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 2023

INTERNATIONAL FINANCIAL REPORTING STANDARDS

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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 shareholder for the year ended December 31, 2023.

Dear shareholders,

Following the end of the fiscal year 2023 (period 01.01.2023 to 31.12.2023, 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 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 10th 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 has been fully paid . The Company as a subsidiary of IPTO SA 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 (b),

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.).

(4) Lease, purchase, sell, acquire or transfer any assets or rights.

(5) 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, Dyrrachiou 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, 2023 the Company employed 27 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, which is the supreme body of the Company.

c. Description of performance and tangible and intangible assets

Financial overview of year 2023

Total revenues of the Company for the year ended December 31, 2023, 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, payroll fees, compensatory expenses and finance expenses.

Earnings before interest and taxes amounted to €16.334 thousand for 2023 compared to €3.043 thousand for 2022 showing an increase 436,9%, while earnings before interest, taxes, depreciation and amortization (EBITDA) for 2023 amounted to €16.439 thousand compared to €3.128 thousand for 2022. Interest income increase approximately 97,8% (€253 thousand compared to about €128 thousand in 2022). Construction costs for 2023 amounted to €239,4 million compared to €182,8 million in 2022.

On 20.04.2023, the Company disbursed a loan of 200 million euros from the European Investment Bank with a fixed interest rate, while on 21.06.2023 the approval to include the 1st stage of the Project in the Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014 -2020", with a maximum grant amount of 313.2 million euros was issued". In addition, on 26.09.2023 the Official Gazette (5646/B'/26.09.2023) was issued, which determined the operations, amount, and financing process through the Public Investment Program of the Project, which can be financed with an amount up to 588m Euro. On 11.10.2023 the first disbursement of the Grant was made of an amount 76,5m Euro and was recorded as a deduction of the contract asset.

Cash flows

The cash inflows mainly consist of the raising of funds through borrowing, the collection of taxes, bank interest on deposits, as well as part of the receivable from the Parent Company, while cash outflows mainly concern the payment of finance interest and guarantees, payment of contractors, payroll and operating expenses of the Company. In December 2023, the Company had banking accounts in the following bank institutions: Eurobank S.A., National Bank of Greece, Piraeus Bank S.A. and Alpha Bank S.A.

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 4548/2018.

On April 2nd, 2024 the Board of Directors approved the financial statements for the fiscal year 2023 and proposed to the ordinary General Meeting of shareholders the non-distribution of dividends. For the year ended December 31, 2023, due to the losses, there is no obligation to distribute a dividend.

Tangible and intangible assets

The Company, on December 31, 2023, 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

The Company's revenues, which is a function of the calculation of IPTO SA revenues, as a consequence due to the nature of the parent company's activity determined by a specific legislative and regulatory framework, there is no immediate risk of a decrease in demand.

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

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. And available long-term financing lines. 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.

The fact that on 31.12.2023, the current liabilities exceed current assets by €8 million, i.e. the working capital was negative on this date, does not pose a risk to the Company's perspective as going concern. Financial difficulties are not expected to arise as the Company has sufficient borrowing limits from 01.07.2020 and 23.12.2020 signed loan agreements.

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, 2023, 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 with a domestic bank while it has also secured a loan of up to €300 million 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, from which until 31.12.2023 an amount of €200 million was disbursed with a fixed interest rate.

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.

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 the 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, 2023 the Company employed 27 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.

After three years of the pandemic and measures to protect public health from the risk of spreading the SARS-COV-2 coronavirus, covid-19 is coming to an end as a public health emergency, with the lifting of the last measures. The indicators are improving and the progression shows a complete remission in the coming months as the immunity levels in the population are at their highest. The virus remains, but we have learned to live with it now and it does not affect us as it did at the beginning, it mainly requires continued attention from the vulnerable groups of the population, that is, the virus has not weakened, but we have increased immunity against the various forms of the virus. Of course, there is always the possibility of another strain of this, which may cause concern but does not seem likely in the immediate future. The measures regarding the mandatory use of masks on public transport and the weekly rapid test of unvaccinated workers in the public and private sectors have already been lifted. In any case, the Company is monitoring the development of the pandemic so that if it is required again, it can immediately and promptly take the necessary measures to protect its employees, which is its absolute priority.

(Amounts in Euro)

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, 2023, the following indicators are calculated below:

Financial ratios		**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Current assets / Total assets	=	11,28%	9,44%
Non-current assets / Total assets	=	88,72%	90,56%

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

Equity / Total liabilities	=	41,19%	67,37%
Total liabilities / Total equity & liabilities	=	70,83%	59,75%

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

Total equity / Non-Current assets	=	32,88%	44,45%

The above ratio show the degree of financing Company’s non-current assets by equity

Current assets / Current liabilities	=	90,55%	55,24%

The above ratio reflects the overall liquidity of the entity

Leverage ratio	=	63,26%	47,34%

The above indicator reflects the net borrowing of the Company to total capital employed.

Profitability ratios		**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Earnings before tax			

Total equity	=	(0,91%)	(0,48%)

This index reflects the profitability of the Company's equity

Earnings before interest, tax and depreciation / Revenue	=	6,71%	1,70%

This index reflects the return of the Company without taking into account taxes and interest.

Gross profit / Revenue	=	2,32%	0,60%

This index reflects the percentage of the gross profit over revenue of the Company

6. Future development of the Company

Outlook for 2024

Given the nature of the business and the Company's sound financial position for 2023, management will try to fulfil the investment and the purpose for which the Company was established, within the timeframe planned.

Geopolitical events: a) in Ukraine, military actions by Russia and the response of European countries and the United States in the form of economic sanctions have significantly affected global energy markets and economic developments in general and b) the recent events in the Gaza Strip with the military operations carried out there, by the military forces of Israel, which has led to instability in the wider region of the Middle East with the visible risk of a more general conflict with the involvement of other countries in the region. The Company and the Group generally monitor the international developments in Ukraine and plan the corresponding actions and reactions for its smooth operation.. The Company and the Group monitor international developments and plan the appropriate actions and reactions for the smooth operation of the Company.

It should be mentioned that the Company's revenues have as an objective the balancing of the relevant expenses, and are described in detail in the concession agreement with the Parent Company, and are not expected to be significantly affected during construction period.

7. Company activity in the field of research and development

The Company had no research and development expenses for the year 2023.

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 2023, 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 year ended December 31, 2023 (including fees, and employer contributions) amounted to €169.654.

(Amounts in Euro)

13. Subsequent events

There's no subsequent events

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.

On 31.01.2024 the second disbursement of the Grant was made of an amount 22,9m Euro.
The parent company ADMIE S.A. announced on 04.08.2022 the Expression of Interest (EOI) for the sale of a minority stake of 20% of the Company's share capital. This process includes two distinct stages, Phase A (Call for Expression of Interest) and Phase B (Selection Process). Phase A was completed on 05.10.2022 and the completeness of the participation criteria of the interested parties was reviewed, while Phase B is expected to start within the 1st quarter of 2024.

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 2023 (fiscal period 01/01/2023 - 31/12/2023),
2) Approve the overall management by the Board of Directors for the year 2023 and to discharge auditors from all liability for the operations for the year 2023 (fiscal period 01/01/2023 - 31/12/2023),
3) Appoint two (2) regular and two (2) alternate certified auditors for the year 2024.

Athens, April 2, 2024
For the Board of Directors

Member of the Board of Directors	The Chairman of the Board of Directors
Zarikou Eleni	Manousakis Manousos

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 2023, the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying 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 2023, 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 Union.

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 judgment 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 31/12/2023.

