- In the first stage with the Megalopolis extra-high voltage substation with the construction of a new overhead transmission line of 400 kV double-circuit Megalopolis - Corinth, which was completed in December 2022.
- Next stage with the new Koumoundourou Extra high voltage substation with the construction through a new overhead transmission line 400 kV double circuit Corinth - Koumoundourou. The subproject co-financed by the Recovery and Resilience Fund «Greece 2.0» with the funding from the European Union – Next Generation EU and was designated by the Government Gazette No. D 494 04-08-2022 as a project of general importance for the country's economy. At this stage, tenders submission was completed in March 2023, the contract award is expected in August 2023 and project completion is expected in the 1st half of 2026.

The total budget of the projects amounts to Euro 105,7 million.

Skiathos Interconnection

In order to enhance the reliability of the electrical supply of the Northern Sporades, a new substation was developed in Skiathos and connected to the existing substation Mantoudi in Evia. The interconnection includes a new 150 kV transmission line, consisting of overhead (new and upgraded), underground and underwater sections, as well as the required termination projects at the Mantoudi Substation.

The new Skiathos HV/MV Substation of closed type (SF6) (with SF6 gas insulation) was electrified for the first time through the Mantoudi substation on July 2022.

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

Koumoundouros Extra High Voltage Substation

Within 2021, the construction of the new gas-insulated (GIS) Koumoundouros Extra High Voltage Substation has been launched. This new GIS will replace the existing air-insulated Koumoundouros Extra High Voltage Substation and will enable the connection of the East 400kV 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, is expected to be completed in three (3) phases.

The first phase of the project is estimated to be completed in 2023. The project is co-financed by the European Union through RRF mechanism. Full completion of the project is planned within the 1st half of 2026.

New interconnection with Bulgaria

The second electricity interconnector between Greece and Bulgaria consists of a new 400kV overhead transmission line connecting Nea Santa EHV S/S (Greece) to Maritsa East S/S (Bulgaria). The transmission capacity of the interconnection will be 2.000 MVA and its total length will be approximately 151km, 30km of which are located in the Greek territory. The project has been included by the EU in the list of Projects of Common Interest (PCIs) and it has also been included in the Ten Year Network Development Plan of ENTSO-E. For the works in the Greek territory, budgeted Euro 11,3 million, the following financing tools were used: equity, net debt and Use of Congestion Income (UCI). Moreover, both IPTO and ESO-EAD used Connecting Europe Facility (CEF) for the studies of the project.

The completion of the new interconnection is expected to increase the Net Transfer Capacity (NTC) to 1,400MW from Greece towards Bulgaria and to 1.700 MW from Bulgaria towards Greece. The project will contribute to the safe transfer of the prevailing power flows in the north-south direction of the NE Europe, enhance the security of supply and increase the further installation of RES units in the northern part of Greece and southern part of Bulgaria. At the same time, it will strengthen the European transmission system on the eastern border, an area where the 400kV System is sparse and the connection to Turkey's large-scale System is relatively weak (1 interconnector with Greece and 2 with Bulgaria), contributing to the integration of the electricity markets of Europe and Turkey. More specifically, the project contributes to completing EU internal market in energy, has a strong cross-border dimension that will improve the interconnection of the European electricity and contributes to the goals of Fit for 55.

The construction of the Overhead T.L 400kV between KYT N. Santa and Substation Maritsa started in June 2022 and is expected to be completed in the 1st semester of 2023.

Upgrade of 150KV circuits in the Ionian Islands Channel

The project includes the upgrade of the Lefkada - Argostoli loop, replacing the old submarine cable connection Lefkada - Kefallinia with a new submarine cable XLPE 150 kV rated 200MVA for strengthening the connection Aktio - Lefkada - Argostoli. The completion of the tender for the replacement of the submarine cables Lefkada - Kefalonia and Kefalonia - Zakynthos are expected to be tendered within the 1st half of 2023.

In addition, in December 2022, the project of replacing the Kyllini - Zakynthos submarine cable started, which is expected to be completed at the beginning of the 2nd quarter of 2023.

The total budget of the projects amounts to Euro 85,7 million.

North-east Aegean

The North-east Aegean interconnection project concerns the interconnection with the HETS of the North-east Aegean Islands group which includes the following eight (8) autonomous electrical systems of Limnos, Agios Efstratios, Skyros, Lesvos, Chios, Samos, Ikaria and Agathonisi.

In total, the construction of five (5) new 150kV closed substations (GIS) is planned to enhance the reliability of the electricity supply of the islands of Limnos, Lesvos, Skyros, Chios and Samos. It is also planned to build 3 substations in the area of Thrace to Limnos, in the area of Evia to Skyros (in the event that the 150 kV line from the sealing point to Aliveri substation by underground cable is not implemented) and near the point of landfall in Lesvos of the submarine cables from Skyros, Limnos and Chios.

