



**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A.  
(ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**ANNUAL REPORT OF THE BOARD OF DIRECTORS  
&  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 December 2021**

**INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**  
**Annual Financial Statements of 31<sup>st</sup> of December 2021**  
*(Amounts in Euro)*

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**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A.**  
**(ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

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**ANNUAL REPORT OF THE BOARD OF DIRECTORS**

**Annual Report of the Board of Directors for the Company ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A) to the Shareholders for the year ended December 31, 2021.**

Dear Shareholders,

Following the end of the fiscal year 01.01.2021 to 31.12.2021, the Company ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (or “ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A”, or “the Company”), we have the honor to submit for approval, according to the Company’s Articles of Association, as modified and approved by the Extraordinary General Assembly of Shareholders on March 20, 2020, and the Article 148 of the Law 4548/2018, the Financial Statements for the year and our comments on the respective statements.

Based on Article 1 of Law 4308/2014, as currently in force, the ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A. prepared the Financial Statements in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union.

## **1. Analysis of the development & performance of the Company's activities**

### **a. Business model description, goals and core values**

ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (“ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A” or “the Company”) was incorporated on September 10<sup>th</sup> 2018 and is a subsidiary of Independent Power Transmission Operator (or «IPTO SA» or «the Parent Company»). The Company was established in compliance with RAE (Regulatory Authority of Energy) decisions 816/2018 and 838/2018. The Company’s share capital amounts to 200.000.000 (two hundred million Euros) and it was fully paid at the establishment period. As a subsidiary of IPTO SA, the Company is fully consolidated to the Group’s Financial Statements. The Company’s exclusive purpose is:

- i) the financing of total construction cost of the Project “Crete Attica Electrical Interconnection”, according to the 10-year Development Program (TYDP) of Hellenic Electricity Transmission System for the period 2018–2027 and of Regulatory Authority for Energy (RAE),
- ii) the design, supply, construction and installation of all separate parts of the Project, such as the cables, electrode stations, converter stations and substations through tender procedures,
- iii) the supervision of tender procedures referred above (ii),
- iv) the necessary tests and the acceptance of the completed parts of the Project,
- v) the delivery of the completed Project to IPTO SA,
- vi) the performance of any other related activity, which is directly or indirectly related to the Project’s scope, including the actions required to obtain the necessary licenses and the finalization of loan facilities and other financial agreements with credit institutions or affiliated companies,
- vii) the collection of the Project’s required revenue, as long as this is collected by IPTO SA, as determined by RAE decisions 339/2014 and 340/2014.

The Headquarters of the Company are located at 89, Dyrachiou and Kifissou streets, Athens 104 43, Greece. The Company’s duration has been set up to 40 years from its registration date to General Commercial Registry (GEMI). The duration of the Company may be extended by a relevant decision of the Board of Directors. Its registry number to GEMI is 147415301000. On December 31, 2021 the Company employed 30 employees.

### **b. Administration principles and internal management systems**

The administration bodies of the Company are the General Assembly of Shareholders and the Board of Directors which is elected, appointed and controlled by the General Assembly.

### **c. Description of performance and tangible and intangible assets**

#### **Financial overview of year 2021**

Total revenues of the Company for the year ended December 31, 2021, consist of revenue based on the concession agreement signed with the parent company IPTO SA, and financial income from interest on deposits and advances given to the contractors, while the expenses mainly consist of third party fees and payroll fees.

Earnings before interest and taxes amounted to Euro 1.302 thousand for 2021 compared to Euro 766 thousand for 2020 showing an increase, while earnings before interest, taxes, depreciation and amortization (EBITDA) for 2021 amounted to Euro 1.371 thousand compared to Euro 817 thousand for 2020. Interest income increased approximately 3% (Euro 621 thousand compared to about Euro 605 thousand in 2020). Construction costs for 2021 amounted to Euro 178,9 million compared to Euro 107,8 million in 2020.

In May 2020, the contracts with the contractor companies for the four cable sections of the Crete-Attica Interconnection project were signed for the design, supply and installation of (a) the western submarine cable system and the electrode stations, (b) the east submarine cable system, (c) the underground cable systems; and (d) the fiber optic cables. Within the same month, the contract for the two conversion stations and one substation in Crete was signed. The works for the design - construction of the Crete - Attica interconnection have already started and the first invoices have been issued since summer 2020, taking into account at all times the implementation of the project within the planned timeframe.

In terms of project financing, apart from equity funds, the Company has entered into loan agreements, within 2020, with Eurobank and European Investment Bank, under very competitive and favorable conditions, of a total funding line up to 400 million Euros. The full acceptance of its issue was undertaken by Eurobank SA. while IPTO will provide a guarantee to the bondholders, while at the same time it will receive a fee from the Company for the provision of this guarantee.

In addition, in December 2020, the Company entered into a loan agreement with the European Investment Bank of a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case of exceeding the construction cost. In December 2020, based on a condition that existed in the loan agreement with Eurobank SA, the Company canceled 200 million bonds with the latter, thus having as a credit facility line for the project for an amount up to Euro 400 million.

On 24/06/2021 the Company made a first disbursement of 30 million Euros, while on 24/12/2021 made a second disbursement of 25 million Euros.

#### **Cash Flows**

The cash inflows mainly consist of the collection of bank interest on deposits, as well as part of the receivable from the parent Company, while cash outflows mainly concern the payment of contractors, payroll and operating expenses of the Company. In December 2021, the Company had banking accounts in the following bank institutions: Eurobank, National Bank of Greece, Piraeus Bank and Alpha Bank.

#### **Dividend policy**

Pursuant to Article 24 of the Articles of Association, the distribution of net profits and the payment of a dividend shall be made in accordance with the provisions of the law.

On April 1<sup>st</sup>, 2022 the Board of Directors approved the Financial Statements for the fiscal year 2021 and proposed to the Ordinary General Meeting of Shareholders the non-distribution of dividend.

#### **Tangible and intangible assets**

The Company, on December 31, 2021, in respect of its tangible assets had i. computer equipment, including peripheral equipment, while it also had intangible assets consisting of the right of use asset under IFRS 16, ii. contract asset receivables on construction services based on the concession agreement with the parent company and iii. computer software licenses.

### **2. Major Risks**

The Company is constantly monitoring developments with the aim of limiting as much as possible the potential adverse effects that may result from various events. Additionally, due to the nature of the Company's activity, which is directly related to the activity of the parent company IPTO SA, regarding the risks and future prospects in the domestic and

international environment, it is recommended to refer to the respective notes of the financial statements of the parent company.

#### **a) Future prospects and how these are affected by the existing regulatory framework**

##### **Risk of decline in demand**

Due to the nature of the Company's revenues, which is a function of the calculation of IPTO SA revenues, there is no immediate risk of decline in demand due to the nature of the activity of the parent company, defined by a specific legislative and regulatory framework, while the effect of the Covid-19 pandemic appears to be limited.

##### **Risk of change to the Regulatory Framework**

The activity of the Company's parent company IPTO SA (and as a consequence the activity of the Company) is subject to a strict and complex legislative and regulatory framework with increased supervisory obligations. Possible amendments to the relevant legislative and regulatory framework may create additional administrative responsibilities to the Company. Any further responsibilities or changes to the relevant institutional framework are likely to adversely affect the Company's profitability.

##### **Operational/ Regulatory Risk**

Any amendments and/or additions to the regulatory framework governing the Electricity Market, both in implementation of the provisions of the European Legislation and the provisions of the Memorandum, may have a significant impact on the operation and the financial results of the parent company IPTO SA and as a consequence of the Company.

#### **b) Other risks that are related to the activity or the sector in which the Company operates**

##### **Risks related to the sector in which the Company operates**

##### **The Company is subject to certain laws and regulations generally applicable to Sociétés Anonymes of Cap. B of Law 3429/2005 (as in force).**

Since the Greek State holds (directly or indirectly) 51% of the share capital of IPTO SA, ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A continues to be considered in some areas a company of the Greek Public Sector. Therefore, its functions will continue to be subject to laws and regulations applicable to Greek Public Sector companies and affect specific processes except from the recruitment procedure, which is subject to Law 4602/2019, based on which the Company can hire a number of employees that do not exceed the limit set by the said law, of all specialties and with fixed term employment contracts regulated under the private sector. Therefore, the Company will not be adversely affected by the application of the provisions of Law 3833/2010 and Law 4024/2011.

##### **Liquidity Risk**

Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the growth of the company. The Company has no liquidity risk, as it has adequate cash and cash equivalents. Also, the Company manages its liquidity risk by continuously monitoring and programming its cash flows and acts appropriately by ensuring sufficient credit and cash limits. At the same time, the Company is seeking the best sources of funding. The Company ensures efficient and low risk investment of cash resources, in order to be available for the implementation of the investment set in its Articles of Association.

As at 31.12.2021, the current liabilities exceed current assets by € 10 million, i.e. the working capital became negative on this date. Following a relevant assessment, the management considered that this event does not pose a risk to the Company's perspective as going concern, as any cash shortages may arise will be covered by the borrowing limits of the signed loan contracts dated 01.07.2020 and 23.12.2020.

##### **Currency Risk**

Currency risk is the risk that arises when the value of financial instruments fluctuates due to changes in exchange rates. Currency risk is minimal for the Company and is mainly attributable to any contracts for the supply of materials or



equipment, whose payment is in foreign currency. As at December 31, 2021, the Company had not entered into any material or equipment supply contracts and has no Assets or Liabilities in Foreign Currency.

### **Credit Risk**

Credit risk arises when the failure of the parties to settle their liabilities could reduce the amount of future cash inflows from financial assets at the balance sheet date. The Company is exposed to credit risk for the intra-group receivables and the cash and cash equivalents, and is considered to be limited due to the high solvency of the parent company and the banking institutions where the Company maintains its deposits and are distinguished for their high quality capital structure.