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, 5 April 2024

GEORGE E. KOTSIKAS Certified Public Accountant Auditor Institute of CPA (SOEL) Reg. No. 29481	CONSTANTINE L.TAKIS Certified Public Accountant Auditor Institute of CPA (SOEL) Reg. No. 14881
SOL S.A. Member of Crowe Global 3, Fok. Negri Str., 112 57 Athens, Greece Institute of CPA (SOEL) Reg. No. 125	SOL S.A. Member of Crowe Global 3, Fok. Negri Str., 112 57 Athens, Greece Institute of CPA (SOEL) Reg. No. 125

ARIADNE
INTERCONNECTION

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 Standards (as adopted by E.U) for the year ended 31 December 2023

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 2, 2024 and they have been posted on the Company's website: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
____________________	____________________	____________________	____________________
MANOUSOS.MANOUSAKIS ID No. AO 165741	IOANNIS MARGARIS ID No. AP 132674	ELENI ZARIKOU ID No. A00215994	ANTONIS TRICHAS License number: 98475
			KPMG Accountants Single Member S.A. Office License No.: 157

(Amounts in Euro)

STATEMENT OF COMPREHENSIVE INCOME

	Notes	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
INCOME			
Revenue	6	245.104.038	183.859.312
Other income	7	1.240	-
Total income		**245.105.278**	**183.859.312**
EXPENSES			
Payroll costs	8	(1.543.754)	(1.683.347)
Third party services	9	(151.414)	(127.534)
Third party fees	10	(222.201.575)	(178.623.291)
Depreciation and amortization	14,15, 17	(104.545)	(85.109)
Taxes and duties		(13.783)	(11.323)
(Provisions) / Reversal of provisions against expected credit losses	20	13.698	(15.936)
Other expenses	11	(4.769.520)	(270.243)
Total expenses		**(228.770.893)**	**(180.816.782)**
Profit before interest and tax		**16.334.385**	**3.042.530**
Finance expenses	12	(18.413.434)	(4.138.712)
Finance income	12	252.645	127.725
Loss before tax		**(1.826.404)**	**(968.457)**
Income tax	13	585.165	(2.050)
Net loss for the year		**(1.241.239)**	**(970.507)**

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Net loss for the year	**(1.241.239)**	**(970.507)**
Other comprehensive income for the year	-	-
Total loss for the year after tax	**(1.241.239)**	**(970.507)**

The notes on pages 21 to 52 are an integral part of these financial statements.

(Amounts in Euro)

STATEMENT OF FINANCIAL POSITION

	Note	31/12/2023	31/12/2022
ASSETS			
Non current assets:			
Property, plant and equipment	14	45.754	56.188
Right of use assets	15	185.481	80.403
Contract asset- receivables from construction services	16	612.453.229	456.293.357
Intangible assets	17	24.903	41.633
Deferred tax asset	18	590.756	5.591
Other long-term receivables	19	10.933	4.342
Total non current assets		**613.311.056**	**456.481.514**
Current assets:			
Trade receivables	20	11.816.403	16.651.676
Other receivables	21	9.510.009	14.244.067
Accrued income	22	6.919.352	2.370.071
Cash and cash equivalents	23	49.746.287	14.323.746
Total current assets		**77.992.051**	**47.589.560**
Total assets		**691.303.107**	**504.071.074**
EQUITY AND LIABILITIES			
Equity:			
Share capital	24	200.000.000	200.000.000
Legal reserve	25	193.834	193.834
Retained earnings		1.471.105	2.712.344
Total equity		**201.664.939**	**202.906.178**
Non-current liabilities:			
Long-term borrowings	26	385.560.839	196.569.689
Long-term lease liabilities	27	94.048	30.803
Other long-term liabilities	28	17.849.464	18.412.496
Total non-current liabilities		**403.504.352**	**215.012.988**
Current liabilities:			
Trade and other short-term liabilities	29	70.857.933	83.294.527
Short-term borrowings	26	11.229.874	71.851
Short-term lease liabilities	27	90.517	52.091
Deferred income	30	3.955.492	2.733.439
Total current liabilities		**86.133.816**	**86.151.907**
Total equity and liabilities		**691.303.107**	**504.071.074**

The notes on pages 21 to 52 are an integral part of these financial statements.

(Amounts in Euro)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Retained earnings	Total equity
Balance at 01/01/2022	**200.000.000**	**193.834**	**3.682.850**	**203.876.684**
Net loss for the year	-	-	(970.507)	(970.507)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year (net of tax)	**-**	**-**	**(970.507)**	**(970.507)**
Balance at 31/12/2022	**200.000.000**	**193.834**	**2.712.344**	**202.906.178**
Balance at 01/01/2023	**200.000.000**	**193.834**	**2.712.344**	**202.906.178**
Net loss for the year	-	-	(1.241.239)	(1.241.239)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year (net of tax)	**-**	-	(1.241.239)	**(1.241.239)**
Balance at 31/12/2023	**200.000.000**	**193.834**	**1.471.105**	**201.664.939**

The notes on pages 21 to 52 are an integral part of these financial statements.

(Amounts in Euro)

STATEMENT OF CASH FLOWS

	Note	01/01/2023-31/12/2023	01/01/2022-31/12/2022
Cash flows from operating activities			
Loss before tax		(1.826.404)	(968.457)
Adjustments for:			
Depreciation / amortization of PPE, intangible assets and right of use assets	14,15, 17	104.545	85.109
Interest and other finance income	12	(252.645)	(127.725)
Other provisions / (Reversal) of provisions	20	(13.698)	15.936
Non cash accrued income		(6.919.352)	(2.337.130)
Amortization of borrowing costs	11,26	(1.218.294)	3.411
Interest and other finance expense	12	19.631.728	4.135.301
Operating profit before changes in working capital		**9.505.880**	**806.445**
(Increase) / decrease in:			
Accrued income		2.370.071	2.797.837
Long-term receivables		(6.591)	-
Trade receivables		4.774.572	(5.701.428)
Short-term receivables		-	(50.444)
Other receivables		1.012.521	(4.609.291)
Receivables from construction services		(156.159.872)	(177.347.673)
Increase / (decrease) in:			
Trade payables		(13.504.289)	37.168.233
Other long-term liabilities		(563.032)	7.391.743
Deferred income		1.222.053	1.236.698
Cash flows from operating activities		**(151.348.686)**	**(138.307.882)**
Leases interest paid	27	(3.441)	(3.409)
Tax received		5.521.537	-
Net cash flows used in from operating activities		**(145.830.590)**	**(138.311.291)**
Cash flows from investing activities			
Interest received		128.738	41.349
Acquisition of PPE and intangible assets	14,17	(1.596)	(35.961)
Net cash flows generated from investing activities		**127.142**	**5.388**
Cash flows from financing activities			
Borrowing costs		-	(308.500)
Proceeds from borrowings	26	200.000.000	145.000.000
Interest and guarantees paid		(18.794.820)	(4.210.736)
Lease liability payments	27	(79.190)	(60.697)
Net cash flows generated from financing activities		**181.125.989**	**140.420.067**
Net increase in cash and cash equivalents		35.422.541	2.114.164
Cash and cash equivalents at the beginning of the year		**14.323.746**	**12.209.582**
Cash and cash equivalents at the end of the year		**49.746.287**	**14.323.746**

The notes on pages 21 to 52 are an integral part of these financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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 10th 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 had been fully paid .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.).

(4) Lease, purchase, sell, acquire or transfer any assets or rights.

(5) 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, Dyrrachiou 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, 2023, there were 27 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The main accounting principles applied for the preparation of these financial statements are presented below. These principles have been applied with consistency for all the financial periods presented, except stated otherwise.

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and their relevant interpretations, as issued by the IFRS interpretations committee of the IASB and adopted by the European Union ("EU") and are mandatory for years starting as of January 1st, 2023.

The financial statements have been prepared under the historical cost convention and the going concern basis of accounting. The financial statements are presented in Euros and all values are rounded to the nearest whole unit Euro unless otherwise stated. Any differences that may be noticed in the tables are due to roundings.

The preparation of financial statements under IFRS requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the financial statements. It also requires management to exercise its judgment in the process of applying the accounting policies adopted. Actual results may differ from these estimates under different assumptions or conditions.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.1.1. GOING CONCERN

The annual financial statements have been prepared on the going concern basis.

MACROECONOMIC AND BUSINESS ENVIRONMENT RISK IN GREECE

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

The geopolitical field is swelling with the Russia-Ukraine war and the intensifying conflicts in the Middle East. Increasing geopolitical turmoil is causing more and more concern for markets and the economy. The energy crisis led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, which led to a slower growth rate in 2023. However, the effective utilization of its resources long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and monetary policy tightening on the economy, leading to medium-term growth rates close to 3% in 2024 and 2025.

