CRETE ATTICA ELECTRICAL INTERCONNECTION 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 2019

INTERNATIONAL FINANCIAL REPORTING STANDARDS

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CRETE ATTICA ELECTRICAL INTERCONNECTION ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A
(ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

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Annual Report of the Board of Directors for the Company CRETE ATTICA ELECTRICAL INTERCONNECTION ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A) to the Shareholders for the period 01/01/2019 – 31/12/2019

Dear Shareholders,

Following the end of the fiscal year 01.01.2019 to 31.12.2019, the Company CRETE ATTICA ELECTRICAL INTERCONNECTION ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A (or "ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A", or "the Company"), we have the honor to submit for approval, according to the Company's Articles of Association, as modified and approved by the Extraordinary General Assembly of Shareholders on 20 March 2020, and the Article 148 of the Law 4548/2018, the Financial Statements for the year and our comments on the respective statements.

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

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

a. Business model description, goals and core values

CRETE ATTICA ELECTRICAL INTERCONNECTION 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 was fully paid at the establishment period. As a subsidiary of IPTO SA, the Company is fully consolidated to the Group's Financial Statements. The Company's exclusive purpose is:

i) the financing of total construction cost of the Project "Crete Attica Electrical Interconnection", according to the 10-year Development Program (TYDP) of Hellenic Electricity Transmission System for the period 2018–2027 and of Regulatory Authority for Energy (RAE),

ii) the design, supply, construction and installation of all separate parts of the Project, such as the cables, electrode stations, converter stations and substations through tender procedures,

iii) the supervision of tender procedures referred above (ii),

iv) the necessary tests and the acceptance of the completed parts of the Project,

v) the delivery of the completed Project to IPTO SA,

vi) the performance of any other related activity, which is directly or indirectly related to the Project's scope, including the actions required to obtain the necessary licenses and the finalization of loan facilities and other financial agreements with credit institutions or affiliated companies,

vii) the collection of the Project's required revenue, as long as this is collected by IPTO SA, as determined by RAE decisions 339/2014 and 340/2014.

The Headquarters of the Company are located at 89, 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, 2019 there were 20 employees, two of whom were seconded by the Parent Company IPTO SA.

b. Administration principles and internal management systems

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

c. Description of performance and tangible and intangible assets

Financial overview of year 2019

The total income of the Company for the year ended on December 31, 2019 consist of interest income on deposits and revenue arising from the contract with the parent company IPTO SA, while the costs are mainly related to payroll expenses and third party fees.

Cash Flows

The cash inflows mainly consist of the collection of bank interest on deposits, while cash outflows mainly concern the payment of payroll and operating expenses of the Company. In December 2019, the Company had three banking accounts in the following bank institutions: National Bank of Greece, Piraeus Bank and Alpha Bank.

Dividend policy

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

On March 31, 2020 the Board of Directors approved the Financial Statements for the fiscal year 2019 and proposed to the Ordinary General Meeting of Shareholders the non-distribution of dividend for the fiscal year ended December 31, 2019.

Tangible and intangible assets

As of December 31, 2019 the Company had only equipment in its tangible asset base, while it had no intangible assets other than IFRS 16 right of use asset and construction services under the concession agreement with the parent company.

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.

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

Risk of decline in demand

There is no risk of decline in demand due to the nature of the Company's business.

Risk of change to the Regulatory Framework

The Company's business 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 Company.

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

Risks related to the sector in which the Company operates

The Company is subject to certain laws and regulations generally applicable to Societes 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 recruitment procedure, which is subject to a certain Law. Specifically, based on Article 76 of the Law 4602/2019, "the Company may employ a number of personnel not exceeding thirty (30) of all sectors with fixed term employment contracts, lease of work or paid remuneration. These contracts are solely governed by the provision of Labor Law regulating the relations of employer and employee in the private sector. The maximum duration of the contracts is defined as the completion of Crete – Attica interconnection project”. Therefore, the Company will not be adversely affected by the application of the provisions of Law 3833/2010 and Law 4024/2011.

Liquidity Risk

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

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, 2019, 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. The Company has limited exposure to each individual financial institution, in order to manage the credit risk.

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 key principles of the Company. 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, 2019 the Company employed 20 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

Safety at work for employees is a top priority and a prerequisite for the Company's operation. The Company has provides easily accessible first aid kits (medicines, dressings, etc.) in all work areas.

d) Systems of recruitment, training, promotions

Selection and recruitment procedures are carried out on the basis of the qualifications required for the post and in a non-discriminatory manner. At the same time, the company systematically trains all employees' categories due to the specific professional requirements and functional and / or individual needs.

5. Financial and non-financial key performance indicators

Although the financial statements of the Company do not require specific analysis or comment on the fiscal year, the general liquidity ratio and the leverage ratio of the company are calculated below:

$$\frac{\text{Total Current Assets}}{\text{Total Short -Term Liabilities}} = \frac{201.694.189}{569.757} = \mathbf{354,00}$$

$$\frac{\text{Total Working Capital}}{\text{Net Lease Liabilities}} = \frac{1.346.340}{(200.613.673)} = \mathbf{-0,01}$$

6. Future Development of the Company

Outlook for 2020

Given the nature of the business and the Company's sound financial position for 2020, Management will try to complete the investment and the fulfil the purpose for which it was established within the timeframe planned.

