EDATHESS
GAS DISTRIBUTION COMPANY
THESSALONIKI - THESSALIA S.A.

Annual Report

Gas Distribution Company Thessaloniki – Thessalia S.A. (EDA THESS)

in compliance with the
International Financial Reporting Standards
as those adopted by the European Union

for the year ended

December 31st, 2022

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Letter to Shareholders and Stakeholders

Dear Shareholders and Stakeholders,

We went through a year marked by the volatile conditions brought by the geopolitical upheavals but also by the global energy crisis. The ongoing energy transition in conjunction with these new challenges dictated the immediate reaction and extensive cooperation of the parties involved in the energy and business sector.

Within this complex environment and despite the constantly emerging challenges, EDA THESS took all necessary measures to mitigate risks and ensured its business continuity, pursuing the further development of its activities throughout the areas of its License.

As a Distribution Network Operator, in the areas of its License in the Regional Unit of Thessaloniki and the Region of Thessaly, the Company operated in full compliance with the legislation and regulatory framework in force, and the provisions of the Licenses, based on the principles of transparency, impartiality, and equal treatment of Users and End Consumers.

The Company implemented its investment plan for the expansion and reinforcement of the distribution infrastructure by successfully completing the supply of all new areas, in accordance with the Development Program for the year 2022. These achievements constitute a compass for a new year of progress.

Above all, the milestone of the year was the arrival of the shareholder Italgas, the third largest Distribution Network Operator in Europe, signaling the beginning of a new era driven by innovation and know-how; the keystones of our business development.

2022 was a year when policymakers in Europe struggled to stay united and balance the needs of the energy transition with the security of supply and socio-economic impacts. Energy security and independence are still the top priority of the European Union. However, our country has responded successfully to these challenges thanks to the LNG infrastructure available, achieving already during the year the diversification of the largest part of imports with the procurement of increasing quantities of LNG.

Leveraging on this opportunity and aiming to strengthen the security of supply and the cost-effectiveness of supplying remote areas, EDA THESS has already installed the 1st LNG satellite gasification station in Greece. The Company plans for the next 5 years to supply all the new Remote Networks with LNG, utilizing the "virtual interconnection" that is currently provided for by the regulatory framework. The same infrastructure will be able to transport, store and deliver increasing amounts of bio-LNG in the future without any modification or additional investment. This will translate in the medium to longer term into lower overall transition costs and decarbonization of the final energy mix for all uses.

In this framework, the catalytic role of distribution networks is emerging for further integration of renewable energy sources and construction of an integrated energy system. The inclusion of renewable gases in the final energy mix, will directly contribute to greenhouse gas emissions reduction and will enhance both the medium-term (2030) and long-term (2050) goals set for energy and climate. To this end, collective steps and coordinated efforts are deemed necessary for the acknowledgment of the added value delivered by existing and future gas infrastructure during the enactment of a series of legislative interventions (Gas Package, Methane Emissions Regulation, Energy Performance of Buildings Directive, etc.).

It is a clear narrative that has been further enhanced thanks to the advocacy work made by GD4S, the European Organization of Gas Distributors for Sustainability – together with Italgas and the support of EDA THESS. A holistic approach for the formulation of energy policy is widely supported with the aim of anticipating the energy trilemma: to establish a safe, affordable and sustainable energy system through natural gas infrastructure. The fruits of the work accomplished by GD4S are also aimed at adopting best practices for the cost-effective development of the biomethane sector in Greece. Scaling-up Biomethane is the next big thing for EDA THESS as it will provide multiple benefits for the local communities while boosting the circular economy at a regional level.

Entering the new era, EDA THESS has included in its development planning investments for the upgrading and repurposing of the networks and the completion of the digitalization of the infrastructure. In this way, infrastructure will remain sustainable as they will incorporate increasing amounts of renewable gases, as highly prioritized by the shareholder, contributing to the achievement of the objectives set out in the REPowerEU Action Plan and the net-zero target outlined in the European Green Deal.

Focusing on the continuous increase of stakeholder's added value, the Company shall implement the shareholder's strategy by developing alliances with interested parties, with the aim of raising environmental awareness, dealing with climate change, boost solidarity and achieve substantial contribution on societal issues. All these actions constitute a strong base for the company's commitment to a more sustainable future.

The restructuring we achieved and our integration into the Italgas Group, find us prepared to address the demanding challenges of the energy transition and the climate goals. Leveraging our people, we create added value for all stakeholders. Our goal is to continue ensuring financial efficiency for the shareholder, maintaining a healthy and safe working environment for our employees while consistently providing high-quality services to consumers. We continue the implementation of our development programs with the same dynamics navigating successfully through challenges, while contributing towards a clean energy future.

Summary figures and information

Despite the difficult conditions prevailed in 2022 due to the ongoing crisis, inflationary pressures driven by energy price increases and overall negative externalities dominating in the energy sector, the main goals that the Company's Management had set, were achieved. In this environment the Company successfully implemented the approved Budget while providing services with security and transparency.

In summary the company implemented its strategy based on its main pillars for

- Significant investment plan supporting RAB growth and value
- Financial efficiency, solid structure to support growth.
- Health & Safety of the employees and the consumers
- Safeguard the License Areas
- Inclusion of distribution networks' repurposing in the Development program
- Compliance with the safety standards of Distribution Networks and natural gas installations
- Development of the Distribution Networks aiming to the increase of natural gas penetration and value creation.
- Operational independence of the Company
- Sustainability of Distribution Infrastructure in alignment with NECP and REPowerEU targets
- Respect of legislation, Licenses, and regulatory framework
- Installation of the first LNG station for the supply of the remote areas.
- High quality services to Consumers, Distribution Users, and other Distribution Operators.

The long-term strategic goals of the company that are included in the planning are the following:

- Scaling up of Renewable Gases production and injection – Biomethane & Hydrogen
- Distribution Networks' digitization to achieve the objectives of the Energy Transition
- Digital transformation of the corporate operational model

Safeguarding the seamless performance of all its activities, the Company continued to develop the Market and to increase Natural Gas penetration by expanding the network in its License Areas, according to the approved Development Program.

The Company's capital expenditure (Capex) during 2022 for the expansion and development of the distribution network, the supply of new areas, new connections and network reinforcement amounted to Euro 31.0 mil. in total, while other capex, including investments mainly in information technology (software, hardware) and security of information and networks, amounted to Euro 1.1 mil.

Capex investments implemented by the Company during 2022 led to an increase of the Regulated Asset Base to Euro 326.0 mil at 31.12.2022 increased by 4.75% compared to the RAB value at 31.12.2021. The increase derives from the additional investments, which are higher than the yearly depreciation. The continuation of the implementation of discount on connection fees also during 2022 further contributes to the increase of RAB and return on RAB.

In accordance with the objectives of the National Climate and Energy Plan, the implementation of investments by the Company for the expansion of the network and the increase of natural gas penetration in the areas where it operates lead to the reduction of pollutant emissions and the protection of the environment by substituting pollutant conventional fuels.

Focusing on distribution network safety and the uninterrupted supply of End Consumers, the Company implemented the Distribution Network Maintenance Program in 2022, according to the applicable legislation and Article 57 of the Distribution Network Operation Code (OGG B' 3726/12.08.2021). Furthermore, the Regulations on the inspection of internal installations before their activation, have been fully observed.

In 2022, the necessary actions are being taken for the further development of the main services of the IT Systems, as a part of the shareholders' planning, aiming to support and enhance the Company's operations and activities.

The communication strategy of the Company and the promotion of the use of natural gas was performed through local and national print and electronic media. Especially in the year 2022, the main goal of the promotional actions carried out, was to maintain the reliability of natural gas gained by the consumers during previous years taking into consideration the price instability driven by the current energy crisis. Another part of the advertising actions focused to inform potential consumers on the discount on connection fees, raising awareness on the safety of the installations and the Distribution Network, as well as promoting the sustainable development model of the Company in the Areas of the License.

During 2022, 17 Supply Companies had access to the Company's distribution network whose management was successfully performed through the online platform guaranteeing absolute transparency, equal access and impartial treatment, in full compliance with the Distribution Network Operation Code and the Supply Code.

Focusing on providing high quality services at the whole range of its activities and conforming with the annual planning, the Company continued the implementation of the evaluation system of its personnel's performance under the scope of maintaining maximum performance of each human resources. On 31/12/2022, the manpower of the Company amounted 259 employees with a contract of indefinite duration and 2 employees with a fixed-term contract to meet seasonal needs within the previsions of the Budget (cost and headcount).

As a member of the European Association GD4S which gathers the leading natural gas distributors in France, Greece, Italy, Ireland, Spain, Portugal, the Netherlands and Romania, the Company took advantage of the advocacy plan of the association for the year 2022, in favor of promoting the role of Gas DSOs. In this context the Company through the association participated in events and high-level meetings with policy makers and an extensive number of positions papers and answers to public consultations for the formation of the European energy policy reflecting the growing presence of the Association in Brussels. At the same time EDA

THESS supported the publication of the Sustainability Charter of the Association that represents the members' commitments towards sustainability. During 2022, new strategic partnerships were created, according to the Decision of the association, as the Company also joined the Biomethane Industrial Partnership and became an associated member of the Hellenic Association of Biogas producers.

Key Financial Figures

In order to allow for a better assessment of economic and financial performance, the Report includes the reclassified financial statements and certain alternative performance indicators, including EBITDA, EBIT and Net Financial Debt, in addition to the financial statements and conventional indicators laid out in IAS/IFRS.

These figures are presented in the table below but also in the relative notes and the reclassified financial statements. For the definition of the terms used, when not directly specified, please refer to the chapter "Financial results, Non-GAAP Measures".

(Amount in thousand €)		2022	2021
Reclassified total revenues *		40.033	62.210
Adjusted total revenues **		60.841	62.210
Operating Costs *		-27.138	-21.204
Adjusted operating costs ***		-24.570	-21.204
EBITDA		12.894	41.006
Adjusted EBITDA		36.271	41.006
EBIT		-3.329	24.119
Adjusted EBIT		20.048	24.119
Net profit/(loss)		-4.026	17.629
Adjusted Net profit/(loss)		14.208	17.629
Shareholders Equity		279.215	283.151
Net financial debt (including the effectes pursuant to IFRS 16)		64.845	55.313
Finance lease payables - IFRS 16		1.272	2.206
Net financial debt (excluding the effectes pursuant to IFRS 16)		63.573	53.107

(*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (€ 38.9 mil. and € 35.3 mil. respectively in 2022 and 2021).

(**) Revenues have been adjusted with the Recoverable Difference related to the period 2019- 2021.

(***) The operating expenses adjusted with a special item in 2022 which refers to special levy in favor of the LGOs (€ 2.6 million) resulting from the issuance of the Law 4920/2022 (OGG A' 74/15.04.2022)

Company profile

The GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY single member S.A. (former GAS SUPPLY COMPANY OF THESSALONIKI S.A.) or "Company" or "EDA THESS" was founded in 2000 as a Société Anonyme in accordance with Greek Corporate Law. The Company is based in Thessaloniki, Greece, at 256 Monastiriou & 7 Glinou street, 54628.

The Company's share capital stands at Euro 247.127.605,00 and is divided into 247.127.605 registered shares with a nominal value of one Euro each, and it is fully paid up. On 30.04.2020, all the shares of DEPA S.A. have been transferred to the company DEPA INFRASTRUCTURE S.A. due to universal succession following the partial demerger of the infrastructure sector. Since 19/12/2022 DEPA INFRASTRUCTURE S.A. is the sole shareholder of the Company representing 100% of the Company's paid-up share capital. By virtue of the Decision of the sole shareholder in the General Meeting held in 19.12.2022 the Company's Articles of Association were amended.

On 31.12.2018, the Natural Gas Distribution License (RAE's dec. 1314/2018 OGG B' 5922/31.12.2018) and the Natural Gas Distribution Network Operation License (RAE's dec. 1315/2018 OGG B' 5916/31.12.2018), were granted to the Company, pursuant to the provisions of L. 4001/2011, and the Licensing Regulation (OGG B' 3430/17.08.2018). On 22.11.2021 the Decisions RAE 786 (OGG B' 5428/22.11.2021), on the modification of the Distribution Network Operation License of EDA THESS, and 785 (OGG B' 5411/22.11.2021) on the modification of the Distribution License of EDA THESS, were published to the OGG due to the change in the Company's name and shareholding structure, following the transformation of "DEPA S.A." (partial demerger of the infrastructure sector). The licenses are in force for 25 years expiring on 31.12.2043 and may be extended by decision of the Regulatory Authority for Energy under the provisions of the Law and the Licensing Regulation. The geographical area of the Licenses covers the Regional Unit of Thessaloniki and the Region of Thessaly.

Operating performance

Development of the market

The Company's strategy from its establishment until today, has as its primary goal the further penetration of natural gas in the areas of the License in the safest and most cost-effective way. At the same time, in areas connected to the active natural gas network, the rapid but well-considered development and expansion of the distribution network, increased the efficiency of the network despite the adverse conditions prevailing in the energy market. EDA THESS Distribution Network is developed based on technical and economic criteria taking into account factors that shape the current and future gas demand of the area, technical criteria with regards to feasibility of construction and project safety as well as capacity management criteria.

(all amounts are expressed in Euro)

In the geographical areas of the License, the natural gas penetration in population reached 67.6% on 31.12.2022, while the network coverage percentage was 62.4% on 31.12.2022. Regarding the services provided to end consumers, and in order to comply with the regulatory requirements under the Distribution Network Operation Code, high-quality services are provided, and the satisfaction of end customers remains at high levels. In the year 2022 the average activation time was 1.4 working days, compared to 8 working days in the Distribution Network Operation Code and the average time for the completion of the construction work of a new connection was 32.7 days, compared to 60 days in the Distribution Network Operation Code.
According to the Development Plan for the year 2022, the planning for the further development of the distribution network in existing and new areas was successfully completed and all the new areas in the areas of the License were supplied.

More specifically, in the Regional Unit of Thessaloniki the areas of Anatoliko - Municipality of Delta, Chalkidona, Gefyra and Vathylakos - Municipality of Chalkidona were connected through physical pipeline network. In the Region of Thessaly, respectively, the areas of Megalochori - Municipality of Trikala, Kastraki - Municipality of Meteora and Dimini - Municipality of Volos were connected through physical pipeline network. Within the year, 2 CNG decompressors were installed and put into operation for the supply of the areas of Farkadona - Municipality of Farkadona and Falani - Municipality of Larisa through Virtual Pipeline. In all new areas, the connection contracts of the Municipal buildings to the distribution network were signed, thus contributing to the future increase of the distributed volumes.

During 2022, EDA THESS proceeded with the installation of the 1st land-based satellite Liquefied Natural Gas gasification station in Greece, applying the highest design standards and the strictest safety specifications. This station was installed to replace the CNG decompressor in the remote network of Elassona area in the Region of Thessaly. The supply through the station is expected to initiate subject to RAE's approval of the maximum price of LNG transportation service by trucks from Truck-Loading facilities.

		Year 2021	**Year 2022**	**Difference**	**%**
Acquired Connection Contracts	No.	26,017	**14,062**	-11,955	-46.0%
Acquired Connection Contracts cumulative	*No.*	*411,951*	***426,013***	14,062	*3.4%*
Activations of new connections	No.	23,363	**16,761**	-6,602	-28.3%
Activations of new connections cumulative	*No.*	*398,152*	***414,913***	*16,761*	*4.2%*
Active Consumers cumulative	*No.*	*376,684*	***388,671***	*11,987*	*3.2%*
Distributed Gas Volumes (mil.)	Nm3.	532.9	**459.2**	-73,7	-13.8%

In the year 2022, 14,062 new connection contracts were signed showing a decrease of 46.0% compared to the corresponding period of 2021, and 16,761 delivery points were activated, decreased by 28.3% compared to 2021. The number of new connections was lower than the year 2021, mainly due to energy crisis and high natural gas prices as well as public encouragement for the use of heating oil instead of natural gas.

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On 31.12.2022 the total progressive number of the acquired connection contracts amounted to 426,013, increased by 3.4% compared to the corresponding number on 31.12.2021. Progressive activations of new connections amounted to 414,913 on 31.12.2022, increased by 4.2% compared to the year 2021. Respectively, the progressive number of active consumers at the end of 2022 amounted to 388,671 compared to 376,684 at the end of 2021, increased by 3.2%.

Distributed natural gas volumes amounted to 459.2 million cubic meters, decreased by 13.8% compared to the year 2021, driven mainly by the decreased consumption of 27.6% in industrial use due to switch of fuel, and from the decreased use in domestic heating by 6.9% driven by the higher temperatures in heating months and conservative use of installations in comparison with the corresponding period of the previous year.

Furthermore, 12 Large Industrial and Commercial Consumers were supplied during 2022, thus contributing to the future increase of the distributed volumes in the areas of Thessaloniki and Thessaly and the improvement of their environmental footprint.

During 2022 the regulatory timeframe defined by the Distribution Network Operation Code and the internal corporate complaint management procedure (i.e. 30 calendar days) in terms of provision of Company's answers to corresponding consumer complaints were strictly observed with no deviations.

The infrastructures and the gas distribution service

According to the Development Plan of EDA THESS for 2022, the distribution network has been further developed during the year in existing and in new areas, both through network pipeline and with "virtual pipeline" technology for supplying remote areas with compressed natural gas (CNG). and liquified natural gas (LNG).

		Year 2021	Year 2022	Difference	%
Construction of 4 bar network	Km	132	**151.3**	19.30	14.62%
Construction of 4 bar network cumulative	*Km*	*2,467.8*	***2,619.1***	*151.30*	*6.13%*
Construction of 19 bar network	Km	18.3	**17.6**	-0.70	-3.83%
Construction of 19 bar network cumulative	*Km*	*283.8*	***301.4***	*17.60*	*6.20%*
Service lines constructed	No.	8,636	**4,924**	-3,712.00	-42.98%
Service lines constructed cumulative	*No.*	*114,238*	***119,162***	*4,924.00*	*4.31%*
Delivery points constructed	No.	24,877	**16,238**	-8,639.00	-34.73%
Delivery points constructed cumulative	*No.*	*405,947*	***422,185***	*16,238.00*	*4.00%*

In the year 2022, the distribution network was further expanded in existing and new areas, by 151,3 kilometers of low-pressure network and 17,6 kilometers of medium pressure, increasing the Company's total cumulative network at 31.12.2022 to 2.920,5 km - an increase of 6,1% compared to the total network at 31.12.2021.

The constructed Service lines amounted to 4,924 showing a decrease of 42.98% compared to 2021 and the number of delivery points amounted to 16,238, showing a decrease of 34.73% compared to the corresponding period last year. The construction of delivery points and service lines were carried out following the rate of the new connections' acquisition which was reduced compared to the previous year, due to the current difficult economic and geopolitical conditions resulting by the increased prices of natural gas.

The applicable technical regulations and the provisions of the Distribution Network Operation Code and the Regulatory Framework have been fully observed.

Furthermore, the activities of Network Operation and Maintenance focus on the safety of the natural gas distribution network in accordance with the provisions of the Regulation "Manual on the operation and maintenance of medium pressure natural gas distribution networks (design pressure 19 bar) and low-pressure natural gas distribution networks (maximum pressure 4 bar)" (OGG B' 1712/23.11.2006) and the Distribution Network Operation Code (OGG B' 3726/12.08.2021). Pursuant to Article 57 of the Distribution Network Operation Code (OGG B' 3726/12.08.2021), the Company established and uploaded on its website www.edathess.gr the Distribution Network Maintenance Program which was implemented in 2022.

Furthermore, during 2022, the Company ensured the continuous and effective operation of the Emergency Intervention Structure maintaining the average time intervals to reach to emergency incidents, leaks, potential malfunction. In the area of Thessaloniki, the average time is 30 minutes and in Thessaly it is 18 minutes well below the regulatory time limits (which are 2 hours for 90% of the cases).

During 2022, the annual planning for leak detection activities in the low and medium pressure distribution network was fully observed and the entire network in Thessaloniki and Thessaly was checked.

In the context of the safe operation of the active internal installations in accordance with the provisions of the Distribution Network Operation Code, the Company continued during 2022 the implementation of a high number of sample inspections for the verification of the existence of the piping tightness re-inspection certificate and to ensure compliance with the Technical Regulation.

At the same time, 6 Preparedness Drills were conducted in the areas of the License. The 2 drills per area concerned incidents on the distribution network that were addressed based on the procedures and structures of the Emergency Intervention. In addition, 1 drill in the Regional Unit of Thessaloniki concerned a leakage incident in a trailer of CNG during the transportation from the Compression Station to the Decompression Station while 1 drill in the Region of Thessaly included training of Fire Department, Police and Civil Protection personnel in CNG compressed natural gas technology and an Intervention in an incident during CNG transport in a remote distribution network. In the Preparedness Drills, all the prescribed procedures and instructions were observed, while the effective cooperation with the Authorities and the competent bodies was successfully assessed, successfully dealing with the incidents that were simulated.

For the year 2023 the Company aiming to conduct more efficient and accurate leak surveys, to detect any potential emitting leaks that may have not been detected with traditional LDAR campaigns and to measure, reduce, and report on fugitive methane emissions has planned the implementation of gas leak detection services through Picarro technology and respective methane emissions' measurements using an innovative Cavity Ring-Down Spectroscopy.
Leveraging on the Shareholders' expertise on Picarro technology the company will be able to deliver actual results with the most effective and efficient manner to reduce fugitive emissions in a performance-based approach, and to proactively align with upcoming European Legislation (Methane Emissions Regulation) but also with OGMP2.0, the initiative led by the United Nations Environment Program for Monitoring, Reporting and Verification procedures.
In the context of a pilot project (trial version), leak detection activities with Picarro System have been performed on 100 km of Thessaloniki Network during 2019 and 100 km of Thessaly Network during 2020.

Technological innovation and research activity

Aiming at flexibility, optimizing operational efficiency as well as enhancing the security of gas networks, EDA THESS promotes innovation and invests in new technologies, giving priority to the digitization of distribution networks. The Company installs smart meters as part of a pilot program implemented in the License Areas. As at 31.12.2022, there were 27,838 progressively installed smart meters and 280 Automatic Volume Correctors with telemetry at the hourly-measured delivery points.

