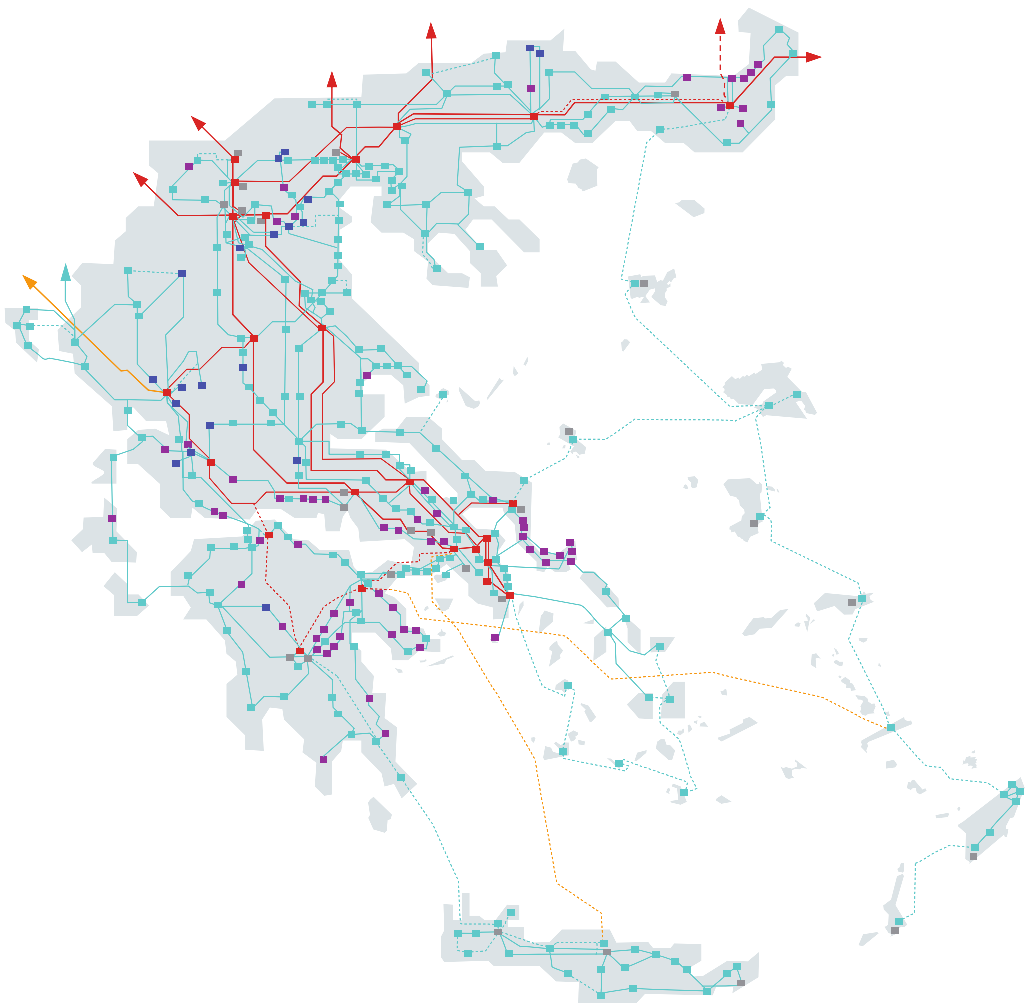
ANNUAL FINANCIAL REPORT

for the year

January 1st to December 31st 2023



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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 FINANCIAL REPORT TABLE OF CONTENTS

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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 2023 (01/01/2023 – 31/12/2023)
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 thirteenth fiscal year ended at December 31st, 2023.

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.”, “GRID TELECOM S.M.S.A.” and “GREAT SEA INTERCONNECTOR S.M.S.A.” (hereinafter the "Group"). The annual financial statements of the subsidiaries “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” and “GRID TELECOM S.M.S.A.” 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 2023

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 Management Code of HETS.
- 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 RAEWW 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 31st, 2100. On December 31st, 2023, the Group employed 1.137 employees, and the Company 1.110 employees of whom 25 in total were seconded. Specifically, 9 were seconded to Public Sector services, 15 to Public Organizations and 1 was seconded to the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". 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 and the new subsidiary “"GREAT SEA INTERCONNECTOR S.M.S.A." does not employ any employee.

Regarding the subsidiaries, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." was established in September 2018 by IPTO in compliance with RAEWW'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 Hellenic Electricity Transmission System (HETS) for the period 2018-2027 and in the decisions of the Regulatory Authority for Energy, Waste and Water (RAEWW).

"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 “GREAT SEA INTERCONNECTOR S.M.S.A.” was established in November 2023 by IPTO and will undertake the construction and financing of the PCI 2.6 project for the electrical interconnection of Greece-Cyprus-Israel, which is included in the 6th list of Projects of Common Interest in Europe.

The Company holds 100% of "GREAT SEA INTERCONNECTOR S.M.S.A.". According to the subsidiary's articles of association, the initial share capital was set at Euro 25 thousand through the issuance of twenty-five thousand common shares, each with a nominal value of one euro (Euro 1) per share. The above-mentioned share capital of the subsidiary amount of Euro 25 thousand was fully paid in 2024.

3. Principles of management and internal management systems

3.1. HETS Development and decision-making

IPTO, following consultation with all interested parties, submits to RAEWW , 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 RAEWW, 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 RAEWW 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 Regulatory authority’s decisions.

The members of the Board of Directors 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 control system

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 function 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, that the information provided to the Board of Directors regarding the internal control system is reliable and of high quality and that corporate governance mechanisms are in place. 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 2023

The Group's total revenue increased by 33,04% for the Group to Euro 392 million in 2023 compared to Euro 295 million in prior year and for the Company increased by 31,77% to Euro 385 million in 2023 compared to 292 million in 2022.

Operating expenses increased for the Group by 10,62% to Euro 227 million approximately in 2023 compared to Euro 205 million in prior year, while for the Company increased by 8,33% to Euro 220 million approximately in 2023 compared to Euro 203 million in 2022.

The above changes led to a 42,93% significant increase for the Group and 43,05% for the Company in EBITDA, which amounted to Euro 277 million compared to Euro 194 million the previous year for the Group as well as for the Company, with the EBITDA margin reaching 70,80% in 2023 compared to 65,90% in 2022 for the Group and 71,99% in 2023 compared to 66,31% in 2022 for the Company. The Net Debt/EBITDA ratio restricted to 3,42 in 2023 versus 3,99 in 2022 while the corresponding figures for the Company are 2,21 in 2023 versus 3,06 in 2022. The net profit margin was reached 29,74% in 2023, versus 19,76% in 2022 for the Group and 30,63% in 2023, versus 20,17% in 2022 for the Company. Return on Equity was reached to 7,68% in 2023, compared to 4,07% in 2022 for the Group, while for the Company the percentage fluctuated to 7,78% in 2023, compared to 4,13% in 2022. Return on capital employed ratio (ROCE) increased to 6,07% in 2023, compared to 3,71% in 2022 for the Group, while for the Company increased to 7,12% in 2023, compared to 4,04% in 2022.

Alternative performance measures and their calculation are disclosed in note 8.2 of Management Report.

4.2. Evolution of debt

The net debt (loans and financial lease obligations minus cash and cash equivalents) remains at a satisfactory level due to the fact that the investment plan is financed through a combination of equity, grants, and borrowing. The net debt for the Group amounted to Euro 950,5 million in 2023, compared to Euro 775,4 million in prior year, while the leverage ratio increased to 38,5% compared to 35,2% in 2022. The Company regularly services its debt obligations. The net debt for the Company stands at Euro 613,5 million in 2023, compared to approximately Euro 594,1 million in 2022, while the Company's leverage ratio decreased to 28,8% in 2023 compared to 29,4% in prior year.

4.3. Cash flows

Net cash flows from financing activities of the Group were sufficient to repay loans of Euro 135,6 million, expenses and interest of Euro 20,6 million and payment of dividends of Euro 29,5 million. In addition, the Group raised a loan of Euro 365 million. The corresponding amounts for the Company for the repayment of loans are Euro 135,6 million, expenses and interest of Euro 20,5 million approximately and payment of dividends of Euro 29,5 million. Finally, the Company raised a loan of Euro 165 million.

4.4. Dividend policy

According to the Article 31 of the article 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 of the Company approved the Financial Statements for the fiscal year 2023 on April 5th, 2024 and proposed to the Annual General Meeting of Shareholders the distribution of a dividend of Euro 58,96 million approximately of the net profit for the fiscal year.

4.5. Tangible and intangible assets

Total investments for the Group amounted to Euro 644 million (2022: Euro 335,9 million). Respectively, for the Company total investments amounted to Euro 638,9 million (2022: Euro 332,5 million).

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

- Amount of Euro 242.934 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 149.250 concerns interconnection works carried out for Cyclades
- Amount of Euro 110.801 concerns interconnection works carried out for Greece – Cyprus - Israel
- Amount of Euro 29.116 concerns works upgrading circuits in the Ionian Islands
- Amount of Euro 10.885 concerns interconnection works carried out for Greece – Bulgaria

4.6. Significant events of fiscal year 2023

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

On January 24th, 2023, the Company, proceeded to:

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 amount of Euro 93 million, as a result, the available loan balance equals Euro 157 million,

b) cancellation of the loan agreement signed with the EIB on December 16th, 2022, of amount Euro 65 million (with the guarantee of the Greek State), and

c) signing of a new loan agreement with the EIB through the Recovery and Resilience Fund amounted to Euro 108,44 million, with a duration of 15 years.

The aforementioned loan agreements with the EIB concern the financing of the "Cyclades Interconnection Phase 4" project.

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 for capital expenditure. The share capital increase was carried out by issuing 97.383 new common registered voting shares, with a nominal value of Euro one hundred (Euro 100) each. On May 16th, 2023, the payment of Euro 9,7 million to the subsidiary was certified.

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 maintain only a contractual relationship with the company. Each shareholder (IPTO, ESO-EAD, TERNA) purchased and acquired an equal part of the share capital previously 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). The Company paid approximately Euro 18 thousand 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 by Euro 6 million, in order to cover its financial needs. On March 17th, 2023 the Board of Directors of IPTO approved the payment of the share capital of its share amounted to Euro 2 million.

As a consequence of the above, IPTO on December 31st, 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 of 30/12/2021 with a consortium of banks.

Loan disbursement from subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."

On April 20th, 2023, the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." disbursed a loan of Euro 200 million from the European Investment Bank with a fixed interest rate.

Electrification of the Western Peloponnese Corridor

On May 2023, the last section of the Megalopolis EHV S/S interconnection with the existing 400 kV Acheloos-Distomo Transmission Line was completed and put into full operation. The extension of the 400 kV System to Megalopolis will drastically increase transmission capacity to and from the Peloponnese, and will decongest the region’s saturated grids, thus enhancing voltage stability for the Southern System as a whole.

Electrification of the second Greece-Bulgaria interconnection (New Santa-Maritsa)

On June 2023, IPTO commissioned, together with the Bulgarian Transmission System Operator, the second Greece-Bulgaria interconnection (New Santa-Maritsa), by which the margin for energy exchanges is significantly increased between the two countries.

Grant for the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."

On June 21st, 2023, a decision was issued to include the 1st stage of the Project in the NSRF Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014 -2020”, with a maximum grant amount of Euro 313,2 million, while on October 11th, 2023 the 1st disbursement was made, amounted to Euro 76,5 million and on January 31st , 2024, the second disbursement of Euro 22,9 million was made .

In addition, on September 26th, 2023, the Government Gazette (5646/B'/26/9/2023) was issued, which determined the operations, the amount and the financing process through the Public Investment Program of the Project, which can be financed with the highest amount of Euro 588 million.

Participation of "GRID TELECOM S.M.S.A." in a joint venture

"GRID TELECOM S.M.S.A." in cooperation with the anonymous company "TERNA ENERGY S.A.", established a Union of Companies under the company name "TERNA ENERGY ASSOCIATION OF COMPANIES Commercial Industrial & Technical S.A.- GRID TELECOM S.A.", which after its successful participation in the relevant tender, has been chosen as temporary contractor for the execution of the project "Ultra Broadband Infrastructure - ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6. For the partnership agreement signing with the Greek State, the members of the Union established an anonymous company, which will sign and implement the agreement. On 10/2/2023, the above companies signed a Shareholders Agreement to regulate their relations. In order to fulfill the competitive process and after a decision of the Board of Directors, the members of the Association of Companies established on 17/5/2023 an anonymous company with the name "TERNA FIBER SPECIAL PURPOSE COMPANY" and the distinguishing title "TERNA FIBER S.A." with headquarters in the Municipality of Athens, in which the founders participate as follows: "TERNA ENERGY S.A." with a percentage of 50.1% and "GRID TELECOM S.M.S.A." with a percentage of 49,9%. The initial share capital of the company amounted to Euro one hundred thousand (100.000) divided into one hundred thousand registered voting shares, with a nominal value of Euro one (1) each and paid in cash by the Founding Members of the Union.

The sole and exclusive purpose of the incorporated company is:

(a) the execution of the Partnership Agreement that will be signed between the Greek State through the Minister of Digital Governance, the company, and the founders – original shareholders of the company as third parties, for the execution of the project “Ultra Broadband Infrastructure – ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6, as they are mentioned in the Invitation for Expression of Interest and in the Issue of Invitation to Submit Binding Offers, the fulfillment of the obligations and the exercise of the company's rights arising from it.

(b) the conclusion of the Partnership Agreement, its Appendixes, and other Contractual Documents in accordance with the provisions of Law 3389/2005 and the Invitation to Submit Binding Offers regarding the PPP Project the conclusion of any contract imposed, provided for, or permitted by the Agreement Partnership or Law 3389/2005, as applicable each time, as well as the fulfillment of all kinds of obligations of the company from the above contracts.

(c) The exercise and performance of any type of commercial transactions directly or indirectly related to the PPP Project, the Partnership Agreement, and the Contractual Documents, as well as any type of legal acts, actions and acts of implementation that are related to the nature and operation of the company.

Bond repurchase

On July 21st, 2023, the Company repurchased bonds of Euro 90 million, which pertains to Series B of the bond loan agreement dated 24/9/2020.

Greece-Cyprus-Israel electrical interconnection

In October 2023, IPTO was appointed as the Project Promoter of the project for the electrical interconnection between Greece, Cyprus, and Israel, which is included in the 6th list of Projects of Common Interest in Europe.

The assumption of the role of Project Promoter by the Greek TSO in the landmark project of the electrical interconnection between Cyprus and Israel into the European electricity system, via Greece, ensures the technical and financial adequacy of the project and lays the groundwork for its timely completion. It is reminded that since 2021, IPTO has been assisting the project as a technical advisor, having contributed significantly to its design maturity and the contractual arrangements critical for its progress.

A project of energy significance for the wider region, with years of systematic effort, has now reached the critical point of construction commencement. Its completion will mark the electrical interconnection of Cyprus with the European transmission system, ensuring robust energy security for the island. Additionally, Israel will enhance its supply security, gaining the ability to increase, further and faster, the participation of Renewable Energy Sources (RES) in its energy balance.

In December, EuroAsia Interconnector Ltd transferred the amount of Euro 55,2 million it had received as pre-financing from the European Union’s Climate, Infrastructure and Environment Executive Agency (CINEA) and the Connecting Europe Facility (CEF) mechanism of the EU. With the receipt of an additional Euro 109,2 million in January 2024, the total pre-financing received amounted to Euro 164,5 million, representing 25% of the total grant.

In December, IPTO issued the first notice to proceed, and the first installment was paid to the Contractor of the cables.

On December 4th, 2023, an agreement was signed between the Company, the Ministry of Energy, Commerce, and Industry of Cyprus, and TAQA, a publicly listed company on the Abu Dhabi Securities Exchange (ADX), specifically a Memorandum of Understanding (MoU). The MoU outlines the framework of negotiations between the three parties for the entry of the Cypriot Government and TAQA into "GREAT SEA INTERCONNECTOR S.M.S.A.", with the aim of accelerating the implementation of the Crete-Cyprus segment, which exhibits the highest degree of maturity.

Establishment of the special purpose subsidiary company "GREAT SEA INTERCONNECTOR S.M.S.A.”

On November 24, 2023, the establishment of the special purpose company "GREAT SEA INTERCONNECTOR S.M.S.A." was completed, which has undertaken the construction and financing of the PCI 2.6 project for the electrical interconnection between Greece – Cyprus - Israel, that is included in the 6th list of Projects of Common Interest in Europe. Currently, the sole shareholder of "GREAT SEA INTERCONNECTOR S.M.S.A." is the Company.

Memorandum of Cooperation between 'GRID TELECOM S.M.S.A.' and 'ESO EAD'

On November 2023, the subsidiary of the Group 'GRID TELECOM S.M.S.A.' and the Bulgarian Electricity System Operator 'ESO EAD' signed a Memorandum of Cooperation (MoU) aimed at jointly commercializing the optical fibers running through the overhead high-voltage electrical interconnections between Greece and Bulgaria.

Cooperation between "GRID TELECOM S.M.S.A." and "EXA Infrastructure" to enhance digital connectivity in Southeastern Europe

On December 2023, the subsidiary of the Group "GRID TELECOM S.M.S.A." and EXA Infrastructure, the largest platform of specialized digital infrastructures connecting Europe to North America, announced their strategic cooperation to enhance digital connectivity and provide infrastructure services in Southeastern Europe. The collaboration between the two companies creates the conditions for a critical network interconnection in the broader Balkans and Mediterranean region.

Reconstitution of the Board of Directors into a corporate body

On December 14, 2023, the Board of Directors was reconstituted into a corporate body following the replacement of board member Mr. Antonios Aspras by Ms. Despina Kalliouri. The Company's Board of Directors was reconstituted 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. Yin Liu, 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. Despina Kalliouri, 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 expires on 31/5/2025.

Loan disbursement for financing the project "Cyclades Interconnection Phase 4"

On December 21, 2023, the Company partially disbursed loan agreements with the EIB for financing the project "Cyclades Interconnection Phase 4, by amount of Euro 50 million from the loan agreement with the EIB totaling of Euro 157 million, and by amount of Euro 35 million from the loan agreement through the Recovery and Resilience Fund with the EIB totaling totaling of Euro 108,44 million.

Commencement of operation of the Training Center

In 2023, the operation of the Company's Training Center commenced. The Training Center aims to provide training services for maintaining and enhancing the technical expertise of IPTO. The new Center has the capability to train technical personnel needed not only by IPTO but by Greece as a whole to advance energy transition.

4.7. Major projects completed in 2023 or projects in progress

Brief description of the most important projects

IPTO through its investment program of Euro 5 billion until 2030, creates modern, durable and green electrical infrastructures that support the energy transition of the country and strengthen the safe electricity supply of consumers in mainland and island Greece.

The progress of the most important projects implemented by the Operator, is as follows:

Crete - Attica electrical interconnection

In addition to the installation and finalization of all subsea electrical and optical fiber cables of Crete - Attica interconnection, the onshore part of the project is also proceeding intensively in Attica and Crete, with the relevant works by the contractors currently being finalized.

Regarding the converter stations, the installation of the converter transformers has been completed on the Attica side, while the majority of the equipment has been manufactured and tested at the contractors' facilities. Additionally, the foundation works for the buildings at both ends of the interconnection have been completed, and their construction is underway.

Regarding the progress of the terrestrial cables, construction of the underground conduit is advancing in Attica from the Koumoundourou EHV S/S towards the landing point in Pachi, where approximately 90% of the infrastructure and 70% of the cable installation have been completed. In Crete, road construction progress exceeds 60%, while infrastructure works for underground cables have progressed to a rate exceeding 35%.

According to the integration decision of the Minister of Development and Investments (A.P.: EYD PEKA & POLPRO 6673/21.6.2023), the interconnection of Crete with HETS Phase II will be funded with Euro 313,2 million from the NSRF Program "Infrastructure, Environment and Sustainable Development 2014-2020" for the 1st stage of the project (until 31/12/2023), thus drawing significant resources and reducing to a very large extent the cost of the project of major importance for the Greek consumer. The 2nd stage of the project is expected to be funded by the NSRF programming period 2021-2027.

Cyclades electrical interconnection

The fourth and final phase of the electrical interconnection of Cyclades concerns the interconnection of Santorini, Folegandros, Milos and Serifos .

The first phase of the interconnection (Santorini-Naxos) is already being constructed with a completion horizon of 2024. In the summer of 2022, the laying of the high voltage cable between the two islands completed and the construction of the High Voltage Substation in Santorini is progressing.

On November 2022 the tender process was completed and in February 2023 the contracts for the cables were signed for the remaining three islands of the SW Cyclades (Folegandros, Milos, Serifos), which will integrate the entire island complex into the High Voltage System by the end of 2025.

On September 2023, the contracts of the High Voltage Substations for Folegandros, Milos and Serifos were signed, putting the entire project in construction phase.

On February 2024, the laying of the submarine high-voltage cable for the Lavrio-Serifos interconnection was completed.

The completion of the interconnection of Cyclades will enable the development of RES plants with a total capacity of 332 MW on the islands, achieving a more stable, green and economical energy mix for the island complex.

The project is co-financed by the Recovery and Resilience Fund “Greece 2.0” with funding from the European Union Next Generation EU and by the Government Gazette No 494 4/8/2022 was characterized as a project of general importance for the economy of the country.

Western Peloponnese Corridor

The last section of the Megalopolis EHV S/S interconnection with the existing Acheloos - Distomo Transmission Line 400 kV was completed and became fully operational in May 2023. The extension of the 400 kV System to Megalopolis will drastically increase transmission capacity to and from the Peloponnese, and will decongest the region's saturated grids, thus enhancing voltage stability for the Southern System as a whole.

Eastern Peloponnese Corridor

The sub-project of the Transmission Line 400 kV that will connect the existing Megalopolis EHV S/S with the new Corinth EHV S/S was completed and put into operation in December 2022. In December 2023, the contract of the sub-project of the new Transmission Line connecting the Corinth EHV S/S to the Koumoundourou EHV S/S was signed, putting the second part of the project in construction phase.

The completion of this sub-project is expected in first half of 2026. The project of the Transmission Line "Koumoundourou EHV S/S – Corinth EHV S/S" is co-financed by the Recovery and Resilience Fund "Greece 2. 0" with the funding of the European Union's "Next Generation EU" and by the Government Gazette No 494 4/8/2022 was characterized as a project of general importance for the economy of the country.

Upgrading of the Koumoundourou EHV S/S

The construction process of the new gas-insulated (GIS) Koumoundourou EHV S/S, which will replace the existing air-insulated EHV S/S, are in progress. The implementation of the new Koumoundourou EHV S/S will serve the connection of the 400 kV Eastern Peloponnese Corridor, will be the terminal of the Attica-Crete interconnection with the mainland grid and will enhance the reliability of the supply of loads (mainly in Western) Attica. The project is co-financed by the Recovery and Resilience Fund, as part of the Megalopolis – Corinth - Koumoundourou EHV S/S Transmission Line. The upgraded Koumoundourou EHV S/S is expected to be finalized in the second half of 2025.

The project is co-financed by the Recovery and Resilience Fund "Greece 2.0" with funding from the European Union's instrument Next Generation EU.

Dodecanese and Northeast Aegean islands electrical interconnections

In the summer of 2023, IPTO assigned the contracts for the studies and marine surveys regarding the Dodecanese electrical interconnections and in November 2023 for the Northeast Aegean islands electrical interconnections, which are currently in progress. Specifically, the seabed survey for the Corinth – Kos interconnection, Kos – Rhodes interconnection for the Dodecanese has been launched with a completion date of June 2024. For the Northeast Aegean, the seabed survey for the Skyros - Evia route has been completed and the surveys for the Lesvos - Skyros, Limnos - Lesvos, Limnos - Thrace routes are in progress, these surveys are expected to be completed by August 2024. These studies are particularly important for the maturity of the electrical interconnections that the Operator is planning to launch by the end of the decade, as part of its investment program.

According to the current design, with the Dodecanese electrical interconnection, Kos, Rhodes and Karpathos will be connected to the mainland grid, via Corinth, in two phases. Accordingly, the Northeastern Aegean interconnection will include the islands of Limnos, Lesvos, Skyros, Chios and Samos, and will be implemented in three phases. The interconnection of the Dodecanese islands is included in the proposal of the relevant Ministry for co-financing from the Islands' Decarbonization Fund.

International interconnections

IPTO prioritizes international interconnection projects, with the aim of strengthening regional cooperation in the Energy sector, promoting Greece a strong exporter of clean energy and deepening the European electricity market.

In this context, the Operator:

• In June 2023, it commissioned, together with the Bulgarian Transmission System Operator, the second Greece-Bulgaria interconnection (Nea Santa Maritsa), which will significantly increase the margin for energy exchanges between the two countries.

• Completed the feasibility studies for the second Greece-Italy interconnection of 1 GW, together with the neighboring country's Operator, Terna.

• With the support of the State, IPTO is intensively promoting a new North-South clean energy corridor, the Green Aegean Interconnector, which is planned to interconnect the electricity systems of Greece and Germany. This project is particularly important for the transfer of the energy surplus from Greece and the Eastern Mediterranean to the major consumption centers in central Europe. The initial capacity of the interconnection is planned to be 3 GW and in a second phase it could reach 6 to 9 GW. IPTO submitted the project to the European Network of Transmission System Operators (ENTSO-E) in order to be included in the revised Ten-Year Network Development Plan (TYNDP 2024) which is prepared, while IPTO is in close cooperation with the involved Operators TenneT (Germany) and ELES (Slovenia) for its further maturation. In February 2024, ENTSO-E accepted the inclusion of the project in the TYNDP 2024.

• Cooperates with the Operator of Egypt (EETC – Egyptian Electricity Transmission Company) and the project promoter ELICA SA, with which has signed a Memorandum of Understanding regarding the evaluation of its participation in the share capital of the developer of PCI project GREGY Interconnector, concerning the electrical interconnection between Greece and Egypt.

• In September 2023, signed a Shareholders' Agreement (SHA) jointly with National Grid S.A - Saudi Electricity Company for the establishment of the special purpose company Saudi Greek Interconnection, taking the first step towards the maturation of the Greece-Saudi Arabia electricity interconnection. In February 2024, the special purpose entity "Saudi Greek Interconnection" was established with the object of conducting the feasibility study for the electricity interconnection between Greece and Saudi Arabia, by IPTO and National Grid, which hold a 50% share each. The partnership is supervised by the Ministry of Environment and Energy of Greece and the Ministry of Energy of Saudi Arabia and specifies the strategic cooperation between the two countries in the field of Energy.

Regarding the Electricity Interconnection Project between Greece, Cyprus, and Israel, there is a relevant reference in paragraph 4.6.