### **Cash flow risk due to interest rate changes**

Interest rate risk is the risk that the value of financial instruments might change due to changes in market interest rates. The Company's exposure to this risk may arise from borrowing calculated using the floating Euribor rate. Borrowing costs may increase as a result of such changes and generate losses or decrease in the event of unforeseen events. Regarding borrowing, the Company has secured a loan of up to 200 million Euros with a domestic bank while it has also secured a loan of up to 200 million Euros from the European Investment Bank where it has the option of raising debt tranches with either fixed or floating interest rates, wherein in the second case will be exposed to cash flow risk due to changes in interest rates.

### **Miscellaneous Specific Risks**

#### **a) Risk of changes in tax and other regulations:**

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

#### **b) Risk from regulated returns on business:**

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

#### **c) Risk related to the COVID pandemic**

The duration of the pandemic, the recurrent outbreaks in the spread of the virus and the measures adopted to restrict its consequent adversities, may have an impact on the Company's financial results in the event of a slower implementation of the Company's business plans.

### **3. Environmental issues**

The Company recognizes the need for continuous improvement of its environmental performance and compliance with laws and international standards and aims at a balanced economic development in harmony with the natural environment. Following a path of sustainable development, it carries out its activities in a way that ensures the protection of the environment. Management considers that the conditions for recognition of provisions for environmental liabilities of the Company are not met.

### **4. Employment Issues**

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

Promoting equal opportunities and protecting diversity are key principles of the Company. As mentioned above, the recruitment process has been defined by a specific legislative provision (Law 4602/2019) based on which the Company can hire a number of employees which does not exceed the limit set by law, of all specialties, with fixed term employment contracts regulated under private sector. The Company's management does not discriminate in terms of recruitment/selection, remuneration, training, job assignment or any other work activity. The factors that are exclusively taken into account in the assignment of management responsibilities are the person's experience, personality, theoretical training, qualifications, efficiency and ability. The Company encourages and instructs all employees to respect the diversity of each employee or supplier or customer of the Company and not to accept any conduct that may discriminate in any form whatsoever. As of December 31, 2021 the Company employed 30 employees.

#### **b) Respect for workers' rights and trade union freedom.**

The Company respects the rights of employees and closely monitors any developments of the Labor Legislation.

#### **c) Health and safety at work**

The safety of employees is a top priority and a necessary condition in the operation of the Company.

The Company maintains "first aid" kit (medicines, bandages, etc.) in all workplaces and complies with all the measures provided by law for the protection of its employees.

The appearance of coronavirus (Covid-19) in early 2020 and the pandemic declaration over the next period has led to take both preventive and restrictive measures. IPTO Group and consequently the Company closely monitors the developments both nationally and globally in relation to the spread of the virus, proceeding in time to adopt a package of emergency measures, in continuous cooperation and communication with the Ministry of Energy and Environment and National Public Health Organization (NPHO) for updating on developments and receiving guidelines. Specifically for the Covid-19 pandemic, the primary concern of IPTO Group and consequently of the Company is the protection of employees' health and the reduction of the virus spread, as well as the minimization of the impact on the Company's smooth operation.

Additionally, in order to protect employees, the Company is in continuous communication with the National Public Health Organization (NPHO) for issues related to Covid-19, in order to receive all the instructions and measures regarding the protection and safety of the employees.

The actions of the parent company that govern its subsidiaries as well, including the Company, are mainly protective measures for the health of employees as indicated below:

- Establishment of a special crisis management team (Business Continuity Group-BCG), responsible for ensuring the Business Continuity of the Company.
- Mandatory teleworking of 70% of employees who are able to perform their tasks remotely and conduct conference calls instead of physical meetings.
- Spatial arrangements so that employees can sit either alone or in pairs when the space is large.
- Special arrangements for employees who belong to vulnerable groups
- Cancellation of all business trips by Public Transport, except for those who receive special permission from the CEO.
- Elaboration of Specific Risk Assessment, where potential risks are identified, and the implemented /proposed measures are recorded
- Creating a telephone line for the psychological support of all employees.
- Distribution of individual protection masks and other personal protective measures to all employees.
- Mandatory use of mask, in all indoor and outdoor areas of buildings
- The temperature measurement is mandatory for all employees and visitors, upon entering Company's buildings.
- COVID tests in a regular basis.

#### **d) Systems of recruitment, training, promotions**

Personnel recruitment and selection procedures are based on the required qualifications for the position and without discrimination, based on the approved personnel policy. The purpose of this policy is to promote smooth cooperation between employees and the Company. With the steady and fundamental principle that human capital is the main source of the Company's competitive advantage with basic orientation to provide high quality technical services, emphasis is placed on the existence of appropriate infrastructure and management processes and continuous training of human resources, so that each staff position is covered by persons with the appropriate knowledge and skills, and in shaping culture that promotes honest communication, team spirit, flexibility and creativity. At the same time, the Company trains its staff, on a regular basis, due to the special professional requirements and the operational or / and individual needs. Additionally, staff appraisal is based on an approved staff policy based on the results and skills of each employee.

#### **5. Financial and non-financial key performance indicators**

Regarding the year ended December 31, 2021, the following indicators are calculated below:

<b>Financial Ratios</b>	<b>01/01/2021- 31/12/2021</b>	<b>01/01/2020- 31/12/2020</b>
Current assets/Total assets	11,57%	45,61%
Non-current assets/Total assets	88,43%	54,39%

The above indicators depict the allocation of capital between current and non-current assets

Equity/Total liabilities	182,34%	533,87%
Total liabilities/Total equity & liabilities	35,42%	15,78%

The above indicators show the financial self-sufficiency of the Company

Total equity/Non-Current assets	73,03%	154,85%
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The above ratio show the degree of financing Company's non-current assets by equity

Current assets/Current liabilities	78,47%	336,79%
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The above ratio reflects the overall liquidity of the entity

Leverage ratio	17,13%	(72,86%)
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The above indicator reflects the net borrowing of the Company to total capital employed.

<b>Profitability Ratios</b>	<b>01/01/2021- 31/12/2021</b>	<b>01/01/2020- 31/12/2020</b>
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Earnings Before Tax/Total equity	0,57%	0,66%
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This index reflects the profitability of the Company's equity

EBITDA/Revenue	0,76%	0,75%
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This index reflects the return of the Company without taking into account taxes and depreciation/amortization

Gross profit/Revenue	0,70%	1,44%
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This index reflects the percentage of the gross profit over revenue of the Company

## **6. Future Development of the Company**

### **Outlook for 2022**

Given the nature of the business and the Company's sound financial position for 2021, Management will try to fulfil the investment and the purpose for which the Company was established, within the timeframe planned.

It should be mentioned that, due to ongoing pandemic of Covid-19, the measures received and mentioned above, are not expected to affect the day-to-day operation of the Company to a large extent, as all key activities of the Company can be covered through teleworking, with the exception of the operation of construction sites where the contractors and the Company meet all the necessary protection and precautionary measures against Covid-19. However, it should be noted that the process and implementation schedule of the project may be affected by this global pandemic. The

Company closely monitors the developments so that it can immediately meet the requirements of the global and domestic environment, always based on the completion of the project as soon as possible and within the timeframe, while being in constant communication with the contractors of the projects in order to limit the impact of Covid-19 on the execution of the contracts.

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

- The Company closely monitors the 2022 budget and so far there is no indication that its financial figures will be significantly affected due to the pandemic.
- The construction plan for 2022 was carefully re-evaluated, but the management estimates that its implementation will not be substantially affected. However, estimates are constantly updated based on the evolution of the crisis.

Finally, it should be mentioned that the Company's revenues are basically cost-oriented, and are described in detail in the concession agreement with the parent company, and are not expected to be significantly affected during construction period.

In terms of project financing, apart from equity funds, the Company has entered into loan agreements, within 2020, with Eurobank and European Investment Bank, under very competitive and favorable conditions, of a total funding line up to 400 million Euros with the possibility of raising an additional 100 million Euros, in case of exceeding the project budget, so that works may continue without any problem throughout the construction period. More specifically, in December 2020, the Company entered into a loan agreement with the European Investment Bank of a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case of exceeding the construction cost. In December 2020, based on a condition that existed in the loan agreement with Eurobank SA, the Company canceled 200 million bonds with the latter, thus having as a loan line for the project, the maximum amount of Euro 400 million.

At the same time, within 2022, the project is expected to be included for co-financing, either in the Operational Program "Competitiveness, Entrepreneurship and Innovation" under the ESPA or in the Recovery and Resiliency Fund program (RRF), drawing significant resources and reducing, to a large extent, the cost of a major importance project for the Greek consumer.

## **7. Company activity in the field of research and development**

The Company had no research and development expenses for the year 2021.

## **8. Information regarding the acquisition of treasury shares as provided in paragraph 2 of the Article 50 of Law 4548/2018.**

No treasury shares were acquired during the fiscal year 2021, nor during any previous years.

## **9. Company Branches**

During the year 2019, the Company moved to its offices in, 1 Konstantinoupoleos Avenue, zip code 121 32 Peristeri, in the building owned by the parent company IPTO SA. The Company's Headquarters are located at 89 Durrachiou Street and Kifissou Street, zip code 104 43 Athens.

## **10. Use of financial instruments**

The Company does not use financial instruments.

## **11. Significant transactions with related parties**

The Company is controlled by the INDEPENDENT POWER TRANSMISSION OPERATOR SA (IPTO SA), which owns 100% of the Company's share capital and is the Parent Company. Between these two parties, a Concession Agreement has been signed for the construction and financing of the project by the Company and in return the Company will receive future economic benefits.

Except from the transactions arising from the aforementioned concession agreement, there are no other material transactions that have not been made under normal market conditions.

## **12. Management Remuneration**

The gross remuneration of the Board of Directors for the period ended December 31, 2021 amounted to Euro 72.015.

