

ANNUAL FINANCIAL REPORT

FOR THE FIRST CORPORATE FISCAL YEAR
24th NOVEMBER TO 31st DECEMBER 2023



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

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ANNUAL MANAGEMENT REPORT OF BOARD OF DIRECTORS

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Management report of the Board of Directors
of the company “GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.”
for the first corporate fiscal year 2023 (24/11/2023 – 31/12/2023)
to the Annual General Meeting of Shareholder

Dear Shareholder,

This Annual Management Report, which follows, (hereinafter the “Report”) was prepared in accordance with the applicable Law and the Articles of Incorporation of the company “**GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.**” (hereinafter referred as “GSI” or “Company”) and contains all relevant information required by Law, in order to provide substantial and detailed information about the activity during the first fiscal year ended at 31th December 2023.

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

1. Analysis of the development & the Company’s activities

1.1. Business model description, goals and core values

GREAT SEA INTERCONNECTOR S.A. was established by the INDEPENDENT POWER TRANSMISSION OPERATOR (“IPTO S.A.” or the “Parent”) and will undertake the construction and financing of the Greece-Cyprus-Israel electricity interconnection project, which is included in the 6th list of Projects of Common Interest in European Union. Its initial share capital amounts to Euro 25 thousand (Euro twenty-five thousand), which was paid on 19th January 2024, while the Company as a subsidiary of IPTO S.A. is fully consolidated in the Group’s results. The Company has as its exclusive purpose and object:

- i) The awarding, through a competitive process, of the design, supply, construction and installation of all the distinct parts that make up the Project, such as indicatively the cables, the electrode stations, the conversion stations and the substations.
- (ii) The supervision of the conducted works mentioned (i) above.
- (iii) The financing through borrowing and equity of the total cost of all parts of the electrical interconnection project between Greece-Cyprus-Israel (Great Sea Interconnector or “the Project”).
- (iv) Upon successful completion of the necessary tests, acceptance of the completed parts of the Project.
- (v) The delivery for activation and operation of the completed Project to IPTO S.A.
- (vi) The performance of any other activity and related act and action, for the execution of the Project and any other activity that is directly or indirectly related to the Company’s purpose or serves its success in any way, including the actions required to obtain the necessary permits as well as the conclusion of loan and other financial contracts with credit institutions or affiliated companies.
- (vii) The financial exploitation of the Project, which consists in the collection through the corresponding operators and the possibility of collecting the part of the Required Revenue, which corresponds to the Project.

To fulfill the above purpose, the Company can:

- (i) To set up, with or without the participation of third-party natural or legal persons, or to participate in any business of any corporate type, with the same or broadly similar purpose, in Greece and/or abroad.
- (ii) To collaborate with any natural or legal person in any way in Greece and/or abroad and conclude agreements or contracts of any kind.
- (iii) To develop any kind of financial activity to achieve its purposes (e.g. lending, issuing bills of exchange, checks, promissory notes, bonds, promissory notes and other securities or documents that incorporate debt obligations, etc.).

(iv) To lease, buy or sell or otherwise acquire or transfer movable or immovable things or rights or create security interests or other rights.

(v) To make use of financial programs and tools, especially those offered by the European Union and the Organizations that are part of it.

The Company's registered address is at Konstantinoupoleos 1, 121 32, at Peristeri, Attica, while its duration is indefinite. On 31st of December 2023 the Company did not employ personnel.

2. Principles of management and internal management systems

2.1. Board of Directors

The Board of Directors manage the Company as a collective body, making its decisions in accordance with the current legislation.

The members of the Board of Directors acquire all relevant information regarding the operation of the Company. They must exercise their duties at the interests of the Company and its shareholder. The Board of Directors (BoD) primarily formulates the strategy and development policy and supervises and controls the management of the Company's assets. The composition and duties of the members of the Board of Directors are determined by the law and the articles of association. The Company on 31st of December 2023, was in the planning stage of the internal organizational chart and its staffing.

3. Description of past performance and tangible and intangible assets

3.1. Financial review of the first fiscal year 2023

For the first fiscal year ended on 31st of December 2023, there was no revenue. The operating expenses mainly concern the Management remuneration.

3.2. Cash flows

There were no cash flows as there were no collections or payments for the year 2023. As of 31st of December 2023, the Company did not maintain bank account. The initial share capital was collected on 19th of January 2024.

3.3. Dividend policy

According to the Article 24 of the article of association, the distribution of net profits and the payment of dividends are made in accordance with the provisions of the law, as applicable in force.

3.4. Significant events of fiscal year 2023

Establishment of the Company

On 24th of November 2023, the Company acquired legal substance with the official ratification of the Articles of Association and its registration in the General Commercial Register (G.E.MI).

The Company is managed by the Board of Directors consisting of 4 members. The members are elected by the General Assembly of the Company's shareholder for a term of 3 years which is extended until the first regular General Assembly after the end of their term.

The first Board of Directors consists of:

1. Manousos Manousakis, as Chairman of the Board of Directors
2. Ioannis Margaris, as Deputy Chairman of the Board of Directors
3. Eleni Zarikou, as a Board Member
4. Ioannis Vrettos, as a Board Member

The initial share capital of the Company corresponds to Euro 25 thousand (Euro twenty-five thousand), which is fully paid.

Increase in share capital

On 14th December 2023, the General Assembly took the decision to increase the Share Capital by Euro 200 thousand (Euro two hundred thousand).

4. Major risks

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

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

4.1.1. Risk of declining demand

There is no substantial risk of decrease in demand due to the nature of the Company's activity.