More specifically, the selection of the contractor companies for the four cable sections of the Crete-Attica Interconnection project has been completed including the design, supply and installation of (a) the western submarine cable system and the electrode stations, (b) the east submarine cable system, (c) the underground cable systems; and (d) the fiber optic cables. The relevant contracts have been finalized and are to be reviewed by the Court of Auditors, while for the two converter stations and the one substation in Crete, the selection of the contractor company has been completed and the contracts are expected to be sent to the Court of Auditors within April. They are expected to be signed in May, so that, within the first half of 2020, the works for the design - construction of the Crete - Attica interconnection will begin, taking into account at all times the implementation of the project within the planned timeframe.

The emergence of coronavirus (Covid-19) in the early months of 2020 and its spread at pandemic level, has led in the adoption of preventive and restrictive measures against the further spread of the virus. These measures are not expected to affect the Company's daily operations to a large extent, as almost all of the Company's activities, until the beginning of construction period, can be covered by remote working, while all revenues are expected to be cost related. However, it should be noted that the project implementation and timeframe may be affected by this global situation. The Company closely monitors any developments in this issue, so as to directly respond to the demands of the global and domestic environment, taking into account at all times the completion of the project as soon as possible and within the planned timeframe, while being in constant communication with the contractor companies for the limitation of any impact of Covid-19 on contract performance. Additionally, the Company, with a view to protecting its employees, is in continuous contact with the National Public Health Organization (NPHO) for all matters regarding the coronavirus, so as to receive and follow all instructions and measures with respect to staff protection and safety.

In terms of project financing, apart from equity funds, which are sufficient for the part of the investment that is expected to take place in 2020, the Company is in advanced negotiations with domestic and foreign financial institutions for borrowing purposes, under very competitive and favorable conditions, so that it may continue its work without any problem throughout the construction period. At the same time, the project is expected to be included for co-financing in the Operational Program “Competitiveness, Entrepreneurship and Innovation” under the Partnership Agreement (PA) (subsidies), thereby raising significant resources and reducing, to a very large extent, the cost of this major importance project for the Greek consumer.

7. Company activity in the field of research and development

The Company had no Research and Development expenses for the year 2019.

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 2019.

9. Company Branches

During the year 2019, the Company moved to its offices in, 1 Konstantinoupoleos Avenue 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, 104 43 Athens.

10. Use of financial instruments

The Company does not use financial instruments.

11. Significant transactions with related parties

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

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

12. Management Remuneration

The gross remuneration of the Board of Directors for the period ended December 31, 2019 amounted to Euro 48.141.

13. 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 the same with the parent’s policies and are analytically presented in the Financial Statements

14. Other issues

The Company has no foreign exchange currency.

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

After that we 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 2019 (fiscal period 01/01/2019 - 31/12/2019),

2) Discharge the members of the Board of Directors and auditors from all liability for the operations for the year 2018 (fiscal period 01/01/2019 - 31/12/2019),

3) Appoint two (2) regular and two (2) alternate certified auditors for the year 2020.

Athens, March 31, 2020

For the Board of Directors

The Chairman of the Board of Directors Manousakis Manousos	Member of the Board of Directors Rousopoulos Iason

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company CRETE-ATTICA ELECTRICAL INTERCONNECTION ARIADNE 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 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ELECTRIC INTERCONNECTION CRETE-ATTICA ARIADNE SINGLE MEMBER S.P.S.A. as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2019.

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, April 30, 2020

KONSTANTINOS L. TAKIS	**SOTIRIOS D. KOURTIS**
Certified Public Accountant Auditor	Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14881	Institute of CPA (SOEL) Reg. No. 50601
SOL S.A. Member of Crowe Global	SOL S.A. Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece	3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125	Institute of CPA (SOEL) Reg. No. 125

CRETE ATTICA ELECTRICAL INTERCONNECTION ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A
(ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A)

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

The attached Financial Statements have been approved by the Board of Directors of the company CRETE ATTICA ELECTRICAL INTERCONNECTION ARIADNE SINGLE MEMBER SPECIAL PURPOSE S.A (ARIADNE INTERCONNECTION SINGLE MEMBER S.P.S.A) on March 31st, 2020 and they have been posted on the Company's website*: www.ariadne-interconnection.gr*

THE CHAIRMAN OF THE BOARD OF DIRECTOS	THE VICE PRESIDENT OF THE BOARD OF DIRECTORS	MEMBER OF THE BOARD OF DIRECTORS	THE CHIEF ACCOUNTANT
____________________	____________________	____________________	____________________
M.MANOUSAKIS	X. SHI	I. ROUSOPOULOS	TRICHAS ANTONIS
ID No. AE 579857	ID No. PE1727632	ID No. X 085318	A' CLASS No. LICENSE: 98475
	(PASSPORT OF REBUBLIC OF CHINA)		PricewaterhouseCoopers Accounting S.A. OFFICE LICENSE No.: 1494