## **13. Subsequent events**

Recent geopolitical events in Ukraine, military actions from Russia and answer from European Countries and USA in the form of financial penalties, has started to affect significantly global energy markets and economic developments in general. The Company and the Group follow the developments in Ukraine and plan respective actions.

The Company and the Group concern these events as not corrective after the reporting period and their possible effect to Financial Statements cannot be estimated at this time.

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

## **14. Applied Key Accounting Principles**

For the preparation of the Statement of Financial Position of the year ended, as well as the Income and Other Comprehensive Income, Changes in Equity and Cash Flow Statements, the accounting principles applied are consistent with the parent's policies and are analytically presented in the Financial Statements.

## **15. Other issues**

The Company has no foreign exchange currency.

There are no encumbrances on the Company's property, as the Company owns no property.

After that we hereby kindly request that you:

- 1) Approve the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, summary of key accounting policies and methods and other explanatory information for the year 2021 (fiscal period 01/01/2021 - 31/12/2021),
- 2) Discharge the members of the Board of Directors and auditors from all liability for the operations for the year 2021 (fiscal period 01/01/2021 - 31/12/2021),
- 3) Appoint two (2) regular and two (2) alternate certified auditors for the year 2022.

Athens, April 1, 2022

For the Board of Directors

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Member of the Board  
of Directors  
Rousopoulos Iason

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The Chairman of the Board  
of Directors  
Manousakis Manousos

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# Independent Auditor's Report

To the Shareholders of the Company ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER S.P.S.A.

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER S.P.S.A. (the Company), which comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER S.P.S.A. as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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



## **Report on Other Legal and Regulatory Requirements**

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

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2021.
- b) Based on the knowledge we obtained during our audit of ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER S.P.S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 1 April 2022

### **KONSTANTINOS L. TAKIS**

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### **SOTIRIOS D. KOURTIS**

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**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A.  
(ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements in accordance with International Financial Reporting Statements  
(as adopted by E.U)**

The attached Financial Statements have been approved by the Board of Directors of the company ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A) on April 1, 2022 and they have been posted on the Company's website: [www.ariadne-interconnection.gr](http://www.ariadne-interconnection.gr)

THE CHAIRMAN OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS – GENERAL DIRECTOR	MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF ACCOUNTANT
<hr/>	<hr/>	<hr/>	<hr/>
M.MANOUSAKIS	I.MARGARIS	I. ROUSOPOULOS	KPMG Accountants Single Member S.A
ID No. AO 165741	ID No. AB 286541	ID No. X 085318	Office License No.: 157
			ANTONIS TRICHAS
			License number: 98475

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**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	01/01/2021 - 31/12/2021	01/01/2020 – 31/12/2020
<b>INCOME:</b>			
Revenue	6	180.120.129	109.395.879
Other income	7	145.211	16
<b>Total income</b>		<b>180.265.341</b>	<b>109.395.895</b>
<b>EXPENSES:</b>			
Payroll cost	8	(1.615.522)	(1.352.714)
Third party services	9	(130.422)	(78.815)
Third party fees	10	(177.070.128)	(106.816.614)
Depreciation and Amortization	15, 16	(69.648)	(51.430)
Taxes and duties		(5.211)	(5.936)
Allowance for expected credit losses		44.011	(75.247)
Other expenses	11	(116.774)	(249.462)
<b>Total expenses</b>		<b>(178.963.693)</b>	<b>(108.630.218)</b>
<b>PROFIT BEFORE INTEREST AND TAX</b>		<b>1.301.648</b>	<b>765.677</b>
Financial expenses	12	(757.236)	(22.234)
Financial income	12	620.867	605.017
<b>PROFIT BEFORE TAX</b>		<b>1.165.278</b>	<b>1.348.460</b>
Income tax	13	(271.733)	(325.334)
<b>NET PROFIT FOR THE YEAR</b>		<b>893.545</b>	<b>1.023.127</b>
		<b>01/01/2021- 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>893.545</b>	<b>1.023.127</b>
Other profit for the year after tax		-	-
<b>TOTAL PROFIT FOR THE YEAR AFTER TAX</b>		<b>893.545</b>	<b>1.023.127</b>

*The notes on pages 25 to 51 are an integral part of these Financial Statements.*

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

**STATEMENT OF FINANCIAL POSITION**

	Note	31/12/2021	31/12/2020
<b><u>ASSETS</u></b>			
<b>Non - current assets</b>			
Tangible assets	15	27.776	25.213
Right of use assets	15	139.813	110.808
Contract asset- Receivables from construction services	17	278.945.684	105.254.921
Intangible assets	16	58.410	72.564
Long term receivables		-	25.610.030
Deferred tax asset	13	865	11.890
Other long-term Receivables		4.342	-
<b>Total non - current assets</b>		<b>279.176.889</b>	<b>131.085.425</b>
<b>Current assets</b>			
Trade receivables	18	11.026.251	976.658
Other receivables	19	9.641.252	19.486.982
Short-term receivables	20	2.300.667	2.160.000
Accrued income	21	1.334.036	1.613.666
Prepaid expenses		300	12.239
Cash and cash equivalents	22	12.209.582	85.669.304
<b>Total current assets</b>		<b>36.512.088</b>	<b>109.918.849</b>
<b>Total assets</b>		<b>315.688.977</b>	<b>241.004.274</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>EQUITY</b>			
Share capital	23	200.000.000	200.000.000
Legal reserve	24	193.834	149.157
Retained earnings		3.682.850	2.833.983
<b>Total equity</b>		<b>203.876.684</b>	<b>202.983.140</b>
<b>Non-current liabilities</b>			
Long-term borrowings	25	54.182.218	-
Long-term lease liabilities	26	81.625	72.494
Other long-term liabilities	27	11.020.754	5.311.670
<b>Total non-current liabilities</b>		<b>65.284.597</b>	<b>5.384.164</b>
<b>Current liabilities</b>			
Trade and other short-term liabilities	28	46.436.855	32.597.171
Short-term borrowings	25	30.250	-
Short-term lease liabilities	26	60.591	39.799
<b>Total current liabilities</b>		<b>46.527.695</b>	<b>32.636.970</b>
<b>Total equity and liabilities</b>		<b>315.688.977</b>	<b>241.004.274</b>

*The notes on pages 25 to 51 are an integral part of these Financial Statements.*

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Legal reserve	Retained earnings	Total Equity
<b>Balance as at 01/01/2020</b>	<b>200.000.000</b>	<b>98.001</b>	<b>1.862.012</b>	<b>201.960.013</b>
Net profit for the year	-	-	1.023.127	1.023.127
Legal reserve for the year	-	51.156	(51.156)	-
<b>Balance as at 31/12/2020</b>	<b>200.000.000</b>	<b>149.157</b>	<b>2.833.983</b>	<b>202.983.140</b>
<b>Balance as at 01/01/2021</b>	<b>200.000.000</b>	<b>149.157</b>	<b>2.833.983</b>	<b>202.983.140</b>
Net profit for the year	-	-	893.545	893.545
Legal reserve for the year	-	44.677	(44.677)	-
<b>Balance as at 31/12/2021</b>	<b>200.000.000</b>	<b>193.834</b>	<b>3.682.850</b>	<b>203.876.684</b>

*The notes on pages 25 to 51 are an integral part of these Financial Statements.*

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

**STATEMENT OF CASH FLOWS**

	Note	01/01/2021- 31/12/2021	01/01/2020- 31/12/2020
<b>Cash flows from operating activities</b>			
Profit before tax		1.165.278	1.348.460
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets	15,16	69.648	51.430
Interest income	12	(620.867)	(605.017)
Provisions		(44.011)	75.247
Amortization of borrowing costs	25	(3.671)	-
Interest expense	12	757.236	6.234
<b>Operating profit before working capital adjustments</b>		<b>1.323.613</b>	<b>876.355</b>
<i>(Increase)/decrease in:</i>			
Accrued income		205.982	-
Prepaid expenses		11.939	(12.239)
Long term receivables		25.605.689	(25.685.277)
Trade receivables		(10.005.582)	(17.350.207)
Other receivables		9.631.197	(4.116.508)
Receivables from construction services		(173.690.763)	(104.465.759)
<i>Increase/(decrease) in:</i>			
Trade payables		13.614.230	32.283.728
Long term liabilities		5.709.083	5.311.670
<b>Cash flows from operating activities</b>		<b>(127.594.611)</b>	<b>(113.158.238)</b>
Leases interest paid	26	(3.233)	(3.597)
Income tax paid		(49.108)	(168.038)
<b>Net cash flows from operating activities</b>		<b>(127.646.953)</b>	<b>(113.329.874)</b>
<b>Cash flows from investing activities</b>			
Interest received		544.288	551.190
Acquisition of tangible and intangible assets	15,16	(11.827)	(92.296)
<b>Net cash flows from investing activities</b>		<b>532.461</b>	<b>458.894</b>
<b>Cash flows from financing activities</b>			
Borrowing costs	25	(778.111)	(2.160.000)
Proceeds from borrowings		55.000.000	(2.636)
Interest paid & guarantees paid		(521.808)	-
Lease liability payments	26	(45.311)	(35.607)
<b>Net cash flows from financing activities</b>		<b>53.654.770</b>	<b>(2.198.243)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(73.459.722)</b>	<b>(115.069.223)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>85.669.304</b>	<b>200.738.527</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>12.209.582</b>	<b>85.669.304</b>

*The notes on pages 25 to 51 are an integral part of these Financial Statements.*



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

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

ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. ("ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A" or "the Company") was incorporated on September 10<sup>th</sup> 2018 and is a subsidiary of Independent Power Transmission Operator (or «IPTO SA» or «the Parent Company»). The Company was established in compliance with RAE (Regulatory Authority of Energy) decisions 816/2018 and 838/2018. On 20/03/2020, the Articles of Association of the Company were amended, in order to be harmonized with the provisions of the new Law on Societes Anonymes (Law 4548/2018). The Company's share capital amounts to 200.000.000 (two hundred million Euros) and it was fully paid at the establishment period. As a subsidiary of IPTO SA, the Company is fully consolidated to the Group's Financial Statements. The Company's purpose is:

- i) the financing of total construction cost of the Project "Crete Attica Electrical Interconnection", according to the 10-year Development Program (TYDP) of Hellenic Electricity Transmission System for the period 2018–2027 and of Regulatory Authority for Energy (RAE),
- ii) the design, supply, construction and installation of all separate parts of the Project, such as the cables, electrode stations, converter stations and substations through tender procedures,
- iii) the supervision of tender procedures referred above (ii),
- iv) the necessary tests and the acceptance of the completed parts of the Project,
- v) the delivery of the completed Project to IPTO SA,
- vi) the performance of any other related activity, which is directly or indirectly related to the Project's scope, including the actions required to obtain the necessary licenses and the finalization of loan facilities and other financial agreements with credit institutions or affiliated companies,
- vii) the collection of the Project's required revenue, as long as this is collected by IPTO SA, as determined by RAE decisions 339/2014 and 340/2014.