4.2. Other risks related to the activities of the Group's companies

4.2.1. Risks related to the industry in which the parent Company operates

The Company is subject to the Limited Companies of Chapter B of Law 3429/2005, as currently in force. Consequently, although it is not considered a public sector company, specific provisions are applied to certain operations and procedures it follows, such as those concerning the upper limit of remuneration, staff recruitment, etc. These laws and provisions may limit its operational flexibility. In particular, the application of the provisions of Law 3833/2010 and Law 4024/2011 may have implications for the Company's operations.

4.2.2. Liquidity and cash flow risks

Liquidity risk is linked to the need for sufficient funding for the operation and development of the Company. The Company, in the context of the Group's policy, manages liquidity risk by monitoring and planning its cash flows and acts appropriately by ensuring as far as possible sufficient credit limits and cash and cash equivalents, and simultaneously seeks the optimal sources of financing. On 31st of December 2023, the Company had no cash and cash equivalents because the establishment procedures were completed in early 2024.

4.2.3. Exchange rate risk

The risk from a change in exchange rates is minimal for the Company and is mainly related to any contracts for the supply of materials or equipment whose payment is in foreign currency. As of 31st of December 2023, the Company had not entered into contracts for the supply of materials or equipment.

4.2.4. Geopolitical and macroeconomic environment risk

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

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

4.2.5. Miscellaneous specific risks

4.2.5.1. 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.

5. Environmental issues

The Company, in the context of the Group's policy, recognizes the need for continuous improvement of its environmental performance and compliance with legislation and international standards and aims for a balanced economic development in harmony with the natural environment.

6. Employment Issues

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

The promotion of equal opportunities and the protection of diversity are basic principles of our Company. The Company's Management does not discriminate in recruitment/selection, remuneration, training, assignment of

work duties or any other work activities. The factors that are exclusively taken into account in the assignments of responsibilities of the Management are the experience, personality, theoretical education, qualifications, efficiency and skills. On 31stDecember 2023, the Company did not employ staff.

6.2 Respect for employees' rights and trade union freedom

The Company respects labor rights, ensures the maintenance and enhancement of a climate of labor peace, and complies with labor legislation.

6.3 Health and safety at work

Workplace safety is a top priority for the Company and an essential prerequisite for its operation. Important actions ensuring health and safety at work include the preparation of first aid infrastructure for the workplaces and the design of health and safety policies for the protection of employees. Additionally, the Company maintains first aid materials (medications, bandages, etc.) in all workplaces and complies with all legislative measures for the protection of its employees.

6.4 Systems of recruitment, training, promotions

The personnel selection and recruitment procedures are based on the qualifications required for the position and without discrimination.

7. Financial performance ratios and additional information

There are no significant or specific accounts, which need specific analysis or commentary, (additional explanations) beyond the information provided in the Financial Statements.

8. Prospect development

Outlook for 2024

The Management will continue to implement the investment and development schedule according to the initial plan. Specifically, the Company will proceed with the recruitment of specialized personnel and the immediate staffing based on the organizational chart. Management continuously assesses the conditions in the markets where the Company is going to operate, ensuring that all necessary actions are taken in a timely manner to secure the smooth operation and development of the Project. The Company's strategy remains focused on its ability to contribute to the energy infrastructure of the countries where the Project is being developed, aiming to serve the dynamically growing energy infrastructure market as best as possible, given that the need for energy security will be the main trend for at least the next decade. The Company aims to undertake the rights and obligations of contracts with the project contractors, for the execution of which it was established.

The Company will continue negotiations with financial institutions to finalize the terms required for the completion of the financing of its investment plan. Additionally, it continues to explore potential partnerships with investment entities and schemes.

9. Company operation in the field of research and development

The Company did not incur any expenses in the field of research and development in the fiscal year 2023.

10. Own Shares

No own shares were acquired during fiscal year 2023.

11. Company Branches

The Company does not currently maintain any branches.

12. Financial instruments

The Company does not use financial instruments.

13. Significant transactions with related parties

The Company is controlled by the INDEPENDENT POWER TRANSMISSION OPERATOR SA. (IPTO S.A.), which owns 100% of its paid-up share capital and is the Parent Company.

There are no material transactions that have not taken place under normal market conditions.

Below is a table of the Company's related parties:

Company	Relation
ADMIE HOLDING S.A.	Parent's Shareholder
PHC ADMIE S.A.	Parent's Shareholder
STATE GRID LTD	Parent's Shareholder
IPTO S.A.	Parent
ARIADNE INTERCONNECTION SINGLE MEMBER S.A.	Related
GRID TELECOM SINGLE MEMBER .S.A.	Related
HELLENIC ENERGY EXCHANGE S.A.	Related
ENERGY EXCHANGE CLEARING COMPANY S.A. (EnExClear S.A.)	Related
SELENE CC S.A.	Related
TERNA FIBER S.A.	Related

The transactions with related parties during 2023 (period 24/11 – 31/12/2023) relate to the lease of offices from IPTO S.A. amounting to Euro 948 (Euro nine hundred forty-eight) and accounting services provided by IPTO S.A. amounting to Euro 730 (Euro seven hundred thirty). These amounts were not invoiced in 2023 and are accrued. The lease office space contract concluded with IPTO S.A. is recorded in accordance with IFRS 16 in the accounts "Rights of use of fixed assets", "Long-term lease liabilities", "Short-term lease liabilities", "Accrued and other liabilities", "Depreciation and amortization" and "Financial expenses". The accounting services amounting to Euro 730 are included in the accounts "Accrued and other liabilities" and "Third party fees".

14. Management Remuneration

The Board of Directors' members remuneration social security contributions and representation expenses inclusive, for the year ended at 31st of December 2023, for the Company amount to Euro 15,6 thousand (Euro fifteen thousand six hundred).