In particular, investments are expected to grow at very high rates throughout the period 2024-2025, 10% on average, supported by the maintenance of sufficient liquidity in the banking sector and by the utilization of available European resources. In the coming years, Greece will receive support of around €40 billion from the EU long-term budget 2021-2027 and €30 billion from the Recovery and Resilience Mechanism until 2026. These resources are expected to attract additional private capital. At the same time, it is expected to attract increased foreign direct and indirect investments.

Greek exports closed 2023 at Euro 50.9 billion, marking the second best performance after that of 2022 in their history. Exports continued and continue to increase, albeit at a much softer pace, due to the expected slowdown in economic activity, international uncertainty and the war conflicts in Gaza and Ukraine, and the worsening outlook in the eurozone and the global economy. Exports of services are estimated to have recovered significantly in 2023 and will continue to rise in the following years. At the same time, however, imports are expected to rise throughout the period 2023-2025, as a result of the stimulation of domestic demand, especially investments.

The gradual de-escalation of unemployment and the increase in the number of employed persons is expected to continue in the period 2024-2025, as a result of economic growth, which will be supported by the implementation of the National Recovery and Resilience Plan. This is also confirmed by the reduction of unemployment by almost one unit in a year.

According to the latest data from the Hellenic Statistical Authority (ELSTAT), average annual inflation in Greece in 2023 slowed to 4.2% from 9.3% the previous year. The slowdown in inflation came largely from lower energy prices. This is mainly reflected in the price indices of housing, water, electricity, gas and other fuels and transport. The first, from an increase of 25.0% in 2022, decreased by 8.8% in 2023, while the second, from an increase of 13.6% in 2022, increased by 1.5% in 2023. The result of the acceleration of core inflation in 5.3% in 2023 from 4.6% in 2022 indicates that inflationary pressures extended to other categories of goods and services besides energy and food (eg services and non-energy industrial goods).

For 2024, the estimate of the Bank of Greece for the increase of the Harmonized Index of Consumer Prices is at 3.0%, the European Commission at 2.8%, followed by the average estimate of the market and the State Budget 2024 at 2.6%. The active war fronts (Ukraine, Gaza), as well as the tensions in the Red Sea, i.e. one of the main channels of navigation and trade between the East and the West, are expected to further increase the risks of inflation. The activities of the Company and the Group are not expected to be affected by the above changes in the macroeconomic environment.

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 €86 million is higher than the total current assets (€77,7 million) by € 8 million does not constitute a risk for the Company's perspective as going concern, due to the Company has sufficient limits for drawing long-term loans. The Company has entered into a loan agreement since 2020 for the issuance of bonds amounting to €200 million, of which the total amount of 200€ million have been disbursed in 2022 (55€ million had been disbursed in 2021), as well as a long-term loan agreement with the European Investment Bank for an amount up to €300 million, of which the amount of 200€ million have been disbursed in 2023.

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 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies followed by the Company for the preparation of the annual financial statements are applied consistently, after taking into account the new standards, the following standard amendments and interpretations which were issued and are mandatory for the annual accounting periods starting on January 1, 2023 or later. The Company's assessment of the impact of implementing these new standards, amendments and interpretations is set out below.

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 2023.

New Standards and Interpretations mandatory for the current year

Disclosure of accounting policies (Amendments to IAS 1 "Presentation of financial statements" and IFRS Practice statement 2 Making materiality judgements)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, while earlier application is permitted. An entity should disclose the significant accounting policies. Accounting policies are material if, when considered together with other information included in the financial statements, it can reasonably influence decisions that the primary users make on the basis of those financial statements. The amendments provide guidance on how to apply the concept of materiality to accounting policy disclosures. In particular, amendments replace the requirement for entities to disclose their "significant" accounting policies with the requirement to disclose their "material" accounting policy information. Accounting policies are significant when users of financial statements need them in order to understand other significant information in the financial statements. In addition, guidance and illustrative examples are added to Practice Statement 2 to help companies apply the concept of materiality in making decisions about accounting policy disclosures. The amendment had no impact on the financial statements of the Company.

Definition of Accounting Estimates (Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors")

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, while earlier application is permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. The amendments introduce a new definition of the accounting estimate as monetary amounts in financial statements that are subject to measurement uncertainty. It clarified that an accounting policy may require the items in the financial statements to be measured in such a way as to create uncertainty. In this case, the entity shall develop an accounting estimate. The development of accounting estimates includes the use of crises and assumptions. When developing accounting estimates, an entity uses valuation techniques and data. An entity may be required to change its accounting estimates. This fact by its very nature is not related to previous years nor is it an error correction. Changes in valuation data or techniques constitute changes in accounting estimates unless they are related to error correction. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and corrections of errors. The amendments had no impact on the financial statements of the Company.

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, while earlier application is permitted. The amendments narrow the scope and provide further clarity on the initial recognition exemption of IAS 12, clarifying how companies should account for deferred tax assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify the application of judgment, including consideration of the applicable tax law, where payments to settle a liability are tax deductible if those deductions are attributable, for tax purposes, to the liability or the related asset. Under the amendments, the initial recognition exemption does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It applies only if the recognition of a lease asset and a lease liability (or a decommissioning liability and a decommissioning asset) gives rise to temporary differences that are not equal taxable or deductible. The amendments did not have a significant impact on the Company's Financial Statements

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

Standards and interpretations mandatory for later periods that have not been applied earlier by the Company and have not been adopted by the EU:

The following amendments are not expected to have a material impact on the Company's financial statements unless otherwise stated.

Classification of liabilities as current or non-current (Amendments to IAS 1 "Presentation of financial statements")

The amendments to the classification of liabilities as current or non-current were issued in January 2020 and an entity should apply them for annual accounting periods beginning on or after 1 January 2024 retrospectively in accordance with IAS 8 "Accounting Policies, Changes accounting estimates and errors", while they are allowed to be adopted earlier. If an entity applies these amendments for an earlier period it should disclose the fact. The first change is that a liability is classified as short-term when the Company does not have the right at the end of the accounting period to postpone its settlement for at least 12 months after the end of the period. More specifically, in order for such a right to be recognized, if conditions have been imposed on the Company by the lender that relate to the possibility of postponing the settlement, they must have been observed until the end of the accounting period even if they are not controlled by the lender on that date. The classification of a liability is not affected by the possibility of the Company exercising its right to defer settlement of the liability for at least 12 months after the end of the period. If the liability meets the criteria to be classified as non-current, it should be classified as non-current even if Management intends or estimates that the entity will settle the liability within 12 months after the end of the accounting period, or even if the Company settles the obligation in the period between the end of the accounting period and the date of approval of the financial statements. However, in both cases the Company may disclose the information on the timing of the settlement so that the users of the financial statements can understand the effect of the obligation on its financial position. Another change is that, in order to classify a liability as long-term or short-term, the term settlement refers to a transfer of cash, other financial resources or equity instruments by the counterparty that results in the payment of the liability. With reference to equity instruments, it is clarified that the choice of the counterparty should be classified as an element of the equity of a complex financial instrument if the criteria of IAS 32 "Financial instruments: recognition and measurement" are met. The amendments including the proposals of the draft report have not yet been adopted by the European Union.

IAS 1 (Amendment) "Long-Term Liabilities with Clauses"

The amendments are applied retrospectively in accordance with IAS 8, for annual accounting periods beginning on or after 1 January 2024, while earlier application is permitted. The amendments provide guidance on the requirements of IAS 1 for classifying liabilities as current or non-current. The amendments clarify the meaning of the right to postpone the settlement of an obligation, the requirement that this right exists during the reference period and that the intention to exercise the right by the management, as well as the counterparty's right to settle the obligation through the transfer of equity securities of the company, do not affect the short-term or long-term classification. Also, the amendments clarify that only compliance conditions with which an entity must comply on or before the reporting date will affect the classification of a liability. Additionally, additional disclosures are required for long-term obligations arising from loan agreements that are subject to meeting compliance thresholds within twelve months of the reporting period. The amendments have not yet been adopted by the European Union.