For the fulfillment of the above purpose, the Company may:

- (1) Establish or participate in any company, regardless of corporate form, in Greece and/or abroad, with or without the participation of third parties (individuals or legal persons).
- (2) Cooperate with any individual or legal person in any way in Greece and/or abroad and conclude to agreements of any kind.
- (3) Develop any kind of financial activity in order to achieve its scope (e.g. borrowing, issuing bills, checks, order bills, bonds, promissory notes and other securities or documents incorporating a debt, etc.).
- (5) Lease, purchase, sell, acquire or transfer any assets or rights.
- (6) Make use of funding programs and tools, mainly offered by the European Union and its affiliated organizations.

The Headquarters of the Company are located at 89, Dyrachiou and Kifissou streets, Athens 104 43, Greece. The Company's duration has been set up to 40 years from its registration date to General Commercial Registry (GEMI). The duration of the Company may be extended by a relevant decision of the Board of Directors. Its registry number to GEMI is 147415301000. On December 31, 2021, there were 30 employees.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

***Statement of Compliance***

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

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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 1<sup>st</sup>, 2021.

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2020.

**2.1.1. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS**

The Board of Directors of the Company approved the financial statements of year 2021 on April 1<sup>st</sup>, 2022. The financial statements are subject to approval by the Group's Annual General Meeting of the Shareholders.

**2.1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The attached financial statements have been prepared under the historical cost principle (except for fixed assets measured regularly at fair value) and the going concern principle. The Financial Statements are presented in Euros and all values are rounded to the nearest thousand unless otherwise stated. Any differences that may be noticed in the tables are due to roundings.

**2.1.3. GOING CONCERN**

The annual Financial Statements have been prepared on the going concern basis.

***RISK OF THE MACROECONOMIC AND CORPORATE ENVIRONMENT IN GREECE***

The Greek economy was severely affected by the COVID-19 pandemic, where a number of countermeasures were taken to limit its spread in 2020. The impact of the crisis is great due to the importance of the hospitality sector in Greece and the high number of small businesses, which are particularly vulnerable. The start and the expansion of the vaccination program during the first interval of 2021 led to the gradual lifting of the restrictive measures but the deterioration of the epidemiological data, mainly due to the coronavirus mutations, limited the growth rates of the economy. In the first nine months of 2021 the real GDP increased by 8.9% on an annual basis. This is mainly due to the recovery in private consumption that came from the increase in disposable income and the increase in exports and services. Also, the increase in public consumption and investment spending of companies supported domestic demand, which was negatively affected by the increased import of goods and services. In terms of supply, there has been a recovery in services (mainly due to tourism), but also in industry and construction.

According to the data of the state budget, for the period January - December 2021, there is a deficit in the state budget balance of 14,872 million euros against a target for a deficit of 17,487 million euros of budget 2022 and a deficit of 22,806 million euros in the corresponding period of 2020. The primary result amounted to a deficit of 10,327 million euros, against a target for a primary deficit of 12,946 million euros and a primary deficit of 18,195 million euros for the same period in 2020. The amount of net revenues of the state budget amounted to 54.878 million euros, showing an increase of 1.458 million euros or 2.7% compared to the estimate for the corresponding period included in the presentation report of the 2022 Budget.

Despite the continuing upward trend in exports, however, the goods deficit widened, as imports increased more than exports in absolute terms, as a result of continued growth in industrial production and a recovery in investment and consumption.

It is worth noting that business expectations in all sectors improved and remained high during the year. The consumer confidence index deteriorated in the second half of the year, possibly due to uncertainty about the evolution of the pandemic, but also due to inflationary pressures.

Employment continued to decline in the first months of 2021, however, the impact of the pandemic on the labor market was limited, as the measures taken to support income and employment proved to be effective. The recovery of economic activity and the beginning of the tourist season led to an increase in the number of employees and a further decline in the unemployment rate as early as the second quarter of the year.

**ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A. (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)**

**Annual Financial Statements of 31<sup>st</sup> of December 2021**

*(Amounts in Euro)*

Inflation began to record a positive annual rate from June 2021, as economic activity recovered and at the same time inflationary pressures appeared, mainly due to disruptions in supply chains and the sharp rise in international energy prices.

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

***RISKS FOR THE ADEQUACY OF THE WORKING CAPITAL***

The Company, as a Special Purpose Company and as responsible for the construction and financing of the Project, according to the relevant decisions of RAE, is obliged to directly implement the Project, taking advantage of the privileges granted by the Regulation regarding the licensing procedure and the funding from European Union, in order to achieve the proper and on time implementation of the Project. Specifically, the management of the Company carried out a relevant evaluation and did not identify any factors that endanger its going concern status. The fact that the total current liabilities of the Company amounting to € 46.5 million is higher than the total current assets (€ 36.5 million) by € 10m does not constitute a risk for the Company's perspective as going concern, as the Company has entered into a loan agreement since 2020 for the issuance of bonds amounting to € 200 million, of which € 55 million have already been disbursed in 2021, as well as a loan agreement with the European Investment Bank for an amount up to € 200 m. In light of the above, the attached Financial Statements have been prepared on the basis of going concern and the smooth continuation of the Company's activities.

**2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS**

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of payables and receivables at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Management's estimates and judgments are reviewed annually. Actual results may ultimately differ from those estimates. The principle judgments and estimates referring to events, the development of which could significantly affect the items of the financial statements during the forthcoming period, are as follows:

***Provisions for risks***

The Company forms provisions for risks related to third party claims against it and the outcome of which may lead to an outflow of funds for their settlement. The provision is formed on the basis of the lawsuit amount and probability of the outcome of the litigation. Estimates are made in conjunction with the Company's legal advisors. No provision is formed for contingent claims. On December 31<sup>st</sup>, 2021 there is no reason to form any provision.

***Impairment of fixed assets***

Each reporting date, the Company assesses whether there is an indication of impairment for any long-term asset. The determination of whether such indications exist, requires Management to make assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumption on the determination of its cash generating units.

***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 Financial Position Statement date. The income tax includes the current income tax for each fiscal year arising from the income tax return and the deferred income tax. Deferred tax assets are recognized on tax losses to the extent that it is probable that future taxable profits will occur to offset the losses. Deferred tax receivables that are recognized require Management to make assessments as to the time and level of realization of future taxable profits.

***Defined contribution plan***

The Company recognizes the contribution costs associated to the services received from its employees, which are already paid to the social contribution institute (EFKA), to the Income Statement. The unpaid amount is recognized as liability to the Statement of Financial Position. The employees have signed a fixed-term contract, so Management considers that the results of an actuarial study will have minor impact to the Company's Financial Statements.

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*(Amounts in Euro)*

## **2.3 MAIN ACCOUNTING POLICIES**

### ***Foreign Currency Conversion***

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

### **Non-Financial Assets**

#### ***Intangible assets***

Intangible assets are recognized 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.

#### ***Tangible assets***

Tangible Assets are initially recognized at their acquisition cost which includes all directly attributable expenses for their acquisition until they are ready for use as intended by the Management. Subsequent to their initial recognition, tangible fixed assets are measured at historical cost less any accumulated depreciation and amortization.

Repair and maintenance expenses are charged to the Income Statement of the year in which they are incurred. Subsequent future expenditures are capitalized, when they meet the criteria to be recognized as assets and increase the value of the fixed assets. 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.

#### ***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.

#### ***Depreciation***

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

Right of use asset	Contract duration
Other equipment	10
Furniture	10
PC	5
Machinery	10
Software	5

#### ***Impairment of Non- Financial Assets***

The Company 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

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**Annual Financial Statements of 31<sup>st</sup> of December 2021**

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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.

***Financial Assets***

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

- a) at amortized cost
- b) at fair value through other comprehensive income (for investments in net worth)
- c) at fair value through other comprehensive income (for debt investments)
- d) at fair value through Income statement

***Trade and Other Receivables***

Receivables are carried at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the relevant figures are written-off or impaired, as well as through the amortization process.

***Impairment of Financial Assets***

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

***Financial assets measured at carrying amount***

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

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

***Measurement of credit risk 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, i.e. the present value of the difference in cash flows that the Company would receive on a contractual basis and the cash flows it expects to receive.

***Impairment Presentation***

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

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***Write-off of Financial Assets***

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

- 1) contractual rights are expired over Cash flows of the financial Asset or
- 2) transfer the financial asset and this transfer fulfils the conditions of the standard for cessation of recognition.

***Cash and Cash Equivalents***

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

***Offsetting of Financial Receivables and Liabilities***

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

***Financial Liabilities***

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

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

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

***Income Tax (Current and Deferred)***

***Current income tax***

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

***Deferred income tax***

Deferred income tax is calculated using the liability method, on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred income tax liability arises from initial recognition of capital gain or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward tax assets and tax losses, to the extent that it is possible that taxable profit will be available to use against the deductible temporary differences and the carried forward unused tax assets and unused tax losses. A deferred tax asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction it does not affect either the book profit or the taxable profit or loss.