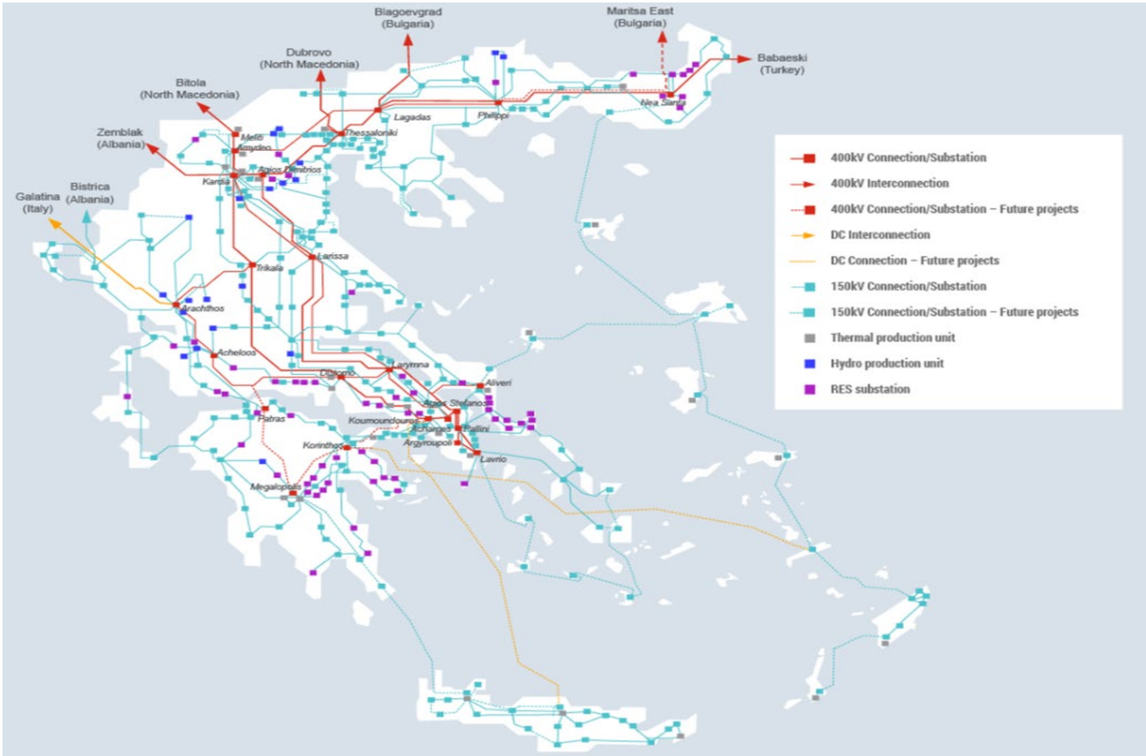
Meanwhile, IPTO Group:

• Is maturing the project of the new Greece - Albania interconnection, together with the Transmission System Operator of the neighboring country.

• Is planning the construction of a new interconnection between Greece and Turkey, which will strengthen the interconnection of the European and Turkish Transmission System.

• Is promoting the upgrade of the existing interconnection with North Macedonia.

In November 2023, a Memorandum of Cooperation for the interconnection of the electricity markets of the Balkan countries was signed in Athens by the relevant institutions of Regulatory Authorities, Transmission System Operators - including IPTO - and Energy Exchanges, which paves the way for the creation of a single electricity market in Southeast Europe.



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

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 RAEWW 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, RAEWW 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. Following the above, the final plan was submitted to RAEWW for approval on August 10th, 2023 and was set by the Authority on public consultation from October 27th to November 27th, 2023. On December 22th, 2023, RAEWW requested the submission of supplementary data for the TYNDP 2024-2033. Accordingly, IPTO gathered and submitted the requested data for the TYNDP on February 29th, 2024.

2025-2034

During December 2023, the Preliminary draft TYNDP 2025-2034 was finalized. It was approved by the BoD of IPTO on February 12th, 2024 and is on public consultation.

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 stocked 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 substantial 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 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.

5.3.3. Credit Risk

Credit risk is the risk of a financial loss to the Group and the Company, if a counterparty fails to meet its contractual obligations.

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group and the Company are exposed in respect of the relevant assets.

Group’s cash and cash equivalents are mainly invested in highly rated counterparties and term deposits with a very short-term tenor.

Loans include loans to employees, which are collected either through the payroll or are netted-off with their retirement indemnities.

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. Concentration of risk is considered to exist for these receivables, due to the relatively small number of energy providers and the high volume of transactions with them, having however been ranked with goods credit rate from international credit rating agencies. Indicatively, the largest client of the Group is “PPC S.A”, for which the credit rating is listed below:

PPC S.A.

Credit Agency	Rate	Publication of credit report
Standard and Poor's	BB-	29/3/2023
Fitch	BB-	8/3/2022
ICAP CRIF	BB	29/9/2022

* As posted on company's website “PPC S.A.”

Apart from receivables of system use, the Group and the Company have mainly receivables from leases, constructions projects and fibers connections. The Group and the Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade and other receivables.

The following tables demonstrate the credit risk exposure for the Group and the Company for trade and other receivables, distinguished on performing and non-performing receivables:

(In thousand Euro)

	Group			
	31 December 2023		31 December 2022	
	Performing	Non-Performing	Performing	Non-Performing
Trade Receivables	68.783	24.082	109.192	24.530
Other Receivables	88.782	2.730	127.917	1.961
Total	**157.566**	**26.813**	**237.109**	**26.491**

	Company			
	31 December 2023		31 December 2022	
	Performing	Non-Performing	Performing	Non-Performing
Trade Receivables	68.783	24.082	109.131	24.530
Other Receivables	85.271	2.696	125.817	1.929
Total	**154.054**	**26.778**	**234.948**	**26.459**

For the non-performing balances, an equal provision for impairment has been formed and included in the total balances of debtors classified as doubtful, while the non-compliance reserve has been used for claims related to electricity market.

Receivables which have low risk of default and strong capacity to meet contractual cash flows are considered as performing. Non-performing receivables are those that have objective evidence of impairment at the reporting date and there is limited expectation of recovery.

For trade receivables arising from the Electricity Market (2023: Euro 9.734 thousand , 2022: Euro 35.700 thousand), the Company operates as an intermediate. Specifically, according to the provisions of Law. 4001/2011 and as mentioned in the Management Code of HETS, IPTO is the competent Operator 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.

5.3.4. 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 in their liabilities. 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 level amounts to 42% (31/12/2022: 56%) and at Company level amounts to 38% (31/12/2022: 45%). The average interest rate on floating rate bond loans for the Group stands at 5,43%, and for the Company at 5,32%, while the average interest rate on fixed-rate loans for the Group stands at 3,01%, and for the Company at 2,35%.

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 regional and global level, critical issues, such as the inflationary pressures stemming mainly from the energy crisis, the supply chain disruptions, as well as the geopolitical turbulence in Ukraine have as a result to affect the course of the global economy during 2023 and to lead central banks to increase interest rates during previous year. At this point ECB has remain stable the key interest rate and the Euribor is around 4% 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.

5.3.5. 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.

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 RAEWW 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

Current economic conditions continue to be volatile, with interest rate fluctuations, energy market turbulence and inflationary pressures driving up the prices of raw materials and labor-intensive services.

The geopolitical environment also presents instability with the Russia-Ukraine war and the intensifying conflicts in the Middle East. Increasing geopolitical turmoil is causing more and more concern for markets and the economy. The energy crisis 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 led to a slower growth rate in 2023. However, the effective utilization of its resources long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and monetary policy tightening on the economy, leading to medium-term growth rates close to 3% in 2024 and 2025.

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 Strategy for 2021-2024.

In this context IPTO's contribution is important in terms of tackling climate change at the national level. The efforts of the Operator to achieve the goal of addressing climate change include encouraging innovation 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.

In this framework, in May 2023, IPTO in collaboration with HEREMA (Hellenic Hydrocarbons and Energy Resources Management Company) and HWEA (Hellenic Wind Energy Association) discussed the course of maturation of the institutional framework for Offshore Wind Farms, as well as the technical issues related to the development of this new RES technology. The heads of the Directorates of the three organizations that have a central role in the implementation of the national planning for the OWF discussed, in addition to regulatory issues, the important technical parameters related to the necessary interconnection infrastructures, the optimal utilization of the available electrical space and the technological solutions that are offered for the floating wind turbines, based on the characteristics of the greek seas. The three sides agreed that the swift promotion of offshore wind power will greatly help to achieve national energy goals and confirmed that they will be in close and constructive cooperation in the future.

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 AEPO (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, 2023 employed as regular staff 1.137 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, 1.110 employees were employed by the parent company, of whom 25 in total were seconded. Specifically, 9 of them were seconded to Public Sector services, 15 to Public Organizations and 1 was seconded to the subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.”. The subsidiary company “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.” employed 27 employees, the subsidiary company “GRID TELECOM S.M.S.A.” employed 1 employee and the new subsidiary “"GREAT SEA INTERCONNECTOR S.M.S.A." does not employ any employee. The Group's relations with its staff are excellent and there are no issues related to employment.

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 Group'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. In 2023, the Company's Training Center commenced operations with the aim of providing educational services for certified technical training, maintaining and enhancing the technical expertise of IPTO.

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 four years, all 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

In million Euro	Group 2023	Group 2022	Company 2023	Company 2022
Total revenue	392	295	385	292
EBITDA	277	194	277	194
Total assets	4.071	3.531	4.197	3.699
Non-current assets	3.629	3.060	3.829	3.258
Regulatory asset base	2.293	2.042	2.293	2.042
Total debt	1.196	974	798	777

	Group 2023	Group 2022	Company 2023	Company 2022
Current ratio				
Total current assets / Total current liabilities	88,30%	121,03%	86,52%	137,77%
Quick ratio				
Total current assets minus inventories / Total current liabilities	82,43%	115,13%	79,62%	130,61%
Cash ratio				
Cash and cash equivalents / Total current liabilities	49,10%	51,09%	43,41%	57,19%
Operating cash flow ratio				
Cash flow from operating activities / Total current liabilities	76,69%	56,07%	85,59%	67,02%
Interest coverage ratio				
Profit before tax and financial results / Interest expense	818,21%	563,15%	819,78%	562,72%
Debt to equity ratio				
Net debt / Equity	62,61%	54,24%	40,49%	41,70%
Debt to EBITDA ratio				
Net debt / EBITDA	342,58%	399,46%	221,40%	306,73%

	Group 2023	Group 2022	Company 2023	Company 2022
EBITDA margin				
EBITDA / Total revenue	70,80%	65,90%	71,99%	66,31%
Net operating margin				
Profit before tax and financial results / Total revenue	42,03%	30,27%	42,82%	30,45%

Net profit margin				
Net profit / Total revenue	29,74%	19,76%	30,63%	20,17%
Net Operating cash flow ratio				
Cash flow from operating activities / Total revenue	97,94%	74,00%	94,75%	73,48%
Return on equity (ROE)				
Profit before taxes / Total equity	7,68%	4,07%	7,78%	4,13%
Return on assets (ROA)				
Net profit / Total assets	2,86%	1,65%	2,81%	1,59%
Return on Capit Employed (ROCE)				
Profit before tax and financial results / Equity and total debt	6,07%	3,71%	7,12%	4,04%

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 analysed in paragragh 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 and the Companie'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	
	2023	2022	2023	2022
Total revenue	391.887	294.554	384.908	292.096
Total expenses	(227.186)	(205.379)	(220.088)	(203.156)
EBIT	**164.701**	**89.174**	**164.819**	**88.941**
Provisions/ (release) of provisions*	2.650	(4.477)	2.628	(4.497)
Non-recurring items*	(2.018)	-	(2.018)	-
Adjusted EBIT	**165.333**	**84.697**	**165.429**	**84.444**
Depreciation and amortization	112.757	104.948	112.282	104.762
Adjusted EBITDA	**278.091**	**189.645**	**277.711**	**189.206**
Provisions/ (release) of provisions*	(2.650)	4.477	(2.628)	4.497
Non-recurring items*	2.018	-	2.018	-
EBITDA	**277.459**	**194.122**	**277.101**	**193.703**

	Group		Company	
	2023	2022	2023	2022
EBIT	**164.701**	**89.174**	**164.819**	**88.941**
Financial expenses	(20.130)	(15.835)	(20.105)	(15.806)
Financial income	6.817	3.160	9.031	4.403
Share of profit of investments in associates and joint ventures	469	345	-	-
Profit before tax	**151.858**	**76.845**	**153.745**	**77.538**
Adjusted profit before tax	**152.489**	**72.367**	**154.355**	**73.041**
Effective tax rate	23,2%	24,3%	23,3%	24,0%
Adjusted income tax	(35.444)	(17.554)	(35.977)	(17.541)
Adjusted net income after tax	**117.046**	**54.814**	**118.378**	**55.500**

Effective tax rate calculation

	Group		Company	
	2023	2022	2023	2022
Profit before tax	**151.858**	**76.845**	**153.745**	**77.538**
Income tax	(35.297)	(18.640)	(35.835)	(18.621)
Adjusted income tax	(35.297)	(18.640)	(35.835)	(18.621)
Effective tax rate	**23,24%**	**24,26%**	**23,31%**	**24,02%**

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

- For 2023 provision for the discount of reduced electricity given to employees and retirees of the Company amounting to Euro 28 thousand, provisions for staff compensation amounting to Euro 625 thousand, provision for risks and expenses amounting to Euro 1.996 thousand and as well as gains from the revaluation of fixed assets amounting to Euro 2.018 thousand.

- 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, and release of provision for risks and expenses amounting to Euro 7.090 thousand.

8.3 Explanation of Regulated Revenue

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

Regulated revenue from transmission system rent

	2023	2022	Movement
Composition of AR based on RAEWW decision E-102/2023 for 2023:			
Operating expenses	105.710	101.923	3.787
Controlled operating expenses (incl. Ariadne)	92.676	93.447	(771)
Non-controlled operating expenses (incl. Ariadne)	13.034	8.476	4.558
Depreciation	94.693	87.475	7.218
Total operating expenses	**200.403**	**189.398**	**11.005**
RAB	2.293.408	2.098.311	195.097
WACC	7,57%	6,10%	
RAB*WACC	173.611	127.997	45.614
Revenue from non-regulated activities	(1.917)	(6.783)	4.866
AR Allowed revenue	**372.097**	**310.612**	**61.485**
Plus: Items not budgeted in RAEWW decisions 587/2022:			
E/P Zakynthos	3.657	-	3.657
Proportion of the excess acquisition value of the fixed assets of Crete (RAEWW decision 643/2022)	4.602	1.487	3.116
AR revised	**380.356**	**312.099**	**68.258**
Adjustments for (RAEWW decisions 946/2022 and E-103/2022):			
(Π1) (Over)/Under recovery of revenue	4.542	2.878	1.664
(Π2) Over/(Under) investment	13.959	(9.020)	22.979
(Π5) Clearance of non-controlled operating expenses	1.482	2.446	(964)
(Π6) Revenue from non-regulated activities	3.577	2.194	1.383
(Π7) Clearance due to change in the tax rate	(9.445)	(7.776)	(1.669)
(INF) Inflation clearance	(12.903)	12.174	(25.077)
AR adjusted	**381.570**	**314.995**	**66.575**
Revenues recovered from other sources (RAEWW decisions 910/2022 and 1058/2022):			
(Π3) Interconnection rights	(68.376)	(35.676)	(32.700)
(Π4) ITC	(335)	1.062	(1.937)
RR Required revenue	**312.858**	**280.381**	**32.477**
Actual Revenue			
TUoS	**299.944**	**238.581**	**61.363**
Other sources			
(Π3) Interconnection rights	68.376	35.676	32.700
(Π4) ITC	335	(1.062)	1.397
Revenue from transmission system rent	**368.656**	**273.195**	**95.461**

The rental income from the transmission system, as mentioned above, amounts to Euro 368.656 thousand for the year 2023 and Euro 273.196 thousand for the year 2022, recognized as rental income from the transmission system in the Income Statement.

RAEWW, through Decision 495/2021, established a new methodology for calculating IPTO's Permitted and Required Revenue, which was implemented during the calculation of revenue for the Regulatory Period 2022-2025. RAEWW, with Decision 587/2022, determined Permitted Revenue (AR) for the years of the Regulatory Period 2022-2025. Following IPTO's request regarding the excessive acquisition value of the fixed assets of high-voltage elements of the electric system in Crete (Euro 17,8 million), the RAEWW accepted, through Decision 643/2022, the gradual recognition of this value, and thus, an amount of Euro 4,6 million was recognized in the year 2023, increasing the Permitted Revenue (revised AR) for 2023 to Euro 380.356 thousand. Additionally, within 2023, the recovery of the leasing cost of the substations for Zakynthos, amounting to Euro 3,7 million, was incorporated, which was carried out by the Company due to the exceptional circumstances during the summer of 2022.

For 2023, a Permitted Revenue (AR) of Euro 372.097 thousand was budgeted, increased by Euro 61,4 million compared to 2022, mainly as a result of:

- the revised Weighted Average Cost of Capital (WACC) at 7,57%, following a proposal by IPTO for the revision of the WACC parameters for the Regulatory Period 2022-2025, as per Decision E-102/2023,
- the application of the new revenue model (ECA), commonly accepted by both the Regulatory Authority and IPTO.

Regarding the use of the new revenue model (ECA) for the year 2022, some deviations in the Permitted Revenue (AR) 2022-2025 were identified compared to the model upon which Regulatory Authority Decision 946/2022 was based. The amounts presented in the above table have been adjusted according to Regulatory Authority Decision E-102/2023.

Regulated revenue from transmission system rent

The revenue from the Balancing Market for 2023 amounted to Euro 15,6 million, which was approved by RAEWW Decisions 1059/2021 and 945/2022, with the Required Revenue for 2023 amounting to Euro 15,3 million. The Required Revenue of the Balancing Market is allocated through the Balancing Market fee among the balancing service providers and the contracting parties with balancing responsibility registered in the Registry of the Hellenic Electricity Market Operator (HETS).

9. Prospect development

Outlook for 2024

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 2024 Strategy is evolving with a modern network, with a green footprint and international connections. The strategy for the upcoming years is based on five pillars:

1. Safe operation of the electrical system with increased penetration of RES. In 2023, 57% of the electricity consumed by Greece came from clean sources, while in 2014 the percentage was only 30%. The goal is to reach 80% by 2030. The Company is now called upon to operate a system based on a dispersed and stochastic production of hundreds of renewable sources stations. In this context, the Company has already launched the program of energy transition projects.
2. Digital maintenance centers. Maintenance mode will be upgraded digitally with the help of remote checkpoints. The goal is to create system maintenance control centers that will gather data from digital monitoring tools and based on this data, equipment maintenance will be planned. Specifically, to serve the purpose of proper preventive maintenance of assets, the "online condition monitoring" system has already been put into operation, to control and evaluate their condition.
3. Resilience to the climate crisis. The Company is called upon to respond to the climate crisis, constantly adjusting the design of the system, the location of the projects, taking into account the degree of risk of extreme phenomena and to upgrade the ways of shielding the critical elements of the equipment.

4. "Green" footprint. In 2023, sustainable development was integrated as a horizontal priority that runs through all levels and all actions of the Company, focusing on environmental protection, responsibility towards society and effective corporate governance
5. New transcontinental HVDC interconnections. The Company became the project promoter of the electrical interconnection of Greece - Cyprus - Israel through the subsidiary "GREAT SEA INTERCONNECTOR S.M.S.A.". This development is a milestone for the Company, as it marks the TSO's expansion outside the borders of Greece. This project marks the Company's entry into the era of large cross-border HVDC interconnections at a time when the European electricity market is increasingly consolidated and the system must be stable and secure. Therefore, these interconnections are the new trend for all transmission system operators in Europe.

The Group's strategic priorities are summarized below:

Successful electrification trial of the Crete-Attica interconnection

The main goal for 2024 is to electrify the Attica-Crete interconnection on a trial basis at the end of the year. A prerequisite is the timely installation of the basic equipment of the converter stations at the Koumoundourou EHV S/S and Damastas EHV S/S, as well as the underground ultra-high voltage cables in Attica and Crete. The basic equipment of the two stations, the electrodes and the medium voltage cables should be completed and the accompanying projects completed in Crete, so that the interconnection can operate at its full capacity.

Maturation of the new interconnections that will make Greece an energy hub and exporter of green energy

An important step for this year is to mature the new international connections that started in 2023. Specifically, the goals per connection are:

- For the Greece-Cyprus-Israel electrical interconnection, the entry of strategic investors and the construction progress of the project.
- For the interconnection with Italy, the establishment of the entity that will implement the project
- For the energy corridor of southern and northern Europe "Green Aegean Interconnector", the maturation of discussions with other managers for their participation in the said project.
- Finally, for the special purpose company established with the National Grid, the preparation of the feasibility study for the viability of the Saudi Arabia-Greece interconnection.

Announcement of tenders for the cables of the Dodecanese and Northeast Aegean interconnections

The main goal for the next year is to announce the tenders for the cables of the new interconnections. Tenders will not be issued individually, but with one frame agreement that will cover the study, procurement and installation of submarine and underground cables, in order to secure the slots for the construction of the cables, so as to ensure the timely projects.

Safe operation of the system with greater participation of RES

The aim is to move to a more efficient management of green generation, especially during periods of low demand, in order to protect the security of the system and the smooth functioning of the electricity market.

Fast integration of new RES stations into the system

By 2024, a new standardized acceptance procedure will be developed and implemented that will significantly accelerate the integration of substations serving the new renewable projects into the transmission system.

Transition to a regime of "real time" monitoring and predictive maintenance of the equipment

In the context of making decisions for the maintenance of the equipment based on its condition, and not on the basis of the operating time of the components, the installation and configuration of the new asset performance management system and the installation of a real-time equipment monitoring system have begun. By 2023, the equipment monitoring system has been installed in 10 autotransformers and 20 control auxiliary voltage supply systems in ultra-high voltage centers and substations.

Shielding the system resilience in the most vulnerable areas

Another goal, especially after the passing of the bad weather "Daniel", is to strengthen the resilience of the system in areas that are considered vulnerable. For this reason, the new Ten-Year Development Program (2025 – 2034) now includes new projects to strengthen the system in the region of Thessaly.

Expansion of the international presence of the subsidiary "GRID TELECOM S.M.S.A."

The subsidiary of IPTO, "GRID TELECOM S.M.S.A.", continues to upgrade the telecommunications infrastructure and services in Greece. In telecommunications, the Group has set as its goal the continued expansion of "GRID TELECOM S.M.S.A." in the neighboring countries of Europe and the Eastern Mediterranean, with new optical infrastructures in Crete for the reception of new submarine cables that cross the Mediterranean and for their secure connection to data centers that are being developed in Crete and mainland Greece and for their extension to the neighboring Countries. The state-of-the-art optical fiber network exceeds 4,500 km and is constantly developing. At the same time, "GRID TELECOM S.M.S.A." will expand its presence in new international hubs for the provision of telecommunication services also outside Greece.

Reinforcement of the Company's ecological footprint

The first big step to strengthen the green footprint is the creation of a waste management system and then the recording of energy consumption in 5 of the Company's buildings, in order to upgrade them energetically with performance indicators that will be defined.

Company's training center

In 2024, the Company intends to upgrade the training center to a limited company in order to function as a point of reference for the training of technical personnel in the field of Energy in the country, strengthening the development of the Transmission System, in the context of the energy transition. Certifications have already been established, in collaboration with an internationally recognized body, for the trainees in the educational programs provided.

10. Company operation in the field of research and development

During the reporting period there were incurred research and development expenditure of Euro 961 thousand (2022: 858 thousand). Expenditures relate to third party fees amounting to Euro 716 thousand (2022: 635 thousand), personnel salaries amounting to Euro 92 thousand (2022: 92 thousand), software purchase and support equipment amounting to Euro 52 thousand (2022: 47 thousand), other expenses amounting to Euro 97 thousand (2022: 83 thousand) and third party benefits amounting to Euro 4 thousand, (2022: 1 thousand).

The Group participated in the European Community’s subsidized program “Horizon 2020” and “Horizon Europe”, while on 2023 received subsidies amounting to Euro 387 thousand (2022: Euro 323 thousand) for the above programs.

11. Own Shares

No own shares were acquired during fiscal year 2023 as in previous years.

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 31/12/2023 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

The Group is controlled by the Greek State indirectly through "ADMIE HOLDING S.A.", which holds 51% of its paid-up share capital, "PUBLIC HOLDING COMPANY ADMIE S.A." ("PHC ADMIE S.A."), which holds 25% of its paid-up share capital and "State Grid Europe Limited" ("STATE GRID LTD"), which holds 24% of its paid-up share capital. Moreover, "PHC ADMIE S.A.", holds 51,12% of "ADMIE HOLDING S.A." paid-up share capital and is its parent company.

In the ordinary course of business, the Company and the aforementioned companies have had the following transactions during the reporting period, while there are no material transactions that have not been carried out under normal market terms.

Related parties of the Group and the Company respectively are presented in the following table:

Related parties of the Group

Company	Relation
ADMIE HOLDING S.A.	Shareholder
PHC ADMIE S.A.	Shareholder
STATE GRID LTD	Shareholder
HELLENIC ENERGY EXCHANGE S.A.	Associate
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Associate
SELENE CC S.A.	Joint Venture
TERNA FIBER S.A.	Joint Venture

Related parties of the Company

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
GREAT SEA INTERCONNECTOR S.M.S.A.	Subsidiary
HELLENIC ENERGY EXCHANGE S.A.	Associate
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Associate
SELENE CC S.A.	Joint Venture
TERNA FIBER S.A.	Joint Venture

The Group and the Company, in the ordinary course of business, conducted transactions with the related parties (Note 35) , whose the balances (receivables, liabilities and revenues and expenses) on December 31st, 2023 are as follows:

	Group			
	31/12/2023		31/12/2022	
	Receivables	Liabilities	Receivables	Liabilities
ADMIE HOLDING S.A.	40	12	32	12
EnExClear	18.766	17.690	23.744	6.239
SELENE CC S.A.	92	173	358	-
TERNA FIBER S.A.	452	-	-	-
Total	**19.350**	**17.876**	**24.134**	**6.252**

	Company			
	31/12/2023		31/12/2022	
	Receivables	Liabilities	Receivables	Liabilities
ARIADNE INTERCONNECTION S.M.S.P.S.A.	303	629.753	266	475.269
GRID TELECOM S.M.S.A.	7.787	85	5.503	27
ADMIE HOLDING S.A.	40	12	32	12
EnExClear	18.766	17.690	23.744	6.239
SELENE CC S.A.	92	173	358	-
Total	**26.988**	**647.714**	**29.903**	**481.548**

	Group			
	01/01/2023- 31/12/2023		01/01/2022- 31/12/2022	
	Revenue	Expenses	Revenue	Expense
ADMIE HOLDING S.A.	41	-	34	5
EnExClear	155.560	168.878	445.534	451.759
HELLENIC ENERGY EXCHANGE S.A.	-	71	-	75
SELENE CC S.A.	249	463	253	275
TERNA FIBER S.A.	419	-	-	-
Total	**156.270**	**169.412**	**445.821**	**452.114**

	Company			
	01/01/2023- 31/12/2023		01/01/2022- 31/12/2022	
	Revenue	Expenses	Revenue	Expenses
ARIADNE INTERCONNECTION S.M.S.P.S.A	2.662	6.919	1.589	2.337
GRID TELECOM S.M.S.A.	711	-	632	-
ADMIE HOLDING S.A.	41	-	34	5
EnExClear	155.560	168.878	445.534	451.759
HELLENIC ENERGY EXCHANGE S.A.	110	71	100	75
SELENE CC S.A.	249	463	253	275
Total	**159.334**	**176.331**	**448.142**	**454.451**

The Company's revenue transactions with the companies "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", " GRID TELECOM S.M.S.A." and "ADMIE HOLDING 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, as well as d) income from the guarantee of the bond loan of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

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

The expense transactions relate mainly to expenses within the scope of the Company's concession agreement with its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". The Company’s liabilities towards its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." include mainly amount of Euro 610.983 thousand (before VAT), which relates to assets under construction in the context of the construction project of the Crete-Attica interconnection.