IFRS 16 (Amendment) "Lease Obligations in Sale and Leaseback Transactions"

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments aim to improve the requirements applied by the seller-lessee to measure the lease liability arising from a sale and leaseback transaction under IFRS 16, while not changing the accounting treatment for leases that are not related to sale and leaseback transactions. In particular, the seller-lessee determines the "lease payments" or "revised lease payments" so as not to recognize a gain or loss related to the right of use it retains. The application of these requirements does not prevent the seller-lessee from recognizing, in the results of use, any gain or loss related to the partial or complete termination of a lease. The amendments are applied retrospectively in accordance with IAS 8 to sale and leaseback transactions that occur after the date of initial application, which is the beginning of the annual reporting period in which the entity first applies IFRS 16. The amendments have not yet adopted by the European Union.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Amendment: Sale or contribution of assets between an investor and its associate or joint venture

The amendments address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 to address the sale or contribution of assets between the investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when the transaction involves a business (whether housed in a subsidiary or not). A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even if those assets are housed in a subsidiary. In December 2015, the IASB indefinitely postponed the implementation date of this amendment, pending the outcome of its work on the equity method. The amendments have not yet been adopted by the European Union.

2.3 MAIN ACCOUNTING POLICIES

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

Transactions and balances

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.

Property, plant and equipment

Property, plant and equipment 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, property, plant and equipment are measured at historical cost less any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the profit and loss when incurred.

Depreciation of other PPE is calculated using the straight-line method over their estimated useful life as follows:

Classification	**Useful lives**
Other equipment	10
Furniture	10
PC	5
Machinery	10

The residual values and useful lives of tangible assets are subject to review at each balance sheet date. When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is immediately recognized in the statement of comprehensive income as an expense.

For all assets retired or sold, their acquisition cost and related depreciation are written off. The gain or loss arising on the disposal of an acquired tangible asset is determined as the difference between the sale proceeds and the carrying value of the asset Any gain or loss is included in the income statement.

Leases

The Company as a lessee

The Company assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company apply a single recognition and measurement approach for all leases 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 (i.e. less than €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.

The Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. If ownership of the leased asset is transferred to the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The right-of-use assets are also subject to impairment.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

Lease liabilities

At the commencement date of the lease, the Company recognize lease liabilities measured at the present value of 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 lease payments (including in-substance fixed payments), less any lease incentives;

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

c) the amount expected to be paid by the lessee under the residual value guarantees;

d) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

•the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

•the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.

•a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liabilities are presented as a separate line in statement of financial position.

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 recognize 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.

Intangible assets

Intangible assets include costs of purchased and internally generated software.

An intangible asset is initially recognized at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment loss. Amortization is recorded based on the straight-line method over the estimated useful life of the asset.

Classification	Useful life
Software	5

For all assets retired or sold, their acquisition cost and related depreciation are written off. The gain or loss arising on the disposal of an acquired intangible asset is determined as the difference between the sale proceeds and the carrying value of the asset Any gain or loss is included in the income statement.

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 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 instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition of financial assets

The Company classify its financial as financial assets measured at amortized cost.

The classification of financial assets at initial recognition depends on the contractual cash flow of the financial assets and the business model within which the financial asset is held.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as determined by IFRS 15.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' (SPPI) test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement of financial assets

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortised cost include trade and other receivables.

iii) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

• The rights to receive cash flows from the asset have expired; Or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company transfers a financial asset if, and only if, it either:

• transfers the contractual rights to receive the cash flows of the financial asset; or

• retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Company transfers a financial asset, it shall evaluate the extent to which retains the risks and rewards of ownership of the financial asset.

In this case:

• if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

• if the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognize the financial asset.

• if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, shall determine whether it has retained control of the financial asset.

In this case:

(i) if the Company has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.

(ii) if the Company has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

iv) Impairment of financial assets

The Company assesses at each preparation date of financial statements whether the value of a financial asset or a group of financial assets is impaired and recognises a provision for loss when required against expected credit losses for all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the difference between all contractual cash flows due under the contract and all cash flows the Company expects to receive, discounted at the approximate original effective interest rate.

Expected credit losses are recognised in two stages. If the credit risk of a financial instrument has not increased significantly since initial recognition, the entity measures the provision for losses on that financial instrument at an amount equal to the expected credit losses for the next 12 months. If the credit risk of the financial instrument has increased significantly since initial recognition, an entity measures the provision for loss of a financial instrument at an amount equal to the expected credit losses over its lifetime, regardless of when the default occurred.

The Company applies the simplified approach for trade receivables and contractual assets, in order to calculate expected credit losses. Therefore, at each reporting date, the Company measures the impairment loss for a financial instrument at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk.

Financial liabilities

i) Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost.

ii) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle such asset and liability on a net basis or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Trade and other receivables

Trade receivables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate, except if the discount outcome is not material, less provision for impairment. Gains and losses are recognized in the income statement when the relevant figures are written-off or impaired.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and short-term investments of up to 3 months, with high liquidity and low risk.

Share capital and share premium

Share capital consists of the ordinary shares of the Company. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as share premium in shareholders' equity. Share capital issuance costs, net of related tax, are reflected as a deduction from share premium.

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. After initial recognition are measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized, as well as, over the period of the borrowings through the effective interest rate amortization process.

Borrowings are classified as current liabilities under short-term borrowings unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing costs

Borrowing costs are expensed in the period in which they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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 (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.

Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly administered pension insurance plans on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employment termination benefits

Termination benefits are payable when employees leave before retirement date. The Company recognises these benefits on the earlier of a) when the Company can no longer withdraw the offer of those benefits and b) when the Company recognises restructuring costs within the scope of IAS 37 that involve the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, termination benefits are calculated based on the number of employees expected to accept the offer. Termination benefits due 12 months after the balance sheet date are discounted to their present value.

In the case of termination of employment where it is impossible to determine the number of employees who will make use of these benefits, these are not accounted for but disclosed as a contingent liability.

The Company's employees have entered into fixed term contracts and therefore Management estimates that, in the current circumstances, no termination benefits are required for the employees.

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.

Trade and other payables

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business by suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

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

Revenue comprises the fair value of the sale of goods and services, net of value-added tax , discounts and refunds. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. 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. The terms of payments usually vary according to the type of sale and mainly depend on the nature of the products or services, the distribution channels, and the characteristics of each customer.

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 (e.g. sale of tangible 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***.***

Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period they are approved by the General Assembly of the Company's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Company is exposed to a variety of financial risks, such as market risks (foreign exchange risk, interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

a) Market risk

i. Foreign exchange risk

Foreign exchange risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Company's revenues are mainly based on Euro denominated agreements and therefore the Company is not exposed to foreign exchange risk. However, the Company's management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Company's exposure to the risk of changes in interest rates relates to the Company's long-term borrowings, which are at floating rates. Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks. At 31 December 2023 if interest rates on Euro denominated borrowings had been 1,0% higher with all other variables held constant, pre-tax loss for the year would have been € 3.416.666 higher, excluding any positive impact of interest income on deposits.

b) Credit Risk

(Amounts in Euro)

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

c) 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 financing of the project, the Company: a) has issued a ten-year bond loan for a total amount of EUR 200 million, with Eurobank S.A. as the contractor, which has already been fully disbursed (2022: 145million and 2021: 55 million EURO). The loan has been issued with the guarantee of ADMIE, which receives a fee from the Company for its provision. b) has entered into a loan agreement with the European Investment Bank for a total amount of up to EUR 300 million, of which EUR 200 million has already been disbursed in 2023.

A more detailed reference is made in note 26 "Borrowings".

The table below analyses the Company's financial liabilities as of December 31, 2023 and December 31, 2022 into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cash flows.