Deferred tax assets are remeasured at each financial position date and are reduced to the extent that it is not deemed probable that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used. Deferred tax assets and liabilities are calculated based on the tax rates that are expected to be in force for the period in which the asset is recovered or the liability settled and are based on the tax rates

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(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.

***Revenue Recognition***

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from rendering of services is recognized based on the stage of completion of the service rendered and the extent to which the related receivable will be collected.

**Revenue from contracts with customers**

The Company, under IFRIC 12 “Service Concession Arrangements”, recognizes and measures revenue under IFRS 15 “Revenues from Contracts with Customers”, for the services it performs, in accordance with the relative fair values of the services provided, when these can be measured separately. For the construction services, the Company accounts for revenue and expenses related to these services. The Company, recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

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

When the progress of a construction contract cannot be estimated reliably with respect to the overall construction, contract revenue is recognized up to the amount of expenditure incurred until such time as the Company is able to reasonably measure the progress of the contract.

The consideration is rights to an intangible asset, as the right to charge users of public service obligations, regarding the project, is not an unconditional right to receive cash, but the amounts to be collected are contingent on the extent that the public uses this service.

IFRS 15 provides a single, principles based five-step to be applied to all contracts with customers for the identification and the recognition of revenue. Its application also applies to the recognition and measurement of gains or losses on the sale of non-financial assets that are not part of three Company’s ordinary activities (eg. sale of tangible fixed assets or intangible assets).

In addition, it requires entities to allocate the transaction price to the separate performance obligations. The allocation is based on the relative standalone selling prices of the goods or services promised and is made at inception of the contract. Revenue is subsequently recognized when the entity fulfills the performance obligations, that is, when it transfers the goods or services specified in the contract to the customer.

The Company accounts for revenue from construction services under the provisions of the concession agreement with the parent company. This revenue relates to re-invoicing construction costs from subcontractors / contractor companies, as well as from income related to the regulated revenue of the parent company regarding the specific project and reimburses the Company for the services provided.

**Revenue from Interest**

The company receives revenue from interest from advances granted and bank deposits, which are recognized according to the accrued principle.

**Leases**

**The company as a lessee**

The Company leases office space from the parent company. Based on IFRS 16, the classification of leases as operating leases and financial leases is terminated for the lessee and all leases are accounted for as items of the Statement of Financial Position, through the recognition of a “right-of-use asset” and a “lease liability”, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases whose underlying asset is of low value (ie less than Euro 5,000). The Company treats these leases as operating expenses using the straight-line method over the term of the lease. The Company recognizes the lease payments relating to these leases as operating expenses in the Income Statement.



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

At the commencement date of a lease period 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 Company 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 Company 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 liabilities and Short-term Lease liabilities.

**Initial measurement of the lease liability**

At the commencement of the lease period, the Company 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 Company 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 Company under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company measures the right-of-use asset applying the cost model:

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

The Company depreciates the right-of-use asset over the term of the lease 10 years, and determines whether it is impaired.

***Subsequent measurement of the lease liability***

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

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and

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

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

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

(a) interest on the lease liability; and

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

## **2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2021. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

The Company did not proceed with early adoption of standards, interpretations or amendments issued by International Accounting Standards Board and adopted by European Union but have no mandatory application for the year 2021.

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

#### **COVID-19-Related Rent Concessions (Amendment to IFRS 16)**

A one-year extension to the practical expedient for COVID-19 related rent concessions under IFRS 16 Leases has been published by the International Accounting Standards Board (the Board). The 2021 amendment is a response to the ongoing economic challenges resulting from the COVID-19 coronavirus pandemic and extends the 2020 amendment which introduced an optional practical expedient simplifying how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

This amendment applies to the annual accounting periods that begin on or after 1 April 2021. Earlier application is permitted, including the interim or annual financial statements that have not been approved for publication on 31 March 2021.

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

The International Accounting Standards Board has issued the Interest Rate Benchmark Reform – Phase 2 that focuses on the accounting once a new benchmark rate, to ensure that financial statements best reflect the economic effects of IBOR reform. These alternative benchmark rates are expected to replace (by the end of 2021) some of benchmark interest rates that many companies use for example in their loan instruments, lease contracts and in hedge accounting. The practical expedient that these amendments introduce are that although under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement, if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis then changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform. This amendment applies to the annual accounting periods that begin on or after 1 January 2021.

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**IAS 19 Employee Benefits – Transitional Provisions of final agenda decision under the heading “Attributing Benefits to Periods of Service”**

The International Financial Reporting Interpretations Committee issued the final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan").

This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the “IASB Due Process Handbook (par 8.6)”, entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned final decision of the Committee's agenda will be treated as a Change in Accounting Policy. The aforementioned decision will be implemented in accordance with paragraphs 19-22 of IAS 8.

The application of the above final decision at the attached Financial Statements , results to attribute the benefits to last sixteen (16) years until the date of retirement by following the scale of Law 4093/2012. However this does not have effect to the financial statements of the Company.

**Standards that have been issued but are not effective to current accounting period and have not early adopted**

***Annual Improvements to IFRS Standards 2018–2020***

On 14 May 2020, the Board issued the annual improvements that concludes the following amendments of the below International Financial Reporting Standards, that apply to annual accounting periods that begin on or after the 1 January 2022:

***Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)***

Amendments to IAS 37 clarify that the cost of fulfilling a contract for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract.

This amendment applies to the annual accounting periods that begin on or after 1 January 2022.

***Fees and the '10 per cent test' for derecognition of financial liabilities (Amendments to IFRS 9 Financial Instruments)***

The amendment that applies to IFRS 9, clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

***Lease incentives (Amendments to IFRS 16 Leases)***

Furthermore, a modification of IFRS 16 removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

***Proceeds before Intended Use (Amendments to IAS 16 Property, Plant and Equipment:)***

This amendment changes the way that the cost of testing whether the asset functions properly is recognised and the accounting for net proceeds that result from producing and selling items through the process of making an item of PPE available for its intended use. The above expenses and proceeds should be recognised in profit or loss rather than deducting the acquisition cost of the asset. The entities are required to disclose separately , the costs and the proceeds that are related to the production of items that does not result from the regular business of the entity.

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**Standards and Interpretations effective for the forthcoming financial years that have not been adopted earlier by the Company and have not been adopted by the European Union:**

The below amendments are not expected to have significant effects to the Financial Statements of the Company unless otherwise is specified.

***Classification of Liabilities as Current or Non-current (Amendments to IAS 1)***

*Amendments in classification of liabilities as current or non-current*, issued in January 2020 and an entity shall apply those amendments for annual reporting periods beginning on or after 1<sup>st</sup> January 2022 retrospectively in accordance with IAS 8. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact. The first change that was applied is that an entity shall classify a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. More specifically, to recognize such right, entity should comply with specified conditions. If the right to defer settlement is subject to the entity's compliance to those conditions at the end of the reporting period, even if the lender does not test compliance until a later date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria to be classified as non-current, shall be classified as non-current, even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are authorized for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position. Another amendment issued is that, for the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments. With respect to equity instruments, is specified that that the option of the counterparty should be classified as an equity component of a compound financial instrument if IAS 32 criteria are met.

***Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)***

The Board has issued amendments to IAS 1 "Presentation of Financial Statements" and an update to IFRS Practice Statement 2 "Making Materiality Judgements" to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. These amendments are effective from 1 January 2023 but may be applied earlier.

***Definition of Accounting Estimates (Amendments to IAS 8)***

The International Accounting Standards Board has issued amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", that introduce a new definition for accounting estimates. They clarify that estimates are monetary amounts in the financial statements that are subject to measurement uncertainty as well as the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

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

Targeted amendments to IAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions such as leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. All companies will now need to reflect the future tax impacts of these transactions and recognize deferred tax.

This amendment applies to the annual accounting periods that begin on or after 1 January 2023.

**3. FINANCIAL RISK MANAGEMENT**

***Liquidity Risk***

Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the growth of the company. The Company has no liquidity risk, as it has adequate cash and cash equivalents. Also, the company manages its liquidity risk by continuously monitoring and programming its cash flows and acts appropriately by ensuring sufficient credit and cash limits. At the same time, the Company is seeking the best sources of funding. The Company ensures efficient and low risk investment of cash resources, so that they are available for the implementation of any investment set in its Articles of Association.

For the purposes of financing the project "Electric Interconnection of Attica-Crete" the Company proceeded in July 2020 to issue a ten-year bond loan with guarantee and a capital of up to Euro 400 million. The full acceptance of its issue was undertaken by Eurobank SA. while IPTO will provide a guarantee to the bondholders, while at the same time it will receive a fee from the Company for the provision of this guarantee. In June 2021 the Company made a first disbursement of Euro 30 million. A more detailed reference is made in note 24 "Borrowings".

In addition, in December 2020, the Company entered into a loan agreement with the European Investment Bank of a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case of exceeding the construction cost. In December 2020, based on a condition that existed in the loan agreement with Eurobank SA, the Company canceled 200 million bonds with the latter, thus having as a credit facility line for the project for an amount up to Euro 400 million.