In the same context, an action plan has been drafted during 2022 and is being developed to improve the Company's operations. The key points of the plan are:

- developing a reliable, secure, and scalable IT system, in the context of the Company's Digital Transformation
- supporting the Company's business operations and activities in the most efficient way
- establishing a structured framework of general principles and criteria for the secure and efficient operation of the company's Information Systems

Furthermore, in order to support the business operations and activities of the Company, a series of actions and projects were carried out. The most important projects are listed below:

- Support & sustained configuration of the solution for the support and management of the Action "Replacement of oil heating systems with natural gas systems in residential buildings", digitizing and automating the business process, covering the full management cycle of the submitted applications.
- Digitization, optimization, and automation of the business process for the full management of HR workflows regarding onboarding, offboarding and transitions.

- Expanding Business Reporting by creating additional capabilities to meet business intelligence needs, adding reports on consumption distribution / billing data, and monitoring the progress of operations of the Network Construction Unit
- Exercise to enhance disaster recovery capabilities based on existing infrastructure. The exercise and the corresponding actions were based on the utilization of the existing licensing scheme (VRP solution), signaling the restructuring of the central storage appliance in the data center of Larissa, as well as the network redesign (re-routing).
- Configuration of the digital periodic network monitoring process (patrolling), through the extension of the existing ArcGIS system, and implementation of interactive dashboards for the personalized display of information per group of users.
- Digitization, optimization, and automation of drafting, approving, issuing, and reviewing the Internal Documents of the Company's Management System.
- Customization the Endpoint Detection & Response (EDR) security solution with the ability to detect a wide range of attacks and countermeasures to block the attack and to inform network administrators. Via the solution, a security policy is applied to prevent the use of removable storage devices (USB removable devices) in all active terminals.
- Implementation of a technical measure enhancing security, by activating the MFA (Multi Factor Authentication) service for all EDA users, including Microsoft online services and SaaS services that use Azure AD as an identity provider, as well as external partners for the interface with the on-premises infrastructure through Privilege Access Management (PAM). The application of the measure was also extended to the use of the VPN service.
- Development of a fleet management solution through workflows, for the daily monitoring of the vehicle fleet aiming of optimal management, operation and better service to the corresponding users.
- Extension of the functionality of the Workspace One platform, adding the capability of massive software upgrades to any corporate device.
- Development of the Service Management System framework in the IT services of the Company, based on international practices and standards, while at the same time upgrading the Service Now platform to the latest available version.
- Scheduled maintenance of the entire infrastructure, focusing principally on the installation of updates / upgrades, addressing important and critical vulnerabilities.

During 2022, the Company's infrastructure and facilities availability exceeded 98% of time, also taking into account the downtime of scheduled maintenance actions occurred.

In 2022, the Company's Information Security Management System (ISMS) retained its compliance certification according to the requirements of ISO/IEC 27001:2013, successfully passing the corresponding supervision audit.

Furthermore, the Company built a conformity and maturity matrix based on the controls included in the cybersecurity self-assessment tool for organizations by the Hellenic National Cyber Security Authority. These matrixes draw informed decisions and implementations of appropriate technical and organizational measures that further increase the level of the Company's security posture.

The methodology assessment of the effectiveness of the existing security controls and the calculation of resilience against cyber threats to ensure business continuity have been automated and integrated into the ISMS.

At the same time, the Vulnerability Management Policy and Procedure were entirely digitized, leveraging the capabilities of a specialized platform that also supported the management of information security risks and incidents.

Finally, the monitoring of part of the indicators specified by ISO/IEC 27004:2016 concerning monitoring the Information Security Management System effectiveness has been incorporated.

Tariff regulation

By RAE Decision 328/2016, the Basic Distribution Activity Tariff Regulation was issued (OGG B' 3067/26.09.2016). The Tariff Regulation regulates the methodology for setting the Basic Distribution Activity tariffs as set out in the Distribution Networks Operation Code, and in accordance with the provisions of article 88 of l. 4001/2011. By RAE Decision 421/2021, the 1st Amendment of the Basic Distribution Activity Tariff Regulation (OGG B' 3727/12.08.2021) was issued. By RAE Decision 485/2022, the 2nd Amendment of the Basic Distribution Activity Tariff Regulation (OGG B' 3358/30.06.2022) was issued.

The main amendments of the 2nd Amendment of the Tariff Regulation refer to:

- Possible recovery of negative Recoverable Difference between DSOs, under the control of the same Shareholder
- Framework for harmonization of the depreciation period applied by the Operators on the assets of the Natural Gas Distribution Networks
- Submission of data by DSOs to the Authority, checked or verified by Certified Auditors
- Other minor amendments

During the year 2022, the Tariff Approval Decision 1429/2020 (OGG B' 4882/04.11.2020) was applied. Specifically, in accordance with article 16 of the Regulation, in the year 2022, the Distribution Tariff coefficients of the year 2021 adjusted with the percentage change of the average annual Consumer Price Index (CPI), +0.6%, were applied.

The approved rate of return on RAB (WACC) for the year 2022 is 7.03%.

According to the Tariff Regulation, the year 2022 is a Calculation Year for the Distribution Tariffs of the Regulatory Period 2023-2026. The Distribution Tariffs were prepared based on the 2022-2027 Business Plan and were submitted to the Authority on 21/12/2022.

Considering that by the end of the year 2022, a Decision on the Approval of Tariffs for the Regulatory Period 2023-2026 has not been issued, in accordance with the provisions of articles 16 and 19.6 of the Tariff Regulation, within December 2022 the foreseen annual adjustment of the Distribution Tariff coefficients took place with ΔCPI +9.5%, to be applied from January 1, 2023, until the approval of the new tariffs.

Comment on the economic and financial results

INCOME STATEMENT

(Amount in thousand €)	01.01-31.12.2022	01.01-31.12.2021	var	% var
Revenue	38.575	59.296	-20.721	**-34,9%**
of which Gas distribution	**54.864**	59.296	-4.432	-7,5%
of which Recoverable difference 2022	4.519	0	4.519	
of which Recoverable difference 2019-2021	-20.808	0	-20.808	
of which special item	20.808	0	20.808	
Other revenue and income	1.457	2.914	-1.456	-50,0%
Total Revenues	**40.033**	**62.210**	**-22.177**	**-35,6%**
Adjusted Total Revenues	**60.841**	**62.210**	**-1.369**	**-2,2%**
Costs for raw materials, consumables, supplies and goods	-435	-422	-12	3,0%
Costs for services	-14.050	-13.726	-324	2,4%
Costs for leased assets	-89	-3	-86	3082,1%
Personnel cost	-6.429	-6.637	209	-3,1%
Allocations to/releases from provisions for doubtful debt	-5	-80	75	-94,0%
Other expenses	-6.131	-335	-5.796	1728,6%
of which special item	2.569	0	2.569	
Operating Costs	**-27.138**	**-21.204**	**-5.935**	**28,0%**
Adjusted Operating Costs	**-24.570**	**-21.204**	**-3.366**	**15,9%**
Amortization, depreciation and Impairment	**-16.223**	**-16.887**	**664**	**-3,9%**
EBIT	**-3.329**	**24.119**	**-27.448**	**-113,8%**
Adjusted EBIT	**20.048**	**24.119**	**-4.071**	**-16,9%**
Financial Income (Expense)	**-1.740**	**-1.323**	-417	31,5%
Gross profit	**-5.068**	**22.796**	**-27.864**	**-122,2%**
Adjusted Gross profit	**18.309**	**22.796**	**-4.488**	**-19,7%**
Income taxes	-1.043	5.167	-6.210	-120,2%
Adjusted Income taxes	4.100	5.167	-1.067	-20,6%
Net profit/ (loss) for the year	**-4.026**	**17.629**	**-21.655**	**-122,8%**
Adjusted Net profit/ (loss) for the year	**14.208**	**17.629**	**-3.421**	**-19,4%**

Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and Operating costs **net of the impact of IFRIC 12** "Service concession agreements" (€ 38.9 and € 35.3 million respectively in fiscal years 2022 and 2021).

Adjusted EBIT, net of non-recurring items, achieved in financial year 2022, amounted to € 20.0 million, with a decrease of € 4.1 million compared to 31 December 2021 (-16.9%) due to lower adjusted total revenues (€ -1.4 million, -2.2%), higher adjusted operating costs (€ -3.4 million, 15.9%), partially offset by lower amortisation, depreciation and impairment (€ 0,7 million, -3.9%).

Adjusted net profit for FY 2022, comes to € 14.2 million, reduced by € -3,4 million, or -19.4%, on 2021 net profit.

Reconciliation of reported EBIT and net profit with adjusted EBIT and net profit

EDA THESS management, following Italgas group procedures, assesses its performance on the basis of alternative performance indicators (see par "Non-GAAP Measures) not envisaged by IFRS, obtained by excluding special items from EBIT and net profit.

The income components are classified as special items, if significant, when:

I. they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or

II. they result from events or transactions which are not representative of the normal course of business.

The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted EBIT and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics allow for analysis of the business trends, making it easier to compare results. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IFRS.

Revenues were adjusted with a special item in 2022, related to the Recoverable Difference for the period 2019- 2021(€ 20.808 million).

The operating expenses adjusted with a special item in 2022, refers to special levy in favor of the LGOs (€ 2.6 million) resulting from the issuance of the Law 4920/2022 (OGG A' 74/15.04.2022).

The total **effect on adjusted net profit** was € 18.2 million.

No income components were classified among special items in 2021.

Analysis of the Reclassified Income Statement items

TOTAL REVENUE

(Amounts in thousand €)	2022	2021	var.	% var.
Gas distribution	54.864	59.296	-4.432	-7,5%
Recoverable difference 2022	4.519	0	4.519	
Recoverable difference 2019-2021	-20.808	0		
of which special items	20.808	0		
Total adjusted gas distribution regulated revenue	**59.383**	**59.296**	**87**	**0,1%**
Other revenue and income	1.457	2.914	-1.456	-50,0%
Adjusted Total Revenues	**60.841**	**62.210**	**-1.369**	**-2,2%**
Total Revenues	**40.033**	**62.210**	**-22.177**	**-35,6%**

Adjusted total revenues for 2022 totalled € 60.8 million, decreased by € 1.4 million compared to 2021 (-2.2%).

Adjusted gas distribution regulated revenues remained at the same level compared to the same period of 2021.

Other revenues amounted to € 1.5 million as of December 31st, 2022. The decrease of € 1.5 million is mainly due to the absence of revenue from services rendered to DEDA.

OPERATING COSTS

(Amounts in thousand €)	2022	2021	var.	% var.
Purchase costs for raw materials, consumables, supplies and goods	435	422	12	3,0%
Costs for services	14.050	13.726	324	2,4%
Costs for the use of third-party assets	89	3	86	3082,1%
Personnel cost	6.429	6.637	-209	-3,1%
Allocations to/releases from provisions for doubtful debt	5	80	-75	-94,0%
Other expenses	6.131	335	5.796	1728,6%
To be deducted:				
- of which special item	-2.569	0	-2.569	
Adjusted Operating Costs	**24.570**	**21.204**	**3.366**	**15,9%**
Operating Costs	**27.138**	**21.204**	**5.935**	**28,0%**

Adjusted **operating costs** amounted to € 24.6 million. The increase compared to prior year is due to the provision amounting to € 3.3 million, related to the litigation case for RAE Compensatory measures.

AMORTISATION, DEPRECIATION, AND IMPAIRMENT

(Amounts in thousand €)	2022	2021	var.	% var.
Amortisation and depreciation	**16.223**	**16.887**	-664	-3,9%
- Property, plant and equipment	573	702	-129	-18,4%
- Right of use pursuant to IFRS 16	1.080	1.108	-28	-2,5%
- Intangible assets	14.569	15.077	-507	-3,4%
Total Amortization and depreciation	**16.223**	**16.887**	**-664**	**-3,9%**

Amortisation, depreciation and impairment (€ 16.2 million) decreased by € 0.7 million (-3.9% compared to December 31st, 2021) compared to the corresponding period of 2021, mainly due to the change of depreciation rates, following the Regulatory Authority for Energy (RAE) decision No 485 / 2022 (OGG B' 3358/30.06.2022).

NET FINANCIAL EXPENSE

(Amounts in thousand €)	2022	2021	var.	% var.
Financial Income (Expense)	**-1.607**	**-1.202**	**-405**	**33,7%**
Borrowing costs:	**-1.609**	**-1.212**	**-397**	**32,7%**
- Interest expense on bonds	-1.609	-1.132	-477	42,1%
- Commission expense on bank loans and credit lines	0	-80	80	-100,0%
Income on financial receivables:	**2**	**10**	**-8**	**-80,5%**
- Interest income and other income on financial receivables non-held for operations	2	10	-8	-80,5%
Other financial income (expense):	**-133**	**-121**	**-12**	**10,0%**
- Financial income (expense) connected with the passing of time (accretion discount)	-3	-3	0	15,7%
- Expense for right of use pursuant to IFRS 16	-68	-94	27	-28,1%
- Other expenses	-62	-23	-38	162,6%
Net financial expense	**-1.740**	**-1.323**	**-417**	**31,5%**

Net **financial expense**, amounted to € 1.7 million for fiscal year 2022, up by € 0.4 million on FY 2021, mainly due to the bond loan obtained by the end of prior year and the increase of interest rates.

INCOME TAXES

(Amounts in thousand €)	2022	2021	var.	% var.
Current taxes	**3.786**	**5.288**	**-1.502**	**-28,4%**
Current taxes for the year	3.786	5.249	-1.463	-27,9%
Adjustments for current taxes pertaining to previous years	0	39	-39	-100,0%
Deferred and prepaid taxes	**-4.828**	**-121**	**-4.707**	**3885,10%**
Deferred taxes	-4.828	-121	-4.707	3885,10%
Income taxes	**-1.043**	**5.167**	**-6.210**	**-120,2%**
taxation related to special items	5.143	0	5.143	
Adjusted income taxes	**4.101**	**5.167**	**-1.066**	**-20,6%**

Income taxes amounted to € -1.0 million, reduced by € 6.2 million compared to the corresponding value of the previous year, essentially as a consequence of the lower period result mainly due to the significant negative effect of the recording of the Recoverable Difference for the period 2019-2022, amounting to € 16.3 million, to the special levy in favour of the LGOs amounting to € 2.6 million and to the provision regarding the litigation case related to RAE Compensatory measures, amounting to 3.3 million.

Adjusted income taxes amounted to € € 4.1 million impacted the income tax related to special items.

The **tax rate** is 22.0% (22.0 % in 2021).

STATEMENT OF FINANCIAL POSITION

The Company's Statement of Financial Position as at December 31st, 2022, compared with that as at December 31st, 2021, is summarised below:

(Amount in thousand €)	31.12.2022	31.12.2021 (restated *)	var.	% var.
ASSETS				
Current assets				
Cash and cash equivalents	954	22.536	-21.582	-95,8%
Trade and other receivables	15.765	19.651	-3.886	-19,8%
Inventories	2.837	1.908	929	48,7%
	19.902	**44.496**	**-24.594**	**-55,3%**
Non-current assets				
Property, plant and equipment	3.070	4.233	-1.163	-27,5%
Intangible assets	364.649	348.052	16.596	4,8%
Non-current income tax assets (Deferred Tax Asset)	5.972	1.168	4.803	411,1%
Other non-current non-financial assets	249	253	-3	-1,3%
	373.940	**353.706**	**20.234**	**5,7%**
TOTAL ASSETS	**393.842**	**398.202**	**-4.361**	**-1,1%**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short-term financial liabilities	65.036	12.378	52.658	425,4%
Provisions for risks and charges	0	0	0	
Trade and other payables	18.921	30.669	-11.749	-38,3%
Current tax liabilities on income	819	1.843	-1.024	-55,5%
Other current non-financial liabilities	8.231	503	7.729	1536,7%
	93.008	**45.394**	**47.614**	**104,9%**
Non-current liabilities				
Long-term financial liabilities	763	65.470	-64.707	-98,8%
Provisions for risks and charges	3.256	0	3.256	#DIV/0!
Provisions for employee benefits	396	443	-47	-10,7%
Other non-current non-financial liabilities	17.205	3.744	13.460	359,5%
	21.619	**69.657**	**-48.038**	**-69,0%**
TOTAL LIABILITIES	**114.627**	**115.051**	**-424**	**-0,4%**
SHAREHOLDERS' EQUITY				
Share capital	247.128	247.128	0	0,0%
Reserves	19.201	19.112	89	0,5%
Profit (loss) carried forward	16.911	-718	17.629	-2456,6%
Profit (loss) for the year	-4.026	17.629	-21.655	-122,8%
TOTAL SHAREHOLDERS' EQUITY	**279.215**	**283.151**	**-3.937**	**-1,4%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**393.842**	**398.202**	**-4.361**	**-1,1%**

The **intangible fixed assets** (€ 364.6 million), which include assets for services in concession posted in the accounts pursuant to IFRIC 12, recorded an increase of € 16.6 million mainly following investments of € 31.8 million, less amortisation, depreciation and impairment for € 14.5 million and disposals and sales of € 0.6 million.

The **tangible fixed assets** (€ 3.1 million), which mainly relate to property, plant and equipment, recorded a decrease of 1.2 million mainly due to the effect of the right of use related to IFRS 16.

Net working capital at December 31st, 2022 amounts to € -9.0 million and is broken down as follows:

(Amount in thousand €)	31.12.2022	31.12.2021	var.	% var.
Trade and other receivables	15.765	19.651	-3.886	-19,8%
Inventories	2.837	1.908	929	48,7%
Other current non-financial assets	346	402	-56	-13,9%
Trade and other payables	-18.921	-30.669	11.749	-38,3%
Current tax liabilities on income	-819	-1.843	1.024	-55,5%
Other current non-financial liabilities	-8.231	-503	-7.729	1536,7%
	-9.024	**-11.055**	**2.031**	**-18,4%**

Compared to December 31st, 2021, **net working capital** increased by € 2.0 million due to: i) lower trade receivables (€ 3.9 million), mainly linked to the reduction of receivables due to lower distribution revenues during November & December 2022 compared to the same period of 2021 ii) increase in inventories amounting to € 0.9 million iii) a decrease in trade and other payable by € 11.7 million mainly due to decreased payables for investment activities iv) a decrease in current tax liabilities by € 1.0 million mainly due to reduced results for the year v) an increase of other current non-financial liabilities of € 7.7 million, mainly linked to the current portion of Recoverable Difference for the period 2019-2022 that was recorded in the closing year and to the increase in provisions for risks and charges by €2.6 million due to special levy in favour of the LGO's.

NET FINANCIAL DEBT

(Amount in thousand €)	31.12.2022	31.12.2021	var.	% var.
Financial and bond Debt	**65.799**	**77.848**	**-12.049**	**-15,5%**
Short-term financial debt (*)	64.527	11.311	53.215	470,5%
Long-term financial debt	0	64.331	-64.331	-100,0%
Finance lease payables - IFRS 16	1.272	2.206	-934	-42,3%
Cash and cash equivalents	-954	-22.536	21.582	-95,8%
Net Financial Debt	**64.845**	**55.313**	**9.532**	**17,2%**
Finance lease payables - IFRS 16	1.272	2.206	-934	-42,3%
Net financial debt (excluding the effects pursuant to IFRS 16)	**63.573**	**53.107**	**10.467**	**19,7%**

(*) These include the short-term portions of long-term financial debt.

Net financial debt as at December 31st, 2022 amounted to € 64.8 million, up by € 9.5 million euros compared to December 31st, 2021. Excluding the effects deriving from the application of IFRS 16, (€ 1.3 million), the net financial debt came to € 63.6 million (€ 53.1 million at the end of 2021).

Gross financial and bond debt as of December 31st, 2022, amounting to € 65.8 million (€ 77.8 million as of December 31st, 2021), relates to bonds (€ 64.5 million and liabilities pursuant to IFRS 16 (€ 1.3 million).

It should be noted that as at 31.12.2022 all bond balances have been classified as short term, since the Company is not in compliance with specific financial covenants defined in the relevant contracts. During 2023, Company's Management received, following a relevant request, a written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Cash, amounting to € 0.9 million, decreased by € 21.6 million compared to December 31st, 2021, is held in current accounts immediately available with leading banks. The decrease is mainly due to the absence of new borrowings during 2022.

The breakdown of gross financial debt by type of interest rate as at 31 December 31st, 2022 is as follows:

(Amounts in thousand €)	31.12.2022		31.12.2021	
	Value	%	Value	%
Fixed rate	0	**0**	0	**0**
Floating rate	64.527	**1,96%**	75.642	**2,07%**

Floating-rate financial liabilities were down by € 11.1 million due to absence of new borrowings.

As at December 31st, 2022, all bond loan agreements require compliance with certain financial covenants.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Company's failure to comply and could trigger the early repayment of the relative loan.

The Company duly meets all its obligations arising from the bond loans' contractual agreements excluding specific financial ratios (mentioned below) that were not met as the Company's statutory results for the closing year were significantly affected from the "once-off" recognition of the Recoverable Difference for the period 2019-2022 resulting to deviation from the desired limits that were set by the cooperating banks.

The financial ratios affected are "Net Debt to EBITDA" ratio and the ratio "EBIT to financial expenses". The rest of the indicators remain approximately at the same level as in the previous year and in compliance with desired limits that were set by the cooperating banks.

It should be noted that all bank covenants are met based on the Company's adjusted results.

The Company monitors these cases closely in the context of financial management and business performance.

Specifically, Company's Management received, following a relevant request, a written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Taking under consideration the above and following the requirements of IAS 1, all debt balances as at 31.12.2022 have been classified as short term.

In addition bond loan agreements provide, inter alia, for the following: (i) negative pledge commitments pursuant to which the Company is subject to limitations on pledging real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) pari passu and change-of-control clauses; and (iii) limitations on certain extraordinary transactions that the Company and its subsidiaries may carry out. As at 31 December 2022, these commitments were respected.

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousand €)	31.12.2022	31.12.2021	var.	% var.
Net profit (loss) for the year	**-4.026**	**17.629**	**-21.655**	**-122,8%**
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	**114,28**	2,29	112	4888,1%
Tax effect	-25,14	-1,42	-23,72	1673,9%
Total other components of comprehensive income, net of tax effect	**89,14**	**0,87**	**88**	**10102,1%**
Total comprehensive income for the year	**-3.937**	**17.630**	**-21.566**	**-122,3%**

Non - GAAP Measures

Alternative performance indicators On 5th October 2015, the ESMA (European Security and Markets Authority) published its guidance (ESMA/2015/1415) on the presentation criteria for alternative performance indicators (API or APM), which replaces the CESR/05-178b recommendations from 3 July 2016.

The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IAS/IFRS. The alternative performance indicator adopted in this report are illustrated below.