As at December 31st, 2022	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other liabilities	80.519.872	-	-	-	80.519.872
Lease liabilities to related parties	31.878	-	-	-	31.878
Other lease liabilities	21.828	17.828	13.893	-	53.549
Borrowings	9.928.000	13.081.956	72.087.269	160.978.894	256.076.119
Liabilities to related parties	265.600	-	-	-	265.600
	90.767.177	**13.099.783**	**72.101.163**	**160.978.894**	**336.947.018**

As at December 31st, 2023	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other liabilities	67.754.174	-	-	-	67.754.174
Lease liabilities to related parties	42.534	21.312	-	-	63.846
Other lease liabilities	52.193	42.258	33.051	-	127.502
Borrowings	21.244.067	35.960.879	91.119.094	380.758.802	529.082.842
Liabilities to related parties	302.600	-	-	-	302.600
	89.395.567	**36.024.450**	**91.152.144**	**380.758.802**	**597.330.963**

Lease liabilities and borrowings are not in agreement with the respective amounts shown in the financial statements as they are contractual (undiscounted) cash flows, which include capital and interest.

The analysis of Trade and other liabilities does not include the amounts from "Social security and other taxes".

3.2. 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 borrowings and lease liabilities (short-term and long-term as they appear in the statement of financial position) minus cash and cash equivalents. Total working capital is calculated as the sum of equity, as it appears in the statement of financial position, with net debt.

(Amounts in Euro)

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

	31/12/2023	**31/12/2022**
Long-term lease liabilities	94.048	30.803
Short-term lease liabilities	90.517	52.091
Long-term borrowings	385.560.839	196.569.689
Short-term borrowings	11.229.874	71.851
Minus: Cash and cash equivalents	(49.746.287)	(14.323.746)
Net debt	**347.228.991**	**182.400.688**
Total equity	201.664.939	202.906.178
Total working capital	**548.893.930**	**385.306.866**

The leverage ratio is calculated as the net debt divided by total working capital (total equity plus net debt).
On December 31, 2023, the Company's leverage ratio amounted to 63,26% while on December31, 2022 the respective ratio was 47,34%.

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

	31/12/2023	**31/12/2022**
Cash and cash equivalents	49.746.287	14.323.746
Short-term debt - payable during the year	(11.320.390)	(123.941)
Long-term debt - payable after one year	(385.654.887)	(196.600.492)
Net debt	**(347.228.991)**	**(182.400.688)**

		Borrowings		**Lease liabilities**		
	Cash and cash equivalents / Bank	**Short-term borrowings (during the year)**	**Long-term borrowings (after one year)**	**Short-term lease liabilities (during the year)**	**Long-term lease liabilities (after one year)**	**Total**
Net debt as at 01/01/2022	**12.209.582**	**(30.250)**	**(54.182.218)**	**(60.591)**	**(81.625)**	**(42.145.102)**
Cash flows	2.114.164	-	-	-	-	2.114.164
Cash items	-	-	(145.000.000)	-	60.697	(144.939.303)
Non-cash items- Borrowing costs & interest accrual	-	(88.683)	2.659.611	-	-	2.570.928
Non-cash items - Transfer to short-term lease liabilities	-	47.083	(47.083)	8.500	(8.500)	-
Non-cash items - Recognition of new lease	-	-	-	-	(1.374)	(1.374)
Net debt as at 31/12/2022	**14.323.746**	**(71.851)**	**(196.569.689)**	**(52.091)**	**(30.803)**	**(182.400.688)**

(Amounts in Euro)

		Borrowings		Lease liabilities		
	Cash and cash equivalents / Bank	**Short-term borrowings (during the year)**	**Long-term borrowings (after one year)**	**Short-term lease liabilities (during the year)**	**Long-term lease liabilities (after one year)**	**Total**
Net debt as at 01/01/2023	**14.323.746**	**(71.851)**	**(196.569.689)**	**(52.091)**	**(30.803)**	**(182.400.688)**
Cash flows	35.422.541	-				35.422.541
Cash items	-	-	(200.000.000)	109.138	(102.709)	(199.993.570)
Non-cash items- Borrowing costs & interest accrual	-	(149.173)	-	-	-	(149.173)
Non-cash items - Transfer to short-term lease liabilities	-	(11.008.850)	11.008.850	(117.616)	117.616	-
Non-cash items - Recognition of new lease	-	-	-	(29.948)	(78.153)	(108.101)
Net debt as at 31/12/2023	**49.746.287**	**(11.229.874)**	**(385.560.839)**	**(90.517)**	**(94.048)**	**(347.228.991)**

3.3 DETERMINATION OF FAIR VALUES

There's no financial assets and liabilities to measure at fair value as of December 31, 2023.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

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 years. 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:

Provision for income taxes

The provision for income taxes in accordance with IAS 12 “Income taxes”, are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Group entities are subject to income taxes in different jurisdictions and significant management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Group and the Company operate, or unpredicted results from the final determination of each year's liability by tax authorities. These changes could have a significant impact on the Company's financial position.

Deferred tax assets and liabilities

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities.

Provision for expected credit losses of trade receivables and legal cases

Management periodically reassess the adequacy of allowance for doubtful accounts receivable following an expected credit losses (‘ECLs’) approach. Because of the number of accounts, it is not practical to review the collectability of each account. Therefore, at each reporting date, the expected loss rate is assessed on the basis of historical credit losses adjusted to reflect current and forward-looking information. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive taking into consideration reports from its legal department.

(Amounts in Euro)

For the allowance of legal cases management assesses the probability of negative outcome, as well as possible payment amounts for their settlement. The provision for contingent receivables are not created

5. CONSTRUCTION COST

The Company recognized revenue of a €245.104.038 for the year, in accordance with the concession agreement signed with the Parent Company. The amount of revenue include the amount of €(239.407.739) which is related with the invoicing of construction costs of the project. In particular, for the reporting year, 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.

	01/01/2023 - 31/12/2023	**01/01/2022 - 31/12/2022**
Revenue	245.104.038	183.859.312
Construction costs	(239.406.739)	(182.758.880)
Gross profit	**5.697.298**	**1.100.432**
Other income	253.885	127.725
Other expenses	(7.777.588)	(2.196.614)
Loss before tax	**(1.826.404)**	**(968.457)**

6. REVENUE

As at December 31st 2023, the Company's revenue include the amount of €245.104.038 (2022: €183.859.312), based on the concession agreement signed with the Parent Company, regarding the implementation of the project. Of these revenues, an amount of Euro 239 million related to the invoicing of the construction costs of the project and an amount of Euro 5.7 million related to accrued income for part of the Company's operating expenses (see also note 22).

7. OTHER INCOME

As at December 31, 2023, the Company recognized other income from the re-invoicing of expenses in the amount of €1.240, while for the comparative period of December 31, 2022, it did not recognize other income.

8. PAYROLL COSTS

As at December 31st 2023, the Company has 27 employees, while in 2022 it also employed 27 employees. The payroll costs are analyzed below:

	1/1/2023 - 31/12/2023	**1/1/2022 - 31/12/2022**
Salaries	1.200.760	1.338.338
Seconded staff salaries	53.002	45.490
Social security expenses	247.338	265.818
Training expenses	8.980	-
Private insurance costs	10.603	9.898
Other benefits and payroll costs	23.071	23.803
Total	**1.543.754**	**1.683.347**

The decrease in staff salaries by an amount of Euro 140 thousand in 2023, compared to 2022, is mainly due to the decrease in extraordinary fees and compensations for untaken permits.

(Amounts in Euro)

9. THIRD PARTY SERVICES

Third party services mainly include building maintenance expenses (electricity, water, heating, cleaning, security etc.), telecommunication costs and short-term car-rentals.

	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
Car rent (short-term lease)	5.947	945
Building maintenance fees	131.780	112.335
Fees for telecommunication services	13.687	14.004
Fees for repair and maintenance	-	250
Total	**151.414**	**127.534**

10. THIRD PARTY FEES

The third party fees are analyzed as follows:

	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
Contractors fees	219.816.615	177.046.420
Third party fees	184.798	101.772
Accountants fees	46.005	49.280
Board of Directors fees	167.787	100.717
Legal fees	26.822	-
Fees for technical studies	1.895.083	1.262.374
IT fees	41.928	39.710
Auditors fees	17.750	17.500
Fees for canteen services	4.788	5.518
Total	**222.201.575**	**178.623.291**

Contractor fees relate to the works carried out for the construction of the Crete-Attica interconnection project, after the signing of the project contracts with the contractors in May 2020, the significant change of these by the amount of Euro 42,770,195 in the year 2023, in relation to year 2022, is due to the acceleration of the project implementation works. The study fees mainly concern technical studies related to the Crete-Attica interconnection project, the significant change of these in the amount of Euro 632,709, in relation to the year 2022, is also due to the fact of the implementation of the project. IT and fees for canteen services are intercompany transactions (Note 31), as the relevant services are provided by the parent company IPTO SA. The Board of Directors fees consist transactions with related parties (Note 31), as the most of the board members are employed by the parent company IPTO SA, as well.