<b>As at December 31<sup>st</sup>, 2020</b>	<b>Within 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Above 5 years</b>	<b>Total</b>
Trade and Other Liabilities	31.388.429	-	-	-	31.388.429
Lease Liabilities to related parties	39.799	41.010	31.484	-	112.294
Liabilities to related parties	170.997	-	-	-	170.997
	<b>31.599.225</b>	<b>41.010</b>	<b>31.484</b>	<b>-</b>	<b>31.671.719</b>

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As at December 31st, 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Trade and Other Liabilities	44.694.347	-	-	-	44.694.347
Lease Liabilities to related parties	42.624	31.878	-	-	74.502
Other lease liabilities	21.367	21.367	30.812	-	73.546
Borrowings	1.226.806	1.226.806	13.597.882	46.652.430	62.703.923
Liabilities to related parties	448.139	-	-	-	448.139
	<b>46.433.282</b>	<b>1.280.050</b>	<b>13.628.695</b>	<b>46.652.430</b>	<b>107.994.457</b>

***Credit Risk***

Credit risk arises when the inability of the counterparties to settle their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. The credit risk of the Company is mainly limited to intragroup receivables and cash and cash equivalents and is considered low due to the high solvency of the parent company as well as the banking institutions where the Company maintains its deposits and are distinguished for their high quality capital structure.

***Interest rate risk***

Interest rate risk is the probability that the fair value of a financial instrument's future cash flows will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk is primarily related to the Company's long-term borrowing.

**3.1. CAPITAL RISK MANAGEMENT**

The Company'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 Company and to maintain an optimal capital structure to reduce capital costs.

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

The Company's net debt from IFRS 16 and the bond loan are presented in detail in the following table:

	31/12/2021	31/12/2020
Long-term lease liabilities	81.625	72.494
Short-term lease liabilities	60.591	39.799
Long-term borrowings	54.182.218	-
Short-term borrowings	30.250	-
Minus: Cash and cash equivalents	(12.209.582)	(85.669.304)
<b>Net debt</b>	<b>42.145.102</b>	<b>(85.557.011)</b>

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Total equity	203.876.684	202.983.140
<b>Total working capital</b>	<b>246.021.787</b>	<b>117.426.129</b>

The leverage ratio is calculated as the net debt divided by total working capital (total equity plus net debt).

The Company had no borrowings, other than lease obligations on December 31, 2020, at which time it did not present a leverage ratio. On December 31, 2021, the Company's leverage ratio amounted to 17,13%.

This section presents an analysis of net borrowing and its movements for the year ended.

	<b>31/12/2021</b>	<b>31/12/2020</b>
Cash and cash equivalents	12.209.582	85.669.304
Short-term Debt - payable during the year	(90.841)	(39.799)
Long-term Debt - payable after one year	(54.263.843)	(72.494)
<b>Net debt</b>	<b>(42.145.102)</b>	<b>85.557.011</b>

	Cash and Cash equivalents / Bank	Loan liabilities	Lease liabilities		Total
		Long-term borrowings (after one year)	Short-term lease liabilities (during the year)	Long-term lease liabilities (after one year)	
<b>Net debt as at 01/01/2020</b>	<b>200.738.527</b>	-	<b>(31.935)</b>	<b>(92.919)</b>	<b>200.613.673</b>
Cash flows	(115.069.223)	-	-	-	(115.069.223)
Cash items	-	-	35.607	-	35.607
Non-cash items - Transfer to short-term lease liabilities	-	-	(36.631)	36.631	-
Non-cash items - Recognition of new lease	-	-	(6.841)	(16.205)	(23.046)
<b>Net debt as at 31/12/2020</b>	<b>85.669.304</b>	-	<b>(39.799)</b>	<b>(72.494)</b>	<b>85.557.011</b>

	Cash and Cash equivalents / Bank	Loan liabilities	Lease liabilities		Total	
		Short- term borrowin gs (during the year)	Long-term borrowings (after one year)	Short- term lease liabilities (during the year)		Long- term lease liabilities (after one year)
<b>Net debt as at 01/01/2021</b>	<b>85.669.304</b>	-	-	<b>(39.799)</b>	<b>(72.494)</b>	<b>85.557.011</b>
Cash flows	(73.459.722)	-	-	-	-	(73.459.722)

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Cash items	-	-	(55.000.000)	(674)	45.986	(54.954.689)
Non-cash items- Borrowing costs & interest accrual	-	(30.250)	817.782	-	-	787.532
Non-cash items - Transfer to short-term lease liabilities - Non- cash items - Recognition of new lease	-	-	-	(20.117)	(55.117)	(75.234)
<b>Net debt as at 31/12/2021</b>	<b>12.209.582</b>	<b>(30.250)</b>	<b>(54.182.218)</b>	<b>(60.591)</b>	<b>(81.625)</b>	<b>(42.145.102)</b>

**4. RECLASSIFICATIONS FOR THE YEAR ENDED 31 DECEMBER 2020**

The comparative data of long-term trade receivables and other receivables are presented restated in relation to the previous financial statements in order to make them more comparable with the amounts of the current year. Specifically, vendors advance payments amounting to Euro 16.426.798,17 have been reclassified from long-term trade receivables to the line of other receivables of the financial position statement.

The comparative data of financial expenses are presented restated in relation to the previous financial statements in order to make them more comparable with the amounts of the current year. Specifically, commissions to banks to Euro 16.000 have been reclassified from third party fees to the line of financial expenses of Statement of Comprehensive Income. This reclassification does not affect net profit of comparative year.

**5. CONSTRUCTION COST**

The Company recognized revenue of a Euro 180.120.129 for the period, in accordance with the concession agreement signed with the parent company. The amount of revenue include the amount of Euro 178.859.740, which is related with the re-invoicing of construction costs of the project. In particular, for the reporting period, the construction cost includes administration and management costs, which are mainly related to payroll costs of employees involved in the design and implementation of the project.

	<b>01/01/2021 - 31/12/2021</b>	<b>01/01/2020 - 31/12/2020</b>
Revenue	180.120.129	109.395.879
Construction Costs	(178.859.740)	(107.821.135)
<b>Gross profit</b>	<b>1.260.389</b>	<b>1.574.745</b>
Other Revenues	766.078	605.017
Other Expenses	(861.189)	(831.301)
<b>Profit before tax</b>	<b>1.165.278</b>	<b>1.348.460</b>



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**6. REVENUE**

As at December 31<sup>st</sup> 2021, the Company's revenue include the amount of Euro 180.120.129 (2020: 109.395.879), based on the concession agreement signed with the Parent company, regarding the implementation of the Project.

**7. OTHER INCOME**

The amount of Euro 145.211 relates to the reversal of previously expensed withheld contributions regarding AEPA (Authority for the Examination of Preliminary Appeals) and HSPPA (Hellenic Single Public Procurement Authority) (applicable only for public contracts) from invoices issued to IPTO during the year of 2020.

**8. PAYROLL COSTS**

As at December 31<sup>st</sup> 2021, the Company has 30 employees, which is the same number of employees that Company had during 2020. The payroll costs are analyzed below:

	<b>1/1/2021 - 31/12/2021</b>	<b>1/1/2020 - 31/12/2020</b>
Salaries	1.279.056	979.308
Seconded staff salaries	44.421	119.221
Social security expenses	258.546	238.691
Training expenses	645	602
Private insurance costs	11.667	10.262
Other benefits and payroll costs	21.187	4.630
<b>Total</b>	<b>1.615.522</b>	<b>1.352.714</b>

**9. THIRD PARTY SERVICES**

Third party services include intercompany transactions (Note 14), relating to rental fees, building maintenance fees (electricity, water, heating, cleaning, security etc.) and telecommunication costs.

	<b>1/1/2021 - 31/12/2021</b>	<b>1/1/2020 - 31/12/2020</b>
Rental fees	190	270
Building maintenance fees	113.837	65.017
Fees for telecommunication services	16.239	13.528
Fees for water supply	156	-
<b>Total</b>	<b>130.422</b>	<b>78.815</b>

For the first quarter of 2020, the rental for 89, Dyrachiou street Headquarters was a short-term lease (12-month lease term), so the Company did not recognize a right of use asset applying IFRS 16 practical exemption. From April 2020 onwards, the relevant lease was renewed and the lease term was extended to more than a year, so the Company recognized the corresponding right of use asset (Note 15).

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**10. THIRD PARTY FEES**

The third party fees are analyzed as :

	<u>1/1/2021 - 31/12/2021</u>	<u>1/1/2020 - 31/12/2020</u>
Contractor fees	175.532.609	106.233.406
Third party fees	108.353	87.401
Accountants fees	58.714	99.910
Board of Directors fees	72.015	65.056
Legal fees	48.744	28.904
Fees for technical studies	1.176.903	244.330
IT fees	52.479	37.560
Auditors fees	11.650	13.950
Other third party fees (canteen services)	8.661	6.097
<b>Total</b>	<b><u>177.070.128</u></b>	<b><u>106.816.614</u></b>

Contractor fees are related to the work that started out, for the construction of the Crete Attica Interconnection Project, after the contracts signing in May 2020. The technical studies fees are related to the preparation of the Company's Business Plan. IT and other third party fees are intercompany transactions (Note 14), as the relevant services are provided by the parent company IPTO SA. The Board of Directors fees are also intercompany transactions (Note 14), as the Board members are employed by the parent company IPTO SA, as well.

**11. OTHER EXPENSES**

	<u>1/1/2021 - 31/12/2021</u>	<u>1/1/2020 - 31/12/2020</u>
Subscriptions to software programs	12.607	28.519
Subscriptions to professional organisations	1.050	1.131
Tender expenses	14.400	49.600
Other expenses	88.717	170.212
<b>Total</b>	<b><u>116.774</u></b>	<b><u>249.462</u></b>

**12. FINANCIAL EXPENSES - INCOME**

<b>Financial Expenses</b>	<u>1/1/2021 - 31/12/2021</u>	<u>1/1/2020 - 31/12/2020</u>
Bank and other expenses	1.863	2.636
Lease interest expenses	3.233	3.597
Other financial expenses	184.444	-
Bank loan interest	359.028	-
Guarantee fees (IPTO)	188.339	-
Commissions to banks	24.000	16.000
Amortization of borrowing costs	(3.671)	-
<b>Total</b>	<b><u>757.236</u></b>	<b><u>22.234</u></b>

The amount of Euro 184.44 concerns commitment fees related to the amount of loan that will be finally disbursed. The amount of Euro 188.339 includes the fee paid to IPTO in order to provide guarantee to the bondholders.