There are no receivables from Company's members of the Board of Directors on 31st of December 2023.

The liabilities of the Company towards the members of the Board of Directors on 31st of December 2023 amount to Euro 8,9 thousand (Euro eight thousand nine hundred).

The executives of the Company have not received leaving indemnity during 2023.

15. Applied Key Accounting Principles

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

16. Other issues

The Company has no foreign exchange currency and there are no encumbrances.

17. Adequacy of working capital and compliance with commercial legislation requirements regarding the amount of Shareholders' Equity

On 31st of December 2023, both the working capital and Shareholder's Equity of the Company were negative, due to the completion of the incorporation processes at the beginning of 2024. According to paragraph 4 of Article 119 of Law 4548/2018, if the total Shareholder's Equity of the Company becomes less than half (1/2) of the share capital, the Board of Directors is obliged to convene the General Assembly within six (6) months from the end of the fiscal year, to discuss the dissolution of the company or adoption of other measures.

After completing the incorporation processes and receiving the initial share capital on 19th of January 2024, as well as subsequent increases on 28th of March 2024, and on 18th of June 2024, totalling Euro 4,625 million (Euro

four million six hundred twenty five thousand) , the working capital is positive and the structure of Shareholder's Equity has been restored.

The accompanying Financial Statements have been prepared on the basis of the Company's ability to continue its operations as a going concern.

18. Events after the reporting period

On 12th of January 2024, the Board of Directors, as the highest governing body of the Company, allocated and defined specific responsibilities and powers to its members.

On 19th of January 2024, after a detailed investigation of the accounts and corporate documents, the Board of Directors unanimously confirmed that the Company's share capital of Euro 25 thousand (Euro twenty-five thousand) has been legally covered and fully paid by the founder Shareholder.

On 22th of January 2024, by decision of the General Commerce Register, the Company was registered in the General Commercial Register with number 1026. The said decision approved the amendment of articles 1, 3 & 5, as well as the addition of articles 10 – 26 to the statutes of the Anonymous E-company with the name ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL, ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL MONOPROSOPI S.A., as was decided at the General Meeting of Shareholder on 14th of December 2023.

On 26th of January 2024, according to the President's announcement to the B.O.D. members, by decision of the Extraordinary General Meeting of Shareholder, which was issued on 22th of January 2024, the number of members of the Board of Directors was increased from four (4) to seven (7) members. The election of Mr. Yin Liu, Theodorou Tsakiris and Nikolaos Frydas as new members of the Board of Directors for the remainder of the term of the current Board of Directors, i.e. until 24th of November 2026, was approved.

Taking into account the above, the Board of Directors is reconstituted as follows:

1. Manousos Manousakis, as Chairman of the Board of Directors,
2. Ioannis Margaris, as Deputy Chairman of the Board of Directors,
3. Eleni Zarikou, as a Board Member,
4. Ioannis Vrettos, as a Board Member,
5. Yin Liu, as a Board Member,
6. Theodoros Tsakiris, as a Board Member,
7. Nikolaos Frydas, as a Board Member.

On 22th of April 2024, the Minute of the Board of Directors on 18th April 2024 was registered in the General Commercial Register, which certified the full payment of the Share Capital Increase of Euro 200 thousand (Euro two hundred thousand), decided by the General Shareholder's meeting of 14th of December 2023.

On 6th of June 2024, the Board of Directors proposed to the General Assembly the approval of an increase in the Company's Share Capital by Euro 4.4 million (Euro four million four hundred thousand) to cover the financing needs of its business activities. The proposal was approved by the General Assembly on 7th of June 2024. The amount was fully paid on 18th of June 2024.

After that we hereby kindly request that you:

1. Approve the Income Statement and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, the summary of key accounting policies and methods and other explanatory information of the Company for FY 2023 (fiscal period 24/11/2023 - 31/12/2023).
2. Discharge the members of the Board of Directors from all liability for the operations of FY 2023 (fiscal period 24/11/2023 - 31/12/2023),
3. Appoint for the FY 2024 an audit firm to carry out the statutory audit of the year.

Peristeri, 27th of June 2024

On behalf of the Board of Directors

Chairman of the BOD

M. Manousakis

Member of BOD

E. Zarikou

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GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A.

**ANNUAL FINANCIAL STATEMENTS
FOR THE FIRST YEAR ENDED ON 31st OF DECEMBER 2023**

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

The attached Financial Statements have been approved by the Board of Directors of the Company «GREAT SEA INTERCONNECTOR SINGLE MEMBER S.A. » on 27th of June 2024 and they have been posted on the web site <http://www.admie.gr>

Athens, 27th of June 2024

CHAIRMAN OF THE BoD

MEMBER OF THE BoD

CHIEF ACCOUNTANT

M. MANOUSAKIS
ID Card AO 165741

E. ZARIKOU
Class A' ID No 0105026

S. KOLOMVOS
Class A' ID No 0139710

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INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME FOR YEAR 24/11/2023 – 31/12/2023

	Note	<u>24/11/2023- 31/12/2023</u>
Revenue		
Revenue	<u>4</u>	-
Revenue from other operations		-
Total revenue		-
Expenses		
Depreciation and amortization	<u>8</u>	874
Third party fees	<u>5</u>	16.363
Total expenses		17.237
Loss before tax and financial results		(17.237)
Financial expenses	<u>6</u>	(88)
Loss before taxes		(17.325)
Income tax	<u>7</u>	3.812
Net loss		(13.514)

The fiscal year 2023 is the first corporate fiscal year, hence no comparative figures are presented.