The project will be developed over three phases, to be completed in 2029.

The total budget of the projects amounts to Euro 863 million and it is planned to be co-financed by the Island Decarbonisation Fund.

In January 2023 the contract for the submarine reconnaissance study between Evia and Skyros was signed.

International interconnections

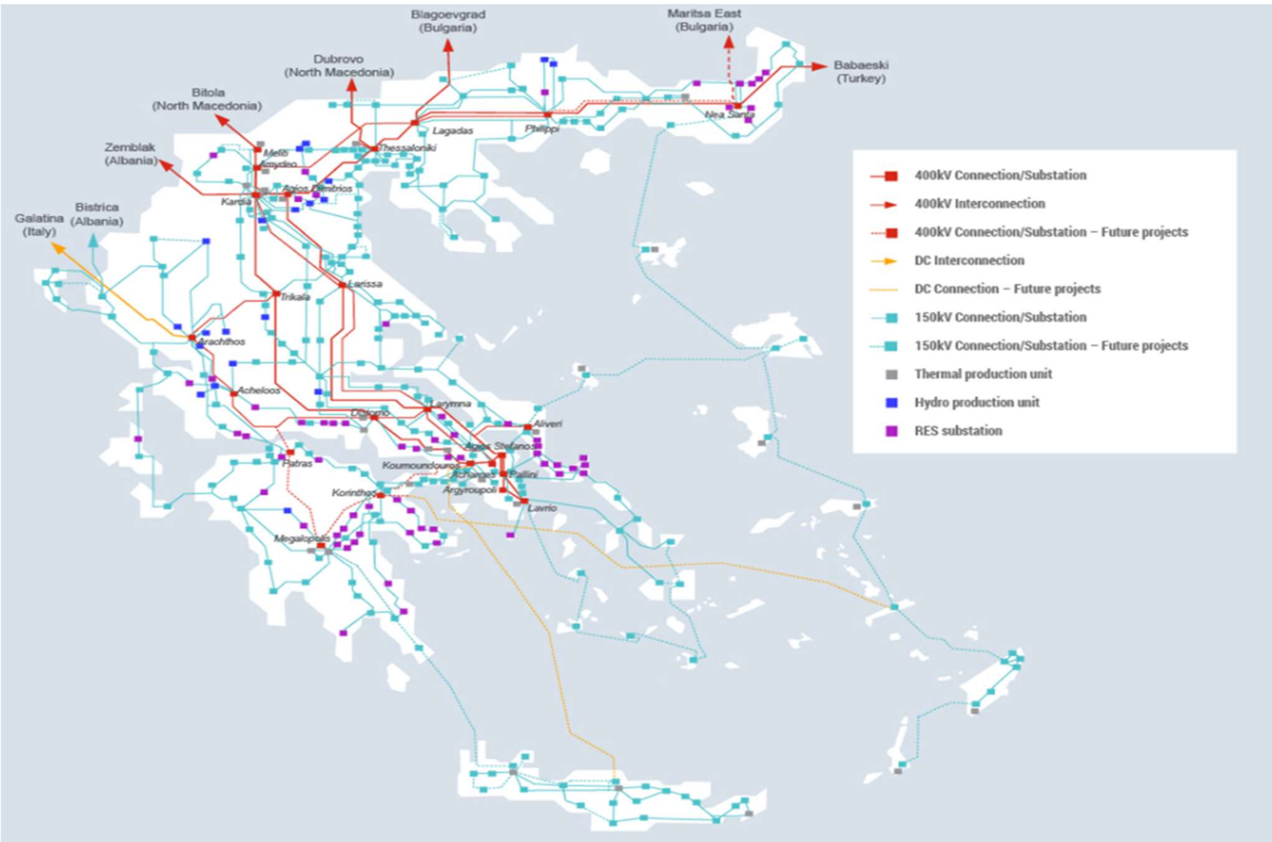
IPTO prioritizes international interconnection projects, in the context of strengthening regional cooperation in the field of Energy as well as the integration of the European electricity market. In this context, the Operator:

- Is currently constructing the domestic section of the second Greece-Bulgaria interconnection (Nea Santa-Maritsa), which will triple the energy transferred between the two countries
- Conducts feasibility studies concerning the second reinforcing interconnection between Greece and Italy, with a capacity of up to 1 GW, with the Operator of Italy, Terna
- Has signed a Memorandum of Cooperation for the construction of an electrical interconnection between Greece and Egypt. IPTO works closely with the Egyptian Operator (EETC – Egyptian Electricity Transmission Company) and the project promoter ELICA SA and intends to participate in the project as an investor

At the same time, IPTO Group:

- Contributes to the maturity and construction of Cyprus-Crete electrical interconnection, with the EuroAsia Interconnector as the implementing entity, ensuring with its know-how the operational capacity of the project. During the summer, IPTO submitted a Letter of Intent to the management of EuroAsia Interconnector, regarding its participation in the company's share capital with a percentage of 25%, which will allow the Operator to be more actively involved in the construction of the interconnection, contributing even more in know-how and generally in the implementation of the large-scale energy project.
- Accelerates the procedures for the study of a new Greece-Albania interconnection, setting up a working group along with the Transmission System Operator of Albania.
- Ripens the plans for the upgrade of Greece-Turkey interconnection, which will connect the European with the Turkish Transmission System.
- Promotes the upgrade of the existing interconnection with North Macedonia.