11. OTHER EXPENSES

The other expenses are analyzed as follows :

	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
Subscriptions to software programmes	550	808
Subscriptions to professional organisations	1.244	1.550
Tender expenses	18.400	21.600
Compensatory expenses	4.619.171	144.633
Other expenses	130.155	101.652
Total	**4.769.520**	**270.243**

(Amounts in Euro)

In the context of the Company's corporate social responsibility program, the Company has committed to implement a wide range of public benefit projects, for the Crete-Attica electricity interconnection project, with the aim of meeting the needs of the local community. The Company seeks continuous support and strengthening local communities, especially in the areas where it operates. Compensatory expenses for year 2022 were an amount of €144.633 while for the year 2023 amount to € 4.619.171.

12. FINANCIAL EXPENSES - INCOME

The financial expenses and income are analyzed as :

Finance expenses	**1/1/2023 - 31/12/2023**	**1/1/2022 - 31/12/2022**
Bank and other expenses	8.982	2.051
Finance lease interest expenses	3.441	3.409
Bank loan interest	16.001.083	2.803.146
Guarantee fees (IPTO)	2.352.222	1.318.694
Guarantee fees (Goverment)	1.250.000	-
Agency fees to bank institutes	16.000	8.000
Amortization of borrowing costs	(1.218.294)	3.411
Total	**18.413.434**	**4.138.712**

The significant change in loan interest by an amount of Euro 13,197,937 in the year 2023, compared to the year 2022, is due both to the significant increase in borrowing by the amount of Euro 200 million, and to the significant increase in interest rates due to the increase in Euribor. The amount of Euro 2,352,222 (2022: amount of Euro 1,318,694) concerns the remuneration of ADMIE for providing a guarantee to the bondholders, on behalf of the Company. The amount of €1,250,000 of the State guarantee concerned the guarantee on the European Investment Bank loan of €200m disbursed within 2023. The significant change in the amortization of loan origination costs amounting to €1,221,705 is due to the change in Euribor which significantly affected the calculation of the effective interest rate of the Eurobank loan.

Finance income	**1/1/2023 - 31/12/2023**	**1/1/2022 - 31/12/2022**
Interest income from suppliers' advances	123.907	127.637
Interest income from bank deposits	128.733	79
Exchange rate differences income	5	9
Total	**252.645**	**127.725**

13. INCOME TAX (CURRENT AND DEFERRED)

Based on International Accounting Standard 12 “Income Taxes” deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply at the period of realization, provided they are enacted or substantively enacted at the reporting date.

According to law 4799/2021, the corporate income tax rate in Greece is 22% for fiscal year 2021 onwards. Consequently, the deferred tax was calculated using 22%.

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. In accordance with the Greek tax legislation (article 36 of law 4174/2013) in force and the respective Ministerial Decisions issued, the Greek tax authorities may impose additional taxes and penalties following a tax audit, within the applicable statute of limitations which in principle is five years as from the end of the following fiscal year within which the relevant tax return should have been submitted. Based on the above, the right of the tax authorities to impose additional income taxes for the fiscal years up to 2017 (inclusive) is considered in principle and under the general rules as time-barred, but the Company was incorporated in 2018.

(Amounts in Euro)

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.

From the financial year 2011 and onwards, the tax returns are subject to the audit tax certificate process (described below). 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.

Tax Compliance certificate

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the "Annual Tax Certificate" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4174/2013. This "Annual Tax Certificate" is issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the entity a "Tax Compliance Report" which is subsequently submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm.

For the Company, which is subject to the "Annual Tax Certificate" process, the "Tax Compliance Report" for the years 2019 till 2022, has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements. It is noted that based on the tax legislation in force (Circular POL 1006/2016), the companies that have obtained a tax audit certificate without any reservations for infringements of the tax law, are not exempt from tax audit.

In effect, the tax authorities retain the right to audit them within the applicable statute of limitations as described above.

The tax audit for the financial year 2023 is being performed by "SOL S.A." Upon completion of the tax audit, Management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

	1/1/2023 - 31/12/2023	**1/1/2022 - 31/12/2022**
ome tax adjustment prior year	-	6.776
Deferred tax	(585.165)	(4.726)
Total	**(585.165)**	**2.050**

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:

	1/1/2023 - 31/12/2023	**1/1/2022 - 31/12/2022**
Profit before tax	**(1.826.404)**	**(968.457)**
Tax calculated based on the tax rate applicable 22%	(401.809)	(213.060)
Tax effect on non-tax deductible expenses	13.249	13.023
Effect of unrecognized deferred tax asset on tax losses carried forward	(196.606)	195.312
Adjustment of previous year tax	-	6.776
Tax	**(585.165)**	**2.050**

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are analyzed as follows:

(Amounts in Euro)

	Machinery	Furniture and other equipment	Total
Cost			
Balance at January 1, 2022	**38.152**	**1.782**	**39.935**
Additions	34.259	1.702	35.961
Balance at December 31, 2022	**72.411**	**3.485**	**75.896**
Accumulated depreciation			
Balance at January 1, 2022	**(12.083)**	**(76)**	**(12.158)**
Depreciation expense	(7.316)	(233)	(7.549)
Balance at December 31, 2022	**(19.399)**	**(309)**	**(19.708)**
Net book value at December 31, 2022	**53.012**	**3.176**	**56.188**

	Machinery	Furniture and other equipment	Total
Cost			
Balance at January 1, 2023	**72.411**	**3.485**	**75.896**
Additions	177	419	596
Balance at December 31, 2023	**72.588**	**3.904**	**76.492**
Accumulated depreciation			
Balance at January 1, 2023	**(19.399)**	**(309)**	**(19.708)**
Depreciation expense	(10.658)	(372)	**(11.030)**
Balance at December 31, 2023	**(30.057)**	**(681)**	**(30.738)**
Net book value at December 31, 2023	**42.531**	**3.224**	**45.754**

15. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right-of-use assets are analyzed as follows:

	Buildings	Vehicles	Total
Cost			
Balance at January 1, 2022	**173.704**	**57.998**	**231.702**
Modifications	-	1.374	1.374
Balance at December 31, 2022	**173.704**	**59.372**	**233.076**
Accumulated depreciation			
Balance at January 1, 2022	**(89.473)**	**(2.417)**	**(91.889)**
Depreciation expense	(46.172)	(14.611)	(60.783)
Balance at December 31, 2022	**(135.645)**	**(17.028)**	**(152.673)**
Net book value at December 31, 2022	**38.059**	**42.344**	**80.403**

(Amounts in Euro)

	Buildings	Vehicles	Total
Cost			
Balance at January 1, 2023	**173.704**	**59.372**	**233.076**
Modifications	97.537	84.325	181.862
Balance at December 31, 2023	**271.240**	**143.697**	**414.937**
Accumulated depreciation			
Balance at January 1, 2023	**(135.645)**	**(17.028)**	**(152.673)**
Depreciation expense	(50.950)	(25.834)	(76.784)
Balance at December 31, 2023	**(186.595)**	**(42.862)**	**(229.457)**
Net book value at December 31, 2023	**84.645**	**100.836**	**185.481**

16. CONTRACT ASSET- RECEIVABLES FROM CONSTRUCTION SERVICES

Contract asset amounted to €612.453.229 includes the total construction cost up to 31/12/2023. This cost , in accordance with the concession agreement signed on 10/04/2020, has been invoiced to the Parent Company as income from construction services. At 31/12/2023 the total revenue became to the amount of €688.871.372 (2022: €456.293.357)and concern the invoicing of construction costs, related to contractor's fees, monitoring and management costs of the project. The grant received in the year 2023 of an amount Euro 76,480,995 was included as a deduction from the value of the contract asset.