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(Amounts in Euro)

INCOME AND OTHER COMPREHENSIVE INCOME STATEMENT

	Note	01/01/2019 - 31/12/2019	10/09/2018 - 31/12/2018
NET REVENUE:			
Revenue	5	1.586.155	-
Total Revenues		**1.586.155**	**-**
EXPENSES:			
Employee fees	6	(751.390)	-
Third party benefits	7	(38.323)	-
Third party fees	8	(473.760)	(2.653)
Depreciation	13, 14	(8.442)	-
Tax - duties		(2.947)	(320)
Other expenses	9	(120.466)	(200.098)
Total expenses		**(1.395.327)**	**(203.071)**
PROFIT BEFORE INTEREST AND TAX		**190.828**	**(203.071)**
Financial expenses	10	(1.571)	(359)
Financial income	10	2.035.152	583.705
PROFIT BEFORE TAX		**2.224.409**	**380.276**
Income tax	11	(534.392)	(110.280)
NET PROFIT FOR THE YEAR		**1.690.017**	**269.996**

	01/01/2019 - 31/12/2019	10/09/2018 - 31/12/2018
NET PROFIT FOR THE YEAR	**1.690.017**	**269.996**
Other profit for the year after tax	-	-
TOTAL PROFIT FOR THE YEAR AFTER TAX	**1.690.017**	**269.996**

The notes on pages 23 to 44 are an integral part of these Financial Statements.

(Amounts in Euro)

STATEMENT OF FINANCIAL POSITION

	Note	31/12/2019	31/12/2018
ASSETS			
Non - current assets			
Tangible assets	13	19.965	-
Right of use asset	13	124.708	-
Contract asset- Receivables from construction services	14	788.583	-
Total non - current assets		**933.256**	-
Current assets			
Other receivables	16	158.090	542
Cash and cash equivalents	17	200.738.527	200.294.105
Accrued income	18	797.572	-
Total current assets		**201.694.189**	**200.294.648**
Total assets		**202.627.445**	**200.294.648**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	200.000.000	200.000.000
Legal reserve	20	98.001	13.500
Retained earnings		1.862.012	256.496
Total equity		**201.960.013**	**200.269.996**
Non-current liabilities			
Long-term lease liabilities	14	92.919	-
Deferred tax liability	11	4.756	-
Total non-current liabilities		**97.676**	**-**
Current liabilities			
Trade and other short-term liabilities	21	313.443	1.928
Short-term lease liabilities	14	31.935	-
Income tax payable	11	224.379	22.724
Total current liabilities		**569.757**	**24.652**
Total equity and liabilities		**202.627.445**	**200.294.648**

The notes on pages 23 to 44 are an integral part of these Financial Statements.

(Amounts in Euro)

STATEMENT OF CASH FLOWS

	Note	1/1/2019-31/12/2019	10/9/2018-31/12/2018
Cash flows from operating activities			
Profit before tax		2.224.409	380.276
Adjustments for:		-	-
Depreciation of tangible and intangible assets	13	8.442	-
Interest income	10	(2.035.152)	(583.705)
Interest expense	10	1.571	359
Operating profit before working capital adjustments		**199.271**	**(203.071)**
(Increase)/decrease in:			
Accrued Income	18	(797.572)	-
Other receivables		22.871	87.013
Increase/(decrease) in:		-	-
Trade payables	21	311.515	1.928
Other liabilities and accrued expenses		(188.252)	(87.556)
Cash flows from operating activities		**(452.167)**	**(201.685)**
Interest paid	10	(644)	-
Income tax paid		(23.042)	-
Net cash flows from operating activities		**(475.853)**	**(201.685)**
Cash flows from investing activities			
Interest received	10	1.729.879	496.149
Increase of receivables from construction services	15	(788.583)	-
Acquisition of tangible and intangible assets	13	(20.094)	-
Net cash flows from investing activities		**921.202**	**496.149**
Cash flows from financing activities			
Share capital received		-	200.000.000
Interest paid	10	(927)	(359)
Net cash flows from financing activities		**(927)**	**199.999.641**
Net increase / (decrease) in cash and cash equivalents	17	444.422	200.294.105
Cash and cash equivalents at the beginning of the year		**200.294.105**	-
Cash and cash equivalents at the end of the year		**200.738.527**	**200.294.105**

Note: For comparative purposes, the amount of withholding tax has been reclassified from Financing to Operating activities (Other Requirements)

The notes on pages 23 to 44 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 as at 10/09/2018				
Share capital increase	200.000.000			200.000.000
Net profit for the year			269.996	269.996
Legal reserve for the year		13.500	(13.500)	-
Balance as at 31/12/2018	**200.000.000**	**13.500**	**256.496**	**200.269.996**
Balance as at 01/01/2019	**200.000.000**	**13.500**	**256.496**	**200.269.996**
Net profit for the year			1.690.017	1.690.017
Legal reserve for the year		84.501	(84.501)	-
Balance as at 31/12/2019	**200.000.000**	**98.001**	**1.862.012**	**201.960.013**