The notes on pages 20 to 38 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2023

		<u>31/12/2023</u>
ASSETS		
Non-current assets		
Rights of use of fixed assets	Note <u>8</u>	28.406
Deferred tax assets	<u>7</u>	3.812
Total non-current assets		32.218
Current assets		
Cash and cash equivalents		-
Total current assets		-
Total assets		32.218
LIABILITIES AND EQUITY		
Equity		
Share capital	<u>9</u>	-
Retained losses		(13.514)
Total equity		(13.514)
Long-term liabilities		
Long-term lease liabilities	<u>10</u>	23.515
Total long-term liabilities		23.515
Short-term liabilities		
Trade and other payables	<u>11</u>	15.634
Short-term lease liabilities	<u>10</u>	4.906
Accrued and other liabilities	<u>12</u>	1.678
Total short-term liabilities		22.217
Total liabilities		45.732
Total liabilities and equity		32.218

The fiscal year 2023 is the first corporate fiscal year, hence no comparative figures are presented.

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STATEMENT OF CHANGES IN EQUITY FOR YEAR 24/11/2023 – 31/12/2023

	Share capital	Legal reserve	Retained earnings	Total equity
Net loss for the year	-	-	(13.514)	(13.514)
Other comprehensive income/(loss) after tax for the period	-	-	-	-
Total other comprehensive income	-	-	(13.514)	(13.514)
Balance as at 31/12/2023	-	-	(13.514)	(13.514)

The fiscal year 2023 is the first corporate fiscal year, hence no comparative figures are presented.

The notes on pages 20 to 38 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOW FOR YEAR 24/11/2023 – 31/12/2023

	Note	<u>24/11/2023- 31/12/2023</u>
Cash flow from operating activities		
Loss before tax		(17.325)
<i>Adjustments for:</i>		
Depreciation of tangible and intangible assets	<u>8</u>	874
Interest expense	<u>6</u>	88
Operating loss before changes in working capital		(16.363)
<i>(Increase)/decrease in:</i>		
Trade payables		15.634
Other liabilities and accrued expenses		730
Net cash inflows from operating activities		-
Net cash flow from investing activities		-
Net cash flow from financial activities		-
Net increase/ (decrease) of cash and cash equivalents		-
Cash and cash equivalents, opening balance		-
Cash and cash equivalents, closing balance		-

The fiscal year 2023 is the first corporate fiscal year, hence no comparative figures are presented.

The notes on pages 20 to 38 form 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

GREAT SEA INTERCONNECTOR S.A. was established by the INDEPENDENT POWER TRANSMISSION OPERATOR (“IPTO S.A.” or “Parent”) and will undertake the construction and financing of the Greece-Cyprus-Israel electricity interconnection project, which is included in the 6th list of Projects of Common Interest in European Union. Its initial share capital amounts to Euro 25 thousand (Euro twenty-five thousand), which was paid on 19th January 2024, while the Company as a subsidiary of IPTO S.A. is fully consolidated in the Group’s results. The Company has as its exclusive purpose and object:

i) The awarding, through a competitive process, of the design, supply, construction and installation of all the distinct parts that make up the Project, such as indicatively the cables, the electrode stations, the conversion stations and the substations.

(ii) The supervision of the conducted works mentioned (i) above.

(iii) The financing through borrowing and equity of the total cost of all parts of the electrical interconnection project between Greece-Cyprus-Israel (Great Sea Interconnector or “the Project”).

(iv) Upon successful completion of the necessary tests, acceptance of the completed parts of the Project.

(v) The delivery for activation and operation of the completed Project to IPTO S.A.

(vi) The performance of any other activity and related act and action, for the execution of the Project and any other activity that is directly or indirectly related to the Company’s purpose or serves its success in any way, including the actions required to obtain the necessary permits as well as the conclusion of loan and other financial contracts with credit institutions or affiliated companies.

(vii) The financial exploitation of the Project, which consists in the collection through the corresponding operators and the possibility of collecting the part of the Required Revenue, which corresponds to the Project.

To fulfill the above purpose, the Company can:

(i) To set up, with or without the participation of third-party natural or legal persons, or to participate in any business of any corporate type, with the same or broadly similar purpose, in Greece and/or abroad.

(ii) To collaborate with any natural or legal person in any way in Greece and/or abroad and conclude agreements or contracts of any kind.

(iii) To develop any kind of financial activity to achieve its purposes (e.g. lending, issuing bills of exchange, checks, promissory notes, bonds, promissory notes and other securities or documents that incorporate debt obligations, etc.).

(iv) To lease, buy or sell or otherwise acquire or transfer movable or immovable things or rights or create security interests or other rights.

(v) To make use of financial programs and tools, especially those offered by the European Union and the Organizations that are part of it.

The Company’s registered address is at Konstantinoupoleos 1, 121 32, at Peristeri, Attica, while its duration is indefinite. On 31st of December 2023 the Company did not employ personnel.

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

2.1. BASIS OF PREPARATION

Statement of compliance

The Financial Statements for the year ended 31st of December 2023 (the “Financial Statements”) have been prepared in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and their relevant Interpretations, as issued by the IFRS Interpretations Committee of the IASB and adopted by the European Union (EU) and are mandatory for years starting as of 1st of January 2023.

2.1.1. Approval of the Financial Statements

The Board of Directors of the Company approved the Annual Financial Statements of year 2023 on 27th of June 2024. The Financial Statements are subject to approval by the Annual General Meeting.

2.1.2. Basis of preparation of the Financial Statements

The accompanying Financial Statements have been prepared under the historical cost principle and the going concern principle. The Financial Statements are presented in Euro and all values are rounded to the nearest unit unless otherwise stated. Any differences that may be noticed in the tables are due to roundings.