Main alternative performance indicators

Alternative Economic Peromance Indicators	Description
Gas Distribution regulated revenue	Operating performance indicator representing revenue from regulated gas distribution activities, calculated by subtracting Other revenue from the Total revenue. Other revenue is revenue from unregulated activities, revenue for construction and enhancement of infrastructures recog nised pursuant to IFRIC 12, the release of connection contributions relating to the financial year and any other components entered in the statement of reconciliation of the income statement of the subsequent chapter "Reconciliation of the reclassified income statement, statementof financial position and statement of cash flows".
Reclassified operating costs	Operating performance indicator representing the legally-required operating costs minus costs for construction and enhancement of the infrastructure recognised pursuant to IFRIC 12 and any other components entered in the statement of reconciliation of the income statement of the subsequent chapter "Reconciliation of the reclassified income statement, statement of financial position and statement of cash flows"
EBITDA	Operating performance indicator, calculated by subtracting from net profit the income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment.
Adjusted EBITDA	Operating performance indicator, calculated by subtracting income components classified as special items (as defined in the chapter "Comment on the economic and financial results" of this Report) from EBITDA.
EBIT	Operating performance indicator, calculated by subtracting from net profit the income taxes, net income from equity investments and net financial expense
Adjusted EBIT	Operating performance indicator, calculated by subtracting income components classified as special items (as defined in the chapter "Comment on the economic and financial results" of this Report) from EBIT

Alternative Capital Peromance Indicators	Description
Net working capital	A capital indicator that expresses the capital employed in current and non-financial assets and liabilities. This is defined as the sum of the values relating to trade receivables and payables, inventories, tax receivables and payables, provisions for risks and charges,deferred tax assets, deferred tax liabilities and other assets and liabilities.
Fixed capital	A capital indicator that expresses the total fixed assets. It is defined as the sum of the values relating to items of Property, plant and equipment, Intangible assets net of Other liabilities relating to connection contributions, Equity investments and Net debt relating to investment activities.
Net invested capital	A capital indicator that expresses the investments made by the com pany in operations. This is defined as the sum of the values related to fixed capital, net working capital, provisions for employee benefits and assets held for sale and directly related liabilities

Alternative Financial Peromance Indicators	Description
Cash flow from operating activities	It represents the net cash flow from the operating activity of the mandatory schemes, excluding the effects deriving from the applica tion of the IFRS 15 accounting standard (Other liabilities relating to connection contributions).
Free cash flow	It represents the cash surplus or deficit remaining after financing of the investments
Net financial debt	Determined as the sum of short and long-term financial debt, net of cash and cash equivalents and current financial assets, such as, for example, securities held for trading (note 18)

Reconciliation of the reclassified Income Statement

The reconciliation of the Income Statement of EDA Thess, commented in the Directors' Report is provided below with the related legally required statements.

In compliance with Italgas group instructions, a number of items in the income statement were reclassified, also readjusting the values as at 31 December 2022.

For more details, see the "Financial Statements" section of the notes to the financial statements.

(Amounts in thousand €)	Notes Finan. Statem.	2022			2021		
		Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements	Figures from restated mandatory statement	Partial figures from restated mandatory statements	Figures from restated reclassified statements
Revenues (from mandatory statements)	(21)	**78.927**			**97.509**		
Revenues for construction and upgrading of distribution infrastructures IFRIC 12			-38.894			-35.300	
Total revenue (from reclassified statements)				**40.033**			**62.210**
Operating costs (from mandatory statements)	(22)	**-66.033**			**-56.503**		0
Revenues for construction and upgrading of distribution infrastructures IFRIC 12			-38.894			-35.300	0
Operating costs (from reclassified statements)				**-27.138**			**-21.204**
EBITDA		**-66.033**		**12.894**	**41.006**		**41.006**
Amortization, depreciation and Impairment	(23)	**-16.223**		**-16.223**	**-16.887**		**-16.887**
EBIT		**-3.329**		**-3.329**	**24.119**		**24.119**
Net Financial Income (Expense)	(24)	**-1.740**		**-1.740**	**-1.323**		**-1.323**
Profit/(losses) before tax		**-5.068**		**-5.068**	**22.796**		**22.796**
Income taxes	(25)	**-1.043**		**-1.043**	**5.167**		**5.167**
Net profit/ (loss) for the year		**-4.026**		**-4.026**	**17.629**		**17.629**

Factors of uncertainty and risk management

Financial risk management factors

EDA THESS Risk Management System aims at the timely and effective management of corporate risks, considering the risk events and external factors that may occur and the uncertainty of financial markets. The main objective is to mitigate the potential adverse effects on its financial performance by designing and recording the proper control measures.

The Top Management provides the guidance and directions for the risk tolerance on risk management and the corresponding internal bodies, such as the liquidity and legal committees, ensure the appropriate management of the financial risks (interest rate risk, credit risk).

The Company identified and managed the following financial risks that had a high severity of impact:

- risk arising from exposure to fluctuations in interest rates.

- credit risk arising from the possibility of counterparty default.

- liquidity risk due to inflation and reduced distribution volumes.

- debt covenant and default risk.

Financial assets and liabilities of financial position include cash, trade, and other receivables and short-and long-term trade and other liabilities.

The Company does not use derivatives to hedge risk aversion. The Company is not engaged in financial products that could expose it to fluctuations in exchange rates of foreign currencies and interest rates.

Interest rate risk

Fluctuations in interest rates affect the market value of Company's financial assets and liabilities and its net financial expense.

An increase in interest rates, not implemented - in full or in part - in the regulatory WACC, could have negative effects on the assets and on the economic and financial situation of the Company for the variable component of the debt in place and for future loans.

Below are the impacts on shareholders' equity and the net period result at 31 December 2022 of a hypothetical positive and negative variation of 10 basis points (bps) of the interest rates effectively applied during the year.

(all amounts are expressed in Euro)

(Amounts in €)	Result of the income statement	
	interest +10 bps	interest -10 bps
Variable-rate loans not hedged		
Effect of change in interest rate	-822.231	822.231
Tax effect	180.891	-180.891
Impacts net of the tax effect	**-641.340**	**641.340**

Risk of exchange rates:

The Company operates and functions in Greece. The Company's exposure to currency risk is limited in supply of materials and services. Such transactions are not essential to the operation of the Company. Thus, no derivative is used to mitigate this risk.

Credit risk:

Credit risk is the exposure to potential losses arising from counterparties failing to fulfil their obligations. Default or delayed payment of amounts owed may have a negative impact on the Italgas financial results and financial situation. It cannot be ruled out that the Company could incur liabilities and/or losses due to its customers' failure to fulfil their payment obligations.

The rules for user access to the gas distribution service established by RAE and set out in the Network Code, namely, in documents that establish, for each type of service, the rules regulating the rights and obligations of the parties involved in the process of providing said services and lay down contractual conditions that reduce the risk of non-compliance by distribution users, such as the provision of letters of guarantee by the contracting parties, that can be liquidated immediately.

Up until 31 December 2022 there were no significant credit risks. Note that on average, 96,89% of trade receivables relating to gas distribution are settled by the due date and over 99,68% within the following 4 days, confirming the strong reliability of the customers.

In addition to this, in order to manage credit risk, the Company has established procedures for monitoring and assessing its customer portfolio.

For further considerations linked to the impacts associated with Covid-19, as well as the related accounting implications linked to the measurement of assets and liabilities, see the below note, "Update information on Covid-19"

Liquidity risk:

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the Company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the Company incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the Company's future as a going concern.

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Given the significant and rapid increase in gas prices during the year and the decrease in distribution volumes the Company has recognized the risk of a decrease in the distribution revenue.

EDA Thess has set strong controls which includes: (i) maintenance of sufficient cash and equivalent assets (ii) adequacy of financial facility (iii) close monitoring of liquidity based on cash inflows and outflows forecasts and also through certain ratios and (iv) close monitoring of operational key data, in order to be in apposition to adjusts its planning timely if necessary.

As at December 31, 2022, current liabilities are higher than current assets due to:

I. lower trade receivables linked to reduced distribution revenues during November & December 2022,

II. lower cash and cash equivalents compared to prior year,

III. special levy in favour of the LGO's and

IV. the current portion of the Recoverable Difference for the period 2019-2022.

The following table shows financial liabilities that are allocated according to the date of repayment (taking into consideration the waivers received from the banks – see also note 11). The following amounts are presented in their book value, since the present value of discounted future cash flows are not significantly different.

The following table analyzes the Liquidity Risk according to the payment period (31.12.2021 & 31.12.2022) based on the payments resulting from the relevant contracts and agreements, presented in non-discounted values:

(Amounts in €)					Due date				
	Balance as at 31.12.2021	Balance as at 31.12.2022	Portion with due date within 12 months	Portion with due date beyond 12 months	2024	2025	2026	2027	Beyond
Financial liabilities									
Bonds	75.642.053	64.526.914	64.526.914	0	0	0	0	0	0
Short-term liabilities	32.512.706	22.308.925	22.308.925	0	0	0	0	0	0
Interest on loans	0	0	8.366.517	0	0	0	0	0	0
Liabilities Right of Use	2.206.182	1.271.910	509.015	762.895	283.502	157.482	139.916	140.220	41.775
Interest Right of Use	0	0	40.249	70.517	25.743	16.663	10.100	5.187	12.825
	110.360.941	**88.107.749**	**95.751.620**	**833.412**	**309.244**	**174.145**	**150.016**	**145.406**	**54.600**

Debt covenant and default risk

As at December 31st, 2022 all loan agreements contain financial covenants but there is absence of collaterals.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Company's failure to comply and could trigger the early repayment of the relative loan.

The Company duly meets all its obligations arising from the bond loans' contractual agreements excluding specific financial ratios (mentioned below) that were not met as the Company's results for the closing year were significantly affected from the "once-off" recognition of the Recoverable Difference for the period 2019-2022, resulting to deviation from the desired limits that were set by the cooperating banks.

The financial ratios affected are "Net Debt to EBITDA" ratio and the ratio "EBIT to financial expenses". The rest of the indicators remain approximately at the same level as in the previous year and in compliance with desired limits that were set by the cooperating banks.

It should be noted that all bank covenants are met based on the Company's adjusted results.

The Company monitors these cases closely in the context of financial management and business performance.

Specifically, Company's Management received, following a relevant request, written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Taking under consideration the above and following the requirements of IAS 1, all debt balances as at 31.12.2022 have been classified as short term.

Other information

Significant events after year end

There were no events subsequent to the date of the Financial Statements of December 31st, 2022, that would have a significant impact on the understanding of these Financial Statements and should be either disclosed or adjusted to the Financial Statements.

Corporate governance and risks

EDA THESS Risk Management System provides appropriate methodologies and practices in accordance with the International Standards, for the identification and assessment of risks for all activities. The target is to provide the stakeholder with reliable information for supporting their decisions and ensure compliance with the regulatory framework which is binding for the Company, thus optimizing the strategy and the achievement of its objectives.

The process is systematic and continuous, aiming at the timely and effective management of the Company's risks. At the beginning of the year 2022, the Management determined the annual risk tolerance level. The process involves all the business units and scheduled working meetings are held, , to support risk owners for the Risk Profiles' preparation and updating. The Company for the year 2022 conducted three assessment exercises, according to the corporate procedure. Identified risks in 2022 were challenged against the energy crisis, the fluctuation of inflationary trends, the instability of the energy market, as well as the challenges of the energy transition.

The Risk Owners are responsible for the identification and assessment of the Risks in their area of responsibility, which are related to the achievement of the Company's objectives. To ensure the correct assessment and prioritization of risks, the evaluation of severity of impact is carried out considering the impact on the corporate strategic pillars: market development; financial efficiency; Adherence to Regulatory and Legal framework; Reputation / Corporate Image; Quality of Services/ Operator's Efficiency; Health & Safety (employees-third parties); Security of gas infrastructure; Sustainability; Digital Transformation. Risk Profile also includes the treatment to each Risk. Control Owners monitor and supervise the effective operation of controls that fall under their responsibility.

The Risk Management Structure aims at collecting and processing the related data and preparing - on a quarterly basis or more frequently - a report to the management, including the results of the assessment exercises and the implementation process of action plans.

The main features recognized for the year 2022 were initially the energy crisis, the increase of inflation and the volatility prevailing in the natural gas market. Meanwhile, additional concern arose from the frequent appearance of climate change related phenomena, while it should be noted that that energy transition plays a critical role, bearing all the challenges and difficulties that come as a result. The outburst of the geopolitical crisis early in the year worsened the situation and led to political volatility, raise the cost of living and economic uncertainty. The combination of these external factors were taken into consideration for the achievement of the targets set in the Company's Development Program and Business Plan.

In this reference framework, the critical risks assessed, based on the quantification of their impact are related to the volatility of the energy market and the potential switch of consumers to competitive forms of energy, thus creating a series of emerging financial risks. At the same time risks related to the energy transition and the climate change mitigation and adaptation, in the long run, are prioritized highly. During the year 2022 the company designed efficient control measures while at the same time the shareholder strategy is expected to direct measures mitigating the strategic risks in the long run, to deal also with the targets set at a European level

Internal Audit

The Company has established the internal audit structure, in order to strengthen and protect the value of the Company by providing reasonable assurance regarding the design of adequate and efficient operation of the Company's processes, as well as the control measures that have been established to address the risks.

The Internal Audit, through corrective proposals and operational initiatives, aims at an independent, and effective corporate governance and at the provision of reasonable assurance of the Company's operations in terms of compliance with the legislative and regulatory framework and the with terms of the Licenses. Through the detailed reports of the internal audit and the available tools, the implementation of the control measures and corrective actions within 2022 were planned and monitored.

During 2022, the internal audit planning was completed in a timely and effective manner and the company was given value through consultancy work. Pursuant to the annual internal audit plan, ten (10) scheduled audits and six (6) extraordinary internal audits were carried out based on the Company's operational needs - of which two (2) concerned special construction projects of Medium and Low-pressure network, while four (4) covered audit areas related to corporate issues. In total, the auditing activities covered 100% of the annual internal audit planning throughout the entirety of the Company's business units. The audits that have been carried out aimed at assessing the efficiency of controls adopted by the company towards mitigating critical risks with high impact. Additionally, two (2) specific audits were carried out to the Crisis Centers, in order to assure the preparedness of the equipment and the fulfillment of the management system.

Internal audits were conducted in accordance with the International Auditing Standards and best practices, focusing on the rule of law and regulatory requirements.

Anti – Corruption and Anti – Bribery Program

EDA Thess in compliance with the sustainable development goals, during 2022 has implemented an integrated Anti – Corruption and Anti – Bribery Program, aligned with the provisions of the Company's Code of Ethics, the related Corporate Procedures, Policy and mechanisms and the requirements of the ISO 37001: 2016 standard. The Program specifies the guidelines of the Anti – Corruption and Anti – Bribery System which has been designed based on the assessment of the risk of bribery and corruption and is regularly reviewed taking into account changes in the internal and external environment.

To raise awareness on issues related to the Anti-Corruption and Anti – Bribery System, the Company focused primarily on adopting proactive measures and mechanisms to enhance the transparency and independence within all its activities, while, at the same time, intensified the auditing mechanisms. In this way, the Company managed to protect its reputation, and to enhance the trust of partners and consumers.
In the same context, the establishment and operation of a Whistleblowing Committee (Anti-corruption & Anti-Bribery) enhanced the control mechanisms to ensure the effectiveness and integrity of Anti-corruption and Anti-bribery Management, operational independence and violation of human rights. The committee assumed the responsibility as Guarantor for the implementation of the Code of Ethics.

Code of Ethics

During the year 2022, EDATHESS has updated the Code of Ethics which is, inter alia, a mandatory general principle of the Company. Through Code of Ethics, EDA THESS

- Defines the values, the code of conduct, the policies and the rules of conduct vis-a-vis stakeholders.
- Dictates the strategy vis-à-vis the shareholders and the market.
- Sets the guidelines to ensure that relations with the media rely on transparency and that true and accurate information is provided.
- Sets the framework for relations with local communities.
- Ensures the development and the protection of human resources.

Internal Audit Structure provides reasonable assurance for compliance with the Anti-Corruption and Anti-Bribery Program by carrying out internal audits throughout the year in every business unit. During the year 2022 internal audits provided reasonable assurance on the Compliance with the Anti-Corruption and Anti-Bribery Program.

By adhering to the Anti-Corruption and Anti -Bribery System, the Company maintains its credibility, the risk of corruption is reduced through precautionary measures and finally, the protection of the Company's reputation is achieved. In 2022, the Company re-certified in compliance with the Anti – Corruption and Anti - Bribery Standard requirements assuring the full compliance with the requirements of the Standard and the respective legislation.

Communication channels were operating constantly to receive any report related to corruption, bribery, operational independence, human rights. Daily monitoring of the channels is being carried out. In the year 2022, no valid case of corruption was founded through the official communication channels.

Independence of the Operator – Compliance Program

In accordance with the provisions of the article 80 of law 4001/2011, EDA THESS implements a Compliance Program which includes measures to prevent any potential discriminatory behavior and to ensure due monitoring of compliance to this Program.
In this context EDA THESS took all the necessary measures to prevent discriminatory behaviors among Users of the Natural Gas Distribution Network and End Consumers, to safeguard access to commercially sensitive information and the confidentiality of the information managed by them, as well as to ensure transparency throughout the range of their activities.

The Operator's Independence is ensured through the Compliance Program, and the annual compliance report which is submitted to RAE by the Compliance Officer following audits, managed by the internal audit structure.

According to the annual Compliance Report submitted to RAE (Regulatory Authority for Energy) on the 30/03/2022 for the year 2021, by the Compliance Officer assurance is provided regarding the compliance with the obligations arising from the Compliance Program. Compliance of the year 2022 will be documented in the audit report that will be submitted to the RAE by the Compliance Officer in March 2023.

European General Data Protection Regulation

Further to the introduction of Law 4624/2019 on the "European Regulation on the Protection of Personal Data GDPR, implementing measures of the General Regulation (EU) 2016/679 of the European Parliament and the Council of 27th April 2016 on the protection of individuals with regard to access to personal data and integration into the national legislation of Directive 2016/680 of the European Parliament and the Council of 27th April 2016 and other provisions", the Company has taken all the necessary measures and continued to develop sufficient and appropriate technical measures, which are reviewed regularly for their effectiveness, to fully comply with the provisions of the Regulatory and National framework regarding data protection. Within 2022, no case of personal data violation was recorded.

At the same time, in 2022, the annual planning of the Company was observed. In this context, a series of awareness raising actions on personal data protection issues were implemented:

- Information campaign on electronic media, to safeguard data protection.
- Continuous awareness raising actions for the protection of personal data, addressed to the Company's staff.
- Disclosure of material information regarding the obligations of the contracting companies and 3rd parties performing the processing of personal data, stemming from the Regulation.

Strategy and forward-looking vision

Our mission is to consistently provide optimal services and to expand the perspectives of the energy market in Greece, creating timeless sustainable value for our shareholder and the stakeholders of the value chain.

Developing the distribution network even in the most remote areas while ensuring the safe, equal and uninterrupted access to Distribution Users and End consumers is our ultimate objective in compliance with the legislative and regulatory framework.

At the core of our strategic planning lies the deployment of sustainable grids focusing on digitization, innovation and technical integrity. Our purpose is to fully unlock the potential of green molecules such as biomethane and hydrogen and to distribute sustainable and affordable renewable energy to every household, business and industry in the Areas of our License. In this view the development strategy of the shareholder shall be implemented to reflect our vision on supporting the country's energy transition; thus enabling the decarbonization of the economy towards the achievement of National and European Energy and environmental goals.

Transparency, integrity, and accountability are the three key principles governing the whole scope of our operations as we plan measures for the mitigation and adaptation to Climate Change, while timelessly contributing to social prosperity and local growth.

To achieve our purpose, we continuously leverage the strong foundations laid during these years and the solid ground of our corporate values, underpinned by the robust governance structure and the commitment of the management and our people to the common goal for a sustainable energy future.

Commitment to sustainable development

Recognizing the paramount importance of sustainability at both corporate and international level, EDA THESS adapts its business operation, incorporating parameters that safeguard good corporate governance, foster social prosperity and promote environmental protection. Sustainability monitoring and ESG disclosures is the Company's voluntary initiative to further develop its activities using the best practices, guide its efforts towards ESG transparency and increased accountability on sustainability matters and proactively align its activities with upcoming legislative requirements.

In order to fully integrate the sustainability concept into the business model, the Company has established during 2022 corporate procedures for the proper management of sustainability issues which defines the roles and responsibilities of each organizational unit to achieve ESG targets, the methodology for KPI setting and monitoring, the frequencies of reporting and the drafting of the annual Sustainability Report.

During 2022, EDA THESS issued the second Sustainability Report with 2021 as a reference year, disclosing its performance according to the GRI Standards of the ESG framework.

To further align its Development and Operational planning with the sustainability strategy and to strengthen its ability to continuously generate added value both to itself and to its stakeholders the Company has issued during 2022 the Sustainability Action Plan for the years 2022-2026 following the shareholder's Sustainable vision, mission and purpose.
In this view, taking into account the trend analysis of energy and environmental KPIs during 2022 the company has carried out a gap assessment to identify energy consumption sources, to streamline its decision-making process towards environmental sustainability including technical and behavioral measures to reduce its net energy consumption, enhance the energy efficiency of its assets and mitigate the overall greenhouse gas emissions.

Quality & Management System

Currently EDA THESS implements a robust Management System that covers all aspects of the organization's operations in the areas of Quality, Environmental and Energy Management, Occupational Health & Safety and Road Traffic Safety, Information Security, Anti-Bribery and Business Continuity. The Management System has been certified by an accredited Certification Body for compliance with the requirements of the following standards:

- ISO 9001:2015 (Quality),
- ISO 14001:2015 (Environmental Management)
- ISO 45001: 2018 (Occupational Health & Safety)
- ISO 39001:2012 (Road Traffic Safety)
- ISO 50001:2018 (Energy Management)
- ISO 27001: 2013 (Information Security)
- ISO 37001:2016 (Anti-Bribery)
- ISO 22301:2019 (Business Continuity)

During 2022, the monitoring inspection by the Certification Body was successfully carried out for all the standards.

Being an ongoing and iterative process, embedded in the philosophy of continual improvement, the review and revision of the internal documents is in progress, taking into consideration possible change factors in business, legal and regulatory requirements, as well as the results of internal audits and the relevant corrective actions.