The notes on pages 23 to 44 are an integral part of these Financial Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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1. ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY

CRETE ATTICA ELECTRICAL INTERCONNECTION 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 was fully paid at the establishment period. As a subsidiary of IPTO SA, the Company is fully consolidated to the Group's Financial Statements. The Company's purpose is:

i) the financing of total construction cost of the Project "Crete Attica Electrical Interconnection", according to the 10-year Development Program (TYDP) of Hellenic Electricity Transmission System for the period 2018–2027 and of Regulatory Authority for Energy (RAE),

ii) the design, supply, construction and installation of all separate parts of the Project, such as the cables, electrode stations, converter stations and substations through tender procedures,

iii) the supervision of tender procedures referred above (ii),

iv) the necessary tests and the acceptance of the completed parts of the Project,

v) the delivery of the completed Project to IPTO SA,

vi) the performance of any other related activity, which is directly or indirectly related to the Project's scope, including the actions required to obtain the necessary licenses and the finalization of loan facilities and other financial agreements with credit institutions or affiliated companies,

vii) the collection of the Project's required revenue, as long as this is collected by IPTO SA, as determined by RAE decisions 339/2014 and 340/2014.

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

(1) Establish or participate in any company, regardless of corporate form, in Greece and/or abroad, with or without the participation of third parties (individuals or legal persons).

(2) Cooperate with any individual or legal person in any way in Greece and/or abroad and conclude to agreements of any kind.

(3) Develop any kind of financial activity in order to achieve its scope (eg. borrowing, issuing bills, checks, order bills, bonds, promissory notes and other securities or documents incorporating a debt, etc.).

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

(6) Make use of funding programs and tools, mainly offered by the European Union and its affiliated organizations.

The Headquarters of the Company are located at 89, 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, 2019, there were 20 employees, two of whom were seconded by the Parent Company IPTO SA.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as issued by the IFRS Interpretations Committee of the IASB and adopted by the European Union (EU) and are mandatory for years starting as of January 1st, 2019.

2.1.1. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Board of Directors of the Company approved the financial statements of year 2019 on March 31st, 2020. The financial statements are subject to approval by the Group's Annual General Meeting of the Shareholders.

2.1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2.1.3. GOING CONCERN

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

RISK OF THE MACROECONOMIC AND CORPORATE ENVIRONMENT IN GREECE

During 2019, the Greek economy improved its growth potential in relation to the previous two years, 2018 and 2017, despite a further slowdown of growth rates worldwide.

Specifically, the economic sentiment indicator and the expectations have been significantly improved, indicating the continuity of the growth potential. The economic sentiment indicator maintained in high level, exceeding the 102 units, while on September 2019 it has reached the 107,2 units, strengthening the confidence indicators in service and retail sectors, despite the slight decline on October. This improvement reflects the effectiveness of the implementation of expansionary fiscal measures up to 1% of GDP, taken place from May to December 2019.

In the financial sector, there is a positive development, as the deposits and the financing conditions have been improved. The confidence in the banking sector has been improved substantially and the capital controls were fully abolished on September 1st. The improved liquidity of the banking system has led to increased financing to non- financial corporations. Greek government and corporate bond yields have declined significantly in recent months. In particular, 10- year government bond yields declined to 1.20% at the end of October, from the average of 1,49% during September and 2,67% during June 2019, while the interest rate on 3-month Treasury bills was slightly negative to -0,02%, in October 2019. The de-escalation of Greek government bonds yield and an early partial repayment of IMF loan, led to lower interest costs and increased the sustainability of the government debt.

The up to now development is also reflected in the recent upgraded credit ratings and the GDP growth. Specifically, in 2019, Moody's upgraded Greece ratings to B1 from B3, while on 25/10/2019 Standard & Poor's (S&P) announced the upgrading of Greece to BB-, from B+, maintaining the positive outlook for Greece. In addition, the growth rate of Greek economy is expected to be 1,9%, according to the expectations of Euro-system experts.

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. In the light of the above, the working capital for the year 2019, and thereafter, is expected to be positive. Therefore, the attached Financial Statements have been prepared on the going concern basis.

2.2. SIGNIFICANT ACCOUNTING ESTIMATES AND MANAGEMENT JUDGEMENTS

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

Provisions for risks

The Company forms provisions for risks related to third party claims against it and the outcome of which may lead to an outflow of funds for their settlement. The provision is formed on the basis of the lawsuit amount and probability of the outcome of the litigation. Estimates are made in conjunction with the Company's legal advisors. No provision is formed for contingent claims. On December 31st, 2019 there is no reason to form any provision.

Impairment of fixed assets

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

Income tax and deferred tax

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

Defined contribution plan

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

2.3. MAIN ACCOUNTING POLICIES

Foreign Currency Conversion

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

Non-Financial Assets

Intangible assets

Intangible assets are recognized at their acquisition cost minus accumulated depreciation and impairments. For all assets retired or sold, their acquisition cost and related depreciation are written off. Any gain or loss is included in the income statement.