Regarding the maturity of the European electricity market, in November 2022 the Greek Intraday Market was coupled with the Pan-European continuous cross border trading (Single Intraday Coupling - SIDC), at the borders of Italy and Bulgaria.



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

2022-2031

The draft of the TYNDP 2022-2031 was submitted for RAE's approval on April 15th, 2021 and was set by the Authority on public consultation until March 4th, 2022. Following this, with decision 287/24.3.2022 (Government Gazette B 4789/12.09.2022) 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 and was set by the Authority on public consultation from September 2nd to October 3rd 2022. On November 8th, 2022, RAE requested the submission of an updated TYNDP 2023-2032. Accordingly, IPTO submitted the requested updated data for the TYNDP on February 6th, 2023.

2024-2033

During December 2022, the Preliminary draft TYNDP 2024-2033 was finalized and set to public consultation by IPTO up until March 14th, 2023.

37.3 CONTINGENT LIABILITIES

As the Operator of the Hellenic Electricity Transmission System (HETS), under applicable legislation, the Company acts as intermediary in the collection of certain energy charges, collecting from the market participants liable for such amounts and delivering them to the relevant beneficiaries; therefore, no burden on the Company's Financial Position is expected. Particularly as regards some of the charges referred to in the Balancing Market Regulation, the Operator has assigned the clearing, risk management and financial settlement of positions arising within the operation of the Balancing Market to a Clearing and Settlement Entity, under Articles 12 and 17 of Law 4425/2016 and the Balancing Market Regulation.

For the time period prior to the commencement of operation of the New Electricity Markets, some electricity market participants have turned against the Company due to delays in the payment of their claims.

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

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

"ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." 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.". During 2022 "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." received total amount of Euro 145 million, thus reaching the maximum borrowing limit from the "Eurobank S.A.", of Euro 200 million. In addition, in December 2020, the subsidiary entered into a loan agreement with the EIB for a total amount of Euro 200 million with the right of additional borrowing of Euro 100 million in case the estimated construction cost is exceeded. On 31/12/2022, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." had as a total loan line for the project from both banks, the maximum amount of Euro 400 million.

Based on the Concession Agreement of 10/04/2020 signed between "ARIADNE INTERCONNECTION SINGLE MEMBER 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 SINGLE MEMBER 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 approximately Euro 1.318 which was recorded in the account Financial income of the Company.

37.3.1 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 2021 with no 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, the Company’s management considers that the fiscal years 2011-2016 have expired and no additional tax liabilities are expected to arise.

In 2021 the Company proceeded with actions for receiving a VAT refund claim of approximately Euro 100 million, of which Euro 80 million were settled in 2021 and Euro 20 million in 2022. In 2022, the Company proceeded with actions for receiving an additional VAT refund claim of approximately Euro 60 million, which were settled in the same year. The Company was audited by the Greek tax authorities, “KE.ME.EP” audit service, on VAT for the period 1/1/2020 to 31/3/2021. The tax audit was completed without any findings.

A partial tax audit order concerning VAT with number 151/0/1118/16-2-2023 has been issued for the Company by the Greek tax authorities, “KE.ME.EP” audit service. The order concerns a partial tax audit on VAT refund applications for the tax period 1/4/2021 to 31/3/2022.

For the year ended December 31st, 2022, the tax audit of the Company’s management is already carried out by “Ernst & Young (Hellas) Certified Auditors Accountants SA.” Upon completion of the tax audit, the Company does not expect significant tax liabilities to arise other than those recorded and presented in the financial statements.

Regarding the Group's subsidiaries, the company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” has received an unqualified Tax Certificate by the statutory auditor with respect to the tax obligations for the fiscal years 2018 to 2021, while the subsidiary “GRID TELECOM S.M.S.A.” has received an unqualified Tax Certificate from its statutory auditor regarding its tax obligations for the fiscal years 2019 to 2021. For the year 2022, the companies “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and "GRID TELECOM S.M.S.A." are subject to optional tax audit. The audit for the receipt of Tax Certificate of both subsidiaries for the year 2022, is in progress by the auditing firm “ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS S.A.”. However, the Group's management does not expect significant tax obligations to arise beyond those recorded and presented in the financial statements.