The Company, within the context of a relevant concession from IPTO SA, which as the operator of the power transmission system has the privilege to execute the development projects of the HETS, has undertaken in its place and on its behalf the execution of the construction works and the financing of the project "Crete – Attica Interconnection Project with HETS Phase II: Interconnection DC capacity 2x500MW,", as included in the Ten-Year Network Development Program (TYNDP) of the Hellenic Electricity Transmission System (HETS) for the period 2018-2027 and in the decisions of the Regulatory Authority for Energy (RAEWW), with the goal of delivering it to IPTO SA for its operation. Due to the concession, the Company, as the implementing entity of the Project in place of IPTO SA, also became an eligible party in its place to receive grants from co-financed grant programs for the financing of the construction of the project. However, the ultimate beneficiary of the grant remains IPTO SA, as the grant finances the project which belongs to IPTO SA by ownership.

As the Company, based on the contract with IPTO SA, has the right to receive the construction cost, the relevant contract has the provision of offsetting the grant received by the Company on behalf of IPTO SA with a corresponding part of the Company's claim regarding the construction cost, so that the latter is not paid to Company twice.

17. INTANGIBLE ASSETS

The intangible assets are analyzed as follows:

	Software	Total
Cost		
Balance at January 1, 2022	**83.882**	**83.882**
Additions	-	-
Balance at December 31, 2022	**83.882**	**83.882**
Accumulated depreciation		
Balance at January 1, 2022	**(25.473)**	**(25.473)**
Depreciation expense	(16.776)	(16.776)
Balance at December 31, 2022	**(42.249)**	**(42.249)**
Net book value at December 31, 2022	**41.633**	**41.633**

(Amounts in Euro)

	Software	Total
Cost		
Balance at January 1, 2023	**83.882**	**83.882**
Additions	-	-
Balance at December 31, 2023	**83.882**	**83.882**
Accumulated depreciation		
Balance at January 1, 2023	**(42.249)**	**(42.249)**
Depreciation expense	(16.730)	(16.730)
Balance at December 31, 2023	**(58.980)**	**(58.980)**
Net book value at December 31, 2023	**24.903**	**24.903**

18. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income taxes concern the same tax authority. The offset amounts for the Company are the following:

	31/12/2023	31/12/2022
Deferred tax liabilities	(2.314)	(5.059)
Deferred tax assets	593.069	10.650
Net deferred tax assets	**590.756**	**5.591**

The gross movement in the deferred income tax account is as follows:

	31/12/2023	31/12/2022
Balance at beginning of year	**5.591**	**865**
Credited in the statement of comprehensive income	585.165	4.726
Balance at the end of year	**590.756**	**5.591**

Changes in deferred tax assets and liabilities during the year, without taking into account the offsetting of balances pertaining to the same tax authority, are the following:

Deferred tax liabilities	Assets (PPE and intangible)	Total
January 01, 2022	**(6.442)**	**(6.442)**
Credited in the statement of comprehensive income	1.383	1.383
December 31, 2022	**(5.059)**	**(5.059)**
January 01, 2023	**(5.059)**	**(5.059)**
Credited in the statement of comprehensive income	1.895	1.895
December 31, 2023	**(3.164)**	**(3.164)**

(Amounts in Euro)

Deferred tax assets	**Leases**	**Provisions for expected credit loss**	**Employer contributions**	**Tax losses**	**Total**
January 01, 2022	**436**	**6.872**	**-**	**-**	**7.307**
(Charged) / Credited in the statement of comprehensive income	(163)	3.506	-	-	3.343
December 31, 2022	**272**	**10.378**	**-**	**-**	**10.650**
January 01, 2023	**272**	**10.378**	**-**	**-**	**10.650**
(Charged) / Credited in the statement of comprehensive income	578	(3.013)	7.437	578.269	583.270
December 31, 2023	**851**	**7.364**	**7.437**	**578.269**	**593.920**

19. OTHER LONG-TERM RECEIVABLES

The other long-term receivables consist of given guarantees for the lease of cars and buildings.

20. TRADE RECEIVABLES

The trade receivables are analyzed as follows:

	31/12/2023	**31/12/2023**
Trade receivables	11.849.878	16.698.847
Minus: Provision for impairment of receivables	(33.474)	(47.172)
Total	**11.816.403**	**16.651.676**

The fair value of trade receivables approximate their carrying values.

Trade receivables include receivables from the Parent company amounted €11.849.878 (2022: 16.605.863) (Note 31), based on the concession agreement signed on 10/04/2020.

The movement on provision for impairment of trade receivables is presented in the following table:

January 1, 2022	**31.236**
Provision for impairment	15.936
December 31, 2022	**47.172**
January 1, 2023	**47.172**
Reverse of provision for impairment	(13.698)
December 31, 2023	**33.474**

The Company forms a provision for doubtful customers based on the expected credit loss method. The maximum exposure to credit risk at the reporting dates is the book value of each category of receivables mentioned above.

21. OTHER RECEIVABLES

The other receivables are analyzed as follows:

(Amounts in Euro)

	31/12/2023	31/12/2022
V.A.T receivable	42.840	583.711
Other receivables	1.247	105
Prepaid expenses	558.000	500
Prepaid and withheld income taxes	6.874.870	10.723.174
Advances to suppliers	2.033.052	2.936.577
Total	**9.510.009**	**14.244.067**

The significant increase in prepaid expenses is due to a part of the Greek State guarantee provided for the European Investment Bank loan disbursed within 2023 and is prepaid for each reporting period. Claims from the Greek State are reduced as the claims for fiscal year 2022 (10,723,174 euros) also included income tax. Advances to suppliers are reduced to EUR 2,033,052 (2022: 2,936,577) as a part of advance payments to suppliers has been depreciated.

22. ACCRUED INCOME

The accrued income is analyzed as follows:

	31/12/2023	31/12/2022
Accrued income from IPTO (Note 31)	6.919.352	2.370.071
Total	**6.919.352**	**2.370.071**

The amount of €6.919.352 includes: i. Income from IPTO S.A., to cover the operational expenses (opex) of the Company, amounting to €5.697.298 (2022: €1.100.432). This revenue, based on the concluded concession agreement, is revenue from the Parent company's right to the regulated revenue, which concerns the specific project and has the position of consideration for the operating expenses and services (opex) provided by the Company, ii. Income from IPTO S.A. in the amount of €1.222.053 (2022: €1.236.698), to cover compensatory costs to municipalities and communities, which, based on the contract, the Company must carry out in the context of the execution of the project. This is not accrued income as of 31.12.2023, as the corresponding expenses have not been carried out for the most part, until the above date. Until 31.12.2023, compensatory expenses of a total amount of €4.763.805 had been carried out, for which an equal amount was recognized in the income of the year. The amount of €1.222.053, as well as the corresponding amount of the fiscal year 2022 of €1.236.698, are shown as deferred income, in which the relevant compensatory expenses are expected to be incurred (note 31).

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	31/12/2023	31/12/2022
Demand deposits	49.746.287	14.323.746
Total	**49.746.287**	**14.323.746**

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

While cash and cash equivalents are also subject to the impairment under IFRS 9, the identified impairment loss was not significant due to the fact that the cash and cash equivalents of the Company are held at reputable financial institutions.

24. SHARE CAPITAL

The Company's share capital amounts to Euro two hundred million (€200.000.000), divided into two million (2.000.000) ordinary shares of Euro one hundred (€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 Company's Board of Directors approved the financial statements for the year 2023 on April 2nd , 2024 and did not proposed to the ordinary General Meeting of shareholders to distribute dividend for the year,2023, due to losses of the year.

25. LEGAL RESERVE

According to Greek commercial legislation, every year at least one-twentieth (1/20) of the net profits is deducted to the form regular reserve. The withdrawal to form a reserve stop to be mandatory, as soon as this reach at least one-third (1/3) of the capital. The regular reserve is used exclusively before each dividend distribution to equalize any debit balance of the income statement. The regular reserve of the Company on 31/12/2023 amounts to €193.834.