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	<u>01/01/2021 - 31/12/2021</u>	<u>1/1/2020 - 31/12/2020</u>
<b>Finance Income</b>		
Interest on suppliers' advances	407.908	53.827
Interest income from bank deposits	212.959	551.190
<b>Total</b>	<u><u>620.867</u></u>	<u><u>605.017</u></u>

**13. INCOME TAX (CURRENT AND DEFERRED)**

For the period 01/01–31/12/2021, current corporate income tax is calculated at 22% according to law 4799/2021 and at 24% for the comparative period 01/01–31/12/2020.

The income tax return is submitted on an annual basis, but the declared profits or losses remain temporary until the tax authorities audit the taxpayer's statements and books and records and the final audit report is issued. Income tax payable is offset against the tax advance and withholding taxes and the net amount appears as a receivable or liability in the Company's Statement of Financial Position.

Tax losses, to the extent that they are accepted by the tax authorities, may offset future gains for a period of five years from the year in which they arose.

	<u>1/1/2021 - 31/12/2021</u>	<u>1/1/2020 - 31/12/2020</u>
Current Income tax	211.601	341.980
Adjustment of previous year tax	49.108	-
Deferred tax	11.025	(16.646)
<b>Total Income Tax</b>	<u><u>271.733</u></u>	<u><u>325.334</u></u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable in Greece on its profits. The difference is, as follows:

	<u>01/01/2021 - 31/12/2021</u>	<u>01/01/2020 - 31/12/2020</u>
<b>Profit before tax</b>	1.165.278	1.348.460
Tax calculated at tax rates applicable to profits	256.361	323.631
Expenses not deductible for tax purposes	(34.727)	1.703
Effect from change in tax rate	991	-
Adjustment of previous year tax	49.108	-
<b>Income tax</b>	<u><u>271.733</u></u>	<u><u>325.334</u></u>

**14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The Financial Statements of the Company are fully consolidated to the Financial Statements of the parent company Independent Power Transmission Operator (IPTO SA). At 31/12/2021 IPTO SA owns 100% of the Company's share capital. The Company is indirectly controlled by Greek State through ADMIE HOLDINGS Inc. and DES ADMIE SA, which are controlled by Greek State. ADMIE HOLDINGS Inc. and DES ADMIE SA control 51% and 25% of the parent company's share capital, respectively. Below is the list of the affiliated companies of the Group:

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<b>Company</b>	<b>Relation</b>
IPTO SA	Parent
GRID TELECOM SINGLE MEMBER SA	Affiliated
ENERGY EXCHANGE GROUP SA	Affiliated
SEleNe CC	Affiliated
ADMIE HOLDINGS INC	Affiliated
DES ADMIE SA	Affiliated
STATE GRID LTD	Affiliated

The Company's transactions with related parties have been carried out under normal market conditions and are analyzed below:

<b>Amounts in Euro</b>	<b>31/12/2021</b>	
	<b>Receivables</b>	<b>Liabilities</b>
IPTO SA	292.691.965	520.633
BoD fees	-	-
	<b>292.691.965</b>	<b>520.633</b>

<b>Amounts in Euro</b>	<b>01/01/2021-31/12/2021</b>	
	<b>Revenues</b>	<b>Expenses</b>
IPTO SA	180.120.129	481.174
BoD fees	-	72.015
	<b>180.120.129</b>	<b>553.189</b>

According to IAS 24, key management personnel is considered as “related party” to the Company. Therefore, the above amount of expenses to related parties include the Board Remuneration (Note 9) Euro 72.015, given to board members during the reporting period.

Part of the receivables from IPTO, amount to approximately Euro 1.5 million, refers to deferred revenue related to compensatory expenses to municipalities and communities, which were not realized during the year and therefore they are not included revenue. These expenses are expected to be incurred in the following years.

**15. TANGIBLE ASSETS**

	<b>Right of Use Assets</b>	<b>Right of Use Asset Vehicles</b>	<b>Machinery and Other Equipment</b>	<b>Furniture and other equipment</b>	<b>Total</b>
<b>Book value at 01/01/2020</b>	<b>133.022</b>	-	<b>20.094</b>	-	<b>153.115</b>
<i>Additions</i>					
	23.046	-	10.859	-	<b>33.905</b>
<b>Book value at 31/12/2020</b>	<b>156.067</b>	-	<b>30.953</b>		<b>187.020</b>

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<b>Book value at 01/01/2021</b>	<b>156.067</b>	<b>-</b>	<b>30.953</b>	<b>-</b>	<b>187.020</b>
<i>Additions</i>	17.636	57.998	7.200	1.782	<b>84.616</b>
<b>Book value at 31/12/2021</b>	<b>173.704</b>	<b>57.998</b>	<b>38.152</b>	<b>1.782</b>	<b>271.636</b>
<b>Accumulated depreciation at 01/01/2020</b>	<b>(8.314)</b>	<b>-</b>	<b>(129)</b>	<b>-</b>	<b>(8.442)</b>
<i>Additions</i>	(36.946)	-	(5.611)	-	<b>(42.557)</b>
<b>Accumulated depreciation at 31/12/2020</b>	<b>(45.260)</b>	<b>-</b>	<b>(5.740)</b>	<b>-</b>	<b>(50.999)</b>
<b>Accumulated depreciation at 01/01/2021</b>	<b>(45.260)</b>	<b>-</b>	<b>(5.740)</b>	<b>-</b>	<b>(50.999)</b>
<i>Additions</i>	(44.213)	(2.417)	(6.343)	(76)	<b>(53.048)</b>
<b>Accumulated depreciation at 31/12/2021</b>	<b>(89.473)</b>	<b>(2.417)</b>	<b>(12.083)</b>	<b>(76)</b>	<b>(104.048)</b>
<i>Net book value</i>	110.808	-	25.213	-	<b>136.021</b>
<b>Net book value at 31/12/2020</b>	<b>110.808</b>	<b>-</b>	<b>25.213</b>	<b>-</b>	<b>136.021</b>
<i>Net book value</i>	84.231	55.582	26.069	1.707	<b>167.589</b>
<b>Net book value at 31/12/2021</b>	<b>84.231</b>	<b>55.582</b>	<b>26.069</b>	<b>1.707</b>	<b>167.589</b>

**16. INTANGIBLE ASSETS**

	<b>Software</b>	<b>Total</b>
<b>Book value at 01/01/2020</b>	-	-
<i>Additions</i>	81.437	<b>81.437</b>
<b>Book value at 31/12/2020</b>	<b>81.437</b>	<b>81.437</b>
<b>Book value at 01/01/2021</b>	<b>81.437</b>	<b>81.437</b>
<i>Additions</i>	2.445	2.445
<b>Book value at 31/12/2021</b>	<b>83.882</b>	<b>83.882</b>
<b>Accumulated depreciation at 01/01/2020</b>	-	-
<i>Additions</i>	(8.873)	<b>(8.873)</b>
<b>Accumulated depreciation at 31/12/2020</b>	<b>(8.873)</b>	<b>(8.873)</b>
<b>Accumulated depreciation at 01/01/2021</b>	<b>(8.873)</b>	<b>(8.873)</b>
<i>Additions</i>	(16.599)	<b>(16.599)</b>

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Accumulated depreciation at 31/12/2021	<u>(25.473)</u>	<u>(25.473)</u>
Net book value at 31/12/2020	<u>72.564</u>	<u>72.564</u>
Net book value at 31/12/2021	<u>58.410</u>	<u>58.410</u>

**17. CONTRACT ASSET- RECEIVABLES FROM CONSTRUCTION SERVICES**

Contract asset includes the revenue from construction services, as resulting from the concession agreement signed with the parent company IPTO SA at 10/04/2020. This revenue at 31/12/2021 amounts to Euro 278.945.684 and concern the re-invoicing of construction costs, related to monitoring and management costs of the project.

**18. TRADE RECEIVABLES**

	<u>31/12/2021</u>	<u>31/12/2020</u>
Trade debtors	11.057.487	976.658
Advances to suppliers	(31.236)	-
<b>Total</b>	<u>11.026.251</u>	<u>976.658</u>

Trade receivables include receivables from the parent Company, regarding the invoicing as at 31/12/2021 based on the concession agreement signed with the parent company IPTO SA at 10/04/2020.

**19. OTHER RECEIVABLE**

	<u>31/12/2021</u>	<u>31/12/2020</u>
V.A.T receivable	206.289	138.898
Other receivables	2.597	105
Prepaid and withheld income taxes	5.208.413	2.921.181
Advances to suppliers	4.223.953	16.426.798
	<u>9.641.252</u>	<u>19.486.982</u>

**20. SHORT-TERM RECEIVABLES**

	<u>31/12/2021</u>	<u>31/12/2020</u>
<b>Short-term receivables</b>		
Deferred borrowing costs	1.566.000	2.160.000
Commitment fees	734.667	-
<b>Total</b>	<u>2.300.667</u>	<u>2.160.000</u>

Deferred borrowing costs refer to loan origination costs for drawdowns that have not been performed as at the reporting date. When the respective funds are drawn, the corresponding origination fees will be presented net of the respective liabilities and amortized to expenses in accordance with the loan's the effective interest rate.

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Commitment fees are amounts paid periodically to compensate the bank for keeping funds available and relate to drawdowns that have not been performed as at the reporting date. When the respective funds are drawn, the corresponding commitment fees will be presented net of the respective liabilities and amortized to expenses in accordance with the loan's the effective interest rate.

**21. ACCRUED INCOME**

	<u>31/12/2021</u>	<u>31/12/2020</u>
Accrued income from IPTO	1.260.389	1.574.745
Accrued income from interest	73.647	38.921
<b>Total</b>	<b><u>1.334.036</u></b>	<b><u>1.613.666</u></b>

Accrued income includes the amount of Euro 1.260.389 (31/12/2020: Euro 1.574.745), resulting from the concession agreement signed with the parent company IPTO SA. It is related to the Company's right to the regulated revenue of IPTO SA, regarding the specific project. Specifically, it is the consideration for the services provided by the Company.