38. HOLDINGS IN OTHER COMPANIES

Apart from its holding in the Group subsidiaries (“ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and “GRID TELECOM S.M.S.A.”) and in associates (“Hellenic Energy Exchange SA” and “SELENE CC S.A.”), the Company participates with a 5% stake in “Joint Allocation Office S.A.” and has paid Euro 65 by December 31st, 2022 (2021: Euro 65). However, due to the non-anticipated unfavourable return on this investment, the Company has fully impaired it. The Company also participates with a 12,5% stake in “COORDINATED AUCTION OFFICE (CAO) IN SOUTH EAST EUROPE D.O.O.” and has paid Euro 40 by December 31st, 2022 (2021: Euro 40).

These holdings due to the non-anticipated unfavourable return on investment are presented in “Other receivables” in the Statement of Financial Position.

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

39. SEPARATE SEGMENTAL FINANCIAL STATEMENTS

According to RAE’s decision and the relevant European directive, energy companies should publish, along with the annual financial statements, separate accounting financial statements for the system’s operation, the market operation and other activities. The Company intends to prepare the above statements after the methodology preparation approval from RAE and publish them separately from the annual financial statements.

40. AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER ASSURANCE SERVICES

The auditors’ fees for the statutory audit, tax audit and other assurance services of the fiscal year 2022 amounted to Euro 151 (2021: Euro 141) for the Group and Euro 124 (2021: Euro 115) for the Company plus expenses.

41. SUBSEQUENT EVENTS

Signing of IPTO-EIB loan agreement through RRF for the interconnection of the SW Cyclades

On January 24th, 2023, the Company, with the aim to obtain a more favorable interest rate, proceeded with:

a) partial cancellation of the loan agreement signed with the EIB on December 16th, 2022, of amount Euro 250 million (without the guarantee of the Greek State). The partial cancellation concerned to an amount of Euro 93 million, with the result that the available loan balance equals to Euro 157 million

b) cancellation of the loan agreement with the EIB of amount Euro 65 million (with the guarantee of the Greek State)

c) signing a new loan agreement with the EIB through the Recovery and Resilience Fund amounting to Euro 108,44 million for the financing of the "Cyclades Interconnection Phase 4" project, with a duration of 15 years.

Share capital increase of the subsidiary company "GRID TELECOM S.M.S.A"

On February 1st, 2023 the Extraordinary General Assembly of the sole shareholder of the subsidiary "GRID TELECOM S.M.S.A." approved an increase of its share capital by the amount of Euro 9,7 million, in order to address the financial needs of the subsidiary "GRID TELECOM S.M.S.A." for capital expenditure. The share capital increase will be carried out by issuing 97.383 new common registered voting shares, with a nominal value of one hundred euro (Euro 100) each.

Purchase of 8.33% and share capital increase of the related company "Selene CC S.A."

Transelectrica due to regulatory reasons decided to withdraw from the shareholdership of “SELENE CC S.A.” and pertain only a contractual relationship with the company.

According to Article 26 par. 3 of the company’s Article of Association (“AoA”), the withdrawing shareholder is obliged to assign its shares, subject to the choice of the remaining shareholders, to all shareholders in equal parts or to the Company itself or a combination thereof. Therefore, each shareholder (IPTO, ESO-EAD, TERNA) purchased and acquired an equal part of the share capital currently owned by Transelectrica, (25% of the company's share capital), which corresponds to 16.666 shares with a nominal value of Euro 1,073 each (8 .33% of the share capital). In addition, "SELENE CC S.A." purchased and acquired as own shares 0.01% of the share capital currently owned by Transelectrica, which corresponds to 2 shares of the company. The Company paid approximately Euro 18 for the acquisition of 16.666 shares, which corresponds to 8.33% of the share capital of "SELENE CC S.A.".

On February 21st, 2023 the Extraordinary General Meeting of “SELENE CC S.A.’’ approved an increase of its share capital of Euro 6 million, in order to cover the Company’s financial needs. The share capital increase was carried out with the issuance of 6.010.002 new common registered shares, with a nominal value of one euro (Euro 1) each. On March 17th, the Board of

Directors of IPTO approved the payment of the share capital of its share amounting to Euro 2.003.334 in order to assume 2.003.334 new common registered shares with a nominal value of one euro each.

As a consequence of the above, IPTO in 2023 holds 33.33% of the total paid in share capital of "SELENE CC S.A.".

Issuance of bond loan

On March 28th, 2023, the Company issued Series A bonds of Euro 80 million, as part of the Euro 150 million bond loan agreement from 30/12/2021 with a consortium of banks.

The Group and the Company consider these events as non-adjusting events after the reporting period.