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

The income and expense transactions of the Group and the Company with “EnExClear” derive from the implementation of the Target Model from 1st November 2020, where, as a clearing body, “EnExClear” undertakes the management part of the Clearing services performed by the Company as the Operator of the Energy Market. In addition, revenue transactions with "EnExClear" include revenue from the Balancing Market amounted to Euro 15,6 million for the year 2023.

Revenue and expenses with "EnExClear" are not equal for the year 2023 due to the fact that:

- expenses of Euro 13,3 million related to the activities "Intended energy exchanges" and "Unintended energy exchanges", have been accounted and concern "EnExClear", but the equivalent revenue that have been accounted (self-billing) concern the company "Joint Allocation Office (JAO S.A)",

- expenses of Euro 15,6 million related to the activities " Secondary automatic reserves", have been accounted and concern "EnExClear", but the equivalent revenue that have been accounted (self-billing) concern the company "Joint Allocation Office (JAO S.A.)",

- revenue of Euro 15,6 million related to the Balancing Market have been accounted and concern "EnExClear" and there are no corresponding expenses.

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

The liabilities to "EnExClear" included in "Accrued and other liabilities" and in “Trade and other payables”.

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 and liabilities, as at 31/12/2023, are related to the transactions mentioned above.

The Company's revenue transactions with the "HELLENIC ENERGY EXCHANGE S.A." in 2023 relate to the collection of dividends of amount Euro 110 thousand which was recorded in financial income.

The revenue transactions of the Group with "TERNA FIBER S.A." concern revenue of "GRID TELECOM S.M.S.A." related to recharge of expenses. Respectively, the nature and balances of receivables, as at 31/12/2023, are related to the transactions mentioned above.

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, 2023 for the Group and the Company amount to Euro 2.167 thousand, and Euro 1.766 thousand, respectively (2022: Euro 1.685 thousand and Euro 1.420 thousand).

The receivables from members of the Board of Directors and General Managers of the Group on 31/12/2023 are equal to Euro 10 thousand.

The liabilities including the actuarial liability for retirement of the members of the Board of Directors and General Managers of the Group and the Company on 31/12/2023 amount to Euro 122 thousand.

The service cost of the actuarial liability amount to Euro 1 thousand.

The executives of the Group have not received compensation for retirement during 2023 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 36 of the Financial Statements. The latest estimate of the current value of properties was conducted on December 31st, 2019.

On December 31st, 2023, the Management of the Group estimated, taking into account the changes in the economic environment as well as the evolution of the key assumptions that used in the latest revaluation of fixed assets, that any changes in the fair values of tangible fixed assets, except for individual properties housing administrative services, would not have a significant impact on the Corporate and Consolidated Financial Statements.

The goodwill resulting from the movement of the aforementioned properties amounted to Euro 4.827 thousand for the Company, of which amount of Euro 2.809 thousand (Euro 2.191 thousand net of deferred taxes) was directly posted as credit of equity and amount of Euro 2.018 thousand was posted as credit of results, as it was covered by goodwill from previous revaluations that had affected the results.

18. Subsequent events

Establishment of "SAUDI GREEK INTERCONNECTION S.A."

On February 5, 2024, the establishment of the special purpose company "SAUDI GREEK INTERCONNECTION S.A." was completed, tasked with conducting the feasibility study for the Greece-Saudi Arabia electricity interconnection via HVDC cable. As stipulated in the Articles of Association of "SAUDI GREEK INTERCONNECTION S.A.," IPTO and National Grid each hold a 50% share. As part of this collaboration, the two Transmission System Operators signed the Shareholders Agreement (SHA) on September 27, 2023, in Athens.

Receipt of pre-financing from the European Union's Climate, Infrastructure and Environment Executive Agency (CINEA) for the electrical interconnection between Greece and Cyprus

In January 2024, an additional amount of Euro 109,2 million was received. The total pre-financing received amounted to Euro 164,5 million, which constitutes 25% of the total grant.

Commencement of Phase 2 for the sale of 20% of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."

In February 2024, Phase 2 of the tender process for the sale of a 20% stake in the special purpose company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." commenced. The company is a 100% subsidiary of IPTO and serves as the implementation entity for the Attica-Crete electricity interconnection.

Following the relevant decision of the Regulatory Authority for Energy, Water and Environment (RAEWW), which approved the eligibility of the schemes that had expressed their interest during Phase 1 of the Tender (Expression of Interest), and subsequent to the signing of the necessary Confidentiality Agreements, IPTO proceeded to issue the invitation for submission of binding offers (Request for Binding Offers - RfBO).

The participants shall be obliged to submit their binding offers within the second quarter of 2024, whilst – after the end of the submission process – IPTO shall proceed with the offers' evaluation.

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 of the Group and the Company for FY 2023 (fiscal period 01/01/2023 - 31/12/2023) and the distribution of dividend amount of Euro 58,96 million from the net profits of the fiscal year 2023,
2. Discharge the members of the Board of Directors and auditors from all liability for the operations of FY 2023 (fiscal period 01/01/2023 - 31/12/2023),
3. Appoint for the FY 2024 an audit firm to carry out the regular audit of the year.

Athens, April 5th, 2024

On behalf of the Board of Directors

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

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INDEPENDENT POWER
TRANSMISSION OPERATOR (IPTO) S.A.

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2023

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 5th, 2024 and they have been posted on the web site http://www.admie.gr

Athens, April 5th, 2024

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 01/01/2023 – 31/12/2023

		Group		Company	
Revenue	**Note**	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022***	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022***
Revenue from transmission system rent	5	367.434	271.959	368.656	273.196
Revenue from balancing market	5	15.563	11.943	15.563	11.943
Concession agreement expenses	5	-	-	(6.919)	(2.337)
Revenue from other operations	5	8.890	10.651	7.608	9.294
Total revenue (net)		**391.887**	**294.554**	**384.908**	**292.096**
Expenses/(Other Income)					
Payroll cost	6	54.869	57.141	54.656	56.837
Depreciation and amortization	7	112.757	104.948	112.282	104.762
Materials and consumables		1.668	965	1.668	965
Third party benefits	8.1	9.593	8.485	9.435	8.481
Third party fees	8.2	32.197	25.056	30.412	23.772
Taxes–duties		4.470	2.688	4.442	2.659
Provision (release of provision) for risks and expenses	9	1.996	(7.090)	1.974	(7.109)
Other income	10.2	(8.606)	(5.565)	(8.267)	(5.687)
Other expenses		18.243	18.752	13.487	18.475
Total expenses (net)		**227.186**	**205.379**	**220.088**	**203.156**
Profit before tax and financial results		**164.701**	**89.174**	**164.819**	**88.941**
Financial expenses	11.1	(20.130)	(15.835)	(20.105)	(15.806)
Financial income	11.2	6.817	3.160	9.031	4.403
Share of profit of investments in associates and joint ventures		469	345	-	-
Profit before tax		**151.858**	**76.845**	**153.745**	**77.538**
Income Tax		(35.297)	(18.640)	(35.835)	(18.621)
Net profit after tax		**116.561**	**58.205**	**117.910**	**58.917**
Attributable to:					
Owners of the Company		116.561	58.205	117.910	58.917
Non-controlling interests		-	-	-	-

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

The notes on pages 46 to 124 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR YEAR 01/01/2023 – 31/12/2023

	Note	Group		Company	
		01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Net profit after tax		**116.561**	**58.205**	**117.910**	**58.917**
Other comprehensive income (loss) (non-reclassified in the income statement)					
Revaluation of fixed assets		2.809	-	2.809	-
Deferred tax on revaluation of fixed assets		(618)	-	(618)	-
Actuarial loss/gain based on IAS 19	27	(719)	721	(716)	712
Deferred tax on actuarial gain/(loss)		158	(159)	158	(157)
Other comprehensive income after tax		**1.631**	**562**	**1.633**	**556**
Cumulative comprehensive income after tax		**118.191**	**58.767**	**119.543**	**59.472**
Attributable to:					
Owners of the Company		118.191	58.767	119.543	59.472
Non controlling interests		-	-	-	-

The notes on pages 46 to 124 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2023

		Group		Company	
ASSETS	**Note**	**31/12/2023**	**31/12/2022***	**31/12/2023**	**31/12/2022***
Non-current assets					
Tangible assets	13	3.573.487	3.032.061	3.560.880	3.025.686
Intangible assets	14	8.108	6.693	8.060	6.623
Right of use asset	15	6.949	2.425	4.062	1.346
Investments in subsidiaries	16	-	-	215.038	205.300
Investments in associates and joint ventures	17	4.423	1.994	3.071	1.050
Financial assets at amortized cost	18	4.062	4.068	4.062	4.068
Deferred tax assets	12	588	5	-	-
Long-term portion of finance lease receivables	18	3.588	3.568	6.550	4.200
Other long-term receivables	18	27.410	9.388	26.893	9.380
Total non-current assets		**3.628.614**	**3.060.202**	**3.828.617**	**3.257.652**
Current assets					
Inventories	19	29.383	22.936	29.383	22.936
Trade receivables	20	68.783	109.192	68.783	109.131
Other receivables	21	88.782	127.917	85.271	125.817
Income tax receivable		6.947	10.714	-	-
Short-term portion of finance lease receivables	18	2.307	1.133	240	195
Cash and cash equivalents	22	245.713	198.617	184.972	183.158
Total current assets		**441.916**	**470.509**	**368.649**	**441.237**
Total assets		**4.070.529**	**3.530.711**	**4.197.266**	**3.698.889**
EQUITY AND LIABILITIES					
Equity					
Share capital	23	38.444	38.444	38.444	38.444
Legal reserve	24	13.111	13.101	12.815	12.815
Other reserves	25.1	(8.236)	(7.675)	(8.234)	(7.675)
Revaluation reserve	25.2	896.159	893.967	896.159	893.967
Retained earnings		578.718	491.685	575.852	487.400
Equity attributable to owners of the Company		**1.518.196**	**1.429.522**	**1.515.035**	**1.424.950**
Non controlling interests		-	-	-	-
Total equity		**1.518.196**	**1.429.522**	**1.515.035**	**1.424.950**
Non-current liabilities					
Long-term borrowings	26	1.100.633	927.274	715.073	730.705
Provisions for employee benefits	27	11.643	10.904	11.643	10.904
Other provisions	28	10.059	9.003	10.059	9.003
Deferred tax liabilities	12	182.762	182.538	182.762	182.533
Subsidies	29	599.096	451.738	596.096	451.738
Long-term lease liabilities		3.465	1.240	3.196	1.162
Long-term liability from concession agreement	30	-	-	610.983	456.293
Other non-current liabilities	31	33.185	31.235	15.286	12.834
Special accounts (reserves)	34	111.026	98.505	111.026	98.505
Total non-current liabilities		**2.051.868**	**1.712.439**	**2.256.123**	**1.953.678**
Current liabilities					
Trade and other payables	32	222.334	207.436	146.538	123.312
Short-term liability from concession agreement	30	-	-	11.850	16.606
Short-term lease liabilities		1.586	264	904	233
Short-term portion of long-term borrowings	26	90.536	45.271	79.306	45.199
Income tax payable		21.172	2.225	21.064	2.147
Accrued and other liabilities	33	55.234	65.078	56.842	64.289
Special accounts (reserves)	34	109.603	68.477	109.603	68.477
Total current liabilities		**500.465**	**388.751**	**426.107**	**320.261**
Total equity and liabilities		**4.070.529**	**3.530.711**	**4.197.266**	**3.698.889**

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

The notes on pages 46 to 124 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR YEAR 01/01/2023 – 31/12/2023

	Group					
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total equity
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 issue transaction costs	-	-	-	-	(21)	(21)
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**
Balance as at 01/01/2023	**38.444**	**13.100**	**(7.675)**	**893.967**	**491.685**	**1.429.522**
Net profit for the fiscal year	-	-	-	-	116.561	116.561
Other comprehensive income after tax for the year	-	-	(560)	2.191	-	1.631
Total comprehensive income	**-**	**-**	**(560)**	**2.191**	**116.561**	**118.191**
Share issue transaction costs	-	-	-	-	(58)	(58)
Legal reserve	-	11	-	-	(11)	-
Dividends paid	-	-	-	-	(29.458)	(29.458)
Balance as at 31/12/2023	**38.444**	**13.111**	**(8.236)**	**896.159**	**578.718**	**1.518.196**

The notes on pages 46 to 124 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY FOR YEAR 01/01/2023 – 31/12/2023

	Company					
	Share capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total equity
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**
Balance as at 01/01/2023	**38.444**	**12.815**	**(7.675)**	**893.967**	**487.400**	**1.424.950**
Net profit for the year	-	-	-	-	117.910	117.910
Other comprehensive income after tax for the year	-	-	(559)	2.191	-	1.633
Total comprehensive income	**-**	**-**	**(559)**	**2.191**	**117.910**	**119.543**
Dividends paid	-	-	-	-	(29.458)	(29.458)
Balance as at 31/12/2023	**38.444**	**12.815**	**(8.234)**	**896.159**	**575.852**	**1.515.035**

The Ordinary General Meeting of Shareholders of July 28th 2023 approved the distribution of a dividend of Euro 29,5 million from the net profit for the year 2022.

The notes on pages 46 to 124 form an integral part of these financial statements.

(Amounts in thousand Euro unless otherwise stated)

STATEMENT OF CASH FLOW FOR YEAR 01/01/2023 – 31/12/2023

		Group		Company	
Cash flows from operating activities	**Note**	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Profit before tax		151.858	76.845	153.745	77.538
Adjustments for:					
Depreciation of tangible and intangible assets	7	126.167	117.951	125.692	117.765
Amortization of subsidies	7	(13.410)	(13.003)	(13.410)	(13.003)
Interest income	11.2	(6.817)	(3.160)	(9.031)	(4.403)
Other provisions	9	1.996	(7.090)	1.974	(7.109)
Asset write-offs	13	1.876	1.383	3.080	1.383
(Gain) from valuation of fixed assets	13	(2.018)	-	(2.018)	-
(Gain) from optical fiber lease	10.2	(2.441)	(2.245)	(1.158)	(895)
Gain from associates and joint ventures	17	(469)	(345)	-	-
Interest expense	11.1	20.130	15.835	20.105	15.806
Personnel provisions	6	654	2.612	654	2.612
Operational profit before changes in the capital employed		**277.525**	**188.783**	**279.632**	**189.694**
(Increase)/decrease:					
Trade receivables		37.164	5.279	36.824	5.427
Other receivables		11.748	(25.916)	9.248	(19.811)
Inventories	19	419	(2.720)	419	(2.720)
Trade payables		792	(5.309)	(14.870)	(6.927)
Other payables and accrued expenses		54.863	60.976	57.566	52.101
Income Tax Receipts/(Payments)	21	1.292	(3.129)	(4.127)	(3.129)
Net cash inflows from operating activities		**383.804**	**217.965**	**364.692**	**214.636**
Cash flows from investing activities					
Interest and dividend received		6.619	4.564	9.069	5.678
Subsidies received	29	140.952	34.794	61.471	34.794
Capital receivables from leases		291	271	386	205
Investments in related parties and subsidiares		(2.021)	-	(11.760)	(3.500)
Purchases of current and non-current assets	13,14	(661.813)	(317.638)	(401.441)	(172.158)
Net cash (outflows) from investing activities		**(515.972)**	**(278.008)**	**(342.274)**	**(134.980)**
Cash flows from financing activities					
Loan repayments	26	(135.667)	(34.000)	(135.667)	(34.000)
Receipt of loans	26	365.000	145.000	165.000	-
Loan issuance costs	26	(451)	(1.498)	(451)	(1.189)
Dividends paid		(29.458)	(33.914)	(29.458)	(33.914)
Share issue transaction costs		(58)	(21)	-	-
Lease liabilities payment (capital)		(623)	(302)	(574)	(272)
Interest paid		(19.479)	(19.989)	(19.453)	(17.237)
Net cash inflows/(outflows) from financing activities		**179.264**	**55.275**	**(20.603)**	**(86.613)**
Net increase/(decrease) of cash and cash equivalents		**47.096**	**(4.767)**	**1.815**	**(6.957)**
Cash and cash equivalents, opening balance		**198.617**	**203.384**	**183.158**	**190.115**
Cash and cash equivalents, closing balance		**245.713**	**198.617**	**184.972**	**183.158**

The notes on pages 46 to 124 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" 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 an amendment of its articles of association, the announcement of which was published in GG 10787/11.10.2011, and its operation is governed by the Greek Law.

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

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 attached financial statements include the separate financial statements of IPTO and the consolidated financial statements of IPTO and its subsidiaries ("the Group"), "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", "GRID TELECOM S.M.S.A." and "GREAT SEA INTERCONNECTOR S.M.S.A".The financial statements of the subsidiaries "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "GRID TELECOM S.M.S.A." are posted online at the websites http://www.ariadne-interconnection.gr and http://www.grid-telecom.com respectively.

Regarding the subsidiaries, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." was established in September 2018 by IPTO in compliance with RAEWW'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 Hellenic Electricity Transmission System (HETS) for the period 2018-2027 and in the decisions of the Regulatory Authority for Energy, Waste and Water (RAEWW).

"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 "GREAT SEA INTERCONNECTOR S.M.S.A." was established in November 2023 by IPTO and will undertake the construction and financing of the PCI 2.6 project for the electricity interconnection between Greece-Cyprus-Israel, which is included in the 6th list of Projects of Common Interest in Europe.

The Company holds 100% of "GREAT SEA INTERCONNECTOR S.M.S.A.". According to the subsidiary's articles of association, the initial share capital was set to Euro 25 through the issuance of twenty-five thousand common shares, each with a nominal value of one euro (Euro 1) per share. The above-mentioned share capital of the subsidiary amount of Euro 25 was fully paid in 2024.

The number of employees of the Group and the Company on December 31st, 2023 and 2022 is as follows:

	Group	Company
31 December 2023	1.137	1.110
31 December 2022	1.144	1.117

On December 31st, 2023, the Group employed 1.137 employees, and the Company 1.110 employees of whom 25 in total were seconded. Specifically, 9 were seconded to Public Sector services, 15 to Public Organizations and 1 was seconded to the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". The subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." employed 27 employees, the subsidiary company "GRID TELECOM S.M.S.A." employed 1 employee and the new subsidiary ""GREAT SEA INTERCONNECTOR S.M.S.A." does not employ any 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 / 7063/374 (Government Gazette B' 275/20.01.2023)

Amendment of the decision of the Minister of Environment and Energy with reference number YPEN/GDE/84014/7123/12.08.2022 "Determining the priority framework for granting final Connection Offers for RES and CHP stations as well as storage stations by the Network Operator and the System Operator, including areas that have been designated as saturated networks in derogation of any other general or special provision, in accordance with article 89 of Law 4951/2022" (GG B' 4333).

2.1.2 Joint Ministerial Decision No. 9990/2023 (Government Gazette B' 520/02.02.2023)

Characterization of the project of the new 400kV Transmission Line (TL) PHILIPPON EHV S/S – N. SANTAS EHV S/S of IPTO as of national importance.

2.1.3 Ministerial Decision No. YPEN / DIE / 13678/259 (Government Gazette B' 767/15.02.2023)

Licensing Regulation for Direct Line Ownership and Management.

2.1.4 Ministerial Decision No. YPEN /DAPEEK / 21027/757/2023 (Government Gazette B' 1324/08.03.2023)

Establishment and formation of the Offshore Wind Park Projects Connection and Development Coordination Committee (OWP) of article 74 of Law 4964/2022 (A' 150). The MD was amended with the later MD published in GG B' 6699/27.11.2023.

2.1.5 Ministerial Decision No. YPEN / DIE / 52005/1017 (Government Gazette B' 3326/19.05.2023)

Licensing of direct lines, criteria and method of control and granting of administrative licenses required for the installation and operation of the Direct Line, as well as for its parallel operation with the HETS, in accordance with paragraph 4 of article 136 of Law 4001/2011.

2.1.6 Ministerial Decision No. YPEN / DAPEEK / 53563/1556 (Government Gazette B' 3328/19.05.2023)

Restrictions on injection of electricity and power of Renewable Energy Sources (RES) and High Efficiency Heat Cogeneration (CHP) stations as well as electricity storage stations of instance (λια) of paragraph 3 of article 2 of Law 4001/2011 (A' 179), in accordance with article 10 of Law 4951/2022 (A' 245).

2.1.7 Ministerial Decision No YPEN/DAPEEK/53607/1559 (Government Gazette B' 3328/19.05.2023)

Amendment of the ministerial decision under information YPEN/GDE/66576/5877/28.06.2022 "Determination of installed capacity, by technology or by category of power generation plants from RES and CHP which is auctioned through a competitive tendering process, number of competitive tendering procedures per year, timetable for carrying out the competitive procedures and other issues related to the competitive tendering procedures, based on par. 3 of article 7 of Law 4414/2016" (B' 3522).

2.1.8 Ministerial Decision No YPEN/DIE/55948/1087 (Government Gazette B' 3416/20.05.2023)

Competitive bidding procedures for the granting of investment and operating aid to electricity storage stations, according to sub-par. 2A of par. 2 of article 143(ΣΤ) of Law 4001/2011 (A' 179).

2.1.9 Ministerial Decision No YPEN/GDE/55236/3367 (Government Gazette B' 3390/19.05.2023)

Implementation of Hybrid Stations on the island of Crete which is part of the Second Measure of the Special Framework for the Operational Enhancement of Hybrid Stations in the Non-Interconnected Islands, based on paragraph 1 of article 21A of Law 4414/2016 (A' 149).

2.1.10 Ministerial Decision No YPEN/DIE/80965/1519 (Government Gazette B' 4802/28.07.2023)

Extension of the period of validity of the Temporary Mechanism for Returning Part of Next-Day Market Revenues (Electricity) of article 12A of Law 4425/2016 (A' 185).

2.1.11 Ministerial Decision No 35726 EX 2023 (Government Gazette B' 4957/07.08.2023)

The Auth2.0 user authentication service is available in IPTO's information systems for the authentication of citizens when entering the digital services, it provides.

2.1.12 Ministerial Decision No YPEN/YDEN/96792/1273 (Government Gazette B' 5646/26.09.2023)

Determination of actions, amount and financing procedure of the special purpose anonymous company under the name "ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNI SOLE SHAREHOLDER ANONYMOUS SPECIAL PURPOSE COMPANY", through the Public Investment Program.

2.1.13 Ministerial Decision No 1008 EX 2024 (Government Gazette B' 170/15.01.2024)

Provision of the online service "Certificate of Tax Awareness" in the information systems of IPTO.

2.1.14 By Law No. 5027/2023 (Government Gazette A' 48/02.03.2023)

With article 92 of the Law, article 40 of Law 4994/2022 is amended regarding the implementation of a Temporary Mechanism for the Return of Part of Revenues from Electricity Suppliers and the obligation of the Operator to submit all necessary information to the RAEWW for implementing the provision is established. In addition, with the regulation of article 92 of the same Law which amends article 12A of Law 4425/2016, the application of the Temporary Mechanism for the Return of Part of Day Ahead and Intraday Market Revenues in contracts for the physical delivery of the sale of electricity is foreseen and in particular, for the correct application of the provision, IPTO is obliged to provide RAEWW with all the necessary requested data.

2.1.15 By Law No. 5069/2023 (Government Gazette A' 193/28.11.2023)

In chapter IA' "Energy Regulations" of Law 5069/2023, the no. 55 regarding the commitment of electrical space for the installation of Offshore Wind Park projects (OWP). With this article, par. 14 is added to no. 74 of Law 4964/2022 (Government Gazette A΄150/30.07.2022), on the matters of connection with the HETS and the establishment of the Coordinating Committee for the Connection and Development of Offshore Wind Park Projects, regarding the allocation of electrical space per area or node of the HETS , taking into account the required operational limitations of article 10 of Law 4951/2022, in order to enable the connection of OWP projects, with a total installed capacity of at least two thousand (2000) MW.

2.1.16 By Law No. 5073/2023 (Government Gazette A' 193/11.12.2023)

It is foreseen the collection and return to the State, VAT. reduced rate for intermittent load services that have been provided until the entry into force of the provision, in application to articles 143 and 143A of Law 4001/2011 (A' 179). VAT declarations for periods up to the commencement hereof, which include transactions of the first subparagraph, are accurate as to the applicable rate for such transactions.

2.1.17 By Law No. 5075/2023 (Government Gazette A' 206/12.12.2023)

With the enactment of articles 32 and 33 of the relevant Law, articles 53B and 53C are added to Law 4662/2020, based on which, on the one hand, the obligation of IPTO to open fire protection zone lines within the servitude zones of electricity transmission lines of the HETS and on the other hand, it is provided that in the event of a declaration of a civil protection emergency or a situation of special mobilization of civil protection, the IPTO may proceed immediately and in derogation of the legislation, to implement new electricity transmission projects, which are necessary to ensure the continuous and uninterrupted operation of HETS.

2.1.18 By Law No. 5037/2023 (Government Gazette A' 78/28.03.2023)

Renaming the Energy Regulatory Authority (RAE) to the Waste, Energy and Water Regulatory Authority (RAEWW) and expanding its scope with responsibilities over water services and urban waste management, strengthening the water policy - Modernizing the legislation on the use and production of electricity from renewable sources through the of incorporation of EU Directives 2018/2001 and 2019/944 - Special provisions for renewable energy sources and environmental protection.