Health & Safety

The annual inspection plan was prepared and implemented covering issues of compliance with legislation, health and safety rules and implementation of technical regulations. Specifically, the 2022 plan includes inspections on Distribution Network construction works, Distribution Network operation and maintenance, Internal Installations' control activities, Emergency Preparedness Drills,

Inspections were also conducted on activated gas delivery points, as well as on the Company premises and vehicles. Particular attention was attributed to the quality control of the network materials, both during the procurement phase with the control of compliance with the Technical Specifications of the company and the European and International Standards, as well as upon the materials' receipt. In addition, periodic inspections were conducted on compliance with the terms of the Construction Works' Contracts and the legal requirements of the Contracting Companies, including emergency intervention services.

In the year 2022, the health and safety indicators in terms of accident frequency [injuries-accidents at work with days of absence/millions of hours worked – 5.97] and the severity level of injury for employees [absence on working days/thousands of hours worked – 0.03] are remarkably low, verifying the strong commitment of the Company to the health and safety of its personnel and third parties.

Environment

By promoting the use of natural gas in 2022, the Company has expanded the benefits of its use compared to other fossil fuels in the areas of its License. The high rate of natural gas penetration in Thessaloniki and Thessaly, further improved the carbon footprint, the accumulation of microparticles and other greenhouse gas emissions.

The company applies an environmental management system in accordance with the requirements of the ISO 14001:2015 standard, in full alignment with which semi-annual carbon footprint assessments were carried out to evaluate emissions:

- from the consumption of natural gas in relation to other fuels e.g. heating oil.
- from the electricity consumption of the company premises.
- from the fuel consumption of company vehicles.

Furthermore, pursuant to article 20 of L.4936/2022 "National Climate Law - Transition to climate neutrality and adaptation to climate change, urgent provisions to deal with the energy crisis and protect the environment", the Company is obliged to submit, until October 31, 2023, a report on its carbon footprint for the reference year 2022 to a publicly accessible electronic database implemented and operated by the Natural Environment and Climate Change Organization. In order to fully comply with the above provision EDA THESS is in the process of accurately calculating its scope 1 and 2 greenhouse gas emissions according to ISO 14064-1:2018 (Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) with independent verification.

Human Capital/ Putting people at the center

The Company aims at the most effective possible utilization of its human resources for the coverage of its operational needs and related goals. The Company has established qualitative and quantitative objectives related to all its activities, which are systematically monitored.

According to the annual plan, the training program, implemented during 2022, included 34 training programs, with 1,165 participations (3.336,5 man-hours). Also, the performance evaluation of staff for 2021 took place.

In order to ensure the optimal and technically complete inspection of documentation and installations for the promotion of the safety of Internal Installations, a training program of the internal installation inspectors on "Maintenance of natural gas boilers" was conducted. Also, a workshop was organized by the Company on "Energy saving measures" attended by representatives of the Technical Bodies, Chambers and Company's employees in the License areas in Thessaloniki and Thessaly.

At the same time, cooperation was built with other European Operators for the dissemination of knowledge on the biomethane deployment and specific site visits on biomethane production and injection points took place within the year.

During 2022, personnel administration processes have been largely digitized thus increasing related efficiencies. Additionally, in the context of managing the COVID-19 pandemic, the Company continued to apply all measures instituted by the State within the year, and, moreover, maintained where necessary, remote working, alternate working and alternate working times. Furthermore, EDA THESS continued to apply detailed protocols for the management of Covid-19 cases and the prevention of spreading, and to provide the necessary protective means to its staff, including the provision of masks.

On 31.12.2022, the Company's headcount was 261 staff, consisting of 259 employees with indefinite duration contracts and 2 employees with definite duration contracts, within the previsions of the Budget (cost and headcount).

For 2022, the remuneration ratio of female to male per employee group remains close to 1, which signifies the overall equitable remuneration that the employees receive, irrespective of gender. At the same time the percentage of the female employees is 29% of the total workforce remaining approximately at the same levels in relation to the previous year.

Corporate Social Responsibility

As part of the Company's sustainable strategy, the CSR program allowed EDA THESS to translate its values into tangible actions with the aim of reflecting community needs through changing conditions. These actions included donations and sponsorships promoting the Company's work concerning the development of its activities, integration of new areas, achievements, initiatives to regenerate green spaces and restore parks, delivering dual benefit, both for the social and for the environmental upgrade of the areas of the License. Financial support distributed through social structures to vulnerable groups and promoting cultural and other local events, donations to institutions acknowledged for their work which provide care and services to children, one of the main pillars of the CSR program.

Sports activities that promote noble rivalry and fair play, advocating the values of mutual respect, cooperation, and team spirit. Also, the Company supports action carried out for charity purposes and athletes with disabilities (wheelchairs and other equipment).

In 2022, the Company successfully completed the CSR annual program in the License areas, taking into account the criteria set for selecting each action and the quality of life in a local level.

Supply chain management

During 2022 the tenders for the works, supply of materials and services were carried out in accordance with the Regulations for the Award and Execution of Works Contracts, Procurement and Services of EDA THESS, ensuring the legality, transparency of the procedures and the equal treatment of potential contractors. It is noted that no objections were submitted to the tender procedures. Also, in the contracts concluded, the contractors accepted the provisions of the Code of Conduct, the Anti-Corruption Policy and the Information Security Policy of EDA THESS.

Moreover, the Company has set in place a Qualification System for the Evaluation and Preselection of Strategic Suppliers, in order to create, maintain and update the Register of Strategic Suppliers of the Company as well as the Strategic Group of Projects, Materials and Services for which contracts of strategic importance and particular criticality for the Company's activities are concluded. The Qualification System ensures the business continuity by enabling flexibility, cost efficiency and quality improvement in the overall supply chain management process.
Furthermore, in 2022, the recording of the compliance of the Strategic Suppliers of EDA THESS with the ESG standards was launched, with the aim of gradually aligning all suppliers with the standards.

Within 2022, the insurance policies of the Company were renewed, providing full insurance coverage of the Fixed Assets of the Distribution Network.

Partnerships for the goals

Being at the forefront of the energy developments and within the framework of maximizing the creation of added value from its operation, EDA THES broadens the interaction with the interested parties.
In this context, EDA THESS develops the cooperation with national/European associations and organizations, local bodies, policy makers and competent institutions aiming to promote its positions and its contribution in shaping the energy policy at National and European level.

Some of the most important associations in which EDA THESS participates, include:
Gas Distributors for Sustainability, which is the non-profit association of European gas distributors representing the position of the gas distribution sector at European institutions and highlighting the crucial role of gas infrastructure in the energy transition process towards a low carbon economy. Within 2022 several position papers and joint statements on REPowerEU, Gas Package, Fit-for-55 legislative package and Methane emissions Regulation were drafted. The Sustainable Charter of the association communicated to the key stakeholders and published

within the year. Additionally, meetings with national and European institutional stakeholders took place while the members of the association participated in several high – level events. Hellenic Association of Biogas producers aiming to promote actions for the development of biomethane market in Greece and supporting relations between the stakeholders of the biomethane supply chain. Hellenic Association for Energy Economics for enabling the understanding of economics across the energy supply chain.

Federation of Industries of Greece, Association of Thessalian Businesses and Industries, and Association of Industries of Thessaly and Central Greece aiming to strengthen relations with the business and industries in the License areas with the aim of promoting the benefits of the use of natural gas in the industrial/production sector as well as to communicate the development planning of the Company. Hellenic- Italian Chamber of Commerce aiming to strengthen the bonds between the two countries and enhance relationships with the business community in Greece.

Legislative and regulatory framework

Pursuant to the applicable legislative and regulatory framework, the Company, being the Operator of the Distribution Networks of Thessaloniki and Thessaly, operates within a regulated environment, under the control and the supervision of the Regulatory Authority for Energy (RAE).

The Company strictly observes its regulatory obligations, as stipulated by law, by the Licenses and the regulatory decisions. In this context:

1. The data specified by the regulatory framework have been submitted to RAE.
2. The data specified by the regulatory framework were posted on the Company's website.
3. The Company participated in the Public Consultations of RAE.

The main events of regulatory nature for the year 2022 are summarized as follows:

I. On 15.04.22, the Law 4920/2022 (OGG A' 74/15.04.2022) was issued, according to which the Natural Gas DSOs must pay a special fee to the local government organizations, which is equal to 14% of their net profits (after taxes) of the year 2021 and which is an expense taken into account when approving the Distribution Tariffs 2023-2026.

II. By the letter RAE O-95004/31.05.2022, the extension of the application of a 100% discount on the Connection Fees until 31 December 2022 was approved.

III. On 10/06/22, a proposal for the Ancillary Services was submitted to RAE.

IV. By RAE Decision 485/2022, the 2nd Amendment of the Basic Distribution Activity Tariff Regulation (OGG B' 3358/30.06.2022) was issued.

V. On 04/07/22, the Law 4951/2022 was issued (OGG A' 129/04.07.2022), based on which the provisions of Law 4001/2011 regarding the Certification of the Company as a Natural gas Distribution Network Operator were repealed. Furthermore, with article 134 of the law, it was defined that in order for a new Operator to obtain the License, he should acquire ownership of the fixed assets and pay the EDA, within twelve (12) months, the residual value of its assets, which is equal to the Regulated Asset Base, at that time, which is increased ("premium") by at least fifteen percent (15%).

VI. On 13/07/22, the Development Program 2022-2026 was submitted to RAE, and was put to Public Consultation from 03/10/22 to 17/10/22.

VII. On 20/12/22, the revised Cost Benefit Analysis for the replacement of existing final energy consumption measurement systems with corresponding smart metering systems in the EDA THESS Distribution Networks was submitted to the Authority.

VIII. On 21/12/22, the Development Program 2023-2027 was submitted to RAE.

IX. On 21/12/22, the Distribution Tariffs 2023-2026 were submitted to RAE.

On 31.12.2022, there are issues to be regulated, for which relevant decisions are expected to be issued.

Regulated Asset Base

The calculation of the Regulated Asset Base is based on the following:

I. The financial statements for the year ended at 31.12.2022.

II. The Basic Natural Gas Distribution Activity Tariff Regulation from which is derived the method of calculating the Regulated Asset Base (RAB).

III. Statement with the calculation of Deferred Income from Connection and Extension Fees taken into account in the calculation of Regulated Asset Base (RAB).

IV. Statement with the calculation of Participation by Distribution Network Users or End Customers taken into account in the calculation of Regulated Asset Base (RAB).

The following table presents the calculation of the Regulated Asset Base (RAB), prepared as of December 31st, 2022, per Distribution Network (Thessaloniki and Thessaly) and cumulative for the Company.

Regulated Asset Base, RAB - Thessaloniki (Amounts in Euro 000's)	31.12.2022
Depreciated value of intangible assets	243,374
Depreciated value of leased assets (IFRS 16)	304
Fixed assets closing balance	**243,677**
Grants	-2,629
Deferred Income from Connection or Extension Fees	-26,710
Participation by Distribution Network Users or End Customers	-41
Regulated Asset Base pre - Working Capital	**214,297**
Working Capital used for the RAB calculation (based on FS of each year)	0
Regulated Asset Base post - Working Capital	**214,297**

Regulated Asset Base, RAB - Thessalia (Amounts in Euro 000's)	31.12.2022
Depreciated value of intangible assets	131,914
Depreciated value of leased assets (IFRS 16)	936
Fixed assets closing balance	**132,850**
Grants	-6,179
Deferred Income from Connection or Extension Fees	-14,995
Participation by Distribution Network Users or End Customers	-22
Regulated Asset Base pre - Working Capital	**111,654**
Working Capital used for the RAB calculation (based on FS of each year)	0
Regulated Asset Base post - Working Capital	**111,654**

Regulated Asset Base, RAB - EDA Thess (Amounts in Euro 000's)	31.12.2022
Depreciated value of intangible assets	375,287
Depreciated value of leased assets (IFRS 16)	1,240
Fixed assets closing balance	**376,527**
Grants	-8,808
Deferred Income from Connection or Extension Fees	-41,705
Participation by Distribution Network Users or End Customers	-63
Regulated Asset Base pre - Working Capital	**325,951**
Working Capital used for the RAB calculation (based on FS of each year)	0
Regulated Asset Base post - Working Capital	**325,951**

Legal Cases

In order to ensure EDA THESS' legitimate operation, the Company has in place the Corporate Procedure for the Management of Legal and Judicial Affairs, which determines the required actions, duties and responsibilities for the effective and timely management of the Company's Legal and Judicial Affairs, defining the methodology of receiving and managing legal documents and proceedings.

In accordance with the above Corporate Procedure, the Legal and Judicial Affairs Management Committee within the year 2022, was convened at least once a month, at the invitation of the Legal Service, and monitors the pending legal cases, the legal expenses and the risk assessment per legal case.

EDA THESS is involved in legal proceedings and actions related to its normal business activities.

Below is a summary of the most significant proceedings.

With regard to the RAE's decision n. 1058/2020 on "Compensatory measures for natural gas distribution tariffs pursuant to par. 10 of article 41 of the Directive 2009/73/EC as incorporated in the domestic law by the provision of par.4 of article 15 of L. 4001/2011" and following the rejection of the request for revision of the RAE's decision 1058/2020 by the Authority with its decision 1480/2020, the Company, considering that it has reasonable reasons to overturn the result of the above decisions of the Authority, exercised its legal rights, according to article 33 of Law 4001/2011, and timely challenged RAE's Decision No 1058/2020 and 1480/2020 by filing an administrative appeal before the Athens Administrative Court of Appeal (12.02.2021) and an application for annulment before the Council of State (26.02.2021). The Council of State internally referred the application to the Athens Administrative Court of Appeal. The date of their hearing was initially set on 22.10.2021 and, after suspension, on 17.12.2021 before the Athens Administrative Court of Appeal of Athens. The hearing was postponed again by the Court, for the date of 18.03.2022 (Γ' Annulment Procedure Depart.). On 09.03.2022 the Annulment Formation of the Administrative Court of Appeal of Athens, referred to the case to be judged on the merits by the competent Dispute Formation of the respective Court. The hearing took place on 29.09.2022 and now the Court's judgment is pending.

Furthermore, on 23.09.2021 the RAE issued its decision 729/2021 «Approval of amounts to be refunded by the Company GAS DISTRIBUTION COPMPANY THESSALONIKI THESSALIA S.A., to the Eligible Customers that are beneficiaries of compensatory measures pursuant to the RAE Decisions 1058/2020 and 1480/2020». A Request for Revision was filed against the said decision before the RAE, which was implicitly rejected.

Pending the hearing of the cases before the Administrative Court of Appeal of Athens, the Company on 01/02/2022 filed two applications for suspension of the execution of the above RAE's decisions (1058/2020, 1480/2020 and 729/2021) until the Court judges upon the administrative appeal and the application for annulment. The applications for suspension were discussed before the Administrative Court of Appeal of Athens on 07.06.2022 and rejected by the no. N81/2022 and N82/2022 decisions of the Administrative Court of Appeal of Athens.

After the implicit rejection of the application for revision of Decision 729/2021 by RAE, the Company filed on 17.03.2022 an administrative appeal against RAE decision no. 729/2021 before the Athens Administrative Court of Appeal, the hearing of which took, also, place on 29.09.2022.

During 2022 the Company formed a provision amounting € 3,256,161 in order to comply with the decision of the Administrative Court of Appeal regarding the adoption of compensatory measures which concern all the Eligible Customers, which during the period 14.08.2015 until 01.12.2016 were charged by the former EPA Thessaloniki and EPA Thessalia distribution tariff of 4 €/MWh, based on the relevant provision of law 4336/2015.

The notes of Financial Statements include details on this issue.

Thessaloniki, 03 July, 2023

For the Board of Directors

The Chairman of The Board of Directors

Firmato da Raffaella Marcuccio il 13/07/2023 alle 17:25:30 CEST

Raffaella Marcuccio

(all amounts are expressed in Euro)

Financial Statements

Statement of Financial Position

(Amounts in €)		31.12.2022	31.12.2021 (restated *)
ASSETS			
Current assets			
Cash and cash equivalents	(4)	953.669	22.535.542
Trade and other receivables	(5)	15.765.143	19.650.765
Inventories	(6)	2.837.071	1.908.060
Other current non-financial assets	(10)	346.050	401.814
		19.901.933	**44.496.182**
Non-current assets			
Property, plant and equipment	(7)	3.069.878	4.232.654
Intangible assets	(8)	364.648.754	348.052.489
Deferred tax asset	(9)	5.971.721	1.168.430
Other non-current non-financial assets	(10)	249.329	252.563
		373.939.681	**353.706.136**
TOTAL ASSETS		**393.841.614**	**398.202.318**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term financial liabilities	(11)	65.035.929	12.378.108
Trade and other payables	(13)	18.920.947	30.669.490
Current tax liabilities on income	(14)	819.394	1.843.216
Other current non-financial liabilities	(15)	8.231.479	502.922
		93.007.750	**45.393.735**
Non-current liabilities			
Long-term financial liabilities	(11)	762.895	65.470.127
Provisions for risks and charges	(12)	3.256.161	0
Provisions for employee benefits	(16)	395.523	442.863
Other non-current non-financial liabilities	(15)	17.204.780	3.744.488
		21.619.360	**69.657.478**
TOTAL LIABILITIES		**114.627.109**	**115.051.213**
SHAREHOLDERS' EQUITY	(17)		
Share capital		247.127.605	247.127.605
Reserves		19.201.299	19.112.163
Profit (loss) carried forward		16.911.337	-717.615
Profit (loss) for the year		-4.025.737	17.628.952
TOTAL SHAREHOLDERS' EQUITY		**279.214.505**	**283.151.105**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**393.841.614**	**398.202.318**

* for more details on the 2021 restated figures, see section (2) Changes in accounting policies

(all amounts are expressed in Euro)

Income Statement

(Amounts in €)		01.01-31.12.2022	01.01-31.12.2021 (restated *)
Revenue	(21)		
Revenue		77.469.600	**94.595.369**
Other revenue and income		1.457.490	2.913.783
		78.927.090	**97.509.152**
Operating Costs	(22)		
Costs for raw materials, consumables, supplies and goods		-6.158.246	-6.259.638
Costs for services		-42.711.084	-38.590.354
Costs for leased assets		-89.198	-2.803
Personnel cost		-10.937.880	-11.234.741
Allocations to/releases from provisions for doubtful debt		-4.820	-80.201
Other expenses		-6.131.430	-335.308
		-66.032.657	**-56.503.045**
Amortization, depreciation and Impairment	(23)	**-16.223.113**	**-16.887.237**
EBIT		**-3.328.679**	**24.118.870**
Financial Income (Expense)	(24)		
Financial expense		-1.741.627	-1.332.684
Financial income		1.920	9.865
		-1.739.707	**-1.322.819**
Profit/(losses) before tax		**-5.068.386**	**22.796.051**
Income taxes	(25)	-1.042.649	5.167.100
Net profit/ (loss) for the year		**-4.025.737**	**17.628.952**

* for more details on the 2021 restated figures, see section (2) Changes in accounting policies

(all amounts are expressed in Euro)

Statement of Comprehensive Income

(Amounts in €)	31.12.2022	31.12.2021 (restated *)
Net profit (loss) for the year	**-4.025.737**	**17.628.952**
Components not reclassifiable to the income statement:		
Actuarial gains from remeasurement of defined benefit plans for employees	**114.277**	**2.291**
Tax effect	-25.141	-1.417
	89.136	**874**
Total other components of comprehensive income, net of tax effect	**89.136**	**874**
Total comprehensive income /(losses) for the year	**-3.936.601**	**17.629.825**

* for more details on the 2021 restated figures, see section (2) Changes in accounting policies

(all amounts are expressed in Euro)

Statement of changes in shareholders' equity

(Amounts in €)	Share capital	Legal reserve	Reserve for defined benefit plans for employees, net of tax effect	Other reserves	Retained earnings	Net profit for the year	Total shareholders' equity
Balance at 31 December 2020	247.127.605	18.228.232	-34.705	411	158.056	20.555.637	286.035.236
Restatement effect	0	0	0	0	-973.767	0	0
Balance as at 31 December 2020 restated (Note2) (a)	247.127.605	18.228.232	-34.705	411	-815.711	20.555.637	285.061.469
Profit for the year						17.628.952	17.628.952
- Actuarial gains on remeasurement of defined-benefit plans for employees			874				874
Total comprehensive income 2021 (b)			874			17.628.952	17.629.825
- Allocation of profit for the year		917.351			20.555.637	-21.472.988	0
- Allocation of dividend					-19.540.189	0	-19.540.189
Total transactions with shareholders (c)		917.351			1.015.448	-21.472.988	-19.540.189
Balance as at 31 December 2021 (d=a+b+c) (Note 17)	247.127.605	19.145.583	-33.831	411	199.737	16.711.601	283.151.105

(Amounts in €)	Share capital	Legal reserve	Reserve for defined benefit plans for employees, net of tax effect	Other reserves	Retained earnings	Net profit /(losses) for the year	Total shareholders' equity
Balance at 31 December 2021	247.127.605	19.145.583	-33.831	411	1.173.504	17.429.670	284.842.942
Restatement effect	0	0	0	0	-973.767	-718.070	-1.691.837
Balance as at 31 December 2021 restated (Note2) (a)	247.127.605	19.145.583	-33.831	411	199.737	16.711.601	283.151.105
2022 Profit/ (Losses) for the year						-4.025.737	-4.025.737
- Actuarial gains on remeasurement of defined-benefit plans for employees			89.136				89.136
Total comprehensive income 2022 (b)	0	0	89.136	0	0	-4.025.737	-3.936.601
- Allocation of profit for the year					17.429.670	-17.429.670	0
Total transactions with shareholders (c)	0	0	0	0	17.429.670	-17.429.670	0
Balance as at 31 December 2022 (d=a+b+c) (Note 17)	247.127.605	19.145.583	55.305	411	17.629.407	-4.743.806	279.214.505

(all amounts are expressed in Euro)

Cash flow statement

(Amounts in €)	31.12.2022	31.12.2021 (restated *)
Profit (loss) for the year	-4.025.737	17.628.952
Adjustments to reclassify net profit to cash flow from operating activities:		
Amortisation and depreciation	16.223.113	16.887.237
Net capital losses on asset sales, cancellations and eliminations	627.378	13.214
Financial income	-1.920	-9.865
Financial expense	1.741.627	1.329.724
Income taxes	-1.042.649	5.167.100
Change in provisions for employee benefits	38.371	60.446
Changes in working capital:		
- Inventories	-929.011	-49.251
- Trade receivables	3.885.623	-1.253.918
- Trade payables	-11.748.543	5.402.338
- Provisions for risks and charges	3.256.161	0
- Other assets and liabilities	21.247.849	1.338.020
Cash flow from working capital	15.712.078	5.437.190
Financial income collected	1.920	9.865
Financial expense paid	-1.683.897	-1.187.671
Income taxes paid, net of tax credits reimbursed	-4.784.462	-4.798.683
Net cash flow from operating activities	**22.805.822**	**40.537.508**
Investments:		
- Property, plant and equipment	-315.522	-247.804
- Intangible assets	-31.793.062	-35.790.827
Net cash flow from investment activities	**-32.108.584**	**-36.038.630**
Assumptions of long-term financial debt	0	38.500.000
Repayment of long-term financial debt	-11.169.444	-10.100.000
Dividends paid	0	-19.540.189
Reimbursements of financial liabilities for leased assets	-1.109.666	-1.106.182
Net cash flow from financing activities	**-12.279.110**	**7.753.629**
Net cash flow for the year	**-21.581.873**	**12.252.507**
Opening cash and cash equivalents	22.535.542	10.283.035
Closing cash and cash equivalents	**953.669**	**22.535.542**

* for more details on the 2021 restated figures, see section (2) Changes in accounting policies

Notes to the Financial Statements

1. Company Information

The GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY single member S.A. (former GAS SUPPLY COMPANY OF THESSALONIKI S.A.) or "Company" or "EDA THESS" was founded in 2000 as a Société Anonyme in accordance with Greek Corporate Law. The Company is based in Thessaloniki, Greece, at 256 Monastiriou & 7 Glinou street, 54628.