2.1.3. Going Concern basis

2.1.3.1. Risk of the macroeconomic and corporate environment

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

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

2.1.3.2. Adequacy of working capital and compliance with commercial legislation requirements regarding the amount of Shareholders' Equity

On 31st of December 2023, both the working capital and Shareholder's Equity of the Company were negative, due to the completion of the incorporation processes at the beginning of 2024. According to paragraph 4 of Article 119 of Law 4548/2018, if the total Shareholder's Equity of the Company becomes less than half (1/2) of the share capital, the Board of Directors is obliged to convene the General Assembly within six (6) months from the end of the fiscal year, to discuss the dissolution of the company or adoption of other measures.

After completing the incorporation processes and receiving the initial share capital on 19th of January 2024, as well as subsequent increases on 28th of March 2024, and on 18th of June 2024, totalling Euro 4,625 million (Euro four million six hundred twenty five thousand), the working capital is positive and the structure of Shareholder's Equity has been restored.

The accompanying Financial Statements have been prepared on the basis of the Company's ability to continue its operations as a going concern.

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 contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Management's estimates and judgments are reviewed annually. Actual results may differ from those estimates.

For the fiscal year 2023, there are no significant judgments and estimates, as the limited duration of activity resulted in transactions being restricted in both quantity and volume. The most significant judgments and estimates referring to events of which the development is possible to significantly affect the items of the Financial Statements during the forthcoming period depending on the Company's activities, are similar to those of the ADMIE Group and 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 resources for their settlement. The provision is formed on the basis of probability of the outcome of the litigation, the lawsuit amount as well as the estimated outflow amount. Estimates are made in conjunction with the Company's legal advisors. A provision for a possible claim is not created. On 31st of December 2023, there is no reason to make provisions.

Impairment of inventories and accounts receivable

At each Financial Statement date, the Company assesses whether there is evidence of impairment of inventories in spare parts and in receivables. Determining whether there is an indication of impairment requires management to make estimates. On 31st of December 2023, the Company does not hold inventories or receivables.

Impairment of fixed assets

The Company assesses at each reporting date whether there is an indication that a long-term asset may have been impaired. The determination of whether such indications exist, require Management to make assumptions and judgments with respect to external and internal factors that may affect the recoverability of its assets, as well as assumptions on the determination of its cash generating units. On 31st of December 2023, the Company does not possess material fixed assets.

Income tax and deferred tax

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

2.3. ESSENTIAL ACCOUNTING POLICIES

Below are accounting policies for the most significant transactions that the Company conducted in 2023 or is expected to conduct during its operating period, for the purpose of completeness in informing users of the Financial Statements.

2.3.1 Intangible Assets

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

2.3.2 Tangible fixed assets

Tangible assets are initially recognized at their acquisition cost which includes all directly attributable costs for their acquisition or construction until they are ready for use as determined by Management. Repair and maintenance are recorded as expenses for the period in which they are carried out. Subsequent costs are capitalized if they meet the criteria for recognizing them as assets and increase their value. For all fixed assets that are retired, their value and related depreciation are written off when they are sold or retired. Any gain or loss resulting from the write-off of an asset is included in the Income Statement.

2.3.3 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.

2.3.4 Depreciation

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

Type of fixed asset	Useful life
Other equipment	10
Transportation means	15
Furniture	10
Software	5
Right of Use Assets	Duration of the Contract

2.3.5 Impairment of Non-Financial Assets

The Company, on each date of drawing up the Financial Statements, assesses the existence or non-existence of signs of impairment of its assets. These indications are mainly related to a loss of value of the asset in a greater amount than expected, changes in the market, technology, legal status, physical condition of the asset and change in use. In case where there are indications, the Company calculates the recoverable amount of the asset. The recoverable amount of an asset

is determined as the greater of the fair selling value of the asset or cash-generating unit (after deducting costs of disposal) and the value in use.

The recoverable amount is determined at the level of an individual asset unless that asset does not generate cash inflows that are independent of those of other assets or group of assets. When the book value of an asset exceeds its recoverable amount, then it is considered that its value has been impaired and adjusted to the amount of its recoverable amount. Value in use is calculated as the present value of estimated future cash flows using a pre-tax discount rate that reflects current assessments of the time value of money and the risks associated with the specific asset. Fair selling value (after deducting selling expenses) is determined based on the application of a valuation model, where applicable. Impairment losses from continuing operations are recognized in profit or loss. At each Financial Position date, the extent to which previously recognized impairment losses now exist or have been reduced is examined. If such indications exist, a redetermination of the asset's recoverable amount is made. Impairment losses that have been recognized in the past are reversed only in case there are changes in the estimates used to determine the recoverable amount since the recognition of the last impairment loss.

The increased balance of the asset resulting from the reversal of the impairment loss cannot exceed the balance that would have been determined (minus depreciation) if the impairment loss had not been recognized in the past. The reversal of the impairment is recognized in profit and loss while after the reversal, the depreciation of the specific asset is adjusted so that the revised balance (minus the residual value) is allocated equally in the future based on the remaining useful life of the asset.

2.3.6 Financial Assets

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

- at amortized cost
- at fair value through other comprehensive income
- at fair value through income statement,

based on:

- a. Business model of the Company for the management of financial assets, and
- b. The characteristics of contractual cash flows of the financial asset.

The Company uses the following measurement category based on their financial assets:

Trade and other receivables, loans and finance lease receivables

Trade are measured at amortized cost using the effective interest method. Gains and losses, including impairments and write-offs, are recognized in the income statement.

Impairment of Financial Assets

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

Financial assets measured at amortized cost

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

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

Measurement of expected credit losses

Impairment for expected credit losses is a probability-weighted estimate of credit losses. Credit losses are measured at the present value (using the effective interest method) of monetary deficits, if 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 are measured at amortized cost, are deducted from the carrying amount of the assets.