26. 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 €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 €200 million with the possibility of additional borrowing of €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. On 31/12/2022, the Company had as a total loan line for the project from both banks, the maximum amount of EUR 400 million, with the possibility of additional lending of EUR 100 million from the European Investment Bank in case of overrun of the estimated construction costs.

On 2021 the Company made a first disbursement of €55 million, while on 2022 made a second disbursement of €145 million, thus reaching the maximum borrowing limit from the Eurobank S.A., the amount of €200 million.

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 floating Euribor rate for the first semester to 2.696%, while for the next semester the Euribor rate amounted to 3.933%, except days 27/12-31/12/2023 that Euribor rated amounted to 3.892%.
- 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

(Amounts in Euro)

52% of the capital (balloon payment).

In April 2023, the Company disbursed a loan of Euro 200 million from the European Investment Bank with a twenty-year (20) maturity The Company's loan agreement includes financial terms, the most important of which are the following:

— The annual interest rate is fixed at 3,448%

— The repayment of the bond loan will be completed in forty six-month instalments with an initial grace period of five years from the disbursement of the loan. The instalments will amount to 3,33% of the borrowing capital.

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

Long-term borrowings	**31/12/2023**	**31/12/2022**
Loan	200.000.000	-
Bond loan	200.000.000	200.000.000
Accrued interest on loans	1.476.267	108.800
Unamortized borrowing costs	(4.685.554)	(3.467.260)
Total borrowings	**396.790.712**	**196.641.540**
***Less:* short-term portion:**		
Bond loan	8.000.000	-
Accrued interest on loans	1.476.267	108.800
Unamortized borrowing costs	1.753.607	(36.358)
Total short-term borrowings	**11.229.874**	**72.442**
Long-term portion	**385.560.839**	**196.569.098**

Borrowings movement	**31/12/2023**	**31/12/2022**
Balance at the beginning of year	**196.641.540**	**54.212.468**
New loans	200.000.000	145.000.000
Interest charged and accrued	16.001.083	2.803.146
Interest paid	(14.633.617)	(2.717.874)
Additions of deferred borrowing costs	-	(2.659.611)
Amortization of deferred borrowing costs	(1.218.294)	3.411
Balance at the end of year	**396.790.712**	**196.641.540**

Deferred borrowing cost	**31/12/2023**	**31/12/2022**
Balance at the beginning of year	**3.467.260**	**811.060**
Additions	-	2.659.611
Amortization of deferred finance cost	1.218.294	(3.411)
Balance at the end of year	**4.685.554**	**3.467.260**
Current portion	(1.753.607)	36.949
Non-current portion	6.439.161	3.430.311
Total	**4.685.554**	**3.467.260**

27. LEASES

According to IFRS 16, rents paid by the Company for the lease of its offices at 89 Dyrrachiou 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 Dyrrachiou 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 15/06/2023 the Company leased a house at Hrakleion, Crete which is used from the employees who monitor the 2 year work that takes place at Hrakleion. In addition, on 16/11/2021 the Company leased 3 vehicles for the period of 4 years. Additionally, on 13/06/2023 and 28/06/2023 the Company leased three passenger cars for a period of four years. On 01/10/2023, the leases of the registered office at Dyrrachiou str and the offices on Konstantinoupoleos Avenue were renewed for 1,5 years.

(Amounts in Euro)

Leasing movement	**31/12/2023**	**31/12/2022**
Balance at the beginning of year	**82.894**	**142.217**
Interest for the year	3.441	3.409
Lease payments for the year	(82.631)	(64.106)
New leases	180.862	-
Lease modifications	-	1.374
Balance at the end of year	**184.565**	**82.894**

	31/12/2023	**31/12/2022**
Long-term lease liability	94.048	30.803
Short-term lease liability	90.517	52.091
Total	**184.565**	**82.894**

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

	31/12/2023	**31/12/2022**
Between 1 and 2 years	61.749	17.198
Between 2 and 5 years	32.299	13.604
Total	**94.048**	**30.803**

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

	31/12/2023	**31/12/2022**
Up to 1 year	90.517	52.091
Between 1 and 5 years	94.048	30.803
Total	**184.565**	**82.894**

The maturity analysis of lease liabilities is present below:

Lease liabilities - minimum lease payments	**31/12/2023**	**31/12/2022**
Up to 1 year	94.727	53.706
Between 1 and 5 years	96.621	31.721
Total	**191.348**	**85.427**
minus: Future finance cost of lease liabilities	(6.782)	(2.533)
Present value of lease liabilities	**184.565**	**82.894**

The amount of € 62.353 (2022: €31.484) relates to lease liabilities to related parties (Note 31).

28. 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.

29. TRADE AND OTHER SHORT-TERM LIABILITIES

Trade and other short-term liabilities are analyzed as follows:

(Amounts in Euro)

	31/12/2023	31/12/2022
Trade and other payables	57.194.089	80.230.616
Payables - related parties (Note 31)	270.377	233.378
Accrued expenses	130.668	289.256
Accrued expenses from related parties (Note 31)	32.222	32.222
Social security and other taxes	2.801.160	2.509.055
Payables - Retained performance bonds short term	10.429.417	-
Total	**70.857.933**	**83.294.527**

The fair value of the trade and other short-term liabilities approach the net book value.
The amount of performance guarantees withheld (Euro 10,429,417) has been transferred to current liabilities as it is expected to be returned to the supplier within the next year.

30. DEFERRED INCOME

Deferred income refers to compensatory expenses to municipalities and communities, which were not realized during the last year 2022 but are still pending on year 2023 and therefore they are not included in revenue. These expenses are expected to be incurred in the following years.

	31/12/2023	31/12/2022
Deferred income	3.955.492	2.733.439
Total	**3.955.492**	**2.733.439**

The movement of deferred income is as follows:

	31/12/2023	31/12/2022
Balance at the beginning of year	**2.733.439**	**1.496.741**
Additions	5.841.224	1.381.331
Compensatory expenses incurred during the year	(4.619.171)	(144.633)
Balance at the end of year	**3.955.492**	**2.733.439**

31. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties have been identified based on the requirements of IAS 24 “Related Party Disclosures”.

The financial statements of the Company are fully consolidated to the financial statements of the parent company Independent Power Transmission Operator (IPTO SA). At 31/12/2023 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:

Company	Relation
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

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of sales and purchases from the beginning of the year with related parties under IAS 24, are as follows:

(Amounts in Euro)

	31/12/2023	
Amounts in Euro	**Revenues**	**Expenses**
IPTO SA	245.104.038	2.660.853
BoD fees	-	169.654
	245.104.038	**2.830.506**

	31/12/2022	
Amounts in Euro	**Revenues**	**Expenses**
IPTO SA	183.859.312	1.589.623
BoD fees	-	100.717
	183.859.312	**1.690.340**

Board of Directors and Key Management

The compensation of the members of the Board of Directors for the Company amounted to €169.654 (2022: €100.717).

The Company's transactions with related parties have been carried out under normal market conditions

b) Balances with related parties

The closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

	31/12/2023	
Amounts in Euro	**Receivables**	**Liabilities**
IPTO SA	631.222.458	365.448
BoD fees	-	-
	631.222.458	**365.448**

	31/12/2022	
Amounts in Euro	**Receivables**	**Liabilities**
IPTO SA	475.269.291	297.084
BoD fees	-	-
	475.269.291	**297.084**

Part of the receivables from IPTO, amount to approximately €3,9 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.

There’s no balances of receivables and liabilities from and to the members of Management as at reporting date.

32. COMMITMENTS AND CONTIGENT LIABILITIES

For the years ended 31.12.2018 until 31.12.2022 and remain tax unaudited by the competent tax authorities, Management’s 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 2023, 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 2023. 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.

33. SUBSEQUENT EVENTS

On 31.01.2024 the second disbursement of the Grant was made of an amount 22,9m Euro.
The parent company ADMIE S.A. announced on 04.08.2022 the Expression of Interest (EOI) for the sale of a minority stake of 20% of the Company's share capital. This process includes two distinct stages, Phase A (Call for Expression of Interest) and Phase B (Selection Process). Phase A was completed on 05.10.2022 and the completeness of the participation criteria of the interested parties was reviewed, while Phase B is expected to start within the 1st quarter of 2024.