The Company's share capital stands at € 247,127,605 and is divided into 247,127,605 registered shares with a nominal value of one Euro each, and it is fully paid up. On 30.04.2020, all the shares of DEPA S.A. have been transferred to the company DEPA INFRASTRUCTURE S.A. due to universal succession following the partial demerger of the infrastructure sector. Since 19/12.2022 DEPA INFRASTRUCTURE S.A. is the sole shareholder of the Company representing 100% of the Company's paid-up share capital. By virtue of the Decision of the sole shareholder in the General Meeting held in 19.12.2022 the Company's Articles of Association were amended.

On 31.12.2018, the Natural Gas Distribution License (RAE's dec. 1314/2018 OGG B' 5922/31.12.2018) and the Natural Gas Distribution Network Operation License (RAE's dec. 1315/2018 OGG B' 5916/31.12.2018), were granted to the Company, pursuant to the provisions of L. 4001/2011, and the Licensing Regulation (OGG B' 3430/17.08.2018). On 22.11.2021 the Decisions RAE 786 (OGG B' 5428/22.11.2021), on the modification of the Distribution Network Operation License of EDA THESS, and 785 (OGG B' 5411/22.11.2021) on the modification of the Distribution License of EDA THESS, were published to the OGG due to the change in the Company's name and shareholding structure, following the transformation of "DEPA S.A." (partial demerger of the infrastructure sector). The licenses are in force for 25 years expiring on 31.12.2043 and may be extended by decision of the Regulatory Authority for Energy under the provisions of the Law and the Licensing Regulation. The geographical area of the Licenses covers the Regional Unit of Thessaloniki and the Region of Thessaly.

The attached Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union for the year ended December 31st, 2022, and have been approved by the Board of Directors on July 3rd, 2023.

2. Basis for the Preparation of Financial Statements and significant Accounting Policies

2.1 Basis for the Presentation of Financial Statements

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure pursuant to Article 6 of (EC) Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Article 9 of Legislative Decree 38/2005. The IFRS also include the International Accounting Standards (IAS) as well as the interpretive documents still in force issued by the IFRS Interpretations Committee (IFRS IC), including those previously issued by the International Financial Reporting Interpretations Committee (IFRIC) and, before that, by the Standing Interpretations Committee (SIC). For sake of simplicity, all of the aforementioned standards and interpretations will hereafter be referred to as "IFRS" or "International Accounting Standards".

The accounting principles applied for the preparation and presentation of the accompanying financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31st,2021 except for:

I. The adoption of the international accounting standards that came into force starting from 1 January 2022, which are described in the following section "Accounting principles and interpretations applicable for periods beginning on or after January 1st, 2022." of said report, and

II. the changes in specific accounting policies, in line with the provisions of standard IAS 8, as analyzed in note 2.3.

The financial statements are prepared on a going-concern basis, using the historical cost method, taking into account value adjustments, where appropriate, with the exception of the items which, according to IFRS, must be measured at fair value, as described in the measurement criteria.

Following the requirement of IAS 1 all bond balances as at December 31st 2022, have been classified as short term, since the Company at that date was not in compliance with specific financial covenants defined in the relevant contracts, having a negative effect in working capital.

The Company duly meets all its obligations arising from the bond loans' contractual agreements excluding specific financial ratios (mentioned below) that were not met as the Company's results for the closing year were significantly affected from the "once-off" recognition of the Recoverable Difference for the period 2019-2022, resulting to deviation from the desired limits that were set by the cooperating banks.

The financial ratios affected are "Net Debt to EBITDA" ratio and the ratio "EBIT to financial expenses". The rest of the indicators remain approximately at the same level as in the previous year and in compliance with desired limits that were set by the cooperating banks.

It should be noted that Company's Management obtained during 2023, following a relevant request, written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Based on the above, the financial statements of the Company were prepared on the basis of the going concern principle as Company's Management considers that existing cash reserves and the expected cash flows ensure sufficient funds to cover the working capital requirements as well as the rest cash needs at least for the following 12 months from the date of approval of the financial statements.
The Company's financial statements are included in the consolidated financial statements of Italgas S.p.A. using the full consolidation method.
The Financial Statements as at December 31st, 2022, approved by Board of Directors at the meeting of July 3rd, 2023.

The Financial Statements are presented in Euro.

2.2 New Standards, interpretations and modifications on existing I.F.R.S.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 1st, 2022.

Accounting standards, amendments and interpretations issued by the IASB (International Accounting Standards Board), endorsed by the European Union (EU) and entered into force on January 1st, 2022.

As of January 1st, 2022, the following standards issued by the IASB (International Accounting Standards Board) came into force in the European Union:

	EU effective date	Date of endorsement	Date of publication in the Official Journal
IASB AND IFRS IC DOCUMENTS			
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)	1 January 2022	28 June 2021	2 July 2021

On May 14th, 2020, the IASB published "*Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)*" by which a very special case was regulated regarding the possibility of deducting, from the costs of capital assets under construction or not fully operational, the revenues from the sale of products meanwhile obtained from the same assets. The IASB clarified that revenues from the sale should be recognized in the income statement and should not be deducted from the costs of the said capital assets.

On May 14, 2020, the IASB published "***Annual Improvements to IFRS Standards 2018-2020***" containing changes to some IFRSs as a result of the IASB's annual improvement project. Specifically, the amendments concerned:

- paragraph 16 of IFRS 1, "First-time Adoption of International Financial Reporting Standards," which essentially allows a subsidiary that is a first-time adopter of IFRSs after its parent to measure its assets and liabilities at the carrying amounts recognized in the parent's consolidated financial statements as of the date of that parent's transition to IFRSs. In this case, the permissible change is to allow the subsidiary at the stage of transition to IFRS to assume cumulatively the values defined by its parent;
- paragraph B3.3.6 of IFRS 9 "Financial Instruments," which indicates what fees paid or received are to be considered in the "10 percent" test carried out to determine whether an issuer that repurchases its own financial instrument, for the purpose of, for example, a subsequent reissuance, can consider that instrument to be derecognized. In this regard, the fees to be considered are only those paid or received between the borrowing company and the lending company;
- illustrative Example No. 13 accompanying IFRS 16 "Leases" from which references to reimbursements made by the lessor to the lessee where the latter has made leasehold improvements have been removed, as such reimbursements are not to be considered lease incentives under IFRS 16.

On May 14th, 2020, the IASB published the document "**Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)**" which amends the standard by detailing which contractual costs a company should consider for the purposes of provisions under IAS 37 governing Provisions for Contingencies and Contingencies. In the case, in fact, of termination of a contract with charges to be borne by the company, the provision to be made must include "costs that relate directly to the contract" such as direct costs (e.g., labor, materials) or an allocation of other costs that nonetheless relate to contract performance (an example might be the allocation of the depreciation charge for an item of property, plant and equipment used in the performance of the contract).

New accounting standards, amendments and interpretations already issued and endorsed by the European Union, but not yet in force

On February 12th, 2021, the IASB issued **"Definition of Accounting Estimates (Amendments to IAS 8)"** in order to help entities distinguish between changes in accounting policies and changes in accounting estimates. Specifically, changes in accounting policies should be applied retrospectively, while changes in accounting estimates should be accounted for prospectively. The amendments to IAS 8 focus on accounting estimates, clarifying that such estimates consist of "monetary amounts included in the statements that are subject to measurement uncertainty." Thus, the change in accounting estimate that results from new information or new developments is not the correction of an error and can only affect profit or loss in the current and/or future periods. The changes are effective for fiscal years beginning on or after January 1, 2023.

On February 12th, 2021, the IASB issued "**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**" containing amendments that are intended to help decide which accounting policies to disclose in their financial statements. IAS 1 states that "an entity shall disclose its significant accounting policies" without, however, providing a definition of the term "significant" (material). Therefore, the IASB has introduced changes/additions to the principle by which an entity may identify material information about accounting policies. For example, it is clarified that a standard is relevant if a change to it has a material impact on financial statement disclosures or if its application requires significant estimates. The amendments also clarify that disclosures about accounting standards can be (i) material by their nature, even if the amounts involved are immaterial; (ii) relevant if users of an entity's financial statements need them to understand other significant parts of the financial statements; and (iii) expanded to those that are not relevant, as long as these do not obscure the relevant ones. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the "materiality process." The amendments to IAS 1 are effective for fiscal years beginning on or after January 1, 2023.

Accounting standards, amendments and interpretations not yet approved by the European Union as at the date of reference of 31 December 2022

On September 22nd, 2022, the IASB issued the "***Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)***" with amendments that clarify how a seller-lessee of an asset must evaluate the sale and leaseback transactions in accordance to IFRS 15.

The Board established that a seller-lessee measures a lease liability in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

On October 31st, 2022, the IASB issued the ***"Non-current Liabilities with Covenants (Amendments to IAS 1)"*** document to clarify that only covenants with which an entity is required to comply on or before the reporting date affect are relevant for the classification of a financial liability as current or non-current.

The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date.

The amendments require a company to disclose information about these covenants in the notes to the financial statements.

The amendments are effective for reporting periods beginning on or after January 1st, 2024.

2.3 Changes in accounting policies

Revenue recognition for connection charges

Upon the completion of the transfer of 100% of the shares of DEPA Infrastructure to the Italgas SpA Group on 1 September 2022 and for consistency purposes with the accounting policies of the Italgas Group the accounting policy relevant to connection charges has been changed retrospectively. Based on the prior accounting policy revenues from connection charges were recognized at a point in time, namely at the time of connection to the Network and the customer acquired control of the service. According to the new accounting policy, revenues from connection charges shall be recognized over a period of 50years (estimated useful life of the network).

IFRIC 12 adoption

The Company has the right to construct, manage and operate the natural gas distribution network within the geographical areas of Prefecture of Attica. EDA Attiki operates through specific license granted by Regulatory Authority for Energy in 2018 which clearly define that:

I. the services that the licensee must provide to the users with the natural gas distribution network and at what price;

II. the rules that need to be followed to continuously expand, modify and modernize the natural gas distribution network;

III. what it happens at the end of the license period or in case of a substitution of the licensee earlier than the currently end of the licenses.

DEPA Infrastructure has the "ownership" of part of the natural gas distribution network but does not have the license to operate and manage the network, in particular as defined by article 80B of Law 4001/2011 "The distribution network constructed by April 1 2017 in the Greek territory by DEPA SA, or from other entities in the framework of the permits of distribution issued pursuant the Law 2364/1995, remain in the exclusive ownership of DEPA SA or, after the split off, of DEPA Infrastructure SA". DEPA infrastructure even if had the ownership of the distribution network does not control it and does not receive any remuneration from the use of it, according to the natural gas distribution license.

As a result, the Company should recognize in the financial statements the concession right on the natural gas distribution network as intangible asset under IFRIC 12 both for the portion of network directly owned by the Company and for the portion owned by DEPA Infrastructure and granted in use to the Company. The criteria for the recognition of intangible assets under IFRIC 12 are met as:

The license to manage and operate the natural gas distribution network is regulated by law and released by RAE to the Operating Entity (in line with the paragraph 4 of the IFRIC 12: "This Interpretation gives guidance on the accounting by operators for public-to-private service concession arrangements").

The Grantor (Greek Government) through the specific legislations and regulations controls or regulates what services the operators must provide with the distribution network, to whom it must be provided and at what price (in line with the paragraph 5 of IFRIC 12: "This Interpretation applies to public-to-private service concession agreement if (i) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price [....]");

The Grantor (Greek Government) with the specific legislations and regulations controls any residual interest in the distribution network at the end of the term of the concessions (in line with the paragraph 5 of IFRIC 12: "[...] The grantor controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the infrastructure at the end of the term of the arrangement").

Intangible Asset Model

IFRIC 12 at paragraph 16 and 17 defines which model, financial or intangible, should be use in case of applicability of IFRIC 12. In particular:

"the operator shall recognize an intangible asset to the extent that it receives a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service".

As reported above, the Company has the right to charge (indirectly) end-users for the public service provided but it has not any unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Therefore, the model to be used is the Intangible Asset Model as described in paragraph 26 of the Interpretation: "IAS 38 applies to the intangible asset recognized in accordance with paragraphs 17 and 18. Paragraph 45-47 of IAS 38 provide guidance on measuring intangible assets acquired in exchange for a non-monetary asset or assets or a combination of monetary and non-monetary assets".

The Interpretation at paragraph 29 defines the rule that an entity should apply due to the initial application of the IFRIC 12, in particular "subject to paragraph 30, changes in accounting policies are accounted for in accordance with IAS 8, i.e. retrospectively".

However, the context of DEPA Group due to the complex re-organization related to liberalization and privatization process and the frequent changes on the regulation led to the conclusion that is not practicable in terms of remeasurement to apply retrospectively. The paragraph 30 of Interpretation states: "If, for any particular service arrangement, it is impracticable for an operator to apply this Interpretation retrospectively at the start of the earliest period presented, it shall:

(a) Recognized intangible assets that existed at the start of the earliest period presented;

(b) Use the previous carrying amounts of those intangible assets (however previously classified) as their carrying amounts as at that date; and

(c) Test intangible assets recognized at that date for impairment, unless this is not practicable, in which case the amounts shall be tested for impairment test at the start of the current period".

The statement of financial position and the income statement as at 31 December 2021 reclassified in order to taking into consideration the impact of the application of the IFRIC 12 including a reconciliation with the economic and financial data already published.

The following tables present the adjustments made for each separate line of the Statement of Financial Position and the Income Statement.

The changes in Statement of Financial Position at December 31st, 2021 are shown below:

(all amounts are expressed in Euro)

(Amount in €)	Notes	2021 statement value	Adjustments for connection charges	Presentation reclass	IFRIC 12 application	Adjusted value
ASSETS						
Current assets						
Cash and cash equivalents	(4)	22.535.542				22.535.542
Trade receivables	(5)	19.650.765				19.650.765
Inventories	(6)	1.908.060				1.908.060
Other current non-financial assets	(10)	401.814				401.814
		44.496.182				**44.496.182**
Non-current assets						
Property, plant and equipment	(7)	128.956.646		2.144.406	-126.868.398	4.232.654
Intangible assets	(8)	230.257.120			117.795.369	348.052.489
Deferred tax asset	(9)	691.246	477.185			1.168.430
Right of use assets		2.144.406		-2.144.406		0
Other non-current non-financial assets	(10)	252.563				252.563
		362.301.981				**353.706.136**
TOTAL ASSETS		**406.798.163**				**398.202.318**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Short term portion Right of Use Assets		1.066.611		-1.066.611		
Current Portion of Long Term Borrowing		11.169.444		-11.169.444		
Short-term financial liabilities	(11)			12.378.108		12.378.108
Trade and other payables	(13)	31.257.732		-588.242		30.669.490
Current tax liabilities on income	(14)	1.843.216				1.843.216
Other current non-financial liabilities	(15)		56.732	446.189		502.922
		45.337.003				**45.393.735**
Non-current liabilities						
Long-term financial liabilities	(11)	64.330.556		1.139.571		65.470.127
Long-term portion Right of Use Assets		1.139.571		-1.139.571		
Provisions for employee benefits	(16)	442.863				442.863
Grants		9.073.029			-9.073.029	
Other non-current non-financial liabilities	(15)	1.632.198	2.112.289			3.744.488
		76.618.218				**69.657.478**
Total Liabilities		**121.955.220**				**115.051.213**
Shareholders' Equity	(17)					
Share capital		247.127.605				247.127.605
Reserves		19.112.163				19.112.163
Profit (loss) carried forward		18.603.174	-1.691.837	-17.628.952		-717.615
Profit (loss) for the year				17.628.952		17.628.952
Total equity		**284.842.942**				**283.151.105**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**406.798.163**				**398.202.318**

The changes in Income Statement as at December 31st, 2021 are shown below:

(all amounts are expressed in Euro)

(Amount in €)	Note	01.01-31.12.2021	adjustments for connection charges	Presentation reclass	IFRIC 12 application	Adjusted value
Revenue	(21)					
Revenue		59.295.839			35.299.530	94.595.369
Connection charges		126.041	-126.041			
Other revenue and income		3.675.491	-761.708			2.913.783
		63.097.371				**97.509.152**
Operating Costs	(22)	-15.357.400		15.357.400		
Costs for raw materials, consumables, supplies and goods				-422.058	-5.837.581	-6.259.638
Costs for services				-13.725.893	-24.864.461	-38.590.354
Costs for leased assets				-2.803		-2.803
Personnel cost		-11.702.549		467.808		-11.234.741
Allocations to/releases from provisions for doubtful debt				-80.201		-80.201
Other expenses				-335.308		-335.308
Capitalization of personnel cost		5.853.475		-1.255.985	-4.597.489	
		-21.206.475				**-56.503.045**
Amortization, depreciation and Impairment	(23)			-16.887.237		**-16.887.237**
Depreciation tangible & intangible assets		-16.191.439		16.191.439		
Depreciation of rights of use assets		-1.108.209		1.108.209		
Amortization of grants		412.410		-412.410		
EBIT		**25.003.659**				**24.118.870**
Financial Income (Expense)	(24)					
Financial expense		-1.329.724		-2.960		-1.332.684
Financial income		9.865				9.865
		-1.319.859				**-1.322.819**
Profit before tax		**23.683.800**				**22.796.051**
Income taxes	(25)	-5.336.779	169.679			-5.167.100
Net profit (loss) for the year		**18.347.021**				**17.628.952**

The above change also had an effect on the Cash Flow Statement with a decrease of the item "Profit after taxes" by € 718,070 a decrease of € 169,679 in the item "Income taxes" with an equivalent increase in the item "Other assets and liabilities" of € 887,749.

(all amounts are expressed in Euro)

The changes in specific rows affected the statement of financial position as at December 31st 2020, are shown below:

(Amounts in €)	2020 statement value	Adjustments for connection charges	Adjusted value
ASSETS			
Non-current assets			
Deferred tax assets	741.180	307.505	1.048.686
TOTAL ASSETS	**741.180**	**307.505**	**1.048.686**
current liabilities			
Other current non-financial liabilities		26.386	26.386
Non-current liabilities			
Other non-current non-financial liabilities		1.254.887	1.254.887
TOTAL LIABILITIES		**1.281.273**	**1.281.273**
SHAREHOLDERS' EQUITY			
Profit (loss) carried forward	20.713.693	-973.767	19.739.926
TOTAL SHAREHOLDERS' EQUITY	**20.713.693**	**-973.767**	**19.739.926**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**20.713.693**	**307.505**	**21.021.198**

3. Measurement criteria

The most significant measurement criteria adopted when preparing the financial statements are described below:

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised at the cost of purchase or production, including directly allocable ancillary costs needed to make the assets available for use.

Property, plant and equipment may not be revalued, even through the application of specific laws.

The costs of incremental improvements, upgrades and transformations to/value of property, plant and equipment are posted to assets when it is likely that they will increase the future economic benefits expected. The costs of replacing identifiable components of complex assets are allocated to balance sheet assets and depreciated over their useful life. The remaining book value of the component being replaced is allocated to the income statement. Ordinary maintenance and repair expenses are posted to the income statement in the period when they are incurred.

If impairment indicators are present, the book value of property, plant and equipment is verified to identify any impairment.

RIGHTS OF USE

The cost of the asset consisting of right of use comprises:

a) the amount of the initial measurement of the liability of the lease;

b) the payments due for the lease made on the date or before the starting date, net of lease incentives received;

c) the initial direct costs incurred;

d) the costs for dismantling and restoring the site.

The liabilities of the leases include the following payments for the right of use of the underlying asset along the duration of the lease unpaid as at the starting date:

a) the fixed payments, net of any lease incentives receivable;

b) the variable payments due for the lease that depend on an index or rate;

c) the amounts payable by way of warranties of the residual value;

d) the price for exercising the right to purchase where there is the reasonable certainty of exercising the option;

e) the payments of lease termination penalties where lease termination is provided for.

The discount rate used is the embedded interest rate of the lease for the remaining duration of the lease, if such rate is not easy to determine, the marginal loan interest rate of the Company as at the recalculation date is used.

In determining the duration of the lease, the Company considered the presence of renewal and cancellation options respectively for the lessee, the lessor or both.

As the standard allows, the short-term leases and the leases for assets of a modest amount were excluded.

The duration of the lease is calculated by taking into account the non-voidable lease period, together with any periods covered by an option to extend the agreement if it is reasonably certain that this option will be exercised, or any period covered by an option to terminate the lease contract, if the Company deems it reasonably certain that such option will not be exercised.

In the event of any significant changes in events and circumstances under the Company's control that make it appropriate to change the assessment of the reasonable certainty of exercising the options, the Company will redetermine the duration of the lease.

After initial recognition, the right-of-use asset is adjusted to take into account (i) the amortization portions, (ii) any impairment losses and (iii) the related effects and any restatements of the leasing liability.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is systematically depreciated on a straight-line basis over its useful life, defined as the period of time in which it is expected that the Company may use the asset. Depreciation starts when the asset is available and ready for use.

The amount to be depreciated is the book value, reduced by the projected net realisable value at the end of the asset's useful life, if this is significant and can be reasonably determined.