Write-off of Financial Assets

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

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

2.3.7 Fair value of financial instruments

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

Fair value valuation methods are ranked at three levels:

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

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

2.3.8 Inventories

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

2.3.9 Cash and Cash Equivalents

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

2.3.10 Offsetting of Financial Receivables and Liabilities

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

2.3.11 Interesting bearing Loans and Borrowings

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

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

Borrowing costs paid while signing a new loan are recognized as borrowing costs when the new credit line is partly or fully received. In the case where partly or fully of the loan is not withdrawn at that time they are recorded as future loan

expenses. If the loans are not used, partly or fully, then these costs are remained in the prepaid expenses and recognized in income statement during the life of the relevant credit line.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months from the Statement of Financial Position date. The benefit of a government loan with an interest rate lower than market rates is considered as a government grant. The loan is recognized and measured in accordance with IFRS 9 Financial Instruments. The benefit of the lower interest rate compared to the market rates is measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the amounts received. The Company examine the terms and conditions that have been met or need to be met, in order to determine the amount that will compensate the benefit of the loan.

2.3.12 Financial Liabilities

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

2.3.13 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.

2.3.14 Income Tax (Current and Deferred)

Current income tax

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

Deferred income tax

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

2.3.15 Employee Benefits

a) Defined contribution plan

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

b) Employment termination benefits

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

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

2.3.16 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the related amounts can be measured reliably. Revenues from the provision of services are recognized based on the stage of completion of the services provided and the extent to which the corresponding claim will be collected.

Revenue from contracts with customers

Revenues include the fair value of sales of goods and services, net of Value Added Tax, customs duties, discounts, and returns. Revenue from customers is recognized when control of the goods or services provided has been transferred to the customer. Control is transferred at the time of delivery of goods or provision of services, respectively. The amount of revenue recognized is the consideration that the Company expects to receive in exchange for these goods or services.

The Company recognizes and measures revenue in accordance with IFRS 15 for services performed, based on the transaction's reasonable fair values, when the amounts can be separately identified. For construction contracts, the Company recognizes both revenue and expenses related to these services. Therefore, the Company recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled for those services.

A construction contract is a contract entered into specifically for the construction of a single asset or a combination of assets that are closely interrelated or independent in terms of their design, technology, and operation or their ultimate purpose or use.

When the progress of a construction contract cannot be reasonably measured as to the total construction, revenue is recognized only to the extent of the expenses incurred up to the point at which the Company is able to reasonably measure the outcome of the contract.

IFRS 15 provides a five-step model for determining and recognizing revenue that should be applied to all contracts with customers. It also requires entities to allocate the transaction price from contracts into separate performance obligations based on standalone selling prices, using the five-step model. Subsequently, revenue is recognized when the entity satisfies the performance obligations, i.e., when it transfers the promised goods or services specified in the contract to the customer.

The Company has revenues from construction services arising from the concession agreement with the Parent Company. These revenues relate to reimbursements for construction costs from construction contracts with subcontractors/contractors of the project, as well as revenue from the grant of rights by the Parent Company in regulated income related to the specific project, which represents consideration for the services provided.

Interest Income

Interest income is recognized on the accrual basis.

2.3.17 Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases for both customer ("Lessee") and supplier ("lessor"). The new standard requires lessees to recognize most leases in the statement of financial

position. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

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

The Company as Lessee

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

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

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

The Company as Lessor

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

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

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

Subleases

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

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

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

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

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

Initial measurement of the lease liability

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

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

- (a) fixed payments, less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date of the lease period;
- (c) amounts expected to be payable by the Company under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement

Subsequent measurement of the right-of-use asset

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

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

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

Subsequent measurement of the lease liability

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

- (a) increasing the carrying amount to reflect interest on the lease liability;
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

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

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

- (a) interest expense on the lease liability and
- (b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

2.4. NEW ACCOUNTING POLICIES

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

IAS 1 (Amendment) “Classification of liabilities as current or non-current” (effective for annual periods on or after 01 January 2024)

In January 2020, IASB issued amendments to IAS 1 clarifying the requirements for the classification of the liabilities as current and non-current. In particular, the amendments clarify that one of the criteria for the classification of a liability as non-current is the entity’s right to defer settlement for at least 12 months after the reporting date. The amendments clarify the meaning of a right to defer settlement, the requirement of this right to exist at the reporting date and that management intend in relation to the option to defer the settlement does not affect current or non-current classification. Additionally, in July 2020, IASB issued an amendment providing clarifications for the classification of debt with covenants and deferring the effective date of the January 2020 amendments of IAS 1 by one year.

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

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

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

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

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

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

The above amendment is not expected to have impact on the Company's Financial Statements .

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

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

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

3. FINANCIAL RISK MANAGEMENT

3.1. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The main financial instruments of the Company are as follows:

Assets	31/12/2023
<i>At amortized cost</i>	
Cash and cash equivalents	-
Total	-
Liabilities	
<i>At amortized cost</i>	
Lease liabilities	28.420
Trade, accrued and other liabilities	17.311
Total	45.732

The book value of assets and liabilities approximates their fair value.

Financial risk management

The Company is exposed to financial risks, such as market risks (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management, focuses on the uncertainty of financial and non – financial markets, aiming to minimize their possible adverse effect on the Company’s financial position. The Company determines, evaluates and, if necessary, hedges the risks related to operating activities, while controls and revises the relevant policies and procedures related to financial risk management. Also, there are no speculative transactions.