Tangible assets

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

Repair and maintenance expenses are charged to the Income Statement of the year in which they are incurred. Subsequent future expenditures are capitalized, when they meet the criteria to be recognized as assets and increase the value of the fixed assets. For all assets retired or sold, their acquisition cost and related depreciation are written off from the accounts at the time of sale or retirement. Any gain or loss is included in the Income Statement.

Borrowing Cost

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

Depreciation

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

Other equipment	5
Furniture	10

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 Assets

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

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

Trade and Other Receivables

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

Impairment of Financial Assets

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

Financial assets measured at carrying amount

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

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

Measurement of credit risk losses

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

Impairment Presentation

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

Write- off of Financial Assets

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

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

Cash and Cash Equivalents

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

Offsetting of Financial Receivables and Liabilities

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

Financial Liabilities

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

Provisions for Risks and Expenses, Contingent Liabilities and Contingent Claims

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

Income Tax (Current and Deferred)

Current income tax

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

Deferred income tax

Deferred income tax is calculated using the liability method, on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred income tax liability arises from initial recognition of 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.

Revenue Recognition

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

Revenue from contracts with customers

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

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

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

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

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

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

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

Revenue from Interest

Revenue from interest is recognized according to the accrued principle.

Leases

The company leases office spaces from third parties. Based on IFRS 16, the classification of leases as operating leases and financial leases is terminated for the lessee and all leases are accounted for as items of the Statement of Financial Position, through the recognition of a "right-of-use asset" and a "lease liability", except for short-term leases (defined as leases with a lease term of 12 months or less) and leases whose underlying asset is of low value (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.

2.4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Company's accounting policies for the preparation of the Annual Financial Statements are applied consistently, taking into account the new standards. The following amendments to standards and interpretations issued are mandatory for accounting periods beginning on or after January 1, 2019.

Adoption of New and Revised International Standards

New standards, amendments to standards and interpretations have been issued and are mandatory for annual periods beginning on or after 1 January 2019.

During the fiscal year 2019, the Company adopted IFRS 16, IFRS 15 and IFRS 9. Unless otherwise stated, the other amendments and interpretations that are mandatory for the year 2019 have no impact on the Company's financial statements. The Company has not adopted early standards, interpretations or amendments issued by the IASB and adopted by the European Union in 2019, which are optional for the year 2019.

Standards and Interpretations mandatory for current fiscal year of 2019

IFRS 16 "Leases"

On January 13, 2016 the IASB issued IFRS 16, which replaces IAS 17 "Leases". The purpose of this standard is to ensure that lessees and lessors provide useful information that presents fairly the substance of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The lease payments are a four-year finance lease commencing at October 1st 2019 and concern the leasing of office spaces at Konstantinoupoleos 1st Avenue, 121 32, Peristeri of Attica from the Parent Company, IPTO SA. At the first adoption of IFRS 16,the liabilities arising from finance leases should be notified in the notes of financial statements (Note 14) and be presented as right of use assets and leasing liabilities in the statement of financial position. As a result, at the first adoption, an increase in assets and liabilities is expected. Also, the leasing cost is replaced by the depreciation cost of the right of use asset and the interest expense on the leasing liability occurred. In the cash flow statement, lease payments that represent the repayments of capital are expected to reduce the net cash flows from financing activities. Only rent payments related to interest expenses will continue to be included in the net cash flows from operating activities, the total amount of which will increase.

Based on the above the Company analyzed the expected impact of IFRS 16 on the income statement, the other comprehensive income and the statement of financial position for the year 2019. The Company recognized the right of use asset at the lease commencing date (1st of October 2019) and the relative liabilities, amounted to Euros 133.022. The annual discount rate used is 3% and represents the incremental borrowing rate of the Company.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The amendment has no significant impact on the Financial statements.

The application of IFRS 9 has no material effect on the Company's financial statements.

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances The amendment has no significant impact on the Financial statements.

The application of IFRIC 23 has no material effect on the Company's financial statements.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The amendment has no significant impact on the Financial statements.

Annual Improvements to IFRSs 2015 – 2017 Cycle)

The below amendments include the changes in one IFRS

IAS 12: Income Taxes

The amendments clarify that an entity should recognize the income tax consequences of dividend payments in the same manner.

Mandatory Standards and Interpretations for subsequent periods, not yet endorsed by European Union

IFRS 17: Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

IAS 1 and IAS 8 (Amendments) 'Definition of material' (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

3. FINANCIAL RISK MANAGEMENT

Risk management focuses on the uncertainty of financial and non-financial markets and looks to minimize adverse effects on the Company's financial position. The Company identifies, evaluates and, if necessary, hedges the risks associated with its operating activities, and reviews and revises on a periodic basis the relevant policies and procedures in relation to financial risk management. Also, there are no speculative transactions.

3.1. FINANCIAL RISK FACTORS

Liquidity Risk

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

(Amounts in Euro)

Credit Risk

The Company is exposed to credit risk for the intra-group receivables and the cash and cash equivalents. In such cases, credit risk may arise from the counterparty's inability to meet its obligations towards the Company. The Company has limited exposure to each individual financial institution, in order to manage the credit risk.

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 Liabilities (short-term and long-term liabilities 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.