The table below shows the annual depreciation rates used for the year in question, broken down into homogeneous categories, together with the relevant period of application:

	Annual depreciation rate (%)
Land and building	
- Industrial buildings	4% - 31,58%
- Civil buildings	4% - 11,44%
Plant and equipment	
- Other plant and equipment	10%
Industrial and commercial equipment	
- Office furniture and machinery	10% - 20%
- Transportation vehicles	10% - 15%
Rights of use	duration of the lease agreement

When an item recorded under property, plant and equipment consists of several significant components with different useful lives, a component approach is adopted, whereby each individual component depreciates separately.

Land is not depreciated, even if purchased in conjunction with a building; neither is property, plant and equipment held for sale.

Depreciation rates are reviewed each year and are altered if they do not adequately reflect the future benefits expected. Any changes to the depreciation plan arising from revision of the useful life of an asset, its residual value or ways of obtaining economic benefit from it are recognised prospectively.

Freely transferable assets are depreciated during the period of the concession or of the useful life of the asset, if lower.

INTANGIBLE ASSETS

Intangible assets are those assets without identifiable physical form which are controlled by the Company and capable of producing future economic benefits, as well as goodwill, when purchased for consideration. Intangible assets are reported at the cost of purchase or internal production, when their use is likely to generate future benefits and the relative cost can be reliably determined.

They may not be revalued, even through the application of specific laws.

Development costs are only recognised as intangible assets when the Company can prove the technical feasibility of completing the intangible asset and can demonstrate that it has the ability, intention and available resources to complete the asset for use or sale. Research costs are recognised in the income statement.

Intangible fixed assets with a finite useful life are measured at cost, net of amortisation and accumulated impairment losses. Goodwill and other intangible assets with an indefinite useful life are not subject to amortisation, but are tested at each reporting date, as provided for by IAS standard 36, to check for impairment losses to be reflected in the financial statements.

Intangible assets are eliminated at the time they are decommissioned, or when no future economic benefit is expected from their use; the related profit or loss is posted in the income statement.

SERVICE CONCESSION AGREEMENTS

Intangible assets include service concession agreements between the public and private sectors for the development, financing, management and maintenance of infrastructures under concession in which: (i) the grantor controls or regulates the services provided by the operator through the infrastructure and the related price to be applied; and (ii) the grantor controls any significant remaining interest in the infrastructure at the end of the concession by owning or holding benefits, or in some other way. The provisions relating to the service concession agreements are applicable for EDA Thess SA in its role as a public service distributor of natural gas and other gases, i.e. they are applicable to the agreements under which the operator is committed to providing the public natural gas distribution service at the tariff established by RAE, holding the right to use the infrastructure, which is controlled by the grantor, for the purposes of providing the public service.

The Company applies the intangible asset model as provided for by IFRIC 12 for the accounting of service concession agreements. The intangible asset is accounted for at the cost both on initial recognition and for subsequent recognition. Revenue and costs originating from network construction and other services are recognised and measured applying IFRS 15. Construction services and improvements carried out on behalf of the grantor are accounted for as changes to work in progress on order.

AMORTISATION OF INTANGIBLE ASSETS

Intangible assets with a finite useful life are amortised systematically over their useful life, which is understood to be the period of time in which it is expected that the Company may use the asset. Amortisation starts when the asset is ready for use.

The amount to be amortised is the book value, reduced by the projected net realisable value at the end of the asset's useful life if this is significant and can be reasonably determined.

The table below shows the annual amortisation rates used for the year in question, broken down into homogeneous categories, together with the relevant period of application:

	Annual depreciation rate (%)
Patent rights and intellectual property rights	20%
Concession expenses	
Land and buildings (concession agreements)	
- Industrial buildings	
- Light constructions	
Plant and equipment (concession agreements)	
- Gas distribution network	2%
- Principal and secondary facilities	10%
- Gas derivation plants	
Industrial and commercial equipment (concession agreements)	
- Metering and control equipment	6,67%

SUBSIDIES

Capital grants given by public authorities are recognised when there is reasonable certainty that the conditions imposed by the granting government agencies for their allocation will be met, and they are recognised as a reduction to the purchase, transfer or production cost of the related assets.
Operating grants are recognised in the income statement on an accrual basis, consistent with the relative costs incurred.

IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

When events occur leading to the assumption of impairment of property, plant and equipment or intangible assets with a finite useful life, their recoverability is tested by comparing the book value with the related recoverable value, which is the fair value adjusted for disposal costs (see "Fair value measurement") or the value in use, whichever is greater.

As regards the value of the non-financial fixed assets falling within the scope of the regulated activities, the recoverable value is determined considering: (i) the amount quantified by the Authority based on the rules used to define the tariffs for provision of the services for which they are intended; (ii) any value that the group expects to recover from their sale or at the end of the concession governing the service for which they are intended; (iii) the cash flows expected from the use of the asset and, if they are significant and can be reasonably determined, from its sale at the end of its useful life, net of any disposal costs. Similarly, to what happens for the quantification of tariffs, also the quantification of the recoverable value of the assets falling within the scope of regulated activities takes place based on current regulatory provisions.

With reference to non-financial fixed assets not falling within the scope of the regulated activities, the value in use is determined by discounting projected cash flows resulting from the use of the asset and, if they are significant and can be reasonably determined, from its sale at the end of its useful life, net of any disposal costs. Cash flows are determined based on reasonable, documentable assumptions representing the best estimate of future economic conditions which will occur during the remaining useful life of the asset, with a greater emphasis on outside information. Discounting is done at a rate reflecting current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

The valuation is done for individual assets or for the smallest identifiable group of assets which, through ongoing use, generates incoming cash flow that is largely independent of those of other assets or groups of assets ("Cash-Generating Units" or CGUs). According to the provisions of Article 80a of Law 4001/2011, the Company is obliged, following the decision of RAE, to keep separate accounts, in accordance with the provisions of Article 89 by geographical area. Until the date of preparation of the Financial Statements, the allocation rules have not been issued for the Assets, Liabilities, Expenses, Revenues for the Gas Distribution activity in the geographical areas of Thessaloniki and Thessaly. The Company will be able to prepare and submit to RAE separate financial statements in accordance with approved allocation rules and in accordance with the provisions of article 89 of Law 4001/2011, following the issuance of the relevant regulatory decision by the Authority.

If the reasons for impairment losses no longer apply, the assets are revalued, and the adjustment is posted to the income statement as a revaluation (recovery of value). The recovery of value is applied to the lower of the recoverable value and the book value before any impairment losses previously carried out, less any depreciation that would have been recorded if an impairment loss had not been recorded for the asset.

IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE AND INTANGIBLE ASSETS NOT YET AVAILABLE FOR USE

The recoverability of the book value of goodwill, intangible assets with an indefinite useful life and intangible assets not yet available for use is tested at least annually, and in any case when events occur leading to an assumption of impairment. Goodwill is tested at the level of the smallest aggregate, on the basis of which the Company's management directly or indirectly assesses the return on investment, including goodwill. When the book value of the CGU, including the goodwill attributed to it, exceeds the recoverable value, the difference is subject to impairment, which is attributed by priority to the goodwill up to its amount; any surplus in the impairment with respect to the goodwill is attributed pro rata to the book value of the assets which constitute the CGU. Goodwill impairment losses cannot be reversed.

INVENTORIES

Inventories consist of materials related to the construction of gas distribution network and spare parts used for maintenance and are recorded at the lower of purchase cost and net realisable value, which is the amount that the Company expects to receive from their sale in the normal course of business. inventories are determined using the weighted average cost method.

The value of obsolete and slow-moving inventories is written down in relation to the possibility of use or realisation, through the allocation of a specific obsolescence fund.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash amounts, on demand deposits, and other short-term financial investments with a term of less than three months, which are readily convertible into cash and for which the risk of a change in value is negligible.

They are recorded at their nominal value, which corresponds to the fair value.

SHARE CAPITAL

Share capital comprises the value of the Company's common registered shares, as issued. Incremental costs (share issuance costs) directly attributable to the issue of share capital are deducted from share capital.

FINANCIAL INSTRUMENTS

Financial instruments are any contracts that give rise to a financial asset for one entity and a financial liability or equity instrument for another entity; they are recognised and measured in accordance with IAS 32 and IFRS 9.

FINANCIAL ASSETS - DEBT INSTRUMENTS

Depending on the characteristics of the instrument and of the business model adopted for its management, financial assets representing debt instruments are classified in the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with the effects recognised in the other comprehensive income components (hereinafter also referred to as OCI); (iii) financial assets measured at fair value with the effects recognised in the income statement.

Initial recognition is at fair value; for those trade receivables without a significant financial component, the initial recognition value is represented by the transaction price.

Following initial recognition, the financial assets that generate contractual cash flows representing only payments of capital and interest are measured at amortised cost if held with the aim of collecting their contractual cash flows (so-called hold to collect business model). Based on the amortised cost method, the initial book value is then adjusted to account for repayments of principal, any impairment losses and the amortisation of the difference between the repayment amount and the initial book value.

Amortisation is carried out using the effective internal interest rate, which represents the rate that would make the present value of projected cash flows and the initial book value equal at the time of the initial recording.

The receivables and other financial assets measured at amortised cost are presented in the balance sheet net of their provision for impairment losses.

The financial assets representing debt instruments whose business model includes both the possibility to collect contractual cash flows and the possibility to realise capital gains on transfers (so-called hold to collect and sell business model) are measured at fair value with the effects recorded on OCI (hereinafter also FVTOCI).

In this case the fair value changes in the instrument are recognised in shareholders' equity amongst the other components of comprehensive income. The cumulative amount of the changes in fair value, recognised in the shareholders' equity provision that includes the other components of comprehensive income, is reversed to the income statement when the instrument is derecognised. The interest income, calculated using the effective interest rate, exchange rate differences and impairment losses, is recognised on the income statement.

A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at fair value with the effects recognised in the income statement (hereinafter referred to as FVTPL).

When the purchase or sale of financial assets is made according to a contract requiring that the transaction be regulated and that the asset be delivered within a certain number of days, established by the market control authorities or by market agreements (e.g. purchase of securities on regulated markets), the transaction is recognised on the settlement date.

Disposals of financial assets are derecognised in the balance sheet when the contractual rights connected to obtaining the cash flows associated with the financial instrument expire or are transferred to third parties.

IMPAIRMENT OF FINANCIAL ASSETS

Recoverability of the financial assets representing debt instruments not measured at fair value with effects on the income statement is measured on the basis of the so-called "expected credit loss model".

In particular, the expected losses are generally determined based on the product between: (i) the exposure to the counterparty net of the relevant mitigants (Exposure At Default, EAD); (ii) the probability that the counterparty does not meet its payment obligation (Probability of Default, PD); (iii) the estimate, in percentage terms, of the amount of credit that will be unable to be recovered in case of default (Loss Given Default, LGD) defined on the basis of prior experiences and possible attemptable recovery actions (e.g. out-of-court actions, legal disputes, etc.).

The Company has calculated the expected credit losses over the life of the receivables. For this purpose, measurement of the expected losses is based on a matrix provision built by grouping, if advisable, the receivables in appropriate clusters to which impairment percentages defined on the basis of prior loss experience are applied. If necessary, those percentages are adjusted to take into account forward looking information on the credit risk of the counterparty or of clusters of counterparties.

FINANCIAL LIABILITIES

Financial liabilities other than derivative instruments, including financial payables, trade payables, other payables and other liabilities, are initially recorded at fair value less any transaction-related costs; they are subsequently recognised at amortised cost using the effective interest rate for discounting, as demonstrated in "Financial assets" above.

Financial liabilities are derecognised upon extinguishment or upon fulfilment, cancellation or maturity of the contractual obligation.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset in the balance sheet when there is the currently exercisable legal right to compensation and there is the intention of settling the transaction on a net basis (i.e. realizing the asset and at the same time extinguishing the liability).

FAIR VALUE MEASUREMENT

The fair value is the amount that may be received for the sale of an asset or that may be paid for the transfer of a liability in a regular transaction between market operators as at the valuation date (i.e. exit price).

The fair value of an asset or liability is determined by adopting the valuations that market operators would use to determine the price of the asset or liability. A fair value measurement also assumes that the asset or liability would be traded on the main market or, failing that, on the most advantageous market to which the Company has access.

The fair value of a non-financial asset is determined by considering the capacity of market operators to generate economic benefits by putting the asset to its highest and best use or by selling it to another market participant capable of using it in such a way as to maximise its value.

The maximum and best use of an asset is determined from the perspective of market operators, also hypothesising that the Company intends to put it to a different use; the current use by the Company of a non-financial asset is assumed to be the maximum and best use of this asset, unless the market or other factors suggest that a different use by market operators would maximise its value.

The fair-value measurement of a financial or non-financial liability, or of an equity instrument, takes into account the quoted price for the transfer of an identical or similar liability or equity instrument; if this quoted price is not available, the valuation of a corresponding asset held by a market operator as at the valuation date is taken into account. The fair value of the financial instruments is determined considering the credit risk of the counterparty of a financial asset ("Credit Valuation Adjustment" - CVA) and the risk of default by the same entity with reference to a financial liability ("Debit Valuation Adjustment" - DVA).

When determining fair value, a hierarchy is set out consisting of criteria based on the origin, type and quality of the information used in the calculation. This classification aims to establish a hierarchy in terms of the reliability of the fair value, giving precedence to the use of parameters that can be observed on the market and that reflect the assumptions that market participants would use when valuing the asset/liability. The fair value hierarchy includes the following levels:

- level 1: inputs represented by (unmodified) quoted prices on active markets for assets or liabilities identical to those that can be accessed as at the valuation date;
- level 2: inputs, other than the quoted prices included in Level 1, that can be directly or indirectly observed for the assets or liabilities to be valued;
- level 3: inputs that cannot be observed for the asset or liability.

In the absence of available market quotations, the fair value is determined by using valuation techniques suitable for each individual case that maximise the use of significant observable inputs, whilst minimising the use of non-observable inputs.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges concern costs and charges of a certain nature which are certain or likely to be incurred, but for which the amount or date of occurrence cannot be determined at the end of the year.

Provisions are recognised when: (i) the existence of a current legal or implied obligation arising from a past event is probable; (ii) it is probable that the fulfilment of the obligation will involve a cost; and (iii) the amount of the obligation can be reliably determined. Provisions are recorded at a value representing the best estimate of the amount that the Company would reasonably pay to fulfil the obligation or to transfer it to third parties at the end of the reporting period. Provisions related to contracts with valuable consideration are recorded at the lower of the cost necessary to fulfil the obligation, less the expected economic benefits deriving from the contract, and the cost to terminate the contract.

When the financial impact of time is significant, and the payment dates of the obligations can be reliably estimated, the provision is calculated by discounting the anticipated cash flows in consideration of the risks associated with the obligation at the Company's average debt rate; the increase in the provision due to the passing of time is posted to the income statement under "Financial income (expense)".

When the liability is related to items of property, plant and equipment (e.g. site dismantlement and restoration), the provision is recognised as a counter-entry to the related asset and posting to the income statement is accomplished through depreciation. The costs that the Company expects to incur to initiate restructuring programmes are recorded in the period in which the programme is formally defined, and the parties concerned have a valid expectation that the restructuring will take place.

Provisions are periodically updated to reflect changes in cost estimates, selling periods and the discount rate; revisions in provision estimates are allocated to the same item of the income statement where the provision was previously reported or, when the liability is related to property, plant and equipment (e.g. site dismantling and restoration), as a contra-entry to the related asset, up to the book value; any surplus is posted to the income statement.

The notes to the financial statements describe contingent liabilities represented by: (i) possible (but not probable) obligations resulting from past events, the existence of which will be confirmed only if one or more future uncertain events occur which are partially or fully outside the Company's control; and (ii) current obligations resulting from past events, the amount of which cannot be reliably estimated, or the fulfilment of which is not likely to involve costs.

PROVISIONS FOR EMPLOYEE BENEFITS

POST-EMPLOYMENT BENEFITS

Post-employment benefits are defined according to programmes, including non-formalised programmes, which, depending on their characteristics, are classed as "defined-benefit" or "defined-contribution" plans.

- **Defined-benefit plans**

  The liability associated with defined-benefit plans is determined by estimating the present value of the future benefits accrued by the employees during the current year and in previous years, and by calculating the fair value of any assets servicing the plan. The present value of the obligations is determined based on actuarial assumptions and is recognised on an accrual basis consistent with the employment period necessary to obtain the benefits.

  Actuarial gains and losses relating to defined-benefit plans arising from changes in actuarial assumptions or experience adjustments are recognised in other comprehensive income in the period in which they occur and are not subsequently recognised in the income statement. When a plan is changed, reduced or extinguished, the relative effects are recognised in the income statement.

  Net financial expense represents the change that the net liability undergoes during the year due to the passing of time. Net interest is determined by applying the discount rate to the liabilities, net of any assets servicing the plan. The net financial expense of defined-benefit plans is recognised in "Financial income (expense)".

- **Defined-contribution plans**

  In defined-contribution plans, the Company's obligation is calculated, limited to the payment of state contributions or to equity or a legally separate entity (fund), based on contributions due.

  The costs associated with defined-benefit contributions are recognised in the income statement as and when they are incurred.

DISTRIBUTION OF DIVIDENDS

The distribution of dividends to the Company's Shareholder entails the recording of a payable in the financial statements for the period in which distribution was approved by the Company's Shareholder or, in the case of interim dividends, by the Board of Directors.

REVENUE

The recognition of revenue from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the price of the transaction; (iv) allocation of the price of the transactions to the performance obligations identified based on the standalone selling price of each good or service; (v) recognition of the revenue when its performance obligation has been met, or when the promised good or service is transferred to the customer; the transfer is considered completed when the customer gains control of the good or service, which can occur over time or at a specific point in time.

As regards the activities carried out by the Company revenue is recognised when the service is provided.

In addition, revenue is recognized for Recoverable Difference either as an increase or decrease to revenue depending on whether the Company has a legal right to receive or repay the Recoverable Difference respectively under Law 4001/2011 and the Tariff Regulation in force.

In details, the largest share of revenue relates to regulated activities, the income from which is governed by the regulatory framework established by the Regulatory Authority for Energy (RAE).

As defined in the article 88 of the Law 4001/2011 the tariff system for the natural gas distribution network should be based on a principle of a "full cost recovery" and should guarantee the proper remuneration of the Licensee of the natural gas distribution network.

On this basis Regulatory Authority for Energy defined in paragraph 1 of article 4 of the Tariff Regulation the "Required Revenue of the Basic Distribution Activity (hereafter "Required Revenue") is calculated on an annual basis and at nominal prices according to the following formula:

Required Revenue $= A + B + C - D +/- E$

Where:

A = *The Return on the Regulated Asset Base (RAB) of the Basic Distribution Activity*

B = *Depreciation of Fixed Assets, including Right of Use, of the Basic Distribution Activity*

C = *The Operating expenses of the Basic Distribution Activity*

D = *The Other Income from Regulated and non-Regulated activities*

E = *The Recoverable Difference (related to the previous regulatory period) [...]".*

The Recoverable Difference, as defined by the article 20 of the Tariff Regulation, is determined as a difference between the Required Income to be Recovered, calculated as described in article 20 of the Regulation (ex-post RAB and depreciation, projected OPEX, ex-post Other Income),, and the Actual Regulated Revenue of the Licensee, which includes the income deriving from the application of the natural gas distribution network usage tariff to the quantities distributed to the end-users. The difference between revenues recognised ("Required Revenue to be Recovered") and actual accrued revenue is posted in the Statement of Financial Position as a receivable if positive (under-recovery) and as a liability, if negative (over-recovery).

Allocations of revenue relating to services partially rendered are recognised by the fee accrued, as long as it is possible to reliably determine the stage of completion and there are no significant uncertainties over the amount and the existence of the revenue and the relative costs; otherwise, they are recognised within the limits of the actual recoverable costs.

Items of property, plant and equipment not used in concession services, transferred from customers (or realised with the cash transferred from customers) and depending on their connection to a network for the provision of supply, are recognised at fair value as a contra-entry to revenue in the income statement. When the agreement stipulates the provision of multiple services (e.g. connection and supply of goods), the service for which the asset was transferred from the customer is checked and, accordingly, the disclosure of the revenue is recognised on connection or for the shorter of the term of the supply and the useful life of the asset.

Revenue is recorded net of returns, discounts, allowances and bonuses, as well as directly related taxes.

Revenue is reported net of items involving regulation components, in addition to the tariff, applied to cover gas system expenses of a general nature. Presentation of revenue is described in more detail in the Notes to the financial statements (see "Revenue" note).

Since they do not represent sales transactions, exchanges between goods or services of a similar nature and value are not recognised in revenue and costs.

COSTS

Costs are recognised in the period when they relate to goods and services sold or consumed during the same period or when it is not possible to identify their future use.

Costs sustained for share capital increases are recorded as a reduction of shareholders' equity, net of taxes.

INCOME TAXES

Current income taxes are calculated by estimating the taxable income in compliance with the tax laws in force in Greece. Receivables and payables for current income taxes are recognised based on the amount which is expected to be paid/recovered to/from the tax authorities under the prevailing tax regulations and rates or those essentially approved at the reporting date.

Regarding corporation tax the projected payable is recognised under "Current income tax liabilities".

Deferred income tax assets and liabilities are calculated on the timing differences between the values of the assets and liabilities entered in the balance sheet and the corresponding values recognised for tax purposes, based on the prevailing tax regulations and rates or those essentially approved for future years. Deferred tax assets are recognised when their recovery is considered probable; specifically, the recoverability of deferred tax assets is considered probable when taxable income is expected to be available in the period in which the temporary difference is cancelled, allowing the activation of the tax deduction. Similarly, unused tax receivables and prepaid taxes on tax losses are recognised up to the limit of recoverability.

Deferred tax assets and deferred tax liabilities are classified under non-current assets and liabilities and are offset if they refer to taxes which can be offset. The balance of the offsetting, if it results in an asset, is recognised under the item "Deferred tax assets"; if it results in a liability, it is recognised under the item "Deferred tax liabilities". When the results of transactions are recognised directly in equity, deferred taxes are also posted to equity.

Income tax assets with elements of uncertainty are recognised when they are regarded as likely to be obtained.