3.2. FINANCIAL RISKS

a) Market risk

Fair value risk

The Company is not exposed to changes in equity prices since is does not have such investments recognized in the statement of financial position, either as financial assets at fair value through other comprehensive income or investments at fair value through profit or loss.

Risk of cash flows due to changes in interest rates

The Company does not have interest-bearing assets consisting of sight deposits.

The Company is not exposed to interest rate fluctuations which affect its cash flows as well as its financial results.

b) Exchange rate risk

The exchange rate risk is zero as it is related mainly with any material or equipment supply contracts for which the payment is made in foreign currency. On 31st of December 2023, the Company has not entered into contracts for the supply of materials or equipment.

c) Credit risk

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

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

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade and other receivables. The risk described does not apply to the Company as of 31st of December 2023.

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Company. The Company manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash and cash equivalents.

To cover liquidity risk, the Company decided at the General Meeting on 14th of December 2024, to increase its Share Capital by Euro 200 thousand (Euro two hundred thousand). On 25th of April 2024, the Board of Directors minute held on 18th of April 2024, certifying the full payment of the Share Capital increase of Euro 200 thousand (Euro two hundred thousand), was registered in the General Electronic Commercial Registry (GEMI).

Additionally, on 6th of June 2024, the Board of Directors proposed to the General Meeting the approval of a further increase in the Company's Share Capital amounting to Euro 4.4 million (Euro four million four hundred thousand), aimed at financing the Company's business activities. The proposal was approved by the General Meeting on 7th of June 2024. The amount was fully paid on 18th of June 2024.

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

Payable Amounts on 31/12/2023

	Within a year	From one to five years	After five years	Total
Trade, accrued and other liabilities	17.311	-	-	17.311
Lease liabilities	5.688	25.122	-	30.810
Total	22.999	25.122	-	48.121

The payable amounts related to lease liabilities differ from the corresponding amounts in the Statement of Financial Position, in which the accounting value is shown, as they refer to undiscounted amounts to be paid.

3.3. CAPITAL 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 Shareholder, benefits to other parties related to the Company and to maintain optimal capital structure to reduce capital costs.

3.4. OTHER RISKS

Geopolitical and macroeconomic environment risk

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

4. REVENUE

On 31st of December 2023 the Company had not yet developed an activity and therefore did not record revenue in its results.

5. THIRD PARTY FEES

Third party fees are presented in the following table :

	<u>24/11/2023-</u> <u>31/12/2023</u>
Board of Directors Members' Fees	15.633
Other third party fees	730
Total	16.363

6. FINANCIAL EXPENSES

Financial expenses are presented in the following table:

	<u>24/11/2023-</u> <u>31/12/2023</u>
Interest on finance lease	88
Total	88

7. INCOME TAX (CURRENT AND DEFERRED)

According to Law 4172/2013 - Official Gazette 78/A/18-5-2021 the income tax was calculated at a rate of 22% for the year 2023.

Total income taxes are broken down as follows:

	<u>24/11/2023-</u> <u>31/12/2023</u>
Current tax	-
Deferred tax	(3.812)
Total income tax	(3.812)

The income tax statement is submitted on a yearly basis but the profits or losses declared are temporary until the tax authorities audit the tax statements and records and the final audit report is issued.

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

Deferred tax assets are further analyzed as follows:

	<u>24/11/2023-</u> <u>31/12/2023</u>
Accrued and other liabilities	594
Tax losses	3.218
Deferred tax assets	3.812

The movement of the net deferred tax asset is as follows:

	<u>24/11/2023-</u> <u>31/12/2023</u>
Opening balance 24/11/2023	-
Credit to income statement	(3.812)
Effect on other comprehensive income	-
Closing balance 31/12/2023	(3.812)

The deferred tax credit recognized to income statement is analyzed as follows:

	<u>24/11/2023- 31/12/2023</u>
Accrued and other liabilities	(594)
Tax losses	(3.218)
Total	(3.812)

8. RIGHT OF USE ASSETS

The breakdown of right of use assets is presented in the table below:

	<u>Buildings</u>
Cost	
Opening Balance 24/11/2023	-
Additions and write-offs	29.280
Closing Balance 31/12/2023	29.280
Depreciation	
Opening Balance 24/11/2023	-
Depreciation and write-offs	(874)
Closing Balance 31/12/2023	(874)
Net book value as at 31/12/2023	28.406

9. SHARE CAPITAL

The share capital of the Company has not been paid in the fiscal year 2023.

The initial share capital of the Company amounts to Euro 25 thousand (Euro twenty five thousand), which was paid and certified on 19th of January 2024.

On 14th of December 2023, the Extraordinary General Meeting of the sole shareholder of the Company approved an increase in the share capital by the amount of Euro 200 thousand (Euro two hundred thousand), with the purpose of meeting the financial needs for operational expenses. The share capital increase was carried out by issuing 200.000 new common registered voting shares, with a nominal value of Euro 1 (Euro one) each. On 22nd of April 2024, the payment of Euro 200 thousand (Euro two hundred thousand) to the Company was certified.

On 7th of June 2024, the Extraordinary General Meeting of the sole Shareholder of the Company approved an increase in the share capital by Euro 4.4 million (Euro four million four hundred thousand), aimed at addressing financial needs for operational expenses. The increase in share capital was executed through the issuance of 4,400,000 new common voting shares, with a nominal value of Euro 1 (Euro one) each. The amount was fully paid on 18th of June 2024.