The Company's net debt, as a result of IFRS 16, as at 31/12/2019 is presented in detail in the following table:

	31/12/2019	**31/12/2018**
Long-term lease liabilities	92.919	-
Short-term lease liabilities	31.935	-
Minus: Cash and cash equivalents	(200.738.527)	(200.294.105)
Net lease liabilities	**(200.613.673)**	**(200.294.105)**
Total equity	201.960.013	200.269.996
Total working capital	**1.346.340**	**(24.110)**
Leverage ratio	**-0,67%**	**0,01%**

The calculation of leverage ratio is not effective at 31/12/2019 (31/12/2018: there was no debt). The leverage ratio is calculated as the net debt divided by total working capital (total equity plus net debt).

An analysis of net debt and the relevant movements for each financial year are presented below:

	31/12/2019	**31/12/2018**
Cash and cash equivalents	200.738.527	200.294.105
Short-term Debt - payable during the year	(31.935)	-
Long-term Debt - payable after one year	(92.919)	-
Net debt	**200.613.673**	**200.294.105**

(Amounts in Euro)

		Lease Liabilities		
	Cash and Cash equivalents / Bank	Short-term lease liabilities (during the year)	Long-term lease liabilities (after one year)	Total
Net debt as at 10/09/2018	-	-	-	-
Cash flows	200.294.105	-	-	200.294.105
Net debt as at 31/12/2018	**200.294.105**	**-**	**-**	**200.294.105**
Net debt as at 01/01/2019	200.294.105	-	-	200.294.105
Cash flows	444.422	-	-	444.422
Non-cash items - Recognition of new lease	-	(31.935)	(92.919)	(124.854)
Net debt as at 31/12/2019	**200.738.527**	**(31.935)**	**(92.919)**	**200.613.673**

4. CONSTRUCTION COST

During the fiscal year, the Company recognizes revenue of a total value of Euro 1.586.155, according to the concession agreement signed with the parent company. The amount of revenues include the amount of Euro 788.583, which is related with the re-invoicing of construction costs of the project. In particular, for the current fiscal year, the construction cost includes monitoring and management costs, which are mainly related with the payroll expense of employees involved in the design and implementation of the project.

	01/01/2019 - 31/12/2019
Revenue	1.586.155
Construction Costs	(788.583)
Gross profit	**797.572**
Other Revenues	2.035.152
Other Expenses	(608.314)
Profit before tax	**2.224.409**

5. REVENUE

At December 31st 2019, the Company's revenue include the amount of Euro 1.586.155, based on the concession agreement signed with the Parent company, regarding the implementation of the Project (Note 24).

(Amounts in Euro)

6. PAYROLL FEES

During 2019, the Company has 20 employees, two of whom are seconded personnel from IPTO SA (Note 12). During 2018, the Company had no personnel. The payroll fees are analyzed below:

	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Salaries	508.254	-
Seconded staff salaries	110.235	-
Social security expenses	126.143	-
Staff education costs	1.056	-
Private insurance costs	5.701	-
Total	**751.390**	-

7. THIRD PARTY BENEFITS

Third party benefits include intercompany transactions (Note 12), relating to rental fees, building maintenance fees (electricity, water, heating, cleaning, security etc.) and telecommunication costs.

	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Rental fees	10.737	-
Building maintenance fees	21.717	-
Fees for telecommunication services	5.869	-
Total	**38.323**	**-**

The rent fee of Headquarters at 89, Dyrrachiou is a short-term leasing (12-month lease term), so the Company recognizes no asset of use right.

8. THIRD PARTY FEES

The third party fees are analyzed as:

	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Fees for technical studies	129.687	-
Third party fees	113.923	-
Lawyer fees	89.433	780
Accountants fees	52.440	1480
Board of Directors fees	48.141	-
IT fees	29.061	-
Auditors fees	9.900	393
Other third party fees (canteen services)	1.174	-
Total	**473.760**	**2.653**

(Amounts in Euro)

The fees for technical studies are related with the preparation of the Company's Business Plan. The IT and other third party fees are intercompany transactions (Note 12), as the relevant services are provided by the parent company IPTO SA. The Board of Directors fees are also intercompany transactions, as the members are employees of the parent company IPTO SA.

9. OTHER EXPENSES

	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Subscriptions to professional organisations	1.040	-
Tender expenses	103.320	-
Other expenses	16.106	98
Contribution to the Hellenic Competition Commission	-	200.000
Total	**120.466**	**200.098**

10. FINANCIAL EXPENSES - INCOME

Financial Expenses	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Bank and other expenses	927	359
Interest expenses from finance lease	644	-
Total	**1.571**	**359**

Finance Income	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest income from bank deposits	2.035.152	583.705
Total	**2.035.152**	**583.705**

Credit interest relates to interest on bank deposits.

11. INCOME TAX (CURRENT AND DEFERRED)

The nominal tax rate for the current year is 24%, based on the article 22 of the Law 4646/2019. The income tax statement is submitted on a yearly basis but the profits or losses declared are temporary until the tax authorities audit the taxpayer's statements and records and the final audit report is issued. The income tax payable is offset by the advance tax amount and withholding taxes and the net amount is recognized as receivable or liability in the Company's Statement of Financial Position.