Financial Statements

The formats adopted for the preparation of the financial statements are consistent with the provisions of IAS 1 - "Presentation of financial statements" (hereinafter "IAS 1"). In particular:

- the Statement of Financial Position items are broken down into assets and liabilities, and then further into "current or non-current items[2]"
- the Income Statement classifies costs by type, since this is deemed to be the best way of representing the Group's operations and is in line with international best practice.
- the Statement of Comprehensive Income shows the profit or loss in addition to the income and expense recognised directly in shareholders' equity as expressly provided for by the IFRS.
- the Statement of Changes in Shareholders' Equity reports the total income (expense) for the financial year, shareholder transactions and the other changes in Shareholders' equity.
- the Statement of Cash Flows is prepared using the "indirect" method, adjusting the profit for the year of non-monetary components.

It is believed that these statements adequately represent the Company's situation with regard to its Statement of Financial Position, Income Statement and Statement of Cash Flows.

Use of estimates

The application of generally accepted accounting principles for the preparation of financial statements involves management making accounting estimates based on complex and/or subjective judgements, estimates based on past experience and assumptions regarded as reasonable and realistic on the basis of the information known at the time of the estimate. The use of these accounting estimates has an influence on the book value of the assets and liabilities and on the information about potential assets and liabilities at the reporting date, as well as the

[2] The assets and liabilities are classified as current if: (i) their realisation/settlement is expected in the Company's normal operating cycle or within twelve months after the financial year-end; (ii) they are composed of cash or cash equivalents which do not have restrictions on their use over the twelve months following the year-end date; (iii) they are mainly held for trading purposes; or (iv) with reference to liabilities, the company does not have the unconditional right to defer settlement of the liability for at least twelve months from the financial year closing date.

amount of revenue and costs in the reference period. The actual results may differ from the estimated results owing to the uncertainty that characterises the assumptions and the conditions on which the estimates are based.

Details are given below about the main accounting estimates involved in the process of preparing the financial statements and interim reports, since they involve a high degree of recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Any change in the conditions forming the basis of the judgements, assumptions and estimates used could have a significant impact on results of subsequent years.

Impairment of assets

Measurement of tangible and intangible assets, including goodwill, requires recording of these in the financial statements for a value no higher than their recoverable value (so-called Impairment test).

In determining the recoverable amount, the Company applies the higher of the fair value less cost to sell criterion and the value in use criterion. "Fair value less cost to sell" is:

I. The estimated value of net invested Capital updated to the balance sheet date attributed to these assets for tariff purposes (RAB - Regulatory Asset Base) by RAE, net of the flat-rate components, employee severance pay and contributions received. RAB is the reference basis for determining the service tariffs and, therefore, the cash flows generated from assets[3]. The RAB value is defined using the revalued historical cost method for Fixed Capital and on a flat-rate basis for Working Capital and employee severance pay;

II. The reimbursement value (RV). The RV is the amount to be paid to the operator selling the infrastructure, equal to the value of the Regulated Asset Base at the time of sale plus premium of at least 15%

III. The present value of the future cash flows expected to be derived from the asset being measured. These flows are determined in line with the most recent business plan approved by management, which is based not only on developments in the regulations, but also on estimates relating to reference market trends and investment and divestment decisions. In the process of determining the recoverable value, flows are discounted at a discount rate that reflects current market conditions, the time value of money and the specific risks of the asset.

    The recoverable value is sensitive to the estimates and assumptions used to determine the total invested capital, cash flows and discount rates applied. Therefore, possible variations in the estimation of the factors on which the calculation of the aforesaid recoverable values is based could result in different measurements.

    Analysis of each of the groups of non-financial assets is unique and requires use by the Company's management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

[3] The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors.

Provisions for employee benefits

Defined-benefit plans are valued on the basis of uncertain events and actuarial assumptions which include, inter alia, the discount rates, the expected returns on the assets servicing the plans (where they exist), the level of future remuneration, mortality rates, the retirement age and future trends in the healthcare expenses covered.

The main assumptions used to quantify defined-benefit plans are determined as follows: (i) the discount and inflation rates representing the base rates at which the obligation to employees might actually be fulfilled are based on the rates which mature on high-quality bonds and on inflation expectations; (ii) the level of future remuneration is determined on the basis of elements such as inflation expectations, productivity, career advancement and seniority; (iii) the future cost of healthcare services is determined on the basis of elements such as present and past trends in healthcare costs, including assumptions regarding the inflationary growth of costs, and changes in the health of the participating employees; and (iv) the demographic assumptions reflect the best estimates of trends in variables such as mortality, turnover, invalidity and others in relation to the population of the participating employees.

Differences in the value of net liabilities relating to employee benefit plans, arising due to changes in the actuarial assumptions used and the difference between the actuarial assumptions previously adopted and actual events, occur routinely and are called actuarial gains and losses. Actuarial gains and losses relating to defined-benefit plans are recognized in the statement of comprehensive income. Actuarial assumptions are also used to determine other long-term employee benefit obligations; to this end, the effects arising from changes to the actuarial assumptions, or the characteristics of the benefit are fully recognized in the income statement.

Provisions for risks and charges

The Company recorded provisions mainly relating to the following in the financial statements:

I. legal and tax disputes.

II. Other risks.

III. impairment of receivables.

IV. impairment of inventories

Provisions are made to cover the risk of future outlay for the cases set out above. The value of the provisions recorded in the financial statements for such risks reflects the best estimate made by the Company's management with the support of independent professionals at the preparation date of this document. This estimate involves making assumptions based on factors that may vary over time, which could, therefore, produce a significantly different outcome with respect to the current estimates made by the Company's management for the preparation of the Group's financial statements.

(all amounts are expressed in Euro)

4. Cash and cash equivalents

Cash and cash equivalents, equal to € 953,669 (€ 22,535,542 as at 31 December 31st, 2021), refer to current account deposits held at banks and petty cash.

Cash and cash equivalents are not subject to any usage restrictions.

A comprehensive analysis of the financial situation and major cash commitments during the year can be found in the Statement of Cash Flows.

5. Trade and other Receivables

Trade and other receivables, which amount to € 15,765,143 (€ 19,650,765 as at December 31st, 2021) comprise the following:

(Amounts in €)	31.12.2022	31.12.2021
Trade receivables	12.678.997	17.874.412
Other receivables	3.086.146	1.776.354
	15.765.143	**19.650.765**

Trade receivables (€ 12,678,997 as at December 31st, 2022 and € 17,874,412 as at December 31st, 2021), mainly relate to the gas distribution services and ancillary services.

These are reported net of the provision for impairment losses (€ 213,400 as at December 31st, 2022 and € 208,580 as at December 31st, 2021).

Changes in the provision for impairment losses on receivables during the year are shown below:

(Amounts in €)	Provision for impairment losses at 31.12.2021	Provisions	Provision for impairment losses at 31.12.2022
Trade receivables	208.580	4.820	**213.400**
Other receivables	0	0	**0**
	208.580	**4.820**	**213.400**

(Amounts in €)	Provision for impairment losses at 31.12.2020	Provisions	Provision for impairment losses at 31.12.2021
Trade receivables	128.379	80.201	**208.580**
Other receivables	0	0	**0**
	128.379	**80.201**	**208.580**

The provision for impairment of receivables reflects estimated losses. Provisions are made for expected losses on receivables, estimated both on the basis of past experience with receivables with similar credit risk and on the basis of future expected loss on open positions as at the balance sheet date, as well as careful monitoring of the quality of credit portfolios.

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Other receivables (€ 3,086,146 as at December 31st, 2022 and € 1,776,354 as at December 31st, 2021), break down as follows:

(Amounts in €)	31.12.2022	31.12.2021
VAT receivable	3.066.018	1.760.560
Receivables from the Public	0	717
Advances to suppliers	20.128	15.077
Other receivables	0	0
	3.086.146	**1.776.354**

The length of time the trade receivables and other receivables have been outstanding is shown below:

(Amounts in €)	31.12.2022		
	Trade receivables	Other receivables	Total
Receivables not overdue	11.166.624	3.086.146	14.252.770
Receivables overdue:	1.725.772	0	1.725.772
- from 0 to 3 months	1.537.410	0	1.537.410
- from 3 to 6 months	0	0	0
- from 6 to 12 months	0	0	0
- over 12 months	188.363	0	188.363
	12.892.397	**3.086.146**	**15.978.543**

(Amount in €)	31.12.2021		
	Trade receivables	Other receivables	Total
Receivables not overdue	17.652.602	1.776.354	19.428.956
Receivables overdue:	430.390	0	430.390
- from 0 to 3 months	161.145	0	161.145
- from 3 to 6 months	0	0	0
- from 6 to 12 months	0	0	0
- over 12 months	269.245	0	269.245
	18.082.992	**1.776.354**	**19.859.345**

The receivables past due, which total € 1,725,772 mainly regard receivables from consumers for ancillary services.

Average collection time for receivables was higher than previous year due to the amendment of the Ministry of Environment and Energy of 8/12/2021, according to which the collection of the invoices related to residential customers for the consumption period 01.11.2021 – 31.12.2021, were settled in 4 interest-free equal installments payable from April 2022.

(all amounts are expressed in Euro)

Receivables from related parties are described in the note "Related party transactions".

Specific information on credit risk is provided in the note "Guarantees, commitments and risks - Financial risk management - Credit risk".

6. Inventories

Inventories, which amount to € 2,837,071 (€ 1,908,060 as at December 31st, 2021) are analyzed in the table below:

(Amounts in €)	31.12.2022		
	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and supplies	2.844.242	-7.171	**2.837.071**
	2.844.242	**-7.171**	**2.837.071**

(Amounts in €)	31.12.2021		
	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and supplies	1.922.061	-14.001	**1.908.060**
	1.922.061	**-14.001**	**1.908.060**

Inventories consist of materials related to the construction of gas distribution networks and spare parts used for maintenance.

The provision for impairment losses on inventories of raw materials, consumables and supplies amounts to € 7,171.

(all amounts are expressed in Euro)

7. Property, plant and equipment

Property, plant and equipment, which amounts to € 3,069,878 as at December 31st, 2022 (€ 4,232,654 at December 31st, 2021), breaks down as follows:

(Amounts in €)	31.12.2022				
	Land	Buildings	Plant and equipment	Other assets	Total
Cost at 31.12.2021	**35.830**	**5.239.224**	**7.245.884**	**1.872.061**	**14.393.000**
Right of Use as at 1.1.2022	0	3.609.834	0	1.837.379	5.447.213
Investments	0	0	315.522	0	**315.522**
Right of Use investments	0	91.333	0	84.061	175.394
Divestments	0	0	-70.803	0	**-70.803**
Cost at 31.12.2022	**35.830**	**5.330.557**	**7.490.603**	**1.956.123**	**14.813.113**
Accumulated depreciation at 31.12.2021	0	-3.195.646	-5.757.414	-1.207.286	**-10.160.346**
Depreciation of Right of Use as at 1.1.2022	0	-2.115.651	0	-1.187.156	-3.302.807
Depreciation	0	-50.994	-519.176	-3.269	**-573.439**
Depreciation of Right of Use	0	-716.617	0	-363.637	-1.080.254
Divestments	0	0	70.803	0	**70.803**
Accumulated depreciation at 31.12.2022	**0**	**-3.963.256**	**-6.205.788**	**-1.574.192**	**-11.743.236**
Net balance at 31.12.2021	35.830	2.043.579	1.488.470	664.775	**4.232.654**
Net balance at 31.12.2022	**35.830**	**1.367.301**	**1.284.815**	**381.931**	**3.069.878**
- of which Right of Use	*0*	*868.899*	*0*	*370.648*	*1.239.547*

(Amounts in €)	31.12.2021				
	Land	Buildings	Plant and equipment	Other assets	Total
Cost at 31.12.2020	**35.830**	**5.221.945**	**6.999.101**	**1.644.124**	**13.901.000**
Right of Use as at 1.1.2021	0	3.595.505	0	1.609.442	5.204.947
Investments	0	2.950	244.854	0	**247.804**
Right of Use investments	0	14.329	0	227.937	242.266
Divestments	0	0	-19.070	0	**-19.070**
Other changes	0	0	21.000	0	21.000
Cost at 31.12.2021	**35.830**	**5.239.224**	**7.245.884**	**1.872.061**	**14.393.000**
Accumulated depreciation at 31.12.2020	**0**	**-2.432.842**	**-5.132.152**	**-803.805**	**-8.368.799**
Depreciation of Right of Use as at 1.1.2021	0	-1.407.655	0	-786.943	**-2.194.598**
Depreciation	0	-54.807	-644.332	-3.269	-702.408
Depreciation of Right of Use	0	-707.996	0	-400.213	**-1.108.209**
Divestments	0	0	19.070	0	19.070
Accumulated depreciation at 31.12.2021	**0**	**-3.195.646**	**-5.757.414**	**-1.207.286**	**-10.160.346**
Net balance at 31.12.2020	35.830	2.789.103	1.866.949	840.319	5.532.201
Net balance at 31.12.2021	**35.830**	**2.043.579**	**1.488.470**	**664.775**	**4.232.654**
- of which Right of Use	0	1.494.183	0	650.223	2.144.406

Investments (€ 315,522) mainly refer to equipment and leased goods (€ 175,394).

The **Rights of use** are detailed in the following table:

(all amounts are expressed in Euro)

(Amounts in €)	RIGHT OF USE (*)			
	1.1.2022	Depreciation	Increases	31.12.2022
Buildings	**1.494.183**	**-716.617**	**91.333**	**868.899**
- operating properties	1.494.183	-716.617	91.333	868.899
Industrial and commercial equipment	**650.223**	**-363.637**	**84.061**	**370.648**
- motor vehicles	650.223	-363.637	84.061	370.648
	2.144.406	**-1.080.254**	**175.394**	**1.239.547**
Interest expense (included in financial expense)	94.402	0	0	67.875

(Amounts in €)	RIGHT OF USE (*)			
	1.1.2021	Depreciation	Increases	31.12.2021
Buildings	**2.187.850**	**-707.996**	**14.329**	**1.494.183**
- operating properties	2.187.850	-707.996	14.329	1.494.183
Industrial and commercial equipment	**822.499**	**-400.213**	**227.937**	**650.223**
- motor vehicles	822.499	-400.213	227.937	650.223
	3.010.348	**-1.108.209**	**242.266**	**2.144.406**
Interest expense (included in financial expense)	117.947	0	0	94.402

(*) included in the item "Property, plant and equipment" of the Balance Sheet

Land and Buildings of (€ 1,403,132) mainly include buildings for office use, warehouses and depots used in the corporate business, of which rights of use are (€ 868,899).

Plant and machinery (€ 1,284,815) mainly related to furniture & hardware (€ 1,155,973) and other equipment (€ 128,842).

Other assets (€ 381,931) mainly related to vehicles for use in the corporate business, of which right of use are € 370,648.

During the year, there were no changes in the estimated useful life of assets or in the depreciation rates applied and explained by category in the Note - "Measurement criteria - Property, plant and equipment".

Property, plant and equipment are not collateralized and there are no restrictions on ownership and property.

Contractual commitments to purchase property, plant and equipment, and to provide services related to the construction thereof, are reported in the Note "Guarantees, commitments and risks".

During the year, no impairment indicators were observed, nor any significant variations to the measurement of the recoverability of the value recognized in the financial statements for Property, plant and equipment.

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8. Intangible assets

Intangible assets, which amount to € 364,648,754 as at December 31st, 2022 (€ 348,052,489 as at December 31st, 2021) break down as follows:

(Amounts in €)	31.12.2022			
	Finite useful life			
	Service concession agreements	Work in progress and payments on account IFRC 12	Other Intangible Assets	Total
Cost at 31.12.2021	**595.034.415**	**15.514.550**	**10.370.814**	**620.919.780**
Cost at 31.12.2021 restated	**595.034.415**	**15.514.550**	**10.370.814**	**620.919.780**
Investments	0	31.001.654	791.408	31.793.062
Divestments	-180.153	0	-474.000	-654.153
Other changes	41.509.586	-41.509.586	0	0
Cost at 31.12.2022	636.363.848	5.006.619	10.688.222	652.058.688
Accumulated amortisation at 31.12.2021	**-265.237.318**	**0**	**-7.629.972**	**-272.867.290**
Accumulated amortisation at 31.12.2021 restated	**-265.237.318**	**0**	**-7.629.972**	**-272.867.290**
Amortisation	-13.886.751	0	-682.669	-14.569.420
Government grants	26.776	0	0	26.776
Accumulated amortisation at 31.12.2022	**-279.097.294**	**0**	**-8.312.641**	**-287.409.935**
Net balance at 31.12.2021	**329.797.097**	**15.514.550**	**2.740.842**	**348.052.489**
Net balance at 31.12.2022	**357.266.554**	**5.006.619**	**2.375.581**	**364.648.754**

(Amounts in €)	31.12.2021			
	Finite useful life			
	Service concession agreements	Work in progress and payments on account IFRC 12	Other Intangible Assets	Total
Cost at 31.12.2020	**559.829.943**	**16.262.858**	**9.071.336**	**585.164.137**
Cost at 31.12.2020 restated	**559.829.943**	**16.262.858**	**9.071.336**	**585.164.137**
Investments	0	34.491.349	1.299.478	35.790.827
Divestments	-14.185	0	0	-14.185
Other changes	35.218.657	-35.239.657	0	-21.000
Cost at 31.12.2021	595.034.415	15.514.550	10.370.814	620.919.780
Accumulated amortisation at 31.12.2020	**-250.865.984**	**0**	**-6.925.657**	**-257.791.641**
Accumulated amortisation at 31.12.2020 restated	**-250.865.984**	**0**	**-6.925.657**	**-257.791.641**
Amortisation	-14.372.306	0	-704.315	-15.076.620
Divestments	971	0	0	971
Accumulated amortisation at 31.12.2021	**-265.237.318**	**0**	**-7.629.972**	**-272.867.290**
Net balance at 31.12.2020	**308.963.959**	**16.262.858**	**2.145.679**	**327.372.497**
Net balance at 31.12.2021	**329.797.097**	**15.514.550**	**2.740.842**	**348.052.489**

Service concession agreements, amounting to € 357,266,554 (€ 329,797,097 as at December 31st, 2021), refer to the Distribution Network Operation License and the Natural Gas Distribution License in the geographic areas of Thessaloniki and Thessaly, as published by RAE for the development, financing, management and maintenance of infrastructure under construction.

Grants were received from the Greek State (Ministry of Development) amounting to € 20,836,390. The unamortized balance as of December 31st, 2022, amounts to € 8,808,174 (€ 9,073,029 as at December 31st, 2021).

IFRIC 12 Work in progress, amounting to € 5,006,619 as at December 31st, 2022 (€ 15,514,550 at December 31st, 2021) mainly refers to new network under construction.

Other intangible assets of € 2,375,581 as at December 31st, 2022 (€ 2,740,842 as at December 31st, 2021) refers to software and licenses.

Investments for the year, equal to € 31,793,062, mainly relate to concession agreements amounting to € 31,001,654 and new software and licenses amounting to € 791,408.

In particular:

Concession agreements

- gas distribution investments (€30,288,470) refer to the network development and maintenance initiatives, as well as the construction of new gas distribution networks.
- metering investments (€ 713,184) refer to the plan of replacing traditional meters.

Contractual commitments to purchase intangible assets, and to provide services related to the development thereof, are reported in the Note - "Guarantees, commitments and risks".

During the closing year, the Regulatory Authority for Energy (RAE) proceeded to the 2nd Amendment of the Basic Distribution Activity Tariff Regulation by issuing the decision No 485 / 2022 (OGG B' 3358/30.06.2022), according to which new financial useful lives for assets were endorsed. Following the provisions of articles 7 & 23 of the prementioned decision, depreciation rates were amended and applied prospectively.

The amortization of intangible assets is calculated in accordance with the provisions of article 7 of the 2nd amendment of the Distribution Tariff Regulation.

Amortisation refers to economic and technical amortisation determined on the basis of the finite useful life of the intangible assets or their remaining possible use by the Company.

(all amounts are expressed in Euro)

9. Deferred tax asset

Net deferred tax assets of € 5,971,721 as at December 31st, 2022 (€ 1,168,430 as at December 31st, 2021) are stated tables below:

(Amounts in €)	31.12.2021	Provisions	Other changes	31.12.2022
Deferred tax assets	1.168.430	4.803.290	0	**5.971.721**
	1.168.430	**4.803.290**	**0**	**5.971.721**

(Amounts in €)	31.12.2020	Provisions	Other changes	31.12.2021
Deferred tax assets	741.180	119.745	307.505	**1.168.430**
	741.180	**119.745**	**307.505**	**1.168.430**

Deferred tax asset breaks down as follows, based on the most significant temporary differences:

(Amounts in €)	Opening balance	Provisions	Other changes	Closing balance 31.12.2022
Deferred tax assets	1.168.430	4.803.290	0	**5.971.721**
Provisions for risks and charges and other non-deductible provisions	48.968	1.304.558	0	1.353.526
Non-deductible amortisation and depreciation	79.427	-452.596	0	-373.169
Employee benefits	97.430	-10.415	0	87.015
Other temporary differences	942.606	3.961.742	0	4.904.348

(Amounts in €)	Opening balance	Provisions	Other changes	Closing balance 31.12.2021
Deferred tax assets	741.180	119.745	307.505	**1.168.430**
Provisions for risks and charges and other non-deductible provisions	35.955	13.013	0	**48.968**
Non-deductible amortisation and depreciation	61.163	18.266	0	79.430
Employee benefits	92.330	5.100	0	**97.430**
Other temporary differences	551.732	83.366	307.505	**942.603**

The provision for other temporary differences in 2022 mainly relates to special levy in favour of LGO and Recoverable Difference.

The note "Income taxes" provides provision for other temporary differences in 2022 mainly related to LGO and Recoverable Difference of Revenue.

(all amounts are expressed in Euro)

10. Other current and non-current non-financial assets

Other current and non-current non-financial assets include:

- long-term receivables, amounting to € 249,329 (€ 252,563 as at December 31st, 2021).
- Prepayments amounting to € 364,050 (€ 401,814 as at December 31st, 2021).

(Amounts in €)	31.12.2022		
	Current	Non-current	Total
- Prepayments	346.050	0	346.050
- Security deposits	0	249.329	249.329
	346.050	**249.329**	**595.379**

(Amounts in €)	31.12.2021		
	Current	Non-current	Total
- Prepayments	401.814	0	401.814
- Security deposits	0	252.563	252.563
	401.814	**252.563**	**654.377**

Security deposits mainly refer to guarantees paid in favor of third parties for various leases (building, car leases, etc.) and utilities.