2.2 ISSUANCE OF RAEWW (RAE) DECISIONS

2.2.1 RAE DECISION 864/2022 (GOVERNMENT GAZETTE B' 20/09.01.2023)

The scope of data exchange between Transmission System Operators (TSOs), Distribution System Operators (DSOs) and Significant Network Users (SNUs), in accordance with article 40 paragraph 5 of Regulation (EU) 2017/1485.

2.2.2 RAE DECISION 879/2022 (GOVERNMENT GAZETTE B' 59/12.01.2023)

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

2.2.3 RAE DECISION 821/2023 (GOVERNMENT GAZETTE B' 19/17.01.2023)

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

2.2.4 RAE DECISION 88/2023 (GOVERNMENT GAZETTE B' 1400/09.03.2023)

Determination of power margin of RES projects in Crete after the completion of Phase II of its Interconnection with the Hellenic Electricity Transmission System (HETS) in accordance with paragraph 4 of article 100 of Law 4821/2021 (A' 134).

2.2.5 RAEWW DECISION E-1/2023 (GOVERNMENT GAZETTE B' 3367/19.05.2023)

Approval of a deviation from the minimum level of available cross-zonal trade capacity for the border of supply zones between Greece and Bulgaria for the year 2023, as provided for in paragraphs 8 and 9 of article 16 of Regulation (EU) 2019/943 of the European Parliament and of the Council, of 5 June 2019 on the internal electricity market.

2.2.6 RAEWW DECISION E-21/2023 (GOVERNMENT GAZETTE B' 3623/01.06.2023)

Modification and codification in a single text of the Manual of System Transmission Tariffs of the HETS Grid Code.

2.2.7 RAEWW DECISION E-45/2023 (GOVERNMENT GAZETTE B' 3939/17.06.2023)

Conducting the first (a') Competitive Tendering Procedure for the granting of investment and operational aid to electricity storage stations in accordance with the provisions of Article 143ΣΤ of Law 4001/2011 (A' 179).

2.2.8 RAEWW DECISION E-46/2023 (GOVERNMENT GAZETTE B' 4338/07.07.2023)

Approval of the joint proposal of the Transmission System Operators (TSOs) of the Greece-Italy capacity calculation region (CCR GRIT) for the methodology for calculating cross-zonal capacity within the balancing time frame for the exchange of balancing energy or the application of the imbalance netting procedure, in accordance with article 37 of Commission Regulation (EU) 2017/2195 of 23 November 2017 on the establishment of a guideline for electricity balancing.

2.2.9 RAEWW DECISION E-70/2023 (GOVERNMENT GAZETTE B' 5091/16.08.2023)

Amendment of the Meter Representation and Periodic Settlement Manual regarding the calculation of the energy assigned to Load Representatives for their customers who have an energy offset contract and other issues.

2.2.10 RAEWW DECISION E-94/2023 (GOVERNMENT GAZETTE B' 5147/22.08.2023)

Amendment of the Balancing Market Regulation (B' 985/2022), in accordance with articles 17 and 18 of Law 4425/2016, and of the Grid Code of the Hellenic Electricity Transmission System (B' 4658/2020), in accordance with article 96 of Law 4001/2011.

2.2.11 RAEWW DECISION E-137/2023 (GOVERNMENT GAZETTE B' 5490/15.09.2023)

Amendment of the coordinated capacity calculation methodology within the South-East European Capacity Calculation Region (SEE CCR), in accordance with articles 20 and 21 of Commission Regulation (EU) 2015/1222 of 24 July 2015 laying down guidelines for the capacity allocation and congestion management.

2.2.12 RAEWW DECISION E-128/2023 (GOVERNMENT GAZETTE B' 5553/20.09.2023)

Amendment of no. 452/2015 of RAE's decision regarding the calculation of the total accounting cost of the Project "Connection N. Makri - Polypotamos and South Evia High Voltage Network".

2.2.13 RAEWW DECISION E-163/2023 (GOVERNMENT GAZETTE B' 6440/10.11.2023)

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.

2.2.14 RAEWW DECISION E-182/2023 (GOVERNMENT GAZETTE B' 6453/13.11.2023)

Approval of an updated Emergency Plan in accordance with articles 8 and 10 of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 on measures to guarantee the security of natural gas supply and the repeal of Regulation (EU) no. 994/2010.

2.2.15 RAEWW DECISION E-204/2023 (GOVERNMENT GAZETTE B' 6608/22.11.2023)

Conducting a second (b') Competitive Tendering Procedure for the granting of investment and operational aid to electricity storage stations in accordance with the provisions of Article 143ΣΤ of Law 4001/2011 (A' 179).

2.2.16 RAEWW DECISION E-205/2023 (GOVERNMENT GAZETTE B' 6715/30.11.2023)

Determination of the price of the Unit Charge of the Component Divergence (UNBMFIMB) and the price of the Unit Charge of the Component Energy (UNBMFEN) of the Balancing Market Fee for the year 2024.

2.2.17 RAEWW DECISION E-209/2023 (GOVERNMENT GAZETTE B' 6816/04.12.2023)

Approval of the Capacity Allocation Rules at the Borders of the Offer Zones between Greece and the countries outside the EU (Albania, North Macedonia and Turkey) for the year 2024, in accordance with the provisions of subsections 7.8 and 7.11 of the HETS Grid Code, as applicable.

2.2.18 RAEWW DECISION E-225/2023 (GOVERNMENT GAZETTE B' 7208/21.12.2023)

Approval of Unit Cost of Losses for the Year 2024 in the Context of the Application of the Compensation Mechanism between the Operators of the Electricity Transmission Systems.

2.2.19 RAEWW DECISION E-82/2023 (GOVERNMENT GAZETTE B' 7268/22.12.2023)

Taking the appropriate measures (steps) to approve the proposal to determine the minimum time interval of activation of the Frequency Conservation Reserve (FCR), which is required so that the FCR supply units or groups with limited energy reservoirs remain available during alarm situations in accordance with article 5 par. 9 of Regulation (EU) 2017/1485.

2.2.20 RAEWW DECISION E-232/2023 (GOVERNMENT GAZETTE B' 7486/29.12.2023)

Conducting a Joint Competitive Tendering Process for power plants from renewable energy sources (RES) that are installed in countries within the European Economic Area under the condition of active Cross-Border Energy Trade with them, in accordance with the provisions of article 7 paragraph 5 of the Law. 4414/2016 (A' 149).

2.2.21 RAEWW DECISION E-233/2023 (GOVERNMENT GAZETTE B' 7746/31.12.2023)

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 Company S.A., for the year 2024, in accordance with the provisions of section 2.33 of the Regulation on the Clearing of Balancing Market Positions.

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

3.1. BASIS OF PREPARATION

Statement of compliance

The Financial Statements for the year ended December 31st 2023 (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, 2023.

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 2023 on April 5th, 2024. 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

Current economic conditions continue to be volatile, with interest rate fluctuations, energy market turbulence and inflationary pressures driving up the prices of raw materials and labor-intensive services.

The geopolitical environment also presents instability with the Russia-Ukraine war and the intensifying conflicts in the Middle East. Increasing geopolitical turmoil is causing more and more concern for markets and the economy. The energy crisis 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 led to a slower growth rate in 2023. However, the effective utilization of its resources long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and monetary policy tightening on the economy, leading to medium-term growth rates close to 3% in 2024 and 2025.

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.

On March 28th, 2023, the Company issued Series A bonds of Euro 80 million, as part of the Euro 150 million bond loan agreement of 30/12/2021 with a consortium of banks, while on July 21st, 2023, the Company repurchased bonds of Euro 90 million, which concerns Series B of the bond loan agreement dated 24/9/2020.

For the purpose of financing the project "Electric Interconnection of Attica-Crete," "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." proceeded on July 1, 2020, to issue a ten-year common bond loan with security and capital up to Euro 400 million. Eurobank S.A. undertook the full underwriting of the issuance, while IPTO provides guarantee to the bondholders, while simultaneously receives a fee from "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for providing the guarantee.

Additionally, in December 2020, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." entered into a loan agreement with the European Investment Bank with a fixed interest rate totaling Euro 200 million, with the possibility of additional borrowing of Euro 100 million in case of exceeding the estimated construction cost. During the same period, December 2020, based on a term in the loan agreement with Eurobank S.A., "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." made an equal cancellation of Euro 200 million in bonds with the latter. As of December 31, 2022, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." had a total loan line for the project from both banks, up to the amount of Euro 400 million, with the possibility of additional borrowing of Euro 100 million from the European Investment Bank in case of exceeding the estimated construction cost.

In 2021, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." made disbursements totaling Euro 55 million, and within 2022, it disbursed the remaining total amount of Euro 145 million, reaching the maximum borrowing limit from Eurobank S.A. of Euro 200 million.

On April 20th, 2023,"ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." disbursed a loan of Euro 200 million from the European Investment Bank with a twenty-year (20) duration

The fact that on 31/12/2023, current liabilities exceed current assets by Euro 58,5 million for the Group and by Euro 57,4 million for the Company, i.e. the working capital was negative on this date, arose from significantly increased payments to suppliers in December 2023 for PPE investments. This fact does not pose a risk, according to the Management's assessment to the Company's perspective as going concern. A significant portion of short-term liabilities refers to special accounts, especially the amounts expected to be used in the next fiscal year to reduce the cost of transmission system rent. Cash difficulties are not expected to arise as the Company has very strong positive cash flows from operating activities and sufficient available long-term borrowing funds, based on signed loan agreements.

In view of the above, as well as the organic profitability, the substantial amount of available assets, and the strong positive operating cash flows of the Company, the accompanying Financial Statements have been prepared on a going concern basis.

The Management considering: a) the financial position of the Company and the Group, b) the risks that the Group may face and could have a negative impact on its business model and 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 going concern principle to be the 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 after the retirement age and for 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 independent certified valuers. Independent valuations are performed periodically every 5 years as defined by IAS 16 for assets with only insignificant changes in their fair value. The Company, taking into account any changes in the economic environment, may conduct exercises using specialized methods to recognize any significant changes in the fair values of individual properties affected by the aforementioned changes. When substantial changes arise, the Group adjusts the values of these properties accordingly. Determining the fair values of tangible fixed assets requires the conduct of appraisals, assumptions, and judgments regarding ownership, value due to use, as well as the existence of any economic, operational, and physical depreciation of tangible fixed assets. Additionally, management makes estimates regarding the total and remaining useful lives of depreciable fixed assets based on previous experience as well as the technical specifications of the fixed assets, which are subject to periodic review. The total useful lives, as estimated, are included in Note 3.3.6.

On December 31st, 2023, the Management of the Group estimated, taking into account the changes in the economic environment as well as the evolution of the key assumptions that used in the latest revaluation of fixed assets, that any changes in the fair values of tangible fixed assets, except for individual properties housing administrative services, would not have a significant impact on the Corporate 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, bond issuers 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 consider that there is no evidence of impairment for the reporting date of 31/12/2023.

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.”, “GRID TELECOM S.M.S.A.” and “GREAT SEA INTERCONNECTOR 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 31/12/2023.

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 potential tax losses to the extent that it is probable that future taxable profits will occur to offset the losses. Deferred tax assets that may recognized require Management to make assessments as to the time and level of realization of future taxable profits.

Leases

Contracts where the Group is the lessee require management judgment as to whether they constitute or contain a lease at the commencement date and recognize, on a case-by-case basis, a right-of-use asset and a corresponding lease liability.

Leases in which the Group is a lessor which mainly relate to lease of fiber optic lines, are classified either as finance or operating. Among the 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. ESSENTIAL 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 Financial Statement date, the Group reassesses whether it has control over its investments in cases where events and circumstances indicate that there has been a change. 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. Other "ordinary" transactions among related companies are not eliminated. This approach entails that transactions with related companies are retained in the consolidated financial statements. 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, which are valued at cost less any impairment) are valued at their fair values minus accumulated depreciation and impairments. Estimations of fair values are performed periodically by independent appraisers (every five years) using Level 3 assumptions of the hierarchy stipulated in the IFRS 13 and the depreciated replacement cost method, for the majority of tangible assets, in order to ensure that fair value does not differ significantly from the amortized cost. The most recent valuation of the total tangible fixed assets was made by independent appraisers with reference date 31/12/2019. The Management of the Group estimates on an annual basis, if there are any changes in the economic environment as well as on the evolution of the key assumptions that were used in the latest revaluation of fixed assets. In case of significant changes, appropriate adjustments are recorded.

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.

Many spare parts and maintenance supplies are accounted as inventory and usually they are recognized in the results when they are consumed. However, higher-value spare parts and backup equipment are characterized as fixed assets, when the economic entity expects to use them for more than one accounting period. Similarly, if spare parts and maintenance supplies can only be used in relation with an item of fixed asset, they are accounted as fixed assets.

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.

(Amounts in thousand Euro unless otherwise stated)

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.

For assets whose measurement is linked to fixed and variable prices, IPTO has chosen to capitalize the construction cost only for the fixed price, while for the variable price, which cannot be reliably measured now, it will be recognized in future results (cost accumulated approach).

3.3.5 Borrowing Cost

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

3.3.6 Depreciation

Depreciation of fixed assets is calculated on a straight-line basis over the average estimated remaining useful 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 Assets	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 evidence and 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 and other 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.
Trade receivables related to the electricity market are not included in the exercise for recognizing credit losses because the Company acts as an intermediary.

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.

Many spare parts and maintenance supplies are accounted as inventory and usually they are recognized in the results when they are consumed. However, higher-value spare parts and stand by equipment are characterized as fixed assets, when the Group expects to use them for more than one accounting period. Similarly, if spare parts and maintenance supplies can only be used in relation with an item of fixed asset, they are accounted as fixed assets.

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 issuance 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. The benefit of a government loan with an interest rate lower than market rates is considered as a government grant. The loan is recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the lower interest rate compared to the market rates is measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the amounts received. The Group and the Company examine the terms and conditions that have been met or need to be met, in order to determine the amount that will compensate the benefit of the loan.

3.3.14 Financial Liabilities

Financial liabilities are measured at amortized cost and are derecognized when the obligation under the liability is discharged, 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 entities of the European Union 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 long term liabilities 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 Group and 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 book value of 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 goodwill 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 for employees after the retirement age and for 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.

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 RAEWW and the HETS Grid Code and and the Company historically has underecovery in relation to required revenue. Conventional assets and liabilities are not recognized upon the under-recovery in relation to Required Revenue. Any under-recovery represents one of the parameters determining future unitary charges and can be distributed over more than one year.

The Required Revenue of the balancing market is allocated through the balancing market fee among the balancing service providers and the contracting parties with balancing responsibility, who are registered in the Registry of the Hellenic Electricity Market Operator and is accounted for in use according to the tariffs determined by RAEWW.

Revenue from other operations

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

Revenue from other operations includes revenue from customers' contributions which concerns projects for the Connection of Users 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.

Clearance revenue

The Company operates as an intermediate 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 disclosed in notes 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 credit settlement is charged for specific purpose as defined by HETS Management, RAEWW 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:

a) Interconnection rights

Net interconnection rights are formed in order to reduce the annual Transmission System Rent or for the funding of interconnection projects with neighboring countries after RAEWW's decision. In this context, reserve use is recognized:

i. in company's financial results at the extend of the amount that reduces the Required Revenue when specific requirements of the Regulation are met and approved by Regulatory Authority (point in time of fulfillment of the obligation of performance)

ii. in the Company's subsidies, at the amount of the expenses that have been incurred by the approved interconnection project and covered by the reserve (point in time of reasonable assurance of approval of funding for the implementation of the project by the Regulatory Authority). The right to collect (or pay) these rights stems from the Company's authorization as the interconnection operator.

b) Non-compliance charges

Non-compliance charges (NCC) are used for the coverage of overdue or/and deficits in the Day Ahead Market, Supplementary Regional Intraday Auctions, Continuous Intraday Trading, as well as overdue member and overall participants registered in the Hellenic Electricity Market Operator registry.

The amount of NCC is charged and monitored as defined by the provisions referred to in articles 96-102 of the Balancing Market Rulebook (BMR) and Article 11.3 of the System Management Code (SMC).

In the case of overdue balances, the amount of NCC is allocated as specified in Articles 103 & 107 of the BMR, 11.1, 11.2, and 11.6 of the SMC, and Articles 2.32, 2.33, 4.3, and 4.6 of the Clearing Rulebook for Positions on Balancing Market.

If the balance of the NCC account is insufficient to cover the overdue balances of the above markets, IPTO is not charged with additional amounts for their coverage but transfers additional amounts to other participants.

It follows from the above that because IPTO is obliged to allocate the amounts of NCC to other participants in case of overdue of one or more of them is overdue, these amounts constitute an obligation of IPTO.

Since it is not known when any payment will be made, the amount is measured at nominal value.

c) Extraordinary Surplus of Energy Imports

The use of extraordinary surplus of energy imports is determined by decision of RAEWW upon a relevant proposal by the System Operator. The amounts that are collected from the extraordinary surplus of energy imports are recognized as liabilities because there is a regulatory commitment to use these funds for a purpose to be determined in the future by decision of RAEWW.

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.

The Group and the Company utilize the exceptions provided by the standard regarding short-term lease agreements that expire within 12 months from the initial recognition date, as well as lease agreements for which the underlying asset is of 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.

The Group and the Company as Lessor

Leases in which the Group does not substantially transfer all the economic benefits and risks inherent in ownership of the leased asset are classified as operating leases. When assets are leased as operating leases, the asset is included in the statement of financial position based on the nature of the asset. Rental income from operating leases is recognized in accordance with the terms of the lease using the straight-line method.

A lease that transfers substantially all the economic benefits and risks resulting from ownership of the leased asset is classified as a finance lease.

Leased assets under finance leases are derecognized, and the lessor recognizes a receivable equal to the net investment in the lease. The lease receivable is discounted using the interest rate implicit in the lease, and the accounting value is adjusted accordingly. Lease receivables increase based on interest on the receivable and decrease with the collection of lease payments.

The Group also operates as a final lessor, leasing assets of the Group to third parties. Specifically, through its subsidiary company " GRID TELECOM S.M.S.A.", which operates as an intermediate lessor, it leases dark fibers to third parties.

Subleases

When the Group and the Company act as an intermediary lessor in a sublease agreement, the sublease is classified as either a finance or operating lease based on the right of use asset resulting from the primary lease and the initial lease and the sublease faced as two separate contracts. When the sublease is classified as a finance lease, the right of use asset is derecognized, and a lease receivable is recognized.

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 Group 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.

3.3.22 Reclassifications

The following prior year amounts (2022) have been reclassified so that the Income Statement and the Statement of Financial Position for the Group and the Company for 2023, are comparable to the Income Statement and the Statement of Financial Position for 2022, aiming to provide users of the Financial Statements with the most accurate information.

1) Amount of Euro 1.961 for the Group and Euro 1.929 for the Company in the Statement of Financial Position as at 31/12/2022, was reclassified from “Trade receivables” (Note 20) to “Other receivables” (Note 21) for comparability purposes with the Statement of Financial Position as at 31/12/2023.

2) Amount of Euro 14.933 which pertains to the use of non-compliance provisions reserve for covering doubtful customers for both the Group and the Company in the Statement of Financial Position as at 31/12/2022 was reclassified from “Special accounts (reserves)” (Note 34) to “Trade receivables” (Note 20) for comparability purposes with the Statement of Financial Position as at 31/12/2023.

3) The amount of Euro 48.131, both for the Group and the Company in the Financial Position Statement of 31/12/2022, was reclassified from the short-term to the long-term portion of the "Special Management Accounts (reserves)" (Note 34) for comparability reasons with the figures of 31/12/2023. This amount concerns connection rights amounting to Euro 46.557 and extraordinary energy imports surplus amounting to Euro 1.573. The short-term portion of the "Special Management Accounts (reserves)" represents the reserves for which the disposal method has been approved by the regulatory authority for the next fiscal year.

4) Amount of Euro 40.786 for both the Group and the Company in the Statement of Financial Position as at 31/12/2022 was reclassified from “Inventories” (Note 19) to “Tangible assets” (Note 13) for comparability purposes with the Statement of Financial Position as at 31/12/2023.

5) Amount of Euro 213 for both the Group and the Company in the Income Statement as at 31/12/2022 was reclassified from “Contracting cost” to “Other expenses” (Note 10.1) for comparability purposes with the Income Statement as at 31/12/2023.

6) Amount of Euro 1.080 for both the Group and the Company in the Income Statement as at 31/12/2022 was reclassified from “Provision (release of provision) for risks and expenses” (Note 9) to “Depreciation and amortization” (Note 7) for comparability purposes with the Income Statement as at 31/12/2023.

(Amounts in thousand Euro unless otherwise stated)

7) The amount of Euro 2.252 for the Group and Euro 895 for the Company in the Income Statement as of 31/12/2022 was reclassified from "Other income" (Note 10.2) to "Income from other activities" (Note 5) for comparability reasons with the figures of 31/12/2023

8) The amount of Euro 509 for the Group and Euro 571 for the Company in the Income Statement as of 31/12/2022 was reclassified from "Third-party fees" (Note 8.2) to "Employee benefits" (Note 6) for comparability reasons with the figures of 31/12/2023

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

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

Reclassifications in Statement of Financial Position of 31/12/2022

	Group			Company			
ASSETS	**31/12/2022 Published**	**Reclassifications**	**31/12/2022 Adjusted**	**31/12/2022 Published**	**Reclassifications**	**31/12/2022 Adjusted**	**Note**
Non-current assets							
Tangible assets	2.991.275	40.786	3.032.061	2.984.901	40.786	3.025.686	4
Intangible assets	6.693		6.693	6.623		6.623	
Right of use asset	2.425		2.425	1.346		1.346	
Investments in subsidiaries	-		-	205.300		205.300	
Investments in associates	1.994		1.994	1.050		1.050	
Financial assets at amortized cost	4.068		4.068	4.068		4.068	
Deferred tax assets	5		5	-		-	
Long-term portion of finance lease receivables	3.568		3.568	4.200		4.200	
Other long-term receivables	9.388		9.388	9.380		9.380	
Total non-current assets	**3.019.416**	**40.786**	**3.060.202**	**3.216.867**	**40.786**	**3.257.652**	
Current assets							
Inventories	63.722	(40.786)	22.936	63.722	(40.786)	22.936	4
Trade receivables	126.086	(16.894)	109.192	125.993	(16.862)	109.131	1,2
Other receivables	125.957	1.961	127.917	123.888	1.929	125.817	1
Income tax receivable	10.714		10.714	-		-	
Short-term portion of finance lease receivables	1.133		1.133	195		195	
Cash and cash equivalents	198.617		198.617	183.158		183.158	
Total current assets	**526.228**	**(55.719)**	**470.509**	**496.956**	**(55.719)**	**441.237**	
Total assets	**3.545.644**	**(14.933)**	**3.530.711**	**3.713.823**	**(14.933)**	**3.698.889**	
EQUITY AND LIABILITIES							
Equity							
Share capital	38.444		38.444	38.444		38.444	
Legal reserve	13.101		13.101	12.815		12.815	
Other reserves	(7.675)		(7.675)	(7.675)		(7.675)	
Revaluation reserve	893.967		893.967	893.967		893.967	
Retained earnings	491.685		491.685	487.400		487.400	
Equity attributable to owners of the Company	**1.429.522**		**1.429.522**	**1.424.950**		**1.424.950**	
Non controlling interests	-		-	-		-	
Total equity	**1.429.522**		**1.429.522**	**1.424.950**		**1.424.950**	
Non-current liabilities							
Long-term borrowings	927.274		927.274	730.705		730.705	
Provisions for employee benefits	10.904		10.904	10.904		10.904	
Other provisions	9.003		9.003	9.003		9.003	
Deferred tax liabilities	182.538		182.538	182.533		182.533	
Subsidies	451.738		451.738	451.738		451.738	
Long-term lease liabilities	1.240		1.240	1.162		1.162	
Long-term liability from Concession agreement	-		-	456.293		456.293	

(Amounts in thousand Euro unless otherwise stated)

Other non-current liabilities	31.235		31.235	12.834		12.834	
Special accounts (reserves)	65.308	33.198	98.505	65.308	33.198	98.505	2,3
Total non-current liabilities	**1.679.241**	**33.198**	**1.712.439**	**1.920.481**	**33.198**	**1.953.678**	
Current liabilities							
Trade and other payables	207.436		207.436	123.312		123.312	
Short-term liability from Concession agreement	-		-	16.606		16.606	
Short-term lease liabilities	264		264	233		233	
Short-term portion of long-term borrowings	45.271		45.271	45.199		45.199	
Income tax payable	2.225		2.225	2.147		2.147	
Accrued and other liabilities	65.078		65.078	64.289		64.289	
Special accounts (reserves)	116.607	(48.131)	68.477	116.607	(48.131)	68.477	3
Total current liabilities	**436.881**	**(48.131)**	**388.751**	**368.392**	**(48.131)**	**320.261**	
Total equity and liabilities	**3.545.644**	**(14.933)**	**3.530.711**	**3.713.823**	**(14.933)**	**3.698.889**	

Reclassifications in Income Statement of 01/01/2022-31/12/2022

	Group			Company			
Revenue	**31/12/2022 Published**	**Reclassifications**	**31/12/2022 Adjusted**	**31/12/2022 Published**	**Reclassifications**	**31/12/2022 Adjusted**	**Note**
Revenue from transmission system rent	271.959		271.959	273.196		273.196	
Revenue from balancing market	11.943		11.943	11.943		11.943	
Concession agreement expenses	-		-	(2.337)		(2.337)	
Revenue from other operations	8.399	2.252	10.651	8.399	895	9.294	7
Total revenue	**292.302**	**2.252**	**294.554**	**291.201**	**895**	**292.096**	
Expenses/ (Other income)							
Payroll cost	56.632	509	57.141	56.266	571	56.837	8
Depreciation and amortization	106.028	(1.080)	104.948	105.842	(1.080)	104.762	6
Contracting cost	213	(213)	-	213	(213)	-	5
Materials and consumables	965		965	965		965	
Third party benefits	8.485		8.485	8.481		8.481	
Third party fees	25.565	(509)	25.056	24.343	(571)	23.772	8
Taxes–duties	2.688		2.688	2.659		2.659	
Provision (release of provision) for risks and expenses	(8.169)	1.080	(7.090)	(8.189)	1.080	(7.109)	6
Other income	(7.818)	2.252	(5.565)	(6.582)	895	(5.687)	7
Other expenses	18.539	213	18.572	18.262	213	18.475	5
Total expenses (net)	**203.127**	**2.252**	**205.379**	**202.260**	**895**	**203.156**	
Profit before taxes and financial results	**89.174**	**-**	**89.174**	**88.941**	**-**	**88.941**	
Financial expenses	(15.835)		(15.835)	(15.806)		(15.806)	
Financial income	3.160		3.160	4.403		4.403	
Share of profit of an associate	345		345	-		-	
Profit before taxes	**76.845**	**-**	**76.485**	**77.538**	**-**	**77.538**	
Income tax	(18.640)		(18.640)	(18.621)		(18.621)	
Net profit of fiscal year	**58.205**	**-**	**58.205**	**58.917**	**-**	**58.917**	
Attributable to:							
Owners of the Company	58.205		58.205	58.917		58.917	
Non controlling interests	-		-	-		-	

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 2023:

Standards and Interpretations effective for the current financial year 2023

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

In February 2021, IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose material accounting policy information rather than their significant accounting policies.