Tax losses, to the extent accepted by the tax authorities, may offset future profits for a period of five years from the year in which they were incurred.

(Amounts in Euro)

	1/1/2019 - 31/12/2019	**10/9/2018 - 31/12/2018**
Current Income tax	529.636	110.280
Deferred tax	4.756	-
Total Income tax	**534.392**	**110.280**

According to the provisions of Article 22 of the Law 4646/2019, the tax rate for the profits acquired by legal entities is 24% for the income from 2019 and on.

According to IAS 12 "Income Taxes", it is stipulated that:

"Deferred tax assets and liabilities will be measured with the tax rates expected to be applied to the period during which the Asset or liability, taking into account the tax rates (and tax laws) established or substantially enacted, up to the balance sheet date".

Furthermore, the deferred tax liabilities recognized in the statement of financial position have been adjusted at the 31.12.2019, at the tax rates applicable in the years expected to be settled.

The deferred tax assets and liabilities may be offset, provided that it is permitted by the law and only when the deferred taxes regard the same tax authority. The offset amounts are:

	31/12/2019	**31/12/2018**
Deferred Tax Liabilities		
Depreciation of tangible assets	19.965	-
Lease liability	124.708	-
	144.673	-
Deferred Tax Assets		
Right of use asset	(124.854)	-
	(124.854)	-
Total Deferred Tax Liability	**19.818**	**-**
Tax rate	24%	
Deferred Income tax	**4.756**	

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

(Amounts in Euro)

	1/1/2019 - 31/12/2019	10/9/2018 - 31/12/2018
Profit before tax	2.224.409	380.276
Tax rate	24%	29%
Income tax	**533.858**	**110.280**
Tax adjustments	534	-
Deferred income tax	(4.756)	-
Income tax	**529.636**	**110.280**

The amount of income tax payable is Euro 224.379, is calculated by offsetting the current income tax with the amount of interest tax withheld during the year. In the context of the fair presentation of the Financial Statements, this offset was also carried out for the corresponding amounts of the comparable period.

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Financial Statements of the Company are fully consolidated to the Financial Statements of the parent company Independent Power Transmission Operator (IPTO SA). At 31/12/2019 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
ADMIE HOLDINGS INC	Affiliated
DES ADMIE SA	Affiliated
STATE GRID LTD	Affiliated

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

	31/12/2019	
Amounts in Euro	**Receivables**	**(Liabilities)**
IPTO SA	1.586.155	(251.371)
	1.586.155	**(251.371)**

	01/01/2019-31/12/2019	
Amounts in Euro	**Revenues**	**Expenses**
IPTO SA	1.586.155	259.342
	1.586.155	**259.342**

(Amounts in Euro)

According to IAS 24, key management personnel is considered as “related party” to the Company. As a result, the annual amount of the fees of the Board of Directors (Note 8), Euro 48 141, is a related party fee and is included in the above total expense amount.

13. TANGIBLE ASSETS

	Machinery and Other Equipment	Total
Book value at 10/09/2018		
Additions	-	-
Book value at 31/12/2018	**-**	**-**
Book value at 01/01/2019	-	-
Additions (except from finance lease)	20.094	**20.094**
Additions (finance lease)	133.022	**133.022**
Book value at 31/12/2019	**153.115**	**153.115**
Accumulated depreciation at 10/09/2018	-	-
Depreciation for the year	-	-
Accumulated depreciation at 31/12/2018	**-**	**-**
Accumulated depreciation at 01/01/2019		
Depreciation for the year (except from finance lease)	(129)	**(129)**
Depreciation for the year (finance lease)	(8.314)	**(8.314)**
Accumulated depreciation at 31/12/2019	**(8.442)**	**(8.442)**
Net book value at 31/12/2018	**-**	**-**
Net book value (except from finance lease)	19.965	**19.965**
Net book value (finance lease)	124.708	**124.708**
Net book value at 31/12/2019	**144.673**	**144.673**

(Amounts in Euro)

14. FINANCE LEASES

Based on IFRS 16, the rent paid by the Company for the lease of its offices at 1 Konstantinoupoleos Avenue, 152 32, Peristeri, is a four-year finance lease, beginning at 01/10/2019 with a monthly rent amount to Euro 2.937.

	31/12/2019
Long-term liability of finance lease	92.919
Short-term liability of finance lease	31.935
	124.854

The maturity of finance lease liabilities is:

Amounts in Euro	**31/12/2019**
Between 1 and 2 years	32.906
Between 2 and 5 years	60.013
Above 5 years	-
	92.919

The current value of finance lease liabilities is:

Amounts in Euro	**31/12/2019**
Up to 1 year	31.935
Between 1 and 5 years	92.919
Above 5 years	-
	124.854

Lease liabilities
Amounts in Euro

Finance lease liabilities - minimum rents	**31/12/2019**
Up to 1 year	35.244
Between 1 and 5 years	96.921
Above 5 years	-
Total	**132.165**
minus: Future charges of finance lease	(7.311)
Current value of lease liabilities	**124.854**

(Amounts in Euro)

15. CONTRACT ASSET- RECEIVABLES FROM CONSTRUCTION SERVICES

Contract asset includes the revenue from construction services, as resulting from the concession agreement signed with the parent company IPTO SA (Note 24). These revenues amount to Euro 788.583 and regard the re-invoiced construction costs, related to monitoring and management costs of the project.