**22. CASH AND CASH EQUIVALENTS**

	<u>31/12/2021</u>	<u>31/12/2020</u>
Demand deposits	12.209.582	85.669.304
<b>Total</b>	<b><u>12.209.582</u></b>	<b><u>85.669.304</u></b>

The total amount of cash is in Euro, deposited in National Bank of Greece, Piraeus Bank and Alpha Bank. There are no commitments on the bank deposits.

**23. SHARE CAPITAL**

The Company's share capital amounts to Euro two hundred million (Euro 200.000.000), divided into two million (2.000.000) ordinary shares of Euro one hundred (Euro 100) each. The share capital is fully paid.

***Dividends***

According to the provisions of Greek commercial law, companies are obliged to distribute dividends each year corresponding to at least 35% of the profits after taxes and after deduction for the formation of the statutory reserve and Other credit allocations in the statement of results, which are not initiated from realized profits. The non-dividend distribution is possible by a decision of the shareholders' assembly, in which shareholders representing half (1/2) of the paid-up capital are present or represented, and obtained by a majority of eighty per cent (80%). Represented in the capital Assembly.

In addition, the Greek commercial law requires that certain conditions should be met for the distribution of dividends. Specifically, it is prohibited to make any distribution to the shareholders, if, at the end the last fiscal year, the total equity of the Company is or will become after this distribution lower of the amount of capital, plus:

- (a) any reserves, the distribution of which is prohibited by law or the statutes,
- (b) other credit lines of equity which may not be distributed, and
- (c) any credit amounts in the Income statement, which do not constitute realized profits.

The amount of the capital shall be reduced by the amount of capital covered but not paid, when the latter does not appear on the assets of the balance sheet.

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The Company's Board of Directors approved the Financial Statements for the year 2021 on April 1<sup>st</sup>, 2022 and proposed to the Ordinary General Meeting of Shareholders not to distribute any dividend for the year.

**24. LEGAL RESERVE**

The provisions of the Greek commercial law regulate the way the legal reserve is formed and used, as follows: At least 5% of each year's actual (accounting) net profits must be withheld to form a statutory reserve, until the statutory reserve's accumulated amount equals at least 1/3 of the share capital. Upon decision of the Ordinary General Meeting of Shareholders, the statutory reserve may be used to cover losses, and therefore may not be used for any other purpose. Within 2021, the Company formed the statutory reserve amount of Euro 44.677. Therefore, the regular reserve amounts to Euro 193.834, as at 31/12/2021.

**25. BORROWINGS**

For the purposes of financing the project "Electric Interconnection of Attica-Crete", the Company proceeded on 01/07/2020 to issue a ten-year bond loan with collateral and a capital of up to Euro 400 million. The full acceptance of its issue was undertaken by Eurobank SA. IPTO has provided a guarantee to the bondholders, while at the same time it is entitled to a fee from the Company for the provision of this guarantee.

In addition, in December 2020, the Company entered into a loan agreement with the European Investment Bank for a total amount of Euro 200 million with the possibility of additional borrowing of Euro 100 million in case the estimated construction cost is exceeded. In December 2020, based on a condition that existed in the loan agreement with Eurobank SA, the Company canceled 200 million bonds with the latter, thus having as a loan line for the project, from both banks the maximum amount of Euro 400 million.

On 24/06/2021 the Company made a first disbursement of 30 million Euros, while on 24/12/2021 made a second disbursement of 25 million Euros.

The bond loan is subject to certain covenants including financial ratios and clauses that the Company must comply with during the financing. The loan agreement's most important terms are as follows:

- The borrowing rate consists of a floating Euribor interest rate for six months plus a margin of 2.20% for the construction period and if there is no event of default, the interest rate margin will be reduced to 2.00% or 1.80% depending on the "Net Lending" ratio before Taxes, Interest and Depreciation " at the electrification date of the project.
- The repayment of the bond loan will be done in thirteen semiannual installments with an initial forty-eight months grace period for the first installment. The installments will amount to 4% of the borrowed capital, while the last installment that will be paid at the end of the bond loan will be significantly higher and equal to 52% of the capital.

The management monitors the performance of the Company to ensure compliance with the above terms.

<b>Long-term borrowings</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Common bond loan	55.000.000	-
Accrued interest on loans	23.528	-
Unamortized borrowing costs	(811.060)	-
<b>Total borrowings</b>	<b>54.212.468</b>	<b>-</b>
<b>Less short-term portion:</b>		
Accrued interest on loans	23.528	-
Unamortized borrowing costs	6.722	-
<b>Total short-term borrowings</b>	<b>30.250</b>	<b>-</b>
<b>Long-term portion</b>	<b>54.182.218</b>	<b>-</b>



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<b>Borrowings movement</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Balance as at the beginning of the period / year</b>	-	-
New loans	55.000.000	-
Interest accrued, charged and capitalized	359.028	-
Interest paid	(335.500)	-
Additions of deferred borrowing costs	(807.389)	-
Amortization of deferred borrowing costs	(3.671)	-
<b>Balance as at the end of the period / year</b>	<b>54.212.468</b>	-
<b>Deferred borrowing cost</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Balance as at the beginning of the period / year</b>	-	-
Additions	807.389	-
Amortization of deferred finance cost	3.671	-
<b>Balance as at the end of the period / year</b>	<b>811.060</b>	-
Current portion	(6.722)	-
Non-current portion	817.782	-
<b>Total</b>	<b>811.060</b>	-

## 26. LEASES

According to IFRS 16, rents paid by the Company for the lease of its offices at 89 Dyrachiou str., 104 43, Athens and 1 Konstantinoupoleos Avenue, 152 32, Peristeri, are recognized as Right of Use Asset with an equal initial lease liability. The monthly rent of the registered office at Dyrachiou str, starts on 24/04/2020, while the rent of the offices on Konstantinoupoleos Avenue starts on 01/10/2019. On 01/07/2020 the rent of the offices on Konstantinoupoleos Avenue was modified by expanding the space of the offices and at the same time increasing the rent. On 01/05/2021 the company leased a house in Heraklion, Crete for a period of three years. On 01/05/2021 the Company leased a house at Hrakleion, Crete which is used from the employees who monitor the 3 year work that takes place at Hrakleion. In addition, on 16/11/2021 the Company leased 3 vehicles.

<b>Leasing movement</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>Opening balance</b>	<b>112.294</b>	<b>124.854</b>
Interest for the period	3.233	3.597
Lease payments for the period	(48.545)	(39.204)
New leases	75.234	23.046

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*(Amounts in Euro)*

<b>Closing balance</b>	<b>142.217</b>	<b>112.294</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>
Long-term lease liability	81.625	72.494
Short-term lease liability	60.591	39.799
<b>Total</b>	<b>142.217</b>	<b>112.294</b>

**The maturity of the long-term lease liability is:**

<i>Amounts in Euro</i>	<b>31/12/2021</b>	<b>31/12/2020</b>
Between 1 and 2 years	51.661	41.010
Between 2 and 5 years	29.965	31.484
Above 5 years	-	-
<b>Total</b>	<b>81.625</b>	<b>72.494</b>

**The current value of lease liabilities is:**

<i>Amounts in Euro</i>	<b>31/12/2021</b>	<b>31/12/2020</b>
Up to 1 year	60.591	39.799
Between 1 and 5 years	81.625	72.494
Above 5 years	-	-
<b>Total</b>	<b>142.217</b>	<b>112.294</b>

**Lease liabilities**

*Amounts in Euro*

<b>Lease liabilities - minimum rents</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
Up to 1 year	63.991	42.624
Between 1 and 5 years	84.057	74.502
Above 5 years	-	-
<b>Total</b>	<b>148.048</b>	<b>117.126</b>
minus: Future interest	(5.831)	(4.832)
<b>Current value of lease liabilities</b>	<b>142.217</b>	<b>112.294</b>

**27. OTHER LONG TERM LIABILITIES**

Other long-term liabilities include retained Performance Guarantees from the contractors', in accordance with the project contracts signed between the Company and the contractors.

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**28. TRADE AND OTHER SHORT-TERM LIABILITIES**

	<u>31/12/2021</u>	<u>31/12/2020</u>
Trade and other payables	44.158.469	31.277.671
Payables - Related parties (Note 14)	259.800	170.997
Accrued expenses	535.878	110.758
Accrued expenses from related parties	188.339	-
Social security and other taxes	1.294.368	1.037.745
<b>Total</b>	<b><u>46.436.855</u></b>	<b><u>32.597.171</u></b>

**29. COMMITMENTS AND CONTINGENT LIABILITIES**

For the years ended 31.12.2018 until 31.12.2020 and remain tax unaudited by the competent tax authorities, our assessment is that any taxes that may arise will not have a material effect on the financial statements.

For the same years, the Company has been subject to the tax audit of Certified Public Accountants, in accordance to the provisions of article 65A of Law 4174/2013 as amended by article 37 of Law 4646/2019 and is also valid and also the Tax Compliance Reports were issued. For the year 2021, the Company has been subject to the tax audit of Certified Public Accountants, as provided by the provisions of article 65a of Law 4174/2013. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2021. If until the completion of the tax audit additional tax liabilities arise, it is estimated that they will not have a material effect on the financial statements.

There are no commitments and no further disclosure obligations.

**30. SUBSEQUENT EVENTS**

Recent geopolitical events in Ukraine, military actions from Russia and answer from European Countries and USA in the form of financial penalties, has started to affect significantly global energy markets and economic developments in general. The Company follows the developments in Ukraine and plan respective actions.

The Company views these events as not adjusting events after the reporting period and their possible effect to the Financial Statements cannot be estimated at this time.

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