According to the updated definition of material accounting policy as published by the IASB in October 2018, accounting policy information is material if when considered together with other information included in an entity's financial statements, it can be reasonably expected to influence decisions that the primary users of general purposes financial statements make on the basis of those financial statements.

Additionally, IFRS Practice Statement 2 amendments include guidance and additional examples on the application of materiality to accounting policy disclosures.

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

IAS 8 (Amendments) "Accounting policies, changes in accounting estimates and errors: definition of accounting estimates"

In February 2021, IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

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

IAS 12 (Amendments) "Deferred tax related to assets and liabilities arising from a single transaction"

In May 2021, IASB issued amendment to IAS 12 in order to specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations, transactions for which entities recognize both an asset and a liability, In specific cases, the entities were exempted from the recognition of deferred tax on initial recognition of both an asset and a liability. The amendments clarify that the initial recognition exemption does not apply and entities are required to recognize deferred tax on these transactions.

The above amendments do not have an impact on the Financial Statements of the Group and the Company.

IAS 12 (Amendment) "International Tax reform-Pillar Two"

In May 2023, IASB published the amendments to IAS 12 in order to provide a temporary exemption from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two model rules, as well as targeted disclosures for affected entities. The temporary exemption is to be applied immediately upon the issue of those amendments by IASB and retrospectively in accordance with International Accounting Standard 8 Accounting Policies, Changes in Accounting Estimates and Errors ('IAS 8'). The disclosure requirements are to be applied to annual reporting periods beginning on or after 1 January 2023. An entity is not required to apply the disclosure requirements in interim financial reports for interim periods ending on or before 31 December 2023.

The above 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

IAS 1 (Amendment) "Classification of liabilities as current or non-current" (effective for annual periods on or after 1 January 2024)

In January 2020, IASB issued amendments to IAS 1 clarifying the requirements for the classification of the liabilities as current and non -current. In particular, the amendments clarify that one of the criteria for the classification of a liability as non-current is the entity's right to defer settlement for at least 12 months after the reporting date. The amendments clarify the meaning of a right to defer settlement, the requirement of this right to exist at the reporting date and that management intend in relation to the option to defer the settlement does not affect current or non -current classification.

Additionally, in July 2020, IASB issued an amendment providing clarifications for the classification of debt with covenants and deferring the effective date of the January 2020 amendments of IAS 1 by one year.

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

IFRS 16 (Amendment) "Lease Liability in a Sale and Leaseback" (effective for annual periods on or after 01 January 2024)

The amendments are intended to clarify the requirements of accounting by a seller-lessee regarding measuring the lease liability arising in a sale and leaseback transactions. An entity applies the amendment retrospectively in cases of sale and leaseback transactions entered into after the date of the initial application of IFRS 16.

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

IAS 7 (Amendment) "Statement of Cash Flows" and IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 01/01/2024)

In May 2023, IASB issued the final amendments to IAS 7 and IFRS 7 which address the disclosure requirements to be provided by entities in relation to their supplier finance arrangements. The amendments have not yet been endorsed by the EU.

The Management is in the process of assessing whether the amendment has a significant impact in the Financial Statements of the Group and the Company.

IAS 21 (Amendment) "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". (effective for annual periods on or after 01 January 2025)

In August 2023, IASB published amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" which require companies to provide more useful information in their financial statements when a currency is not exchangeable to another currency. The amendments introduce a definition of the "exchangeability" of a currency and provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable. Also, additional disclosures are required in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability. The amendments have not yet been endorsed by the EU.

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

(Amounts in thousand Euro unless otherwise stated)

4. FINANCIAL RISK MANAGEMENT

4.1. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

	Group		Company	
Assets	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**
At amortized cost				
Financial assets	4.062	4.068	4.062	4.068
Finance lease receivables	5.895	4.700	6.790	4.395
Other non-current assets	27.410	9.388	26.893	9.380
Trade and other receivables	157.566	237.109	154.054	234.948
Cash and cash equivalents	245.713	198.617	184.972	183.158
Total	**440.645**	**453.882**	**376.771**	**435.948**
Liabilities				
At amortized cost				
Lease liabilities	5.050	1.505	4.099	1.395
Loans	1.191.169	972.545	794.379	775.903
Liabilities from concession agreement	-	-	622.833	472.899
Other non-current liabilities	33.185	31.235	15.286	12.834
Trade, accrued and other liabilities	298.740	274.739	224.445	189.747
Total	**1.528.145**	**1.280.024**	**1.661.042**	**1.452.779**

Differences in the fair value of financial instruments and book value

The book value of assets and liabilities, excluding loans, approximates their fair value, given that the majority of these involve short-term financial instruments.

The fair value of loans at a fixed interest rate for the Group and the Company is estimated at Euro 614,3 million and Euro 412,9 million respectively, taking into account current market interest rates.

Financial risk management

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

4.2. FINANCIAL RISKS

a) Market risk

Fair value risk

The Group and the Company are not exposed to changes in equity prices since they do not have such 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 in their liabilities. 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 level amounts to 42% (31/12/2022:

(Amounts in thousand Euro unless otherwise stated)

56%) and at Company level amounts to 38% (31/12/2022: 45%). The average interest rate on floating-rate loans for the Group is 5,43% and for the Company is 5,32%, while the average interest rate on fixed-rate loans for the Group is 3,01% and for the Company is 2,35%.

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 regional and global level, critical issues, such as the inflationary pressures stemming mainly from the energy crisis, the supply chain disruptions, as well as the geopolitical turbulence in Ukraine have as a result to affect the course of the global economy during 2023 and to lead central banks to increase interest rates during previous year. At this point ECB has remain stable the key interest rate and the Euribor is around 4% 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.

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, 2023, 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	
2023		**Group**	**Company**
Euro	100	(2.392)	(2.279)
Euro	(100)	2.392	2.279
2022			
Euro	100	(2.786)	(2.403)
Euro	(100)	2.786	2.403

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

Credit risk is the risk of a financial loss to the Group and the Company, if a counterparty fails to meet its contractual obligations.

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Group and the Company are exposed in respect of the relevant assets.

Group's cash and cash equivalents are mainly invested in highly rated counterparties and term deposits with a very short-term tenor.

Loans include loans to employees, which are collected either through the payroll or are netted-off with their retirement indemnities.

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. Concentration of risk is considered to exist for these receivables, due to the relatively small number of energy providers and the high volume of transactions with them, having however been ranked with goods credit rate from international credit rating agencies. Indicatively, the largest client of the Group is "PPC S.A", for which the credit rating is listed below:

(Amounts in thousand Euro unless otherwise stated)

PPC S.A.

Credit Agency	Rate	Publication of credit report
Standard and Poor's	BB-	29/3/2023
Fitch	BB-	8/3/2023
ICAP CRIF	BB	29/9/2022

* As posted on company's website "PPC S.A."

Apart from receivables of system use, the Group and the Company have mainly receivables from leases, constructions projects and fibers connections. The Group and the Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade and other receivables.

The following tables demonstrate the credit risk exposure for the Group and the Company for trade and other receivables, distinguished on performing and non-performing receivables:

	Group			
	31 December 2023		31 December 2022	
	Performing	Non-Performing	Performing	Non-Performing
Trade Receivables	68.783	24.082	109.192	24.530
Other Receivables	88.782	2.730	127.917	1.961
Total	**157.566**	**26.813**	**237.109**	**26.491**

	Company			
	31 December 2023		31 December 2022	
	Performing	Non-Performing	Performing	Non-Performing
Trade Receivables	68.783	24.082	109.131	24.530
Other Receivables	85.271	2.696	125.817	1.929
Total	**154.054**	**26.778**	**234.948**	**26.459**

For the non-performing balances, an equal provision for impairment has been formed and included in the total balances of debtors classified as doubtful, while the non-compliance reserve has been used for claims related to electricity market.

Receivables which have low risk of default and strong capacity to meet contractual cash flows are considered as performing. Non-performing receivables are those that have objective evidence of impairment at the reporting date and there is limited expectation of recovery.

For trade receivables arising from the Electricity Market (2023: Euro 9.734, 2022: Euro 35.700), the Company operates as an intermediate. Specifically, according to the provisions of Law. 4001/2011 and as mentioned in the Management Code of HETS, IPTO is the competent Operator 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.

(Amounts in thousand Euro unless otherwise stated)

d) Liquidity risk

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

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

Payable amounts as at 31/12/2023

Group	Within 1 year	1 to 5 years	>5 years	Total
Trade, accrued and other payables	298.740	-	-	298.740
Other non-current liabilities	-	32.135	1.050	33.185
Lease liabilities	1.501	3.094	1.113	5.708
Loans	128.289	567.677	799.675	1.495.641
Total	**428.530**	**602.906**	**801.838**	**1.833.274**

Company	Within 1 year	1 to 5 years	>5 years	Total
Trade, accrued and other payables	224.445	-	-	224.445
Liabilities from concession agreement	-	247.883	532.387	780.270
Other non-current liabilities	-	14.285	1.001	15.286
Lease liabilities	1.013	2.625	1.074	4.712
Loans	105.245	433.397	405.316	943.958
Total	**330.702**	**698.191**	**939.778**	**1.968.671**

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
Other non-current liabilities	-	27.759	3.476	31.235
Lease liabilities	306	516	1.165	1.986
Loans	76.477	572.040	516.231	1.164.748
Total	**351.521**	**600.315**	**520.872**	**1.472.708**

Company	Within 1 year	1 to 5 years	>5 years	Total
Trade, accrued and other payables	189.747	-	-	189.747
Liabilities from concession agreement	-	218.595	406.986	625.580
Other non-current liabilities	-	9.358	3.476	12.834
Lease liabilities	271	460	1.125	1.856
Loans	66.549	486.871	355.252	908.672
Total	**256.567**	**715.283**	**766.839**	**1.738.689**

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.

4.3. CAPITAL 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 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.

(Amounts in thousand Euro unless otherwise stated)

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 long-term and short-term borrowings as well as lease liabilities minus cash and cash equivalents. Total employed capital is calculated as the sum of equity, as it appears in the statement of financial position, with net debt.

The net debt ratio relative to equity is as follows:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Long- term loans and leases	1.104.098	928.515	718.268	731.866
Short- term part of long-term loans and leases	92.121	45.535	80.210	45.431
Minus: cash and cash equivalents	(245.713)	(198.617)	(184.972)	(183.158)
Net debt	**950.507**	**775.433**	**613.506**	**594.140**
Equity	**1.518.196**	**1.429.522**	**1.515.035**	**1.424.950**
Total capital employed	**2.468.703**	**2.204.954**	**2.128.541**	**2.019.091**
Net debt to equity ratio	**62,6%**	**54,2%**	**40,5%**	**41,7%**
Leverage ratio	**38,5%**	**35,2%**	**28,8%**	**29,4%**

The table below presents an analysis of the Group's net debt and its movement for the years 2023 and 2022.

	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 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)**
Net debt as at 1st January 2023	**198.617**	**(45.535)**	**(928.514)**	**(775.432)**
Increase in cash flows	47.096	-	-	47.096
Loan repayments and lease liabilities payments/(Receipt of loans)	-	136.319	(365.030)	(228.711)
Accrued interest payable	-	(1.452)	-	(1.452)
Non cash movements -amendment of loan’s terms	-	(559)	476	(83)
Non cash movements - loan issuance costs	-	1.013	716	1.729
Non-cash items - transfer to short-term loan and lease liabilities	-	(181.881)	181.881	-
Non cash movements - (Recognition) of financial leases	-	(27)	(4.068)	(4.095)
Other movements		-	10.441	10.441
Net debt as at 31st December 2023	**245.713**	**(92.121)**	**(1.104.098)**	**(950.506)**

(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 2023 and 2022.

	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 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 of financial leases	-	-	453	453
Net debt as at 31st December 2022	**183.158**	**(45.431)**	**(731.866)**	**(594.140)**
Net debt as at 1st January 2023	**183.158**	**(45.431)**	**(731.866)**	**(594.140)**
Increase in cash flows	1.815	-	-	1.815
Loan repayments and lease liabilities payments/(Receipt of loans)	-	136.341	(165.000)	(28.759)
Accrued interest payable	-	(78)	-	(78)
Non cash movements - amendment of loan's terms	-	(559)	476	(83)
Non cash movements - loan issuance costs	-	(205)	716	511
Non-cash items - transfer to short-term loan and lease liabilities	-	(170.177)	170.177	-
Non cash movements - (Recognition) of financial leases	-	-	(3.210)	(3.210)
Other movements	-	-	10.439	10.439
Net debt as at 31st December 2023	**184.972**	**(80.210)**	**(718.268)**	**(613.505)**

4.4. OTHER 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 to 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 methodology and/or to parameters for calculating system usage charges are likely to have a significant effect on the Company's revenues and the Company's 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, Waste and Water ensures that the necessary approvals for each transaction are in place.

Geopolitical and macroeconomic environment risk

The geopolitical environment also presents instability with the Russia-Ukraine war and the intensifying conflicts in the Middle East. Increasing geopolitical turmoil is causing more and more concern for markets and the economy. The energy crisis 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 led to a slower growth rate in 2023. However, the effective utilization of its resources long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and monetary policy tightening on the economy, leading to medium-term growth rates close to 3% in 2024 and 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.

In this context, in May 2023, the Company, in collaboration with the Managements of EDEY (Greek Hydrocarbon Management Company) and ELETAEN (Greek Scientific Association for Wind Energy), discussed the progress of the institutional framework for Offshore Wind Farms, as well as the technical issues related to the development of this new RES technology. The heads of the Managements of the three organizations, which play a central role in the implementation of the national planning for Offshore Wind Farms, discussed, beyond regulatory issues, significant technical parameters related to the necessary interconnection infrastructure, optimal utilization of available electrical space, and technological solutions offered for floating wind turbines, based on the characteristics of the greek seas. The three parties agreed that the rapid advancement of offshore wind power will significantly contribute to achieving national energy goals and confirmed that they will be in close and constructive cooperation in the coming period.

(Amounts in thousand Euro unless otherwise stated)

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. REVENUE

Revenue is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	**01/01/2022-31/12/2022***	**01/01/2023 - 31/12/2023**	**01/01/2022-31/12/2022***
Revenue from transmission system rent	367.434	271.959	368.656	273.196
Revenue from balancing market	15.563	11.943	15.563	11.943
Operator's credit from clearing charges	207.824	510.723	207.824	510.723
(Operator's debit from clearing charges)	(207.824)	(510.723)	(207.824)	(510.723)
Concession agreement expenses	-	-	(6.919)	(2.337)
Revenue from other operations				
Revenue from contracts	514	225	514	225
Revenue from services related to fixed assets	1.345	2.905	1.345	2.905
Revenue from technical and operational services	2.000	2.000	2.000	2.000
Costumers' contributions	2.591	3.269	2.591	3.269
Gain from de-recognition of tangible assets due to lease	2.441	2.252	1.158	895
Total revenue from other operations	**8.890**	**10.651**	**7.608**	**9.294**
Grand total	**391.887**	**294.554**	**384.908**	**292.096**

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

Total revenue in 2023 amounted to Euro 391,9 million approximately and Euro 384,9 million approximately for the Group and the Company respectively, compared to Euro 294,6 million and Euro 292,1 million in 2022 marking an increase of Euro 97,3 million and Euro 92,8 million respectively.

Revenue from transmission system rent, including revenue from the balancing market, stood at Euro 383 million approximately and at Euro 384,2 million versus Euro 283,9 million and Euro 285,1 million in 2022, marking an increase of Euro 99,1 million for the Group and the Company.

Revenue from transmission system rent during 2023 increased by Euro 95,5 million for both the Group and the Company and amounted to Euro 367,4 million and Euro 368,7 million versus Euro 272,0 million and Euro 273,2 million in 2022 respectively. The increase is mainly due to:

- increase in TUoS charges by Euro 61,4 million mainly due to the fact that the unitary TUoS charges were approved and incorporated into the invoicing of the charges by IPTO S.A. from September 1st, 2022,

- increase in interconnection rights by Euro 33,1 million. The interconnection rights are recognized following decisions of RAEWW. According to the no. 910/2022 RAEWW decision, the annual revenue from interconnection rights in 2023 amounts to Euro 68,4 million compared to Euro 35,3 million in 2022.

(Amounts in thousand Euro unless otherwise stated)

Revenue from balancing market is a revenue stream which started in 2022 and during 2023 amounted to Euro 15,6 million for the Group and the Company compared to Euro 11,9 million in prior year. 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.

The total revenue from other activities amounted to approximately Euro 8,9 million for the Group and Euro 7,6 million for the Company, recording a decrease of approximately Euro 1,7 million for both the Group and the Company compared to the previous year (2022: approximately Euro 10,6 million for the Group and approximately Euro 9,3 million for the Company).The decrease is mainly due to a) the decrease in revenue from maintenance services of fixed assets, since maintenance services for medium voltage substations is gradually transferred from 2022 to HEDNO S.A. as well as b) the decrease of revenue from customers' contributions, due to more completed connection contracts during prior year. This decrease was partly offset by the positive contribution of revenue from contracts.

The amount of Euro 2,4 million (2022: Euro 2,2 million) for the Group represents profit arising from the difference between the unamortized value of the asset, which was recognized in the context of the lease agreement for a portion of optical fibers, and the financing liability from its lease to customers.

The Company operates as an intermediary 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 Income Statement for informative purposes of the parties involved. The Company also operates as an intermediary for the settlement of those charges.

Operator's credit and debit from clearing charges are presented below:

	Group		Company	
Operator's credit from clearing charges	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Periodical network settlement	8.790	35.462	8.790	35.462
Transitory flexibility compensation mechanism	(129)	-	(129)	-
Imbalances for HETS Losses and Purchase of HETS Losses including imbalances	139.601	430.072	139.601	430.072
Intended energy exchanges	3.153	7.710	3.153	7.710
Unintended energy exchanges	19.693	37.480	19.693	37.480
Secondary automatic reserves	27.675	-	27.675	-
ITC losses	9.043	-	9.043	-
Total operator's credit from clearing charges	**207.824**	**510.723**	**207.824**	**510.723**

	Group		Company	
Operator's debit from clearing charges	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Periodical network settlement	(8.790)	(35.462)	(8.790)	(35.462)
Transitory flexibility compensation mechanism	129		129	
Purchase on DAM, Imbalances for HETS Losses and Purchase of HETS Losses including imbalances	(139.601)	(430.072)	(139.601)	(430.072)
Intended energy exchanges	(3.153)	(7.710)	(3.153)	(7.710)
Unintended energy exchanges	(19.693)	(37.480)	(19.693)	(37.480)
Secondary automatic reserves	(27.675)	-	(27.675)	-
ITC losses	(9.043)	-	(9.043)	-
Total operator's debit from clearing charges	**(207.824)**	**(510.723)**	**(207.824)**	**(510.723)**

(Amounts in thousand Euro unless otherwise stated)

Operator's credit – debit from clearing present a decrease in the current year by Euro 303 million approximately mainly due to the decrease in the price of the Day-Ahead Market (DAM Price) and of the Deviations (Imbalance Price), which affects the activity " Purchases on DAM, Imbalances for HETS Losses and Purchase of HETS Losses including imbalances".

6. PAYROLL COST

Payroll costs are presented in the following table :

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Salaries and wages	41.427	41.854	41.272	41.636
Employer's social contributions	8.997	8.903	8.968	8.858
Other employee benefits	3.613	3.611	3.586	3.571
Cost for reduced tariff to employees and pensioners	177	160	177	160
Net provision for reduced tariff to employees and pensioners	28	36	28	36
Provision for employee compensation	625	2.576	625	2.576
Total	**54.869**	**57.141**	**54.656**	**56.837**

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

The decrease in personnel expenses by Euro 2.272 for the Group and Euro 2.181 for the Company is mainly due to the voluntary retirement program implemented in 2022, resulting in the relevant severance payments burdening the previous fiscal year while simultaneously achieving a reduction in the wage cost for 2023.

Concerning fiscal year 2023, expenses related to payroll cost amounted to Euro 12.729 for the Group and to Euro 11.358 for the Company were capitalized, while concerning the comparable year expenses of Euro 14.069 for the Group and of Euro 12.621 for the Company were capitalized.

7. DEPRECIATION AND AMORTIZATION

The depreciation analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Fixed assets	122.611	115.353	122.253	115.208
Software	2.977	2.287	2.954	2.269
Subsidies	(13.410)	(13.003)	(13.410)	(13.003)
Right of use assets	580	310	484	289
Total	**112.757**	**104.948**	**112.282**	**104.762**

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

The increase in depreciation by Euro 7.809 for the Group and by Euro 7.520 for the Company is mainly due to the capitalization of projects, the majority of which were completed at the end of 2022, amounting to Euro 132 million, as a result of the implementation of the Group's investment program.

(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	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Repair and maintenance fees	5.209	4.202	5.073	4.201
Utilities	3.026	3.142	3.011	3.142
Other third party benefits	1.358	1.140	1.351	1.139
Total	**9.593**	**8.485**	**9.435**	**8.481**

The increase in repair and maintenance fees by Euro 1.007 for the Group and by Euro 872 for the Company, is mainly due to a) repairs at the Koumoundourou EHV S/S and due to b) costs of supervision of transmission lines that took place in 2023.

Concerning fiscal year 2023, expenses related to third party benefits amounted to Euro 3.223 for the Group and the Company were capitalized, while concerning the comparable year expenses of Euro 2.025 for the Group and of Euro 2.024 for the Company were capitalized.

8.2 THIRD PARTY FEES

Third party fees analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Fees for consulting services	18.698	15.681	17.830	15.050
Buildings security and cleaning services	3.575	2.026	3.575	2.026
Other third party fees	7.600	6.167	6.683	5.515
Software licenses	2.324	1.182	2.324	1.182
Total	**32.197**	**25.056**	**30.412**	**23.772**

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

The increase in fees for consulting services by Euro 3 million approximately for the Group and by Euro 2,8 million approximately for the Company, is mainly due to the increase of employees with project contracts required for covering extended operational needs of the Group, considering also the departure of regular staff through voluntary programs

The increase in other third party fees by Euro 1,4 million for the Group and by Euro 1,1 million approximately for the Company is mainly due to a) costs of supervision of transmission lines and b) in additional monitoring and management services for security.

In 2023, there is an increase in software licenses by Euro 1,1 million for the Group and the Company compared to prior year, which is mainly due to SAP software licenses.

Concerning fiscal year 2023, expenses related to third party fees amounted to Euro 12.496 for the Group and to Euro 10.447 for the Company were capitalized, while concerning the comparable year expenses of Euro 10.224 for the Group and of Euro 8.876 for the Company were capitalized.

(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	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Provision/(Release) for litigations (Note 28)	1.498	(6.596)	1.498	(6.596)
Provision for impairment of assets	6	8	6	8
Provision/(Release) for obsolescence of materials (Note 19)	195	(506)	195	(506)
Provision/(Release) for impairment of trade and other receivables	298	5	276	(15)
Total	**1.996**	**(7.090)**	**1.974**	**(7.109)**

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

During 2023, the Company formed provisions for litigation amounting to Euro 1.729, while provision for litigation amounting to approximately Euro 231 were released, due to third party claims against the Company being rejected and for which a relevant provision had been formed. Respectively, for the year 2022, provisions for litigation amounting to Euro 1.432 approximately were formed, while provisions for litigation amounting approximately to Euro 8.028 were released.

The Company formed a provision for obsolescent materials and spare parts of Euro 195, while in 2022 release a provision for obsolescent materials and spare parts of Euro 506.

10. OTHER EXPENSES/INCOME

10.1 OTHER EXRENSES

Other expenses analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Travel expenses	4.847	4.002	4.820	3.977
Consumables	1.784	1.831	1.774	1.820
Promotion costs	1.561	1.284	1.524	1.247
Donations, subscriptions and compensatory duties	7.239	2.790	2.617	2.642
Loss from PPE disposal	295	902	295	902
Material suitability assessment	-	1.385	-	1.385
Expenses for backup services	-	3.657	-	3.657
Other	2.518	2.902	2.456	2.845
Total	**18.243**	**18.752**	**13.487**	**18.475**

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

Donations, subscriptions and compensatory duties increased by Euro 4,4 million for the Group which is mainly due to its corporate social responsibility program, as the Group has committed to implement a wide range of public benefit projects, concerning the electric interconnection project between Crete-Attica, with purpose of meeting the needs of the local community. The Group seeks the continuous support and strengthening of local communities, especially in the areas where it operates.

Expenses for backup services of amount Euro 3.657 for the Group and the Company during prior year concern the coverage of emergency needs to the island of Zakynthos. Specifically, the expense concerns the supply, installation and operation of power generating pairs. In 2023, there was no corresponding expense for the Group and the Company.

Concerning fiscal year 2023, costs related to other expenses amounted to Euro 7.773 for the Group and to Euro 7.666 for the Company were capitalized, while concerning the comparable year expenses of Euro 7.012 for the Group and of Euro 6.946 for the Company were capitalized.

(Amounts in thousand Euro unless otherwise stated)

10.2 OTHER INCOME

Other income analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022*	01/01/2023-31/12/2023	01/01/2022-31/12/2022*
Other income from rent	175	176	205	203
Revenue from recovery of administrative expenses	940	1.072	940	1.072
Revenue from related parties	33	26	415	296
Revenue from optical fiber maintenance	238	199	125	103
Gain from inventory sale	1.452	1.587	1.452	1.587
Grants for research projects and other subsidies	387	314	387	314
Other income	3.364	2.192	2.724	2.112
Gain from revaluation of fixed assets	2.018	-	2.018	-
Total	**8.606**	**5.565**	**8.267**	**5.687**

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

The amount of Euro 1.452 for the Group and the Company refers to the sale of materials and spare parts.

For gains from the revaluation of fixed assets there is a reference to Note 13.

11. FINANCIAL EXPENSES-INCOME

11.1 FINANCIAL EXPENSES

Financial expenses analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Interest expense and loan guarantee commission	19.723	15.433	19.721	15.420
Interest on finance lease	71	50	68	46
Expense from overdue interest	3	300	3	300
Actuarial finance cost	338	94	338	94
(Income) due to measurement of long-term receivable at present value	(77)	(179)	(77)	(179)
Other financial expenses	72	136	52	124
Total	**20.130**	**15.835**	**20.105**	**15.806**

The increase in interest expense and loan guarantee commission by Euro 4.290 for the Group and by Euro 4.301 for the Company is mainly because of the rise in Euribor floating interest rates.

The capitalization of the interest expense during construction period for the Group and the Company during 2023 amounted to Euro 25.219 (2022: Euro 7.399) and Euro 9.168 (2022: Euro 4.595) respectively.

(Amounts in thousand Euro unless otherwise stated)

11.2 FINANCIAL INCOME

Financial income analysis is presented in the following table:

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Interest on deposits	3.584	1.405	3.435	1.405
Finance lease interest	402	340	434	293
Other interest	1.555	507	1.431	379
Income from overdue interest	1.276	908	1.270	908
Income from corporate guarantee	-	-	2.352	1.318
Dividends income	-	-	110	100
Total	**6.817**	**3.160**	**9.031**	**4.403**

The increase in interest on deposits by Euro 2.179 for the Group and by Euro 2.030 for the Company is mainly due to:

- the increase of deposits held at the Bank of Greece and the increase in the yield rate compared to prior period,
- the interest on time deposits relating to 2023. During prior fiscal year, there was no corresponding income for the Group.

The income from overdue interest of Euro 1.276 and Euro 1.270 for the Group and the Company respectively resulted mainly from court decisions in favor of the Company relating to old overdue receivables. In the previous fiscal year, the corresponding income for the Group and the Company amounted to Euro 908, resulting from the settlement of old overdue receivables owed to the Company.

The income from a corporate guarantee amounted to Euro 2.352 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 24/6/2021. The increase by Euro 1.034 compared to the corresponding fiscal year is due to the disbursements occurred by "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." during the 2nd semester of 2022.

12. INCOME TAX (CURRENT AND DEFERRED)

According to Law 4799/2021 - Government Gazette 78/A/18-5-2021 the income tax was calculated with 22% tax rate for the fiscal year 2023 and 2022.

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

	Group		Company	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Current tax	36.118	18.465	36.067	18.453
Deferred tax	(821)	175	(232)	169
Total income tax	**35.297**	**18.640**	**35.835**	**18.621**

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 2022 and the Company has been audited by the tax authorities for the periods up to 2010.

Respectively, the subsidiary “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for fiscal years 2018 to 2022, while the subsidiary “GRID

(Amounts in thousand Euro unless otherwise stated)

TELECOM S.M.S.A.” has received an unqualified tax certificate from its statutory auditor regarding its tax obligations for 2019 to 2022.

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, 2023, the years up to 2017 are considered statute-barred.

For the fiscal year 2023, the Group's companies have been subject to the optional tax audit of the Statutory Auditors. The audit for the issuance of Tax Certificate for the year 2023 is in progress and expected to be completed after the approval 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	
	01/01/2023-31/12/2023	01/01/2022-31/12/2022	01/01/2023-31/12/2023	01/01/2022 31/12/2022
Profit before tax	**151.858**	**76.845**	**153.745**	**77.538**
Nominal tax rate	22%	22%	22%	22%
Tax calculated at nominal tax rate	**33.409**	**16.906**	**33.824**	**17.058**
Non-deductible expenses	2.027	1.677	2.011	1.563
Tax losses for which no deferred tax asset has been recognised	(197)	-	-	-
Other differences	58	57	-	-
Income tax	**35.297**	**18.640**	**35.835**	**18.621**
Effective tax rate	**23,2%**	**24,3%**	**23,3%**	**24,0%**

Deferred tax assets and liabilities are further analyzed as follows:

	Group		Company	
Deferred tax liabilities	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Tangible assets	222.328	220.111	222.302	220.091
Right of use asset	898	302	894	296
Other non-current liabilities	4.537	4.710	4.537	4.710
Borrowings	462	481	462	481
Deferred tax liabilities	**228.225**	**225.605**	**228.195**	**225.578**

(Amounts in thousand Euro unless otherwise stated)

Deferred tax assets	Group 31/12/2023	Group 31/12/2022	Company 31/12/2023	Company 31/12/2022
Intangible assets	37	(30)	37	(31)
Financial assets at amortized cost	(15)	(14)	(15)	(14)
Other long-term receivables	(5)	(39)	(5)	(39)
Inventories	(1.762)	(3.876)	(1.762)	(3.876)
Trade and other receivables	(2.247)	(2.579)	(2.224)	(2.560)
Subsidies	(33.787)	(30.252)	(33.787)	(30.252)
Provisions for employee benefits	(2.561)	(2.399)	(2.561)	(2.399)
Other provisions	(2.213)	(2.176)	(2.213)	(2.176)
Trade and other payables	(280)	(29)	(280)	(29)
Lease liabilities	(909)	(314)	(902)	(307)
Accrued and other liabilities	(1.729)	(1.363)	(1.720)	(1.363)
Tax losses	(578)	-	-	-
Deferred tax assets	**(46.052)**	**(43.071)**	**(45.434)**	**(43.045)**
Net deferred tax liabilities	**182.173**	**182.534**	**182.762**	**182.533**

The net deferred tax liability movement is listed below:

	Group 31/12/2023	Group 31/12/2022	Company 31/12/2023	Company 31/12/2022
Opening balance	**182.533**	**182.202**	**182.533**	**182.208**
Charged to income statement	(821)	175	(232)	169
Effect on other comprehensive income	461	157	461	157
Closing balance	**182.173**	**182.533**	**182.761**	**182.533**

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

	Group 01/01/2023-31/12/2023	Group 01/01/2022-31/12/2022	Company 01/01/2023-31/12/2023	Company 01/01/2022-31/12/2022
Tangible assets	1.599	2.208	1.593	2.201
Intangible assets	67	5	68	5
Right of use asset	595	(153)	597	(158)
Financial assets at amortized cost	(1)	13	(1)	(2)
Other long-term receivables	34	893	34	893
Inventories	2.113	349	2.113	349
Trade and other receivables	332	(1.220)	337	(1.202)
Subsidies	(3.535)	(3.532)	(3.535)	(3.532)
Provisions for employee benefits	(5)	(90)	(5)	(90)
Other provisions	(37)	1.356	(37)	1.356
Other non-current liabilities	(173)	(115)	(173)	(115)
Trade and other payables	(251)	157	(251)	157
Borrowings	(18)	(15)	(18)	(15)
Lease liabilities	(595)	159	(595)	159
Accrued and other liabilities	(366)	161	(358)	162
Tax losses	(578)	-	-	-
Total	**(821)**	**175**	**(232)**	**169**

(Amounts in thousand Euro unless otherwise stated)

13. TANGIBLE ASSETS

The movements of tangible assets for the Group and the Company during the year 2023 and 2022 are presented in the following tables:

	Group						
	Land	**Buildings - Technical Works**	**Machinery & equipment**	**Transportation**	**Fixtures and Furniture**	**Construction in Progress**	**Total**
Carrying amount 01/01/2022*	**208.497**	**107.074**	**1.859.912**	**3.929**	**12.584**	**604.346**	**2.796.341**
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)
Transfers - Cost	16	1.561	(1.203)	-	249	-	624
Transfers - Acc. Depreciation	-	(111)	1250	-	(28)	-	1.111
Write offs of assets under constructions	-	-	-	-	-	(82)	(82)
Other movements	-	-	(18)	-	(4)	-	(22)
Carrying amount 31/12/2022	**214.464**	**111.830**	**1.868.437**	**3.789**	**12.458**	**821.083**	**3.032.061**
Carrying amount 01/01/2023	**214.464**	**111.830**	**1.868.437**	**3.789**	**12.458**	**821.083**	**3.032.061**
Additions	296	927	23.747	951	2.106	644.004	672.032
Depreciation	-	(5.080)	(113.488)	(593)	(3.449)	-	(122.610)
Disposals/Write-offs - Cost	-	-	(1.120)	-	(9)	-	(1.129)
Disposals/Write-offs - Acc. Depreciation	-	-	188	-	6	-	194
Derecognition of leased fiber optics - Cost	-	-	(514)	-	-	-	(514)
Derecognition of leased fiber optics - Acc.Depreciation	-	-	53	-	-	-	53
Gains from revaluation	272	4.555	-	-	-	-	4.827
Transfers from construction in progress	-	4.270	132.932	-	263	(141.329)	(3.864)
Write offs of assets under constructions	-	-	-	-	-	(480)	(480)
Transfers - Cost	58	58	(9.551)	-	42	1.976	(7.418)
Transfers – Acc. Depreciation	-	-	339	-	(4)	-	335
Carrying amount 31/12/2023	**215.090**	**116.560**	**1.901.022**	**4.148**	**11.413**	**1.325.254**	**3.573.487**
Cost	214.464	125.756	2.179.035	5.636	21.213	821.083	3.367.187
Acc. Depreciation	-	(13.926)	(310.599)	(1.847)	(8.755)	-	(335.126)
Net book value 31/12/2022	**214.464**	**111.830**	**1.868.437**	**3.789**	**12.458**	**821.083**	**3.032.061**
Cost	215.090	135.566	2.324.528	6.587	23.615	1.325.254	4.030.641
Acc. Depreciation	-	(19.006)	(423.506)	(2.440)	(12.202)	-	(457.154)
Net book value 31/12/2023	**215.090**	**116.550**	**1.901.022**	**4.148**	**11.413**	**1.325.254**	**3.573.487**

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

(Amounts in thousand Euro unless otherwise stated)

	Company						
	Land	Buildings - Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	Total
Carrying amount 01/01/2022*	**208.497**	**106.940**	**1.859.418**	**3.929**	**12.570**	**602.756**	**2.794.109**
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)
Transfers - Cost	16	1.561	(1.200)	-	246	-	624
Transfers - Acc. Depreciation	-	(111)	1.247	-	(25)	-	1.111
Write offs of assets under constructions	-	-	-	-	-	(82)	(82)
Other movements	-	-	(25)	-	-	-	(25)
Carrying amount 31/12/2022	**214.464**	**111.697**	**1.865.549**	**3.789**	**12.438**	**817.749**	**3.025.686**
Carrying amount 01/01/2023	**214.464**	**111.697**	**1.865.549**	**3.789**	**12.438**	**817.749**	**3.025.686**
Additions	296	927	23.568	951	2.086	638.818	666.647
Depreciation	-	(5.073)	(113.151)	(593)	(3.436)	-	(122.253)
Disposals/Write-offs - Cost	-	-	(1.104)	-	(9)	-	(1.113)
Disposals/Write-offs - Acc. Depreciation	-	-	188	-	6	-	194
Derecognition of leased fiber optics - Cost	-	-	(1.870)	-	-	-	(1.870)
Derecognition of leased fiber optics - Acc. Depreciation	-	-	189	-	-	-	189
Gains from revaluation	272	4.555					4.827
Transfers from construction in progress	-	4.270	131.250	-	263	(139.647)	(3.864)
Write offs of assets under constructions	-	-		-	-	(480)	(480)
Transfers - Cost	58	58	(9.518)	-	9	1.976	(7.418)
Transfers - Acc. Depreciation	-	-	335	-	-	-	335
Carrying amount 31/12/2023	**215.090**	**116.434**	**1.895.436**	**4.148**	**11.356**	**1.318.416**	**3.560.880**
Cost	214.464	125.615	2.175.966	5.636	21.167	817.749	3.360.597
Acc. Depreciation	-	(13.918)	(310.417)	(1.847)	(8.729)	-	(334.911)
Net book value 31/12/2022	**214.464**	**111.697**	**1.865.549**	**3.789**	**12.438**	**817.749**	**3.025.686**
Cost	215.090	135.425	2.318.293	6.587	23.516	1.318.416	4.017.327
Acc. Depreciation	-	(18.991)	(422.857)	(2.440)	(12.159)	-	(456.447)
Net book value 31/12/2023	**215.090**	**116.434**	**1.895.436**	**4.148**	**11.356**	**1.318.416**	**3.560.880**

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

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

Additions of constructions in progress

The total investments for the Group amounted to Euro 644 million (2022: Euro 335,9 million). Respectively, for the Company total investments amounted to Euro 638,9 million (2022: Euro 332,5 million).

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

- Amount of Euro 242.394 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 149.250 concerns interconnection works carried out for Cyclades
- Amount of Euro 110.801 concerns interconnection works carried out for Greece – Cyprus - Israel
- Amount of Euro 29.116 concerns works upgrading circuits in the Ionian Islands
- Amount of Euro 10.885 concerns interconnection works carried out for Greece – Bulgaria

Additionally, the additions for construction in progress for the year include assets related to the subsidiary "GREAT SEA INTERCONNECTOR S.M.S.A.".

In October 2023, EuroAsia Interconnector Limited and IPTO announced the agreement to appoint IPTO as the Project Promoter of the electricity interconnection project between Greece, Cyprus, and Israel.

Based on this agreement, IPTO purchased a series of assets primarily related to contracts with contractors for the project, project license documents, funding approval documents from relevant authorities, and studies related to the project implementation.

IPTO estimates that there will be significant future financial benefits from the acquisition of the aforementioned assets, as they constitute a crucial step towards the construction of this significant project.

Fiber optics derecognition

The Group derecognized fiber optics from the Machinery and equipment with a net book value of Euro 461 in the context of its lease agreements with third parties and recognized a gain of Euro 2.441 (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.

(Amounts in thousand Euro unless otherwise stated)

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

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 (every 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. The last valuation of the total tangible fixed assets was made by independent appraisers with reference date on 31/12/2019, that resulted to total tangible assets revaluation amounting to Euro 291.615.

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.

On December 31st, 2023, the Management of the Group estimated, taking into account the changes in the economic environment as well as the evolution of the key assumptions that used in the latest revaluation of fixed assets, that changes in the fair values of tangible fixed assets, except for individual properties housing administrative services, is not significant in relation to the accounting value of the properties.

The surplus from the revaluation of the above properties amounted to Euro 4.827 for the Company, of which Euro 2.809 (Euro 2.191 net of deferred taxes) was directly credited to equity and Euro 2.018 was credited to the income statement, as it reversed a loss from previous revaluations that had impacted the results.

14. INTANGIBLE ASSETS

The total amount of intangible assets of the Group and the Company relates to software.

Intangible assets for the Group and the Company are analysed as follows:

	Group	Company
Carrying amount 01/01/2022	**5.903**	**5.844**
Additions	2.876	2.846
Amortisation	(2.287)	(2.269)
Disposals/Write-offs - Cost	(7)	(7)
Disposals/Write-offs - Acc. Amortisation	7	7
Transfers from tangible assets - Cost	155	155
Transfers from tangible assets – Acc. depreciation	47	47
Carrying amount 31/12/2022	**6.693**	**6.623**

(Amounts in thousand Euro unless otherwise stated)

Carrying amount 01/01/2023	**6.693**	**6.623**
Additions	504	504
Amortisation	(2.977)	(2.954)
Disposals/Write-offs - Acc. Amortisation	(9)	(9)
Disposals/Write-offs - Acc. Amortisation	9	9
Transfers from constructions in progress	3.864	3.864
Transfers from tangible assets - Cost	23	23
Carrying amount 31/12/2023	**8.108**	**8.060**

	Group	Company
Cost	19.179	19.064
Acc. Amortisation	(12.486)	(12.441)
Net book value 31/12/2022	**6.693**	**6.623**
Cost	23.562	23.447
Acc. Amortisation	(15.454)	(15.387)
Net book value 31/12/2023	**8.108**	**8.060**

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 01/01/2022	**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**
Balance as at 01/01/2023	**997**	**1.160**	**1.066**	**3.222**	**899**	**1.105**	**59**	**2.063**
Additions and write-offs	2.443	1	1.804	5	2.359	800	-	3.159
Amendments	25	16	-	41	25	15	-	40
Balance as at 31/12/2023	**3.465**	**2.000**	**2.869**	**8.335**	**3.282**	**1.920**	**59**	**5.262**
Depreciation								
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)**
Balance as at 01/01/2023	**(574)**	**(156)**	**(67)**	**(797)**	**(542)**	**(144)**	**(31)**	**(717)**
Depreciation and write-offs	(382)	(120)	(87)	(589)	(346)	(108)	(28)	(482)
Balance as at 31/12/2023	**(955)**	**(276)**	**(154)**	**(1.386)**	**(888)**	**(253)**	**(59)**	**(1.200)**
Net book value as at 31/12/2022	**423**	**1.004**	**999**	**2.425**	**357**	**961**	**28**	**1.346**
Net book value as at 31/12/2023	**2.510**	**1.724**	**2.715**	**6.949**	**2.394**	**1.667**	**-**	**4.062**

(Amounts in thousand Euro unless otherwise stated)

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

Long-term and short-term lease liabilities amount to Euro 5.050 (2022: Euro 1.505) for the Group and Euro 4.099 (2022: Euro 1.395) for the Company. Interest on finance leases (Notes 11.1) amounts to Euro 71 (2022: Euro 50) for the Group and Euro 68 (2022: Euro 46) for the Company. Capital payments of financial leases amount to Euro 623 (2022: Euro 302) for the Group and Euro 574 (2022: Euro 272) for the Company.

16. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are presented in the following table:

Subsidiary	Location	% participation	Operation	Consolidation method	31/12/2023	31/12/2022
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	15.038	5.300
GREAT SEA INTERCONNECTOR S.M.S.A.	Athens	100	Construction of utility projects of electricity energy and telecommunications	Full	-	-
Total					**215.038**	**205.300**

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

	Company	
	31/12/2023	31/12/2022
At the beginning of the year	**205.300**	**201.800**
Additions	9.738	3.500
At the end of the year	**215.038**	**205.300**

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 for capital expenditure. The share capital increase was carried out by issuing 97.383 new common registered voting shares, with a nominal value of Euro one hundred (Euro 100) each. On May 16th, 2023, the payment of Euro 9,7 million to the subsidiary was certified.

The Company holds 100% of "GREAT SEA INTERCONNECTOR S.M.S.A.". According to the subsidiary's articles of association, the initial share capital was set at Euro 25 through the issuance of twenty-five thousand common shares, each with a nominal value of one euro (Euro 1) per share. The above-mentioned share capital of the subsidiary amount of Euro 25 was fully paid in 2024.

(Amounts in thousand Euro unless otherwise stated)

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures 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	20,00	Energy market Administrator	Equity
SELENE CC S.A.	Thessaloniki	33,33	Regional Security Coordinator	Equity
TERNA FIBER S.A.	Athens	49,90	Telecommunication Network Management	Equity

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

	HELLENIC ENERGY EXCHANGE S.A.	SELENE CC S.A.	TERNA FIBER S.A.	Total
	20%	25%/33,33%	49,9%	
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**
Balance as at 01/01/2023	**1.913**	**81**	**-**	**1.994**
Increase in share capital	-	2.003	50	2.053
Acquisition of additional % of participation	-	18	-	18
Profit from the acquisition of additional % of participation	-	9	-	9
Profit/(Loss) for the fiscal year	414	72	(26)	460
Other comprehensive income for the fiscal year	(2)	-	-	(2)
Dividends received	(110)	-	-	(110)
Balance as at 31/12/2023	**2.215**	**2.184**	**24**	**4.423**

Changes in the book value of investments in associates and joint ventures of the Company are presented below:

	HELLENIC ENERGY EXCHANGE S.A.	SELENE CC S.A.	Total
	20%	25%/33,33%	
Balance as at 01/01/2022	**1.000**	**50**	**1.050**
Balance as at 31/12/2022	**1.000**	**50**	**1.050**
Balance as at 01/01/2023	**1.000**	**50**	**1.050**
Increase in share capital	-	2.003	2.003
Acquisition of additional % of participation	-	18	18
Balance as at 31/12/2023	**1.000**	**2.071**	**3.071**

(Amounts in thousand Euro unless otherwise stated)

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

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

Total Accounts (amounts in Euro)

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.		TERNA FIBER S.A
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023
Total assets	428.751.526	607.849.919	7.821.659	1.539.074	2.368.068
Total liabilities	417.675.214	598.283.304	1.270.262	1.213.328	2.320.305
Revenue	10.296.979	8.915.010	3.850.000	3.036.600	-
Profit/ (Loss) of fiscal year	2.069.401	1.727.335	215.772	83.494	(52.237)
Other comprehensive (loss)/income after tax	(9.703)	32.839	(121)	(1.011)	-

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

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.		TERNA FIBER S.A.
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023
Non-current assets	845.468	1.133.336	886.547	564.564	2.092.624
Current assets	427.906.058	606.716.583	6.935.111	974.510	275.444
Total assets	**428.751.526**	**607.849.919**	**7.821.659**	**1.539.074**	**2.368.068**
Long-term liabilities	634.932	584.124	6.461	3.981	-
Short-term liabilities	417.040.281	597.699.180	1.263.801	1.209.347	2.320.305
Total liabilities	**417.675.214**	**598.283.304**	**1.270.262**	**1.213.328**	**2.320.305**
Equity	**11.076.312**	**9.566.615**	**6.551.397**	**325.746**	**47.763**
Group participation in associates' and joint ventures' equity	**2.215.262**	**1.913.323**	**2.183.777**	**81.437**	**23.834**

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

	HELLENIC ENERGY EXCHANGE S.A.		SELENE CC S.A.		TERNA FIBER S.A.
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023
Revenue	10.296.979	8.915.010	3.850.000	3.036.600	-
Profit/(Loss) of fiscal year	**2.069.401**	**1.727.335**	**215.772**	**83.494**	**(52.237)**
Other comprehensive (loss)/income (after tax)	(9.703)	32.839	(121)	(1.011)	-
Total comprehensive income/(loss) of fiscal year	**2.059.698**	**1.760.174**	**215.650**	**82.482**	**(52.237)**
Dividends paid	(550.000)	(500.000)	-	-	-
Retained Earnings	**1.509.698**	**1.260.174**	**215.650**	**82.482**	**(52.237)**
Income from acquisition of additional % of participation			9.249		
Group participation in profit after tax	**301.940**	**231.024**	**81.132**	**20.621**	**(26.066)**

The Investments in associates and joint ventures, amount of Euro 4.423 (31/12/2022: Euro 1.994), 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."), b) the 33,33% holding of the Company in the share capital of the company "South East Electric Network

Coordination Center" ("SELENE CC S.A.") and c) the 49,9% holding of the subsidiary company "GRID TELECOM S.M.S.A." in the share capital of the joint venture "TERNA FIBER S.A.".

Hellenic Energy Exchange 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 Energy Exchange, through its subsidiary named 'Energy Exchange Clearing Company S.A.,' operating under the trade name 'EnExClear,' entered into an agreement with the Company for the provision of clearing operations for balancing transactions, effective from November 1, 2020.

SELENE CC S.A.

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

In this context, on May 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.".

TERNA FIBER S.A.

"GRID TELECOM S.M.S.A." in cooperation with the anonymous company "TERNA ENERGY S.A.", established a Union of Companies under the company name "TERNA ENERGY ASSOCIATION OF COMPANIES Commercial Industrial & Technical S.A.-GRID TELECOM S.A.", which after its successful participation in the relevant tender, has been chosen as temporary contractor for the execution of the project "Ultra Broadband Infrastructure - ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6. For the partnership agreement signing with the Greek State, the members of the Union established an anonymous company, which will sign and implement the agreement. On 10/2/2023, the above companies signed a Shareholders Agreement to regulate their relations. In order to fulfill the competitive process and after a decision of the Board of Directors, the members of the Association of Companies established on 17/5/2023 an anonymous company with the name "TERNA FIBER SPECIAL PURPOSE COMPANY" and the distinguishing title "TERNA FIBER S.A." with headquarters in the Municipality of Athens, in which the founders participate as follows: "TERNA ENERGY S.A." with a percentage of 50,1% and "GRID TELECOM S.M.S.A." with a percentage of 49,9%. The initial share capital of the company amounted to Euro one hundred thousand (100.000) divided into one hundred thousand registered voting shares, with a nominal value of Euro one (1) each and paid in cash by the Founding Members of the Union.

(Amounts in thousand Euro unless otherwise stated)

The sole and exclusive purpose of the incorporated company is:

(a) the execution of the Partnership Agreement that will be signed between the Greek State through the Minister of Digital Governance, the company, and the founders – original shareholders of the company as third parties, for the execution of the project “Ultra Broadband Infrastructure – ULTRA FAST BROADBAND through PPP" for Geographical Zones 2, 4, 5 and 6, as they are mentioned in the Invitation for Expression of Interest and in the Issue of Invitation to Submit Binding Offers, the fulfillment of the obligations and the exercise of the company's rights arising from it.

(b) the conclusion of the Partnership Agreement, its Appendixes, and other Contractual Documents in accordance with the provisions of Law 3389/2005 and the Invitation to Submit Binding Offers regarding the PPP Project the conclusion of any contract imposed, provided for, or permitted by the Agreement Partnership or Law 3389/2005, as applicable each time, as well as the fulfillment of all kinds of obligations of the company from the above contracts.

(c) The exercise and performance of any type of commercial transactions directly or indirectly related to the PPP Project, the Partnership Agreement, and the Contractual Documents, as well as any type of legal acts, actions and acts of implementation that are related to the nature and operation of the company.

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening Balance	**4.000**	**4.000**	**4.000**	**4.000**
Less: impairment loss	(62)	(55)	(62)	(55)
Balance at the beginning after impairment	**3.938**	**3.945**	**3.938**	**3.945**
Accrued income from coupons	130	130	130	130
Impairment loss release (additional provision)	(6)	(8)	(6)	(8)
Balance at the end after impairment	**4.062**	**4.068**	**4.062**	**4.068**

The Company, on 2018, 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 2023 the Company’s impairment loss of the aforementioned Bond amounts to Euro 35 (31/12/2022: Euro 36).

The Company also on 2018, 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, 2023 the Company’s impairment loss of the aforementioned Bond amounts to Euro 33 (31/12/2022: Euro 26).

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

Moreover, during 2020 - 2023, 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:

(Amounts in thousand Euro unless otherwise stated)

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Long-term portion of finance lease receivables	3.661	3.621	6.550	4.200
Short-term portion of finance lease receivables	2.307	1.133	240	195
Total	**5.968**	**4.754**	**6.790**	**4.395**
Provisions against expected credit losses	(73)	(54)	-	-
Total	**5.895**	**4.700**	**6.790**	**4.395**

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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
1 to 2 years	178	307	279	211
2 to 5 years	1.335	850	1.008	748
>5 years	2.148	2.465	5.263	3.241
Total	**3.661**	**3.621**	**6.550**	**4.200**

Other long term receivables

Other long-term receivables are analyzed as follows:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Long term prepaid expenses from users' connection projects	11.471	8.920	11.471	8.920
Long term prepaid expenses	770	402	268	402
Other long term receivables	83	66	68	58
Other long term receivables from Enex Clear	15.087	-	15.087	-
Total	**27.410**	**9.388**	**26.893**	**9.380**

Other long-term receivables include mainly deferred expenses from "Extension or Connection Projects" amounting to Euro 11.471 (2022: Euro 8.920). "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.