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11. Short-term and long-term financial liabilities

Short-term financial liabilities, amounting to € 65,035,929 as at December 31st, 2022 (€ 12,378,108 as at December 31st, 2021), and long-term financial liabilities, amounting € 762,895 as at December 31st, 2022 (€ 65,470,127 at December 31st, 2021), breaks down as follows:

(Amounts in €)	31.12.2022					
	Short-term liabilities			Long-term liabilities		
	Short-term liabilities	Short-term portion of long-term liabilities	Total short-term liabilities	*Long-term portion due within 5 years*	*Long-term portion due beyond 5 years*	Total long-term liabilities
Bonds	0	64.526.914	**64.526.914**	0	0	**0**
Financial payables for leased assets (IFRS 16)	509.015	0	**509.015**	752.401	10.495	**762.895**
	509.015	**64.526.914**	**65.035.929**	**752.401**	**10.495**	**762.895**

(Amounts in €)	31.12.2021					
	Short-term liabilities			Long-term liabilities		
	Short-term liabilities	Short-term portion of long-term liabilities	Total short-term liabilities	*Long-term portion due within 5 years*	*Long-term portion due beyond 5 years*	Total long-term liabilities
Bonds	0	11.311.497	**11.311.497**	37.511.111	26.819.445	**64.330.556**
Financial payables for leased assets (IFRS 16)	1.066.611	0	**1.066.611**	956.039	183.532	**1.139.571**
	1.066.611	**11.311.497**	**12.378.108**	**38.467.150**	**27.002.977**	**65.470.127**

Following the requirement of IAS 1 all bond balances as at December 31st 2022, have been classified as short term, since the Company at that date was not in compliance with specific financial covenants defined in the relevant contracts (see paragraph "Financial covenants and negative pledge contractual clauses" below).

As required by IAS 7 (§44A), below is the statement showing the prospectus containing a reconciliation of the changes in liabilities deriving from financing, distinguishing between changes deriving from cash flow and other non-monetary changes.

(all amounts are expressed in Euro)

(Amounts in €)	Figures at 01.01.2022	Cash flow	Other non-monetary changes	Figures at 31.12.2022
			Other changes	
Bonds	75.642.053	-11.169.444	54.305	64.526.914
of which short-term	*11.311.497*	*-11.169.444*	*64.384.861*	***64.526.914***
of which long-term	*64.330.556*	*0*	*-64.330.556*	*0*
Financial payables for leased assets (IFRS 16)	*2.206.182*	*-1.109.666*	*175.394*	***1.271.910***
of which short-term	*1.066.611*	-1.109.666	*552.070*	*509.015*
of which long-term	*1.139.571*	*0*	*-376.676*	***762.895***
	77.848.235	**-12.279.110**	**229.700**	**65.798.824**

Short-term and long-term financial liabilities

Short-term financial liabilities, of € 65,035,929 (€ 12,378,108 as at December 31st, 2021), include the short-term portions of long-term liabilities.

There are no short-term financial liabilities denominated in currencies other than the Euro.

Long-term financial liabilities amount to € 762,895 (€ 65,470,127 as at 31 December 31st, 2021).

The breakdown of the bonds (€ 64,526,914), with the issuing Company, year of issue, currency, average interest rate and due date, is provided in the following table.

(Amounts in €)							
Issuing company	Issue (year)	Currency	Nominal Value	Adjustments (a)	Balance as at 31.12.2022	Rate (%)	Due date (year)
Euro Medium Term Notes							
EDA THESS SA	2018	€	2.400.000	5.720	2.405.720	2.30% + 3M Euribor	2023
EDA THESS SA	2019	€	12.500.000	66.133	12.566.133	2.17% +3M Euribor	2027
EDA THESS SA	2020	€	12.000.000	71.879	12.071.879	1.90% + 3M Euribor	2028
EDA THESS SA	2021	€	37.430.556	52.626	37.483.182	1.85% + 3M Euribor	2031
			64.330.556	**196.358**	**64.526.914**		

Pursuant to the Decision of the Extraordinary General Assembly of the Company's Shareholders dated 25.10.2018, a contract for the issuance of a five-year common bond loan amounting to € 12,000,000 was signed on 13.11.2018 with organizer and bondholder "ALPHA BANK SA" and additional bondholder of "ALPHA BANK LONDON LTD". The bond loan is common, with no right to negotiate on regulated markets operating in Greece and without the right to convert it into shares. Repayment was set at twenty (20) quarterly amortization installments, the first to be paid in March 2019 amounting to € 600,000 and the last installment of € 600,000 payable on maturity of the bond loan on December 2023. The outstanding loan amounts to € 2,400,000 on December 31st, 2022 since the Company has paid sixteen installments with total amount € 9,600,000 during the period March 1st , 2019 to December 31st, 2022 (€ 4,800,000 as of December 31st, 2021). Additionally, the outstanding loan balance as of December 31st, 2022 includes the accrual for interest payable amounting to € 5,720 (€ 5,827 as of December 31st, 2021).

Pursuant to the dated 22.10.2019 Decision of the Extraordinary General Assembly of the Company's Shareholders, a contract for the issuance of an eight-year common bond loan amounting to € 20,000,000 was signed on 14.11.2019 with organizer and bondholder "ALPHA BANK SA". The bond loan is common, with no right to negotiate on regulated markets operating in Greece and without the right to convert it into shares. Repayment was set at thirty-two (32) quarterly amortization instalments, the first to be paid in February 2020 amounting to € 625,000 and the last instalment of € 625,000 payable on maturity of the bond loan on November 2027. The outstanding loan amounts to € 12,500,000 on December 31st, 2022 since the Company has paid twelve installments with total amount € 7,500,000 during the period January 1st, 2020 to December 31st, 2022 (€ 5,000,000 as of December 31st, 2021). Additionally, the outstanding loan balance as of December 31st 2022 includes the accrual for interest payable amounting to € 66,133 (€ 42,496 as of December 31st, 2021).

Pursuant to the dated 20.10.2020 Decision of the Extraordinary General Assembly of the Company's Shareholders, a contract for the issuance of an eight-year common bond loan amounting to € 16,000,000 was signed on 30.10.2020 with organizer and bondholder "ALPHA BANK SA". The bond loan is common, with no right to negotiate on regulated markets operating in Greece and without the right to convert it into shares. Repayment was set at thirty-two (32) quarterly amortization instalments, the first to be paid in January 2021 amounting to € 500,000 and the last instalment of € 500,000 payable on maturity of the bond loan on October 2028. The outstanding loan amounts to € 12,000,000 on December 31st, 2022 since the Company has paid eight installments with total amount € 4,000,000 during the period January 1st, 2021 to December 31st, 2022 (€ 2,000,000 as of December 31st, 2021). Additionally, the outstanding loan balance as of December 31st 2022 includes the accrual for interest payable amounting to € 71,879 (€ 47,289 as of December 31st, 2021).

Pursuant to the dated 02.09.2021 Decision of the Ordinary General Assembly of the Company's Shareholders, a contract for the issuance of a ten-year common bond loan amounting to € 38,500,000 was signed on 17.09.2021 with organizer and bondholder "NATIONAL BANK OF GREECE SA". The bond loan is common, with no right to negotiate on regulated markets operating in Greece and without the right to convert it into shares. Repayment was set at thirty-six (36) quarterly amortization instalments, the first to be paid in December 2022 amounting to € 1,069,444 and the last instalment of € 1,069,444 payable on maturity of the bond loan on September 2031. The outstanding loan amounts € 37,430,556 on December 31st, 2022 since the Company has paid one installment in fiscal year 2022. Additionally, the outstanding loan balance as of December 31st 2022 includes the accrual for interest payable amounting to € 52,626 (€ 29,677 as of December 31st, 2021).

There were no substantial breaches of loan agreements as at the reporting date (excluding the deviation of certain covenants due to accounting treatment of recoverable difference (see paragraph below "financial covenants and negative pledge contractual clauses").

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Breakdown of total financial liabilities by interest rate type

As at December 31st, 2022, the breakdown of debt by type of interest rate, inclusive of liabilities for leases pursuant to IFRS 16 was as follows:

(Amounts in €)	31.12.2022		31.12.2021	
	Value	%	Value	%
Fixed rate	0	**0**	0	**0**
Floating rate	64.526.914	**1,96%**	75.642.053	**2,07%**

Financial covenants and negative pledge contractual clauses

As at December 31st, 2022 all loan agreements contain financial covenants.

The Company duly meets all its obligations arising from the bond loans' contractual agreements excluding specific financial ratios (mentioned below) that were not met as the Company's results for the closing year were significantly affected from the "once-off" recognition of the Recoverable Difference for the period 2019-2022, resulting to deviation from the desired limits that were set by the cooperating banks.

The financial ratios affected are "Net Debt to EBITDA" ratio and the ratio "EBIT to financial expenses". The rest of the indicators remain approximately at the same level as in the previous year and in compliance with desired limits that were set by the cooperating banks.

It should be noted that all bank covenants are met since the effect of Recoverable Difference is excluded from the Company's results.
In addition, Company's Management received, following a relevant request, a written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Taking under consideration the above and following the requirements of IAS 1, all debt balances as at 31.12.2022 have been classified as short term.

The average borrowing interest rate of the Company for the year ending December 31st, 2022 is approximately 1.96% (31.12.2021: 2.07%). The Company, as at December 31st, 2022 and December 31st, 2021 has no unused available credit limits for long-term loans.

The Company has financing agreements for the financing amounting of € 6,000,000 for direct financing. The credit agreements have not been used up to today.

The total interest expense for long-term loans for the year ending December 31st, 2022 amounted to € 1,608,627 (December 31st, 2021: € 1,131,825) and is included in the financial expenses in the Income Statement (Note 24).

(all amounts are expressed in Euro)

Breakdown of net financial debt

(Amounts in €)	31.12.2022	31.12.2021
A. Cash	953.669	22.535.542
B. Cash equivalents	0	0
C. Other current financial assets	0	0
D. Liquidity (A+B+C)	**953.669**	**22.535.542**
F. Current portion of non-current financial debt (*)	64.526.914	11.311.497
G. Current financial debt (E+F)	64.526.914	11.311.497
H. Net current financial debt (G-D)	**63.573.245**	**-11.224.045**
I. Non-current financial debt (excluding the current portion and debt instruments) (*)	0	64.330.556
L. Non-current financial debt (I+L+K)	**0**	**64.330.556**
M. Total financial debt as per ESMA guideline (H+L)	**63.573.245**	**53.106.511**

Net financial debt as at December 31st, 2022, excluding the effects of the application of IFRS 16, of € 1,271,910, amounted to € 63,573,245 up by € 10,466,734 (€ 53,106,511 as at December 31st, 2021)

Financial and bond debt at December 31st, 2022, totalled € 65,798,824 (€ 77,848,235 as at December 31st, 2021) and refer to: bonds (€ 64,526,914) and financial liabilities pursuant to IFRS 16 (€ 1,271,910).

Cash, amounting to € 953,669, is held in current accounts and fixed-term deposits that can be immediately liquidated with leading banks.

Net financial debt does not include payables for dividends resolved and yet to be distributed, payables for investments.

12. Provisions for risks and charges

Provisions for risks and charges which amounts to € 3,256,161 as at December 31st, 2022 (€ 0 as at December 31st, 2021), include the following:

(Amounts in €)	Opening balance	Provisions	Other changes	Closing balance 31.12.2022
Risk provision for litigation	**0**	3.256.161	0	**3.256.161**
	0	**3.256.161**	**0**	**3.256.161**

(all amounts are expressed in Euro)

During 2022 the Company formed a provision amounting € 3,256,161 in order to comply with the decision of the Administrative Court of Appeal regarding the adoption of compensatory measures which concern all the Eligible Customers, which during the period 14.08.2015 until 01.12.2016 were charged by the former EPA Thessaloniki and EPA Thessalia distribution tariff of 4 €/MWh, based on the relevant provision of law 4336/2015.

13. Trade and other payables

Trade payables and other payables, which amounts to € 18,920,947 as at December 31st, 2022 (€ 30,669,490 as at December 31st, 2021), comprise the following:

(Amounts in €)	31.12.2022	31.12.2021
Trade payables	3.703.568	5.782.661
Payments on account and prepayments	76.153	72.014
Payables for investment activities	12.472.029	21.478.221
Other payables	2.669.196	3.336.595
	18.920.947	**30.669.490**

Trade payables of € 3,703,568 (€ 5,782,661 as at December 31st, 2021) relate to payables to suppliers.

Payables for investment activities equal to € 12,472,029 (€ 21,478,221) as at December 31st, 2021) mainly relate to payables to suppliers for Network Capex.

Other payables which amount to € 2,669,196 as at December 31st, 2022 (€ 3,336,595 at December 31st, 2021), break down as follows:

(Amounts in €)	31.12.2022	31.12.2021
Payables to the public administration	140.415	492.643
Payables to social security institutions	407.606	424.076
Payables to consultants and professionals and other payables	2.121.175	2.419.875
	2.669.196	**3.336.595**

(all amounts are expressed in Euro)

Payables to the public administration which amounts to € 140,415 as at December 31st, 2022 (€ 492,643 at December 31st, 2021) represents outstanding payable for the project "Replacement of oil heating systems with natural gas systems in houses in the Region of Thessaly".

During 2021, the submission of applications for potential beneficiaries for inclusion in the action plan "Replacement of oil heating systems with natural gas systems in houses in the Region of Thessaly", which was implemented under the NSRF 2014-2020, started and completed. The program is expected to benefit approximately 2,200 potential consumers in the region of Thessaly. A total of 3,520 applications has been received for the year 2021, which exceed the budget of Euro 6.12 million, for this action. According to the procedure, the audit of the applications by the host and audit body is in progress, based on the submission time order, until 100% of the available grant is formally covered. The Company has already received part of the grant amounting to Euro 4.200.000.00, of which it has already disbursed until 31.12.2022, an amount of Euro 4.059.584,98 € and the remaining amount of Euro 140.415,02 is reflected in the other liabilities and has been almost in its entirety disbursed in January 2023.

Payables to social security institutions which amount to € 407,606 as at December 31st, 2022 (€ 424,076 at December 31st, 2021) involve payables for social security contributions.

The book value of trade payables and other payables, considering the limited time interval between the occurrence of the payable and its maturity, approximates the fair value. See the "Guarantees, commitments and risks - Other information on financial instruments" note for the market value of the trade payables and other payables.

14. Current tax liabilities on income

Current income tax assets/liabilities break down as follows:

(Amounts in €)	31.12.2022		
	Current	Non-current	Total
Income tax assets	**4.211.835**	**0**	**4.211.835**
- Income Tax advances	4.211.623		4.211.623
- Various taxes returns	211		211
Income tax liabilities	**5.031.229**	**0**	**5.031.229**
- Income Tax liability for the ye	3.785.782		3.785.782
- Various Income Tax liabilities	1.245.447		1.245.447

(Amounts in €)	31.12.2021		
	Current	Non-current	Total
Income tax assets	**4.539.633**	**0**	**4.539.633**
- Income Tax advances	4.498.730		4.498.730
- Various taxes returns	40.904		40.904
Income tax liabilities	**6.382.849**	**0**	**6.382.849**
- Income Tax liability for the ye	5.288.262		**5.288.262**
- Various Income Tax liabilities	1.094.587		**1.094.587**

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Net tax liability on income which amounts to € 819,394 as at December 31st, 2022 (€ 1,843,216 at December 31st, 2021) involve payables for Income Tax installments from previous year € 1,245,447 as at December 31st, 2022 (€ 1,094,587 at December 31st, 2021) minus the difference between the amount of income tax of the year € 3.785.781,72 as at December 31st, 2022 (€ 5,288,261 at December 31st, 2021) and the Income tax advance and other withheld taxes € 4,211,835 as at December 31st, 2022 (€ 4,539,633 at December 31st, 2021) of previous year.

15. Other current and non-current non-financial liabilities

Other current and non-current non-financial liabilities break down as follows:

(Amounts in €)	31.12.2022			31.12.2021		
	Current	Non-current	Total	Current	Non-current	Total
Other regulated activities	5.202.079	11.086.755	16.288.833	0	0	0
Other tax liabilities	379.684	0	379.684	446.189	0	446.189
Accruals and deferrals connection contributions	81.133	3.823.323	3.904.456	56.732	2.112.289	2.169.022
Liabilities for security deposits	0	2.294.703	2.294.703	0	1.632.198	1.632.198
Other	2.568.583	0	2.568.583	0	0	0
	8.231.479	**17.204.780**	**25.436.259**	**502.922**	**3.744.488**	**4.247.409**

Other regulated activities (Recoverable difference):

According to article 20 of the Tariff Regulation (OGG B' 3358/30.06.2022), the Recoverable Difference is defined as the difference, between the Required Revenue To Be Recovered, and the corresponding actual regulated revenue of the Operator, i.e. the revenue from the implementation of the Tariffs for the Use of the Distribution Network, according to the invoiced quantities.

In summary, the Required Revenue to Be Recovered, is calculated as the sum of:

I. The product of the WACC and the ex-post figure of RAB.

II. The ex-post depreciation of assets.

III. The Operator's projections on Operating Expenses.

IV. The Recoverable Difference that has been allocated to this year from a previous tariff revision.

V. Less the actual other revenues from regulated or non-regulated activities.

VI. The numerical value of the Recoverable Difference is mentioned in the Tariff Approval Decision.

For the accounting treatment of the Recoverable Differences, the following are taken into account:

(all amounts are expressed in Euro)

1. In case of under-recovery, it will be possible to proceed with an accrual of Recoverable Difference.
2. In case of a positive Recoverable Difference (over-recovery) the Licensee should proceed to accrual for another liability, or preferably a provision.
3. As far as Operating Companies are concerned, starting from the fiscal year 2022 the Recoverable Differences related to the period 2017-2022 are accrued on the financial statements as assets/liabilities (provision) with the counterpart in the profit or loss.
4. From 2023 the Recoverable Difference will be accounted year by year considering that it is reliably measurable by the Operating Companies.
5. For EDA Thess, the Recoverable Difference of the years 2017-2018 (over-recovery € 7.2 mil.), has already been settled in the tariffs of the Regulatory Period 2019-2022 (RAE Tariff Approval Decision 1429/2020).

Based on the above, the accounting treatment of the Recoverable Differences of the period 2019-2022 is taken into account for the preparation of the Financial Statements of FY 2022.

In the years 2019-2022, the following Recoverable Differences were formed as presented in the table below:

Over-recovery (Amounts in €)			Under-recovery (Amounts in €)
2019	**2020**	**2021**	**2022**
-7.712.694	-8.871.741	-4.223.879	4.519.482

The total figure for the period 2019-2022 is € 16,288,832 (over-recovery).

Based on the above, a provision of € 16,288,832 has been included in the results of the FY2022, thus reducing the basic distribution activity revenue, and earnings of the year 2022.

Other tax liabilities

Other tax liabilities amounting to € 379.684 as at December 31st, 2022 (€ 446.189 at December 31st, 2021) primarily involve payables for withholding taxes.

Accruals and deferrals connection contributions

Accruals and deferrals connection contributions amounting to € 3,904,456 as at December 31st, 2022 (€ 2,169,022 at December 31st, 2021) represent revenues from connection/expansion charges which according to the new accounting policy, are deferred and therefore recognized over a period of 50 years.

Liabilities for security deposits

Other long-term liabilities are amounting to € 2,294,703 as at December 31st, 2022 (€ 1,632,198 as at December 31st, 2021), concern guaranties received from Distribution Users as collateral for future payments and are refundable on termination of their contracts.

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Other (Provision for risks and charges)

Provisions for risks and charges amounts to € 2,568,583 as at December 31st, 2022.

The provision includes a special levy in favor of LGO. On 15.04.22, the Law 4920/2022 (OGG A' 74/15.04.2022) was issued, according to which the Natural Gas DSOs must pay a special fee to the local government organizations, which is equal to 14% of their net profits (after taxes) of the year 2021. Following the issuance of the Law, the Company recognized the expense within 2022 fiscal year and was taken into account when approving the Distribution Tariffs 2023-2026.

The cash outflow related to the special levy occured during the first semester of 2023.

16. Provisions for employee benefits

Provisions for employee benefits, which amount to € 395,523 as at December 31st, 2022 (€ 442,863 as at December 31st, 2021) comprise the following:

(Amounts in €)	31.12.2022	31.12.2021
Employee severance pay	395.523	442.863
Other provisions for employee benefits	0	0
	395.523	**442.863**

The retirement benefit obligation was defined by means of an actuarial study.

The composition of the changes in provisions for employee benefits, determined by applying actuarial methods, are as follows:

(Amounts in €)	31.12.2022	31.12.2021
Current value of the obligation at the start of the year	**442.863**	**384.708**
Current cost	71.847	62.349
Cost for interest	3.425	2.960
Revaluations / (Impairment):	7.827	42.701
- Actuarial (Gains) / Losses resulting from changes in the demographic assumptions	-55.220	0
- Actuarial (Gains) / Losses resulting from changes in the financial assumptions	-60.175	0
- Effect of past experience	1.118	-2.291
Paid benefits	-16.162	-47.564
Current value of the obligation at the end of the year	**395.523**	**442.863**

The main actuarial assumptions used to determine liabilities at the end of the year and to calculate the cost for the following year are indicated in the table below:

(all amounts are expressed in Euro)

	2022	2021
Discount rate (%)	3,05%	0,80%
Inflation rate (%) (*)	2,50%	1,50%

The discount rate adopted was determined by considering the yields on corporate bonds issued by Eurozone companies with AA ratings.

The employee benefit plans are subject, in particular, to interest rate risk, in the sense that a change in the discount rate could result in a significant change in the liability.

The table below illustrates the effects of a reasonably possible change in the discount rate at the end of the year. The sensitivity of the discount rate represents the change in the value of the actuarial liability obtained using the end-of-year valuation data, changing the discount rate by a certain number of basis points, without any change in the other assumptions.

(Amounts in €)	Discount rate			
Effect on net obligation at 31.12.2022	reduction		increase	
	%	amount	%	amount
Employment severance pay	-0,50	9.888	0,50	-9.493

The maturity profile of the obligations for employee benefit plans is shown in the following table:

(Amounts in €)	31.12.2022	31.12.2021
Within the next year	37.582	29.481
Within five years	159.127	154.948
Beyond five and up to ten years	148.228	189.457
Beyond ten years	50.586	68.977
	395.523	**442.863**

17. Shareholders' equity

Shareholders' equity, which amounts to € 279,214,505 as at December 31st, 2022 (€ 283,151,105 as at December 31st, 2021) breaks down as follows:

(Amounts in €)	31.12.2022	31.12.2021
Shareholders' equity	**279.214.505**	**283.151.105**
Share capital	247.127.605	247.127.605
Legal reserve	19.145