16. OTHER RECEIVABLE

Other Receivable includes debit V.A.T amount.

	31/12/2019	31/12/2018
V.A.T receivable	158.090	542
Total	**158.090**	**542**

In the Financial Statements of 31/12/2019, the tax payable amount has been offset with the already withheld interest amount and is presented to the line "Income Tax Payable" of the statement of Financial Position (Note 11). In the context of fair presentation of the Financial Statements, this offset was also carried out for the corresponding amounts of the comparable period.

17. CASH AND CASH EQUIVALENTS

	31/12/2019	31/12/2018
Demand deposits	160.738.527	200.294.105
Time deposits	40.000.000	-
Total	**200.738.527**	**200.294.105**

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

18. ACCRUED INCOME

Accrued income includes the revenue amount of Euro 797.572, as it occurs from the concession agreement signed with the parent company IPTO SA (Note 24). It is related with the Company's right to the regulated revenue of IPTO SA, for the amount regarding the specific project. Specifically, it is the revenue for the provided services.

(Amounts in Euro)

19. SHARE CAPITAL

The Company's share capital amounts to two hundred million euros, divided into two million ordinary shares of one hundred euros 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 legislation requires that certain conditions be met for the distribution of dividends. In particular, any distribution to shareholders is prohibited if, on the expiry date of the last use, the total equity of the company (net position), as specified in the law, is or, after such distribution, will be lower than the amount of the capital, plus:

(a) the 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) the amounts of credit Income statement, which do not constitute realized profits.

The amount of the capital shall be reduced by the amount of capital covered but not paid, when the latter does not appear on the assets of the balance sheet. The Company's Board of Directors approved the Financial Statements for the year 2019 on 31 March 2020 and proposed to the Ordinary General Meeting of Shareholders not to distribute any dividend for the year.

20. LEGAL RESERVE

According to the Greek trade legislation, each year one twentieth (1/20) of at least the net profits for the formation of a regular reserve are deducted. The deduction for reserve formation ceases to be obligatory, as soon as one third (1/3) of the capital is reached. The regular reserve shall be used exclusively before any dividend is distributed to the equation of any debit balance of the income statement. Within 2019, the Company formed the statutory reserve amount of Euro 84.501. Therefore, the regular reserve amounts to Euro 98.001,on 31/12/2019.

21. TRADE AND OTHER SHORT-TERM LIABILITIES

	31/12/2019	31/12/2018
Trade and other payables	(23.248)	1.835
Payables - Related parties (Note 12)	251.371	-
Accrued expenses	30.211	-
Social security and other taxes	55.108	93
Total	**313.443**	**1.928**

22. COMMITMENTS AND CONTIGENT LIABILITIES

For the fiscal year 2019, the Company has been subject to tax audit of Certified Auditors, as provided by the provisions of Article 65A of the Law 4174/2013, as amended by the Article 37 of the Law 4646/2019 and is effective. The tax audit is ongoing and the relevant tax certificate will be issued after the publication of Financial Statements of 2019. Management estimates that any additional tax liabilities that may arise until the completion of tax audit will have immaterial impact to the Financial Statements. According to the tax audit certificate that was issued to the Company after the completion of the tax audit of 2018,there were no findings.

There are no commitments and no further disclosure obligations.

23. CONTINGENT ASSETS

The Company does not recognize any contingent assets.

24. SUBSEQUENT EVENTS

In March 2020, the Board of Directors approved the draft concession agreement, which will be signed in April 2020, between the Company and the parent company IPTO SA, which governs the relationship of the two parties regarding the construction and financing of the project, as well as the method of calculating the Company's revenue for this purpose. The agreement has retroactive effect, so the adjustments about the revenue of 2019 have been presented in the Company's Financial Statements of 2019 (Notes 5,15 and 18).

The emergence of coronavirus (Covid-19) in the early months of 2020 and its spread at pandemic level, has led in the adoption of preventive and restrictive measures against the further spread of the virus. These measures are not expected to affect the Company's daily operations to a large extent, as almost all of the Company's activities, until the beginning of construction period, can be covered by remote working, while all revenues are expected to be cost related. However, it should be noted that the project implementation and timeframe may be affected by this global situation. The Company closely monitors any developments in this issue, so as to directly respond to the demands of the global and domestic environment, taking into account at all times the completion of the project as soon as possible and within the planned timeframe, while being in constant communication with the contractor companies for the limitation of any impact of Covid-19 on contract performance. Additionally, the Company, with a view to protecting its employees, is in continuous contact with the National Public Health Organization (NPHO) for all matters regarding the coronavirus, so as to receive and follow all instructions and measures with respect to staff protection and safety.

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