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 and 2023 amount of Euro 11.472, Euro 1.691 and Euro 2.662 respectively.

IPTO must maintain a reserve regarding the management of financial risk that may arise from the commencement of the coupled operation of the Day-Ahead Electricity Market through the Cross-Border Intraday Market (XBID). The reserve is equal to 20% of the Non-Compliance Charges Account and may be used to cover the aforementioned risk (RAEWW decision 860/2022).

(Amounts in thousand Euro unless otherwise stated)

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

The duration of the Agreement is in force for three (3) years from the date of the Operational Commencement of the Balancing Market. 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 15.108. The difference between payments and the balance of the receivable is due to interest, which reduces the balance of the receivable.

19. INVENTORIES

The inventories analysis is presented in the table below:

	Group		Company	
	31/12/2023	31/12/2022*	31/12/2023	31/12/2022*
Materials, spare parts and consumables	34.346	29.411	34.346	29.411
Inventories purchases under settlement	2.812	1.106	2.812	1.106
Provision for impairment of materials and spare parts	(7.775)	(7.581)	(7.775)	(7.581)
Total	**29.383**	**22.936**	**29.383**	**22.936**

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

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

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening balance	7.581	8.086	7.581	8.086
Additional provision/ (Release) (Note 9)	195	(506)	195	(506)
Closing balance	**7.775**	**7.581**	**7.775**	**7.581**

The Company formed a provision for obsolescence of materials and spare parts of Euro 195, while in 2022 released a provision for obsolescence of materials and spare parts of 506.

Inventories are held free of encumbrances.

20. TRADE RECEIVABLES

Trade receivables analysis is presented in the table below:

	Group		Company	
	31/12/2023	31/12/2022*	31/12/2023	31/12/2022*
Receivables and accrued trade receivables from transmission system rent and balancing market	25.497	39.954	25.497	39.954
Receivables from "Electricity Market" transactions	9.734	35.700	9.734	35.700
Receivables from contract works and connection projects	2.403	5.433	2.403	5.372
Accrued trade receivables	29.991	27.314	29.991	27.314
Receivables from contracts	1.158	791	1.158	791
Total receivables from customers without delay and impairment	**68.783**	**109.192**	**68.783**	**109.131**
Total receivables from customers with delay and impairment	24.082	24.530	24.082	24.530
Less: utilisation of non-compliance charges reserve	(14.933)	(14.933)	(14.933)	(14.933)
Less: provision for impairment of receivables	(9.149)	(9.597)	(9.149)	(9.597)
Total	**68.783**	**109.192**	**68.783**	**109.131**

(Amounts in thousand Euro unless otherwise stated)

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

Receivables from "Electricity Market" transactions, decreased due to a reduction in receivable from energy customers, from the activity "Purchases on DAM, Imbalances for HETS Losses and Purchases of HETS Losses including imbalances".

The activity " Purchases on DAM, Imbalances for HETS Losses and Purchases of HETS Losses including imbalances" is decreased mainly due to the decrease in the price of the Day-Ahead Market (DAM Price) and of the Deviations (Imbalance Price).

Accrued trade receivables concern mostly the balancing of Pass Through (debits and credits of energy operator clearances) transactions.

For overdue receivables from customers with impairment of Euro 24.082, a provision for impairment of Euro 9.149 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.

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

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening balance 01/01/2023	**24.530**	**24.587**	**24.530**	**24.587**
Release of impairement provision	(448)	(57)	(448)	(57)
Closing balance 31/12/2023	**24.082**	**24.530**	**24.082**	**24.530**

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

The aging of remaining trade receivables is not provided as there are no delays.

Trade receivables from system usage charges are cleared within 22 days.

21. OTHER RECEIVABLES

Other receivables analysis is presented in the table below:

	Group		Company	
	31/12/2023	31/12/2022*	31/12/2023	31/12/2022*
Receivables from the Greek State	62.909	92.918	61.679	92.154
Optical fiber rents	1.923	2.034	621	1.108
EnExClear blocked accounts	7.608	7.608	7.608	7.608
Receivables from employees	735	583	744	583
Accrued other receivables	2.248	940	1.987	972
Receivables from special projects (Polypotamus)	6.133	3.135	6.133	3.135
Receivables from technical and operational services	-	2.000	-	2.000
Deferred expenses	5.171	3.837	4.117	3.283
Other receivables Enex Clear	-	12.368	-	12.368
Other receivables	2.055	2.494	2.382	2.606
Total other receivables without delay and impairment	**88.782**	**127.917**	**85.271**	**125.817**
Total receivables from customers with delay and impairment	2.730	1.961	2.696	1.929
Less provision for impairment of other receivables	(2.730)	(1.961)	(2.696)	(1.929)
Total	**88.782**	**127.917**	**85.271**	**125.817**

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

Receivables from Greek State on December 31st, 2023 mainly relate to VAT receivable amounting to Euro 59.987 (2022: Euro 91.174).

(Amounts in thousand Euro unless otherwise stated)

In 2023 the Company proceeded with actions for receiving a VAT refund claim of Euro 140 million, which were settled in the same year. As a result amount of Euro 15 million approximately, was offset with a liability of income tax and of other taxes. In addition, an amount of approximately Euro 125 million was collected from the Greek State.

In 2024 the Company proceeded with actions for receiving a VAT refund claim of Euro 20 million, which were collected from the Greek State.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are presented in the table below:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Cash in hand	11	29	11	29
Cash at bank	183.701	198.588	122.961	183.129
Time deposits	62.000	-	62.000	-
Total	**245.713**	**198.617**	**184.972**	**183.158**

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

The following table presents the deposits per credit rating class by Moody's on December 31st, 2023 and 2022:

Rating (Moody's)

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
A1	20.422	-	20.422	-
Ba1	126.252	-	114.961	-
Ba2	-	15.357	-	1.328
Baa3	49.818	83.896	368	82.466
B3	187	-	187	-
Caa1	-	187	-	187
Caa2	-	-	-	-
N/A	49.033	99.176	49.033	99.176
Total	**245.713**	**198.617**	**184.972**	**183.158**

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

23. SHARE CAPITAL

The Share Capital of the Company on December 31st, 2023 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 28/7/2023 it was decided the dividend distribution of Euro 29,5 million from the net profit of the year 2022.

Dividends

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

In addition, the Greek commercial legislation requires certain conditions to be met for the dividends distribution. In particular, any distribution to shareholders is not allowed if, on the expiry date of the last 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.

(Amounts in thousand Euro unless otherwise stated)

According to article 31 of the Codified Article of Association, the distributed to the shareholders dividends amounts to fifty per cent (50%) of the Company's net annual profits. Dividends distribution is subject to the approval of the shareholders General Assembly.

The Company's Board of Directors approved the Financial Statements for the year 2023 on April 5th, 2024 and proposed to the Ordinary General Meeting of Shareholders the dividend distribution of approximately Euro 58,96 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 2023, 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, 2023 amounts to Euro 12.815 (2022: Euro 12.815), while at Group level, the amount of Euro 194 (2022: Euro 194) was formed by the subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and Euro 103 (2022: Euro 92) 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	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Redundancy compensation reserve	828	927	826	538
Actuarial results reserve for reduced electricity tariff	7.408	6.748	7.408	7.137
Total	**8.236**	**7.675**	**8.234**	**7.675**

25.2. REVALUATION RESERVE

The analysis is presented below:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening Balance	**893.967**	**893.967**	**893.967**	**893.967**
Fixed assets revaluation (Note 13)	2.809		2.809	
Tax attributable to revaluation reserve	(618)		(618)	
Closing Balance	**896.159**	**893.967**	**896.159**	**893.967**

For the revaluation of fixed assets, relevant information can be found in Note 13.

(Amounts in thousand Euro unless otherwise stated)

26. LOANS

The amount of loan interest capitalized for the year ended December 31st, 2023 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 2023 amounted Euro 25.219 (2022: Euro 7.399) and Euro 9.168 (2022: Euro 4.595) respectively. The total borrowing of the Group and the Company is presented in Euro.

Below is presented an analysis of Group's and Company's borrowings:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Bank loans	690.020	429.785	488.679	429.785
Bond loans	501.149	542.760	305.699	346.119
Total borrowings	**1.191.169**	**972.545**	**794.379**	**775.903**
Bank loans	20.093	16.418	18.752	16.418
Bond loans	70.443	28.853	60.554	28.781
Short term borrowings	**90.536**	**45.271**	**79.306**	**45.199**
Bank loans	669.927	413.367	469.927	413.367
Bond loans	430.706	513.908	245.145	317.338
Long term borrowings	**1.100.633**	**927.274**	**715.073**	**730.705**

(Amounts in thousand Euro unless otherwise stated)

The Group's borrowing is analyzed as follows:

a) Fixed interest rate bank loans

			31/12/2023		31/12/2022	
	Group's Company	Expiry Date	Remaining nominal value	Book value	Remaining nominal value	Book value
Loan Euro 35 million	IPTO	29/12/2034	25.667	25.668	28.000	28.003
Loan Euro 35 million	IPTO	15/09/2035	28.000	28.174	30.333	30.525
Loan Euro 30 million	IPTO	29/12/2035	24.000	24.001	26.000	26.003
Loan Euro 35 million	IPTO	18/03/2036	29.167	29.302	31.500	31.650
Loan Euro 65 million	IPTO	30/11/2037	60.667	60.759	65.000	65.102
Loan Euro 70 million	IPTO	03/05/2038	67.667	67.878	70.000	70.223
Loan Euro 100 million	IPTO	26/03/2040	100.000	100.070	100.000	100.071
Loan Euro 78,2 million	IPTO	22/12/2040	78.200	78.206	78.200	78.207
Loan Euro 157 million	IPTO	21/12/2038	50.000	50.056	-	-
Loan Euro 108,44 million	IPTO	21/12/2038	35.000	24.564	-	-
Loan Euro 200 million	ARIADNE	20/04/2043	200.000	201.341	-	-
Total fixed interest rate bank loans			**698.367**	**690.020**	**429.033**	**429.785**

b) Floating interest rate bond loans

			31/12/2023		31/12/2022	
	Group's Company	Expiry Date	Remaining nominal value	Book value	Remaining nominal value	Book value
Bond loan Euro 400 million	IPTO	28/09/2026	230.000	226.825	350.000	346.119
Bond loan Euro 150 million	IPTO	30/12/2026	80.000	78.874	-	-
Bond loan Euro 200 million	ARIADNE	1/7/2030	200.000	195.450	200.000	196.642
Total floating interest rate bond loans			**510.000**	**501.149**	**550.000**	**542.760**
Total borrowings			**1.208.367**	**1.191.169**	**979.033**	**972.545**

The book value of bank and bond loans includes the accrued interest of the year. In addition, the book value of the bond loans has been deducted by their issuance fees and by the gain in previous fiscal year from modification of loan's terms.

The remaining nominal value of the Group's European Investment Bank (EIB) loans, which their balance on December 31st, 2023 amount to Euro 698,4 million approximately (31/12/2022: Euro 429 million approximately), amount of Euro 613,4 million are guaranteed by the Greek State, while amount of Euro 85 million are without the guarantee of the Greek State.

For the year ended on December 31st, 2023 the Company repaid loan amount of Euro 135.667 (2022: Euro 34.000).

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 Group. The Group complies with the above conditions.

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

On January 24th, 2023, the Company proceeded to:

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 amount of Euro 93 million. As a result, the available loan balance equals Euro 157 million,

b) cancellation of the loan agreement signed with the EIB on December 16th, 2022, of amount Euro 65 million (with the guarantee of the Greek State), and

c) signing a new loan agreement with the EIB through the Recovery and Resilience Fund amounted to Euro 108,44 million, with a duration of 15 years.

The aforementioned loan agreements with the EIB concern the financing of the "Cyclades Interconnection Phase 4" project.

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

On July 21st, 2023, the Company repurchased bonds in the amount of Euro 90 million, which pertains to Series B of the bond loan agreement dated 24/9/2020.

On December 21st, 2023, the Company proceeded with the partial disbursement of the aforementioned loan agreements with the EIB to finance the project "Interconnection of the Cyclades Phase 4.", it disbursed amount of Euro 50 million from the loan agreement with the EIB of Euro 157 million, and another amount of Euro 35 million from the loan agreement, through the Recovery and Resilience Fund, with the EIB of Euro 108,44 million.

"ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for the purposes of financing the project "Electric Interconnection of Attica-Crete", proceeded on 1/7/2020 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.

As pledged claims, IPTO has granted until the discharge date (as defined on the bond program), namely 1/7/2030:

- 1st ranking pledge on the Company's shares, which extends to dividends in case of event of default,

While "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." has granted the following:

- Assignment in the form of pledge of the claims arising from the concession agreement between IPTO and the Company.

- 1st ranking pledge on the Company's bank account held at the bank regarding revenues from the pledged claims from the aforementioned concession agreement.

- 1st ranking pledge on the bank account where dividends from the pledged shares of the Company are deposited.

(Amounts in thousand Euro unless otherwise stated)

On April 20th, 2023, the subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." disbursed a loan of Euro 200 million from the European Investment Bank with a fixed interest rate, as part of the 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) which was signed in December 2020 for the financing of the project "Electric Interconnection of Crete – Attica."

On 31/12/2023, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." had as a total credit line for the project from both banks, the maximum amount of Euro 500 million.

Loan movement is as follows :

	Group		Company	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Opening balance	**972.545**	**865.000**	**775.903**	**810.788**
New loans	354.561	145.000	154.561	-
Repayment of capital	(135.667)	(34.000)	(135.667)	(34.000)
Accrued interest and other bank charges	37.492	17.088	22.709	14.282
Payment of interest and other expenses	(37.560)	(17.884)	(22.926)	(15.166)
(Additions)/Transfer of loan issuance fees	(201)	(2.660)	(201)	-
Closing balance	**1.191.169**	**972.545**	**794.379**	**775.903**

27. PROVISION FOR EMPLOYEE BENEFITS

On December 31st, 2023, 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 benefits 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 after their retirement age accumulated during their service and are calculated on the basis of economic and actuarial assumptions. The net cost of the year is included in payroll 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, 2023 and changes in net liability are as follows:

	Group		Company	
	31/12/2023	**31/12/2022**	**31/12/2023**	**31/12/2022**
Net liability on January 1st	**3.201**	**3.316**	**3.201**	**3.316**
Benefits paid by the employer	(199)	(253)	(199)	(253)
Expense to be charged in income statement	138	72	138	72
Actuarial expense in other comprehensive income	347	67	347	67
Net liability on December 31st	**3.487**	**3.201**	**3.487**	**3.201**

(Amounts in thousand Euro unless otherwise stated)

Actuarial liability increased by Euro 286. The basic assumptions of the actuarial obligation are as follows:

Valuation Date 31/12/2023	Discount Rate/ Number of beneficiaries	Margin Rate
Discount rate	3,30%	5,0% 2024
Number of beneficiaries		7,0% 2025
Retired employees	1.682	10,0% 2026
Active employees	1.092	9,0% 2027+

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+

The sensitivity analysis of the actuarial liability based on a change in the discount rate is presented below:

31/12/2023	Actuarial liability change	Percentage change
Increase in discount rate by 0,5%	(192)	(5,50)%
Decrease in discount rate by 0,5%	213	6,10%

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%

Staff retirement compensation benefit

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, 2023 and changes in net liability are as follows:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Net Liability on 1st January	**7.702**	**7.890**	**7.702**	**7.890**
Benefits paid by the employer	(770)	(2.044)	(770)	(2.044)
Expense to be charged in income statement	854	2.635	854	2.635
Actuarial expense/(Income) in other comprehensive income	369	(779)	369	(779)
Net Liability on 31st December	**8.156**	**7.702**	**8.156**	**7.702**
Total Net Liability on 31st December	**11.643**	**10.904**	**11.643**	**10.904**

The total actuarial expense of the Group amount to Euro 716, which includes the actuarial results of the staff retirement compensation provision and the staff personnel provision for reduced electricity total amount Euro 719, as well as the actuarial loss from the related party "HELLENIC ENERGY EXCHANGE S.A." and from the joint venture "SELENE CC S.A." amount to Euro 3.

(Amounts in thousand Euro unless otherwise stated)

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

Financial assumptions	31/12/2023	31/12/2022
Discount rate	3,09%	2,80%
Expected future salary increase	2,50%	2,20%
Inflation	2,50%	2,20%

Demographic assumptions

	31/12/2023	31/12/2022
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 3,75 years.

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

31/12/2023	Actuarial Liability	Percentage change
Increase in discount rate by 0,5%	8.019	(2,00)%
Decrease in discount rate by 0,5%	8.298	2,00%
Increase of expected wages increase by 0,5%	8.165	0,00%
Decrease of expected wages increase by 0,5%	8.146	0,00%

31/12/2023	Normal cost for next year	Percentage change
Increase in discount rate by 0,5%	491	(3,00)%
Decrease in discount rate by 0,5%	523	3,15%
Increase of expected wages increase by 0,5%	509	0,53%
Decrease of expected wages increase by 0,5%	504	(0,58)%

28. OTHER PROVISIONS

Other provisions concern third party lawsuits against the Company.

The reporting period movement is presented below:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Provision for litigations	10.059	9.003	10.059	9.003
Total provisions	**10.059**	**9.003**	**10.059**	**9.003**

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Opening balance	**9.003**	**16.056**	**9.003**	**16.056**
Additional provision	1.729	1.432	1.729	1.432
Use of provision	(441)	(456)	(441)	(456)
Release of provision	(231)	(8.028)	(231)	(8.028)
Closing balance	**10.059**	**9.003**	**10.059**	**9.003**

(Amounts in thousand Euro unless otherwise stated)

On December 31st, 2023, the total amount claimed by third parties amounts to Euro 120.467 (2022: Euro 122.262), 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 27.566 (2022: Euro 32.566). 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 1.915 on December 31st, 2023, (2022: Euro 1.779).

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 82.134 (2022: Euro 82.094). Against the above amount, the Company has formed a provision of Euro 5.999 on December 31st, 2023, (2022: Euro 5.565).

3. *Employee Claims:* Employees have raised claims amounting to Euro 5.694 (2022: Euro 5.908) 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 972 on December 31st, 2023, (2022: Euro 877).

4. *Miscellaneous Claims:* A number of third parties have raised various claims for compensation against the Company. The above claims amount to Euro 5.073 (2022: Euro 1.694). Against the above amount, the Company has formed a provision of Euro 1.173 on December 31st, 2023, (2022: Euro 782).

Against all the above amounts, a provision has been formed on December 31st, 2023 amounting to Euro 10.059 (2022: Euro 9.003).

29. SUBSIDIES

The movement in subsidies is presented in the table below:

	Group	Company
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**
Balance as at 1st January 2023	**451.738**	**451.738**
Additions	160.768	157.768
Amortization of subsidies	(13.410)	(13.410)
Balance as at 31st December 2023	**599.096**	**596.096**

In the subsidies of the Group, included are the subsidies of the Company and its subsidiary "GRID TELECOM S.M.S.A.". The majority of the additions, concern the subsidy for the Crete - Attica interconnection project by Euro 76.481, as well as the pre-financing for the Greece-Cyprus-Israel electricity interconnection project by Euro 55.264. The subsidy for the Crete - Attica interconnection project is received directly by the subsidiary but is recognized at the Company level because it settles the corresponding financial obligation of the subsidiary.

The received subsidies, upon their approval by the competent authorities, may be accompanied by commitments that are common for investments receiving such type of funding. For example, there may be a commitment for a specific use of the assets for at least a certain period of time or a commitment for non-transfer of these assets.

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. The construction period of the project is set from May 2020 until the end of 2024 (estimated completion time), while the commercial operation of the project is scheduled for May 2025.

Additionally, based on the concession agreement, IPTO is the Owner of the Project and therefore is responsible for both the operation and maintenance of the system to be delivered by “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A” (through the 10-year maintenance contracts signed with the Contractors), while it will also have exclusive ownership.

Due to the concession, “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A”, as the implementing entity of the Project in place of IPTO, also became an eligible party in its place to receive grants from co-financed grant programs for the financing of the construction of the project. However, the ultimate beneficiary of the grant remains IPTO, as the grant finances the project which belongs to IPTO by ownership.

As “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A”, based on the contract with IPTO, has the right to receive the construction cost, the relevant contract has the provision of offsetting the grant received by “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A” on behalf of IPTO with a corresponding part of the liability regarding the construction cost.

Based on the Regulated Revenue calculation methodology, IPTO does not receive revenue for this project during its construction. According to the concession agreement between IPTO and “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A”, it is provided that:

During the Operation Period (35 years), 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 commercial operation of the project (estimated year 2025) and would be paid off over 35 years. 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 was reclassified from long-term to short-term liabilities.

The long-term liability from concession agreement amounts to Euro 610.983 on 31/12/2023 (31/12/2022: 456.293), while the corresponding short-term liability from concession agreement amounts to Euro 11.850 (31/12/2022: 16.606).

The recognition of this obligation is made at the carrying amount using the effective interest rate. During the construction period, financial expenses are capitalized (Note 11.1). Part of the obligation is settled through a grant of Euro 76,5 million.

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 17,8 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 14,3 million approximately. "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 1 million concerns guarantees received from energy customers for their participation in the energy market.

(Amounts in thousand Euro unless otherwise stated)

32. TRADE AND OTHER PAYABLES

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

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Liabilities from "Electricity Market" transactions	13.684	22.555	13.684	22.555
Other suppliers and contractors	159.872	149.017	89.589	67.678
Contractual obligation	28	131	28	131
Customer advance payments	33.456	23.656	33.456	23.437
Other payable taxes	9.750	8.863	6.907	6.352
Social security contributions, payable	2.240	2.520	2.132	2.472
Other creditors	3.304	694	742	687
Total	**222.334**	**207.436**	**146.538**	**123.312**

The electricity market liabilities were reduced mainly due to the fact that part of the Pass Through (debits and credits of energy operator clearances) transactions, was settled.

The other suppliers and contractors for the Group consist of invoices from contractors primarily for the Attica - Crete interconnection project.

The above obligations are interest free and short-term.

33. ACCRUED AND OTHER LIABILITIES

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

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Accrued expenses from energy clearance	34.796	45.399	34.796	45.399
Subsidiaries expenses payable	269	370	6.919	2.370
Other accrued expenses	4.072	2.922	4.072	2.922
Deferred revenue	8.815	9.589	3.772	6.800
Liabilities from personnel day off, overtime and leaves	7.283	6.797	7.283	6.797
Total	**55.234**	**65.078**	**56.842**	**64.289**

The accrued expenses from energy clearance mainly include expenses for energy clearing services and interconnection rights.

All the above obligations are interest-free and short-term.

(Amounts in thousand Euro unless otherwise stated)

34. SPECIAL ACCOUNTS (RESERVES)

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

	Group		Company	
	31/12/2023	31/12/2022*	31/12/2023	31/12/2022*
Long-term special accounts				
Non-compliance charges	58.372	50.375	58.372	50.375
Interconnection rights	51.080	46.557	51.080	46.557
Extraordinary surplus of energy Imports L-B	1.574	1.574	1.574	1.574
Total long-term special accounts	**111.026**	**98.505**	**111.026**	**98.505**
Short-term special accounts				
Interconnection rights	109.420	68.376	109.420	68.376
Transitional duty of security of supplying/interruptible Load (L.4203/19)	183	100	183	100
Total short-term special accounts	**109.603**	**68.477**	**109.603**	**68.477**
Total	**220.629**	**166.982**	**220.629**	**166.982**

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

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 and as defined by the respective Codes.

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 and for this reason, it is abstracted from the "Trade receivables" (Note 20).

Non-Compliance Charges that have not been used by decision of the Management, amounting to Euro 58.372 (31/12/2022: Euro 50.375) are included in the long-term liabilities, as the use of the reserve is intended to cover receivables, from participants in the electricity market for which the Company has no knowledge when they will be used.

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 RAEWW's decision. During 2023, the Company used the amount of Euro 68,3 million (2022: Euro 35,3 million) to reduce the Annual Cost of Transmission System Rent, based on the decision of RAEWW 910/2022. The increase in interconnection rights in 2023 is mainly due to the increase in the prices of energy through the interconnections. In 2024, following the Company's request, RAEWW, by decision No. E-17/2024, approved the use of Euro 109,4 million to reduce the annual cost of the electricity transmission system.

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 RAEWW's decision upon the recommendation of the Transmission System Operator.

35. 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, "PUBLIC HOLDING COMPANY ADMIE S.A." ("PHC ADMIE S.A."), which holds 25% of its paid-up share capital and "State Grid Europe Limited" ("STATE GRID LTD"), which holds 24% of its paid-up share capital. Moreover, "PHC ADMIE S.A.", holds 51,12% of "ADMIE HOLDING S.A." paid-up share capital and is its parent company.

In the ordinary course of business, the Company and the aforementioned companies have had the following transactions during the reporting period, while there are no material transactions that have not been carried out under normal market terms.

Related parties of the Group and the Company respectively are presented in the following table:

(Amounts in thousand Euro unless otherwise stated)

Related parties of the Group

Company	Relation
ADMIE HOLDING S.A.	Shareholder
PHC ADMIE S.A.	Shareholder
STATE GRID LTD	Shareholder
HELLENIC ENERGY EXCHANGE S.A.	Associate
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Associate
SELENE CC S.A.	Joint Venture
TERNA FIBER S.A.	Joint Venture

Related parties of the Company

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
GREAT SEA INTERCONNECTOR S.M.S.A	Subsidiary
HELLENIC ENERGY EXCHANGE S.A.	Associate
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Associate
SELENE CC S.A.	Joint Venture
TERNA FIBER S.A.	Joint Venture

The Group and the Company, in the ordinary course of business, conducted transactions with the related parties , whose the balances (receivables, liabilities and revenues, expenses) on December 31st, 2023 are as follows:

	Group			
	31/12/2023		31/12/2022	
	Receivables	Liabilities	Receivables	Liabilities
ADMIE HOLDING S.A.	40	12	32	12
EnExClear	18.766	17.690	23.744	6.239
SELENE CC S.A.	92	173	358	-
TERNA FIBER S.A.	452	-	-	-
Total	**19.350**	**17.876**	**24.134**	**6.252**

	Company			
	31/12/2023		31/12/2022	
	Receivables	Liabilities	Receivables	Liabilities
ARIADNE INTERCONNECTION S.M.S.P.S.A.	303	629.753	266	475.269
GRID TELECOM S.M.S.A.	7.787	85	5.503	27
ADMIE HOLDING S.A.	40	12	32	12
EnExClear	18.766	17.690	23.744	6.239
SELENE CC S.A.	92	173	358	-
Total	**26.988**	**647.714**	**29.903**	**481.548**

(Amounts in thousand Euro unless otherwise stated)

	Group			
	01/01/2023- 31/12/2023		01/01/2022- 31/12/2022	
	Revenue	Expenses	Revenue	Expenses
ADMIE HOLDING S.A.	41	-	34	5
EnExClear	155.560	168.878	445.534	451.759
HELLENIC ENERGY EXCHANGE S.A.	-	71	-	75
SELENE CC S.A.	249	463	253	275
TERNA FIBER S.a.	419	-	-	-
Total	**156.270**	**169.412**	**445.821**	**452.114**

	Company			
	01/01/2023- 31/12/2023		01/01/2022- 31/12/2022	
	Revenue	Expenses	Revenue	Expenses
ARIADNE INTERCONNECTION S.M.S.P.S.A.	2.662	6.919	1.589	2.337
GRID TELECOM S.M.S.A.	711	-	632	-
ADMIE HOLDING S.A.	41	-	34	5
EnExClear	155.560	168.878	445.534	451.759
HELLENIC ENERGY EXCHANGE S.A.	110	71	100	75
SELENE CC S.A.	249	463	253	275
Total	**159.334**	**176.331**	**448.142**	**454.451**

The Company's revenue transactions with the companies "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", " GRID TELECOM S.M.S.A." and "ADMIE HOLDING 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, as well as d) income from the guarantee of the bond loan of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

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

The expense transactions relate mainly to expenses within the scope of the Company's concession agreement with its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". The Company’s liabilities towards its subsidiary "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." include mainly amount of Euro 610.983 (before VAT), which relates to assets under construction in the context of the construction project of the Crete-Attica interconnection.

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

The income and expense transactions of the Group and the Company with “EnExClear” derive from the implementation of the Target Model from 1st November 2020, where, as a clearing body, “EnExClear” undertakes the management part of the Clearing services performed by the Company as the Operator of the Energy Market. In addition, revenue transactions with "EnExClear" include revenue from the Balancing Market amounted to Euro 15,6 million for the year 2023.

Revenue and expenses with "EnExClear" are not equal for the year 2023 due to the fact that:

- expenses of Euro 13,3 million related to the activities "Intended energy exchanges" and "Unintended energy exchanges", have been accounted and concern "EnExClear", but the equivalent revenue that have been accounted (self-billing) concern the company "Joint Allocation Office (JAO S.A)",

- expenses of Euro 15,6 million related to the activities " Secondary automatic reserves", have been accounted and concern "EnExClear", but the equivalent revenue that have been accounted (self-billing) concern the company "Joint Allocation Office (JAO S.A.)",

- revenue of Euro 15,6 million related to the Balancing Market have been accounted and concern "EnExClear" and there are no corresponding expenses.

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

The liabilities to "EnExClear" included in "Accrued and other liabilities" and in “Trade and other payables”.

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 and liabilities, as at 31/12/2023, are related to the transactions mentioned above.

The Company's revenue transactions with the "HELLENIC ENERGY EXCHANGE S.A." in 2023 relate to the collection of dividends of amount Euro 110 which was recorded in financial income.

The revenue transactions of the Group with "TERNA FIBER S.A." concern revenue of "GRID TELECOM S.M.S.A." related to recharge of expenses. Respectively, the nature and balances of receivables, as at 31/12/2023, are related to the transactions mentioned above.

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, 2023 for the Group and the Company amount to Euro 2.167 and Euro 1.766, respectively (2022: Euro 1.685 and Euro 1.420).

The receivables from members of the Board of Directors and General Managers of the Group on 31/12/2023 are equal to Euro 10.

The liabilities including the actuarial liability for retirement of the members of the Board of Directors and General Managers of the Group and the Company on 31/12/2023 amount to Euro 122.

The service cost of the actuarial obligation amount to Euro 1.

The executives of the Group have not received compensation for retirement during 2023 and during the corresponding prior year.

36. COMMITMENTS AND CONTINGENCIES

36.1 COMMITMENTS

36.1.1 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.

36.1.2 CAPITAL COMMITMENTS

Capital commitments of the Group and the Company relate to future financial contractual obligations regarding the acquisition of tangible and intangible assets. The total amount of capital commitments of the Group and the Company as of December 31st, 2023, amounts to Euro 2,2 billion and to approximately Euro 1,8 billion, respectively. A significant portion of this amount, specifically Euro 1,4 billion, corresponds to the electric interconnection project between Greece, Cyprus, and Israel.

Advance payments of Euro 152 million and Euro 150 million have been made for these specific capital commitments for the Group and the Company, respectively, as of December 31st, 2023. These advance payments are part of the capital commitments of the Group and the Company and relate to future financial contractual obligations associated with the preparation, execution, and completion of these projects.

36.1.3 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:

8. Strategic environmental impact assessment for the inclusion of new Transmission Projects in the HETS as described in the Ten-Year Network Development Plans (TYNDP).
9. 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).
10. 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.
11. 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.
12. 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).
13. 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.
14. 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 AEPO (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.

36.2 COMMITMENTS FROM THE COMPLETION OF PROJECT CONSTRUCTION

Brief description of the most important projects

IPTO through its investment program of Euro 5 billion until 2030, creates modern, durable and green electrical infrastructures that support the energy transition of the country and strengthen the safe electricity supply of consumers in mainland and island Greece.

The progress of the most important projects implemented by the Operator, is as follows:

Crete - Attica electrical interconnection

After the laying of the entire submarine electric and optical cables of the Crete - Attica interconnection, " ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." is proceeding at an intensive pace, with the terrestrial section of the interconnection, along with the relevant study-construction works by the contractors, being in its final straight.

Regarding the converter stations, the installation of the converter transformers has been completed on the Attica side, while the majority of the equipment has been manufactured and tested at the contractors' facilities. Additionally, the foundation works for the buildings at both ends of the interconnection have been completed, and their construction is underway.

Regarding the progress of the terrestrial cables, in Attica, the construction of the underground route from the Koumoundourou EHV S/S to the landing point in Pachi is advancing. Approximately 90% of the infrastructure and 70% of the cable installation have been completed. In Crete, progress in road construction exceeds 60%, while infrastructure works for the underground cables have progressed to over 35%.

According to the integration decision of the Minister of Development and Investments (A.P.: EYD PEKA & POLPRO 6673/21.6.2023), the interconnection of Crete with HETS Phase II will be funded with Euro 313,2 million from the NSRF Program "Infrastructure, Environment and Sustainable Development 2014-2020" for the 1st stage of the project (until 31/12/2023), thus drawing significant resources and reducing to a very large extent the cost of the project of major importance for the Greek consumer. The 2nd stage of the project is expected to be funded by the NSRF programming period 2021-2027.

Cyclades electrical interconnection

The fourth and final phase of the electrical interconnection of Cyclades concerns the interconnection of Santorini, Folegandros, Milos and Serifos .

The first phase of the interconnection (Santorini-Naxos) is already being constructed with a completion horizon of 2024. In the summer of 2022, the laying of the high voltage cable between the two islands completed and the construction of the High Voltage Substation in Santorini is progressing.

On November 2022 the tender process was completed and in February 2023 the contracts for the cables were signed for the remaining three islands of the SW Cyclades (Folegandros, Milos, Serifos), which will integrate the entire island complex into the High Voltage System by the end of 2025.

On September 2023, the contracts of the High Voltage Substations for Folegandros, Milos and Serifos were signed, putting the entire project in construction phase.

On February 2024, the laying of the submarine high-voltage cable for the Lavrio-Serifos interconnection was completed.

The completion of the interconnection of Cyclades will enable the development of RES plants with a total capacity of 332 MW on the islands, achieving a more stable, green and economical energy mix for the island complex.

The project is co-financed by the Recovery and Resilience Fund "Greece 2.0" with funding from the European Union Next Generation EU and by the Government Gazette t' No 494 4/8/2022 was characterized as a project of general importance for the economy of the country.

Western Peloponnese Corridor

The last section of the Megalopolis EHV S/S interconnection with the existing Acheloos - Distomo Transmission Line 400 kV was completed and became fully operational in May 2023. The extension of the 400 kV System to Megalopolis will drastically increase transmission capacity to and from the Peloponnese, and will decongest the region's saturated grids, thus enhancing voltage stability for the Southern System as a whole.

Eastern Peloponnese Corridor

The sub-project of the Transmission Line 400 kV that will connect the existing Megalopolis EHV S/S with the new Corinth EHV S/S was completed and put into operation in December 2022. In December 2023, the contract of the sub-project of the new Transmission Line connecting the Corinth EHV S/S to the Koumoundourou EHV S/S was signed, putting the second part of the project in construction phase.

The completion of this sub-project is expected in first half of 2026. The project of the Transmission Line "Koumoundourou EHV S/S – Corinth EHV S/S" is co-financed by the Recovery and Resilience Fund "Greece 2. 0" with the funding of the European Union's "Next Generation EU" and by the Government Gazette No 494 4/8/2022 was characterized as a project of general importance for the economy of the country.

Upgrading of the Koumoundourou EHV S/S

The construction process of the new gas-insulated (GIS) Koumoundourou EHV S/S, which will replace the existing air-insulated EHV S/S, are in progress. The implementation of the new Koumoundourou EHV S/S will serve the connection of the 400 kV Eastern Peloponnese Corridor, will be the terminal of the Attica-Crete interconnection with the mainland grid and will enhance the reliability of the supply of loads (mainly in Western) Attica. The project is co-financed by the Recovery and Resilience Fund, as part of the Megalopolis – Corinth - Koumoundourou EHV S/S Transmission Line. The upgraded Koumoundourou EHV S/S is expected to be finalized in the second half of 2025.

The project is co-financed by the Recovery and Resilience Fund "Greece 2.0" with funding from the European Union's instrument Next Generation EU.

Dodecanese and Northeast Aegean islands electrical interconnections

In the summer of 2023, IPTO assigned the contracts for the studies and marine surveys regarding the Dodecanese electrical interconnections and in November 2023 for the Northeast Aegean islands electrical interconnections, which are currently in progress. Specifically, the seabed survey for the Corinth – Kos interconnection, Kos – Rhodes interconnection for the Dodecanese has been launched with a completion date of June 2024. For the Northeast Aegean, the seabed survey for the Skyros - Evia route has been completed and the surveys for the Lesvos - Skyros, Limnos - Lesvos, Limnos - Thrace routes are in progress, these surveys are expected to be completed by August 2024. These studies are particularly important for the maturity of the electrical interconnections that the Operator is planning to launch by the end of the decade, as part of its investment program.

According to the current design, with the Dodecanese electrical interconnection, Kos, Rhodes and Karpathos will be connected to the mainland grid, via Corinth, in two phases. Accordingly, the Northeastern Aegean interconnection will include the islands of Limnos, Lesvos, Skyros, Chios and Samos, and will be implemented in three phases. The interconnection of the Dodecanese islands is included in the proposal of the relevant Ministry for co-financing from the Islands' Decarbonization Fund.

International interconnections

IPTO prioritizes international interconnection projects, with the aim of strengthening regional cooperation in the Energy sector, promoting Greece a strong exporter of clean energy and deepening the European electricity market.

In this context, the Operator:

• In June 2023, it commissioned, together with the Bulgarian Transmission System Operator (ESO EAD), the second Greece-Bulgaria interconnection (Nea Santa Maritsa), which will significantly increase the margin for energy exchanges between the two countries.

• Completed the feasibility studies for the second Greece-Italy interconnection of 1 GW, together with the neighboring country's Operator, Terna.

• With the support of the State, it is intensively promoting a new North-South clean energy corridor, the Green Aegean Interconnector, which is planned to interconnect the electricity systems of Greece and Germany. This project is particularly important for the transfer of the energy surplus from Greece and the Eastern Mediterranean to the major consumption centers in central Europe. The initial capacity of the interconnection is planned to be 3 GW and in a second phase it could reach 6 to 9 GW. IPTO submitted the project to the European Network of Transmission System Operators (ENTSO-E) in order to be included in the revised Ten-Year Network Development Plan (TYNDP 2024) which is prepared, while IPTO is in close cooperation with the involved Operators TenneT (Germany) and ELES (Slovenia) for its further maturation. The project was included in the 2024 Development Procedural Plan by ENTSO-E in February 2024.

• Cooperates with the Operator of Egypt (EETC – Egyptian Electricity Transmission Company) and the project promoter ELICA SA, with which has signed a Memorandum of Understanding regarding the launch of discussions dedicated to the evaluation of its participation in the share capital of the developer of the project GREGY – Green Energy Interconnector, concerning the electrical interconnection between Greece and Egypt.

• In September 2023, signed a Shareholders' Agreement (SHA) jointly with National Grid S.A - Saudi Electricity Company for the establishment of the special purpose company "Saudi Greek Interconnection", taking the first step towards the maturation of the Greece-Saudi Arabia electricity interconnection. In February 2024, the special purpose entity "Saudi Greek Interconnection" was established with the object of conducting the feasibility study for the electricity interconnection between Greece and Saudi Arabia, by IPTO and National Grid, which hold a 50% share each. The partnership is supervised by the Ministry of Environment and Energy of Greece and the Ministry of Energy of Saudi Arabia and specifies the strategic cooperation between the two countries in the field of Energy.

• In October 2023, IPTO was appointed as the Project Promoter of the project for the electrical interconnection between Greece, Cyprus, and Israel, which is included in the 6th list of Projects of Common Interest in Europe.

The assumption of the role of Project Promoter by the Greek TSO in the landmark project of the electrical interconnection between Cyprus and Israel into the European electricity system, via Greece, ensures the technical and financial adequacy of the project and lays the groundwork for its timely completion. It is reminded that since 2021, IPTO has been assisting the project as a technical advisor, having contributed significantly to its design maturity and the contractual arrangements critical for its progress.

A project of energy significance for the wider region, with years of systematic effort, has now reached the critical point of construction commencement. Its completion will mark the electrical interconnection of Cyprus with the European transmission system, ensuring robust energy security for the island. Additionally, Israel will enhance its supply security, gaining the ability to increase, further and faster, the participation of Renewable Energy Sources (RES) in its energy balance.

In December, EuroAsia Interconnector Ltd transferred the amount of Euro 55,2 million it had received as pre-financing from the European Union's Climate, Infrastructure and Environment Executive Agency (CINEA) and the Connecting Europe Facility (CEF) mechanism of the EU. With the receipt of an additional Euro 109,2 million in January 2024, the total pre-financing received amounted to Euro 164,5 million, representing 25% of the total grant.

In December, IPTO issued the first notice to proceed, and the first installment was paid to the Contractor of the cables.

On December 4th, 2023, an agreement was signed between the Company, the Ministry of Energy, Commerce, and Industry of Cyprus, and TAQA, a publicly listed company on the Abu Dhabi Securities Exchange (ADX), specifically a Memorandum of Understanding (MoU). The MoU outlines the framework of negotiations between the three parties for the entry of the Cypriot Government and TAQA into "GREAT SEA INTERCONNECTOR S.M.S.A.", with the aim of accelerating the implementation of the Crete-Cyprus segment, which exhibits the highest degree of maturity.

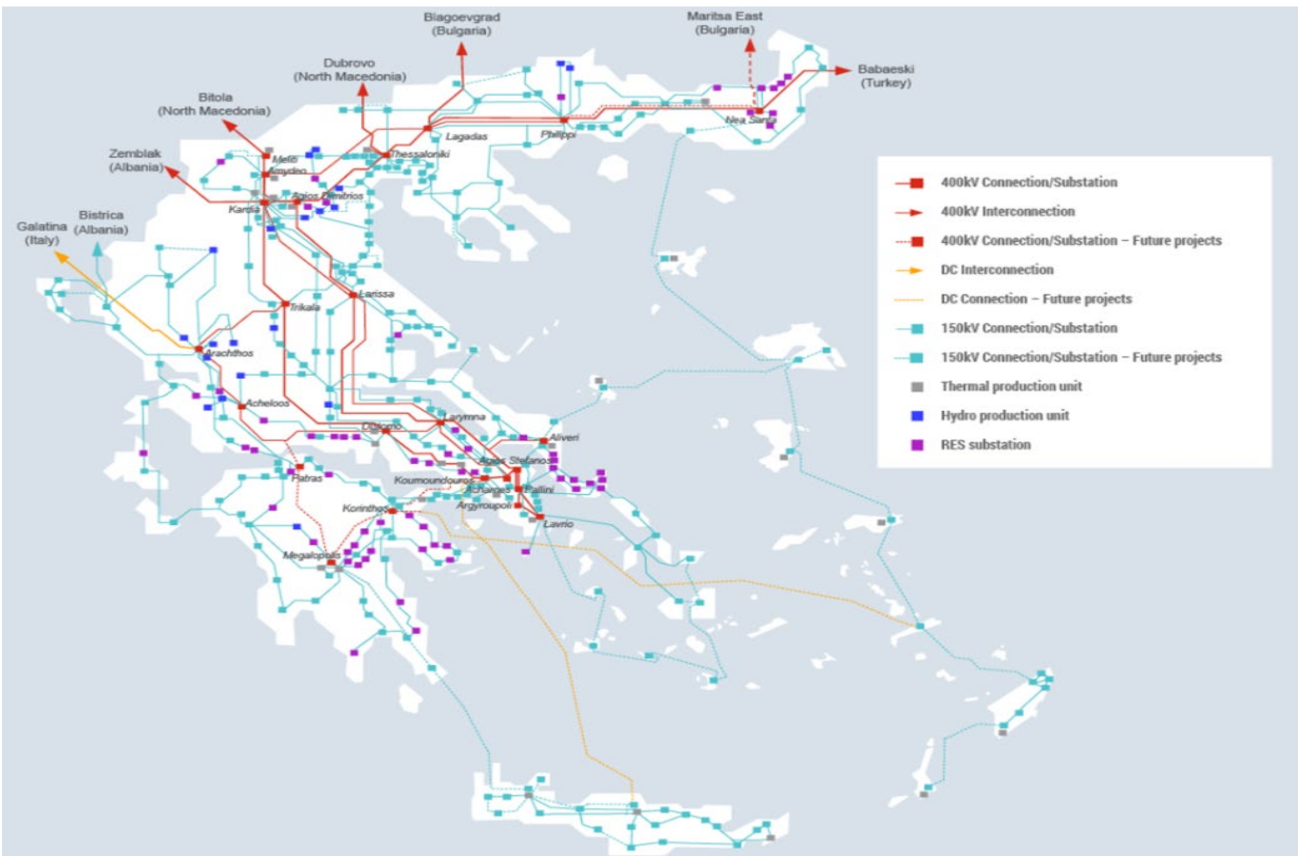
Meanwhile, the IPTO Group:

• Is maturing the project of the new Greece - Albania interconnection, together with the Transmission System Operator of the neighboring country.

• Is planning the construction of a new interconnection between Greece and Turkey, which will strengthen the interconnection of the European and Turkish Transmission System.

• Is promoting the upgrade of the existing interconnection with North Macedonia.

In November 2023, a Memorandum of Cooperation for the interconnection of the electricity markets of the Balkan countries was signed in Athens by the relevant institutions of Regulatory Authorities, Transmission System Operators - including IPTO - and Energy Exchanges, which paves the way for the creation of a single electricity market in Southeast Europe.



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

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 RAEWW 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, RAEWW 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. Following the above, the final plan was submitted to RAEWW for approval on August 10th, 2023 and was set by the Authority on public consultation from October 27th to November 27th, 2023. On December 22th, 2023, RAEWW requested the submission of supplementary data for the TYNDP 2024-2033. Accordingly, IPTO gathered and will submit the requested data for the TYNDP on February 29th, 2024.

2025-2034

During December 2023, the Preliminary draft TYNDP 2025-2034 was finalized. It was approved by the BoD of IPTO on February 12th, 2024 and is on public consultation.

36.3 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, based on the judicial decisions and RAEWW 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 RAEWW, a sanction was imposed on the Company in the form of a fine of Euro 5 million, regarding the Transmission Line (TL) 400 kV Patras EHV S/S - Megalopolis EHV S/S project to be completed. The Company filed a timely review request requesting the disappearance or the reform of RAEWW decision 345/2021, as the assessment of the legal service is that there are valid legal reasons, which may overturn RAEWW 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.

For the purpose of financing the project "Electric Interconnection of Attica-Crete," "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." proceeded on July 1, 2020, to issue a ten-year bond loan with a secured capital of up to Euro 400 million. Eurobank S.A. undertook the full underwriting of the issuance, while IPTO provides a guarantee to the bondholders, while simultaneously receiving a fee from "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." for providing this guarantee.

Additionally, in December 2020, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." entered into a loan agreement with the European Investment Bank for a fixed interest rate loan of up to Euro 200 million, with the possibility of an additional loan amount of Euro100 million in case of exceeding the estimated construction cost. During the same period, in December 2020, based on a clause in the loan agreement with Eurobank S.A., "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." proceeded to cancel Euro 200 million worth of bonds with the latter. So as of December 31, 2022, had a total loan facility for the project from both banks, up to Euro 400 million, with the possibility of an additional loan amount of Euro 100 million from the European Investment Bank in case of exceeding the estimated construction cost.

In 2021, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." made disbursements totaling Euro 55 million, and by the end of 2022, it disbursed the remaining balance of Euro 145 million, reaching the maximum loan limit from Eurobank S.A. of Euro 200 million

In April 2023, "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." disbursed Euro 200 million from the European Investment Bank with a twenty-year duration.

Based on the Concession Agreement signed on April 10, 2020, between "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." and "IPTO" as well as the decision of the Board of Directors of "IPTO" dated February 28, 2020, the latter provides corporate guarantee regarding the obligation to cover amounts owed to "EUROBANK A.E. by "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.".

It is noted that "IPTO S.A." recognized in 2023, based on the arm's length principle, income from corporate guarantee amounting to approximately Euro 2.352 which was recorded in the account Financial income of the Company.

The Company has provided a guarantee for a portion of the loan of its subsidiary company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.". Due to the nature of the guarantee and the connection of the subsidiary's flows with the Company's obligation for the under-construction fixed asset, the exposure of the Company is immaterial.

36.3.1 TAX LIABILITIES

For fiscal years 2011 to 2015, Greek Sociétés Anonymes the annual financial statements of which 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 valid on an optional basis. In this context, the Company has been audited and received an unqualified "Tax Certificate" for fiscal years 2015 to 2022 without findings. The relevant audit for fiscal year 2023 is ongoing and is expected to be completed without findings.

The Company's tax liabilities have not yet been audited by the tax authorities for the years 2011 onwards. According to the current legislation on the five-year statute of limitations, the years 2011-2017 are statutorily barred and no additional tax liabilities are expected to arise.

On 2023, the Company proceeded with actions for receiving a VAT refund claim of Euro 140 million which were settled in the same year and in 2024 the Company proceeded with actions for receiving a VAT refund claim of Euro 20 million, which were collected from the Greek State.

The Company was audited in the field of VAT by the Greek tax authorities ,"Audit Authority for Large Enterprises" for the period 1/1/2020 - 31/3/2021. The audit completed without findings.

A partial tax audit order in the field of VAT has been issued for the Company by the Greek tax authorities, "Audit Authority for Large Enterprises". The order concerns a partial tax audit on VAT refund applications for the tax period 1/4/2021 to 31/3/2022. The audit is ongoing and no findings have been communicated to the Company.

The Company was audited in the field of VAT by the audit service "EL.KE." for the tax period 1/11/2022 to 30/6/2023. The audit was completed without findings.

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 2022. "GRID TELECOM S.M.S.A." has received an unqualified tax certificate by the statutory auditor with respect to the tax obligations for the fiscal years 2019 to 2022. The tax audit for the subsidiaries concerning 2023 is expected to be finalized with no findings

37. HOLDINGS IN OTHER COMPANIES

The Company apart from its holdings in the Group subsidiaries, associates and joint ventures (in subsidiaries "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A.", "GREAT SEA INTERCONNECTOR S.M.S.A." and "GRID TELECOM S.M.S.A.". in associate "Hellenic Energy Exchange SA" and in joint venture "SELENE CC S.A."), participates with a 5% stake in "Joint

Allocation Office S.A.” and has paid amount of Euro 65 by December 31st, 2023 (31/12/2022: Euro 65). The Company also participates with a 12.5% stake in the company “COORDINATED AUCTION OFFICE (CAO) IN SOUTH EAST EUROPE D.O.O.” and has paid amount of Euro 40 by December 31st, 2023 (31/12/2022: Euro 40). However, due to the unexpected return on these investment, the Company has fully impaired them.

These holdings due to the non-anticipated unfavourable return on investment are presented in “Other receivables” in the Statement of Financial Position.

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

38. SEPARATE SEGMENTAL FINANCIAL STATEMENTS

According to RAEWW’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 RAEWW and publish them separately from the annual financial statements.

39. AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER SERVICES

The auditors’ fees for the statutory audit, tax audit and other services of the fiscal year 2023 amounted to Euro 191 (2022: Euro 151) for the Group and Euro 160 (2022: Euro 124) for the Company.

40. SUBSEQUENT EVENTS

Establishment of "SAUDI GREEK INTERCONNECTION S.A."

On February 5, 2024, the establishment of the special purpose company "SAUDI GREEK INTERCONNECTION S.A." was completed, tasked with conducting the feasibility study for the Greece-Saudi Arabia electricity interconnection via HVDC cable. As stipulated in the Articles of Association of "SAUDI GREEK INTERCONNECTION S.A.," IPTO and National Grid each hold a 50% share. As part of this collaboration, the two Transmission System Operators signed the Shareholders Agreement (SHA) on September 27, 2023, in Athens.

Receipt of pre-financing from the European Union’s Climate, Infrastructure and Environment Executive Agency (CINEA) for the electrical interconnection between Greece and Cyprus

In January 2024, an additional amount of Euro 109,2 million was received. The total pre-financing received amounted to Euro 164,5 million, which constitutes 25% of the total grant.

Commencement of Phase 2 for the sale of 20% of "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A."

In February 2024, Phase 2 of the tender process for the sale of a 20% stake in the special purpose company "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A." commenced. The company is a 100% subsidiary of IPTO and serves as the implementation entity for the Attica-Crete electricity interconnection.

Following the relevant decision of the Regulatory Authority for Energy, Water and Environment (RAEWW), which approved the eligibility of the schemes that had expressed their interest during Phase 1 of the Tender (Expression of Interest), and subsequent to the signing of the necessary Confidentiality Agreements, IPTO proceeded to issue the invitation for submission of binding offers (Request for Binding Offers - RfBO).

The participants shall be obliged to submit their binding offers within the second quarter of 2024, whilst – after the end of the submission process – IPTO shall proceed with the offers’ evaluation.

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INDEPENDENT AUDITORS' REPORT