10. LEASE LIABILITIES

The analysis of lease liabilities is presented in the following table:

	<u>31/12/2023</u>
Long-term lease liabilities	23.515
Short-term lease liabilities	4.906
Total	28.420

The maturity dates of the long-term liabilities are as follows:

	<u>31/12/2023</u>
1 to 2 years	5.055
2 to years	18.460
> 5 years	-
Total	23.515

The finance lease liabilities - minimum lease payments are as follows:

	<u>31/12/2023</u>
Up to 1 year	5.688
1 to 5 years	25.122
> 5 years	0
Total	30.810
Minus: Future financial charges of finance leases	(2.390)
Present value of finance lease liabilities	28.420

11. TRADE AND OTHER PAYABLES

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

	<u>31/12/2023</u>
Other payable taxes	2.426
Social security contributions, payable	4.281
BOD members payables	8.927
Total	15.634

The above liabilities are interest free and short-term.

12. ACCRUED AND OTHER LIABILITIES

Accrued and other liabilities amounting to Euro 1,6 thousand (Euro one thousand six hundred) concern liabilities for the leasing of headquarters as well as accounting services to the Company for 2023.

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company is controlled by the INDEPENDENT POWER TRANSMISSION OPERATOR S.A. (IPTO S.A.), which holds 100% of its paid-up share capital and is the Parent Company.

There are no material transactions that have not been conducted under normal market conditions.

Below is a table of the Company's related parties:

Company	Relation
ADMIE HOLDINGS S.A.	Parent's Shareholder
PHC ADMIE S.A.	Parent's Shareholder
STATE GRID LTD	Parent's Shareholder
IPTO S.A.	Parent
ARIADNE INTERCONNECTION SINGLE MEMBER S.A	Related
GRID TELECOM SINGLE MEMBER S.A.	Related
HELLENIC ENERGY EXCHANGE S.A.	Related
ENERGY STOCK EXCHANGE CLEARING COMPANY S.A.. (EnExClear S.A.)	Related
SELENE CC S.A.	Related
TERNA FIBER S.A.	Related

The transactions with related parties during 2023 (period 24/11 – 31/12/2023) relate to the lease of offices from IPTO S.A. amounting to Euro 948 (Euro nine hundred forty-eight) and accounting services provided by IPTO S.A. amounting to Euro 730 (Euro seven hundred thirty). These amounts were not invoiced in 2023 and are accrued. The lease office space contract concluded with IPTO S.A. is recorded in accordance with IFRS 16 in the accounts "Rights of use of fixed assets", "Long-term lease liabilities", "Short-term lease liabilities", "Accrued and other liabilities", "Depreciation and amortization" and "Financial expenses". The accounting services amounting to Euro 730 (Euro seven hundred thirty) are included in the accounts "Accrued and other liabilities" and "Third party fees".

Management remuneration

The gross remuneration, including employer contributions and representation expenses of the Company's Board of Directors for the fiscal year ended 31st of December 2023, amounted to Euro 15,6 thousand (Euro fifteen thousand six hundred).

There are no receivables from members of the Company's Board of Directors as of 31st of December 2023.

The liabilities of the Company towards the Board of Directors as of 31st of December 2023 amounted to Euro 8,9 thousand (Euro eight thousand nine hundred).

The executives of the Company have not received leaving indemnity during 2023.

14. COMMITMENTS AND CONTINGENCIES

There are no commitments and contingent liabilities to disclose.

15. AUDIT FEES FOR FINANCIAL STATEMENTS AND OTHER SERVICES

During the fiscal year ended 31st of December 2023, no audit services and other services were provided and therefore no relevant fees were charged.

16. EVENTS AFTER THE REPORTING PERIOD

On 12th of January 2024, the Board of Directors, as the highest governing body of the Company, allocated and defined specific responsibilities and powers to its members.

On 19th of January 2024, after a detailed investigation of the accounts and corporate documents, the Board of Directors unanimously confirmed that the Company's share capital of Euro 25 thousand (Euro twenty-five thousand) has been legally covered and fully paid by the founder Shareholder.

On 22nd of January 2024, by decision of the General Commercial Register, the Company was registered in the General Commercial Register with number 1026. The said decision approved the amendment of articles 1, 3 & 5, as and the addition of articles 10 – 26 to the statutes of the Public Company with the name ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL, ELECTRIC INTERCONNECTION GREECE-CYPRUS-ISRAEL SINGLE MEMBER S.A., as was decided at the General Meeting of Shareholder on 14th of December 2023.

On 26th of January 2024, according to the President's announcement to the members, by decision of the Extraordinary Uncalled General Meeting of Shareholder, which was issued on 22nd of January 2024, the number of members of the Board of Directors was increased from four (4) to seven (7) members. The election of Mr. Yin Liu, Theodorou Tsakiris and Nikolaos Frydas as new members of the Board of Directors for the remainder of the term of the current Board of Directors, i.e. until 24th of November 2026 was approved.

Taking into account the above, the Board of Directors is reconstituted as follows:

1. Manousos Manousakis, as Chairman of the Board of Directors,
2. Ioannis Margaritis, as Deputy Chairman of the Board of Directors,
3. Eleni Zarikou, as a Board Member,
4. Ioannis Vrettos, as a Board Member,
5. Yin Liu, as a Board Member,
6. Theodoros Tsakiris, as a Board Member,
7. Nikolaos Frydas, as a Board Member,

On April 25, 2024, the Minute of the Board of Directors on 18th of April 2024 was registered in the General Commercial Register (G.E.MI.), which certified the full payment of the Share Capital increase of Euro 200 thousand (Euro two hundred thousand), decided by the General Shareholder's Meeting of 14th of December 2023.

On 6th of June 2024, the Board of Directors proposed to the General Assembly the approval of an increase in the Company's Share Capital by Euro 4.4 million (Euro four million four hundred thousand) to cover the financing needs of its business activities. The proposal was approved by the General Assembly on 7th of June 2024. The amount was fully paid on 18th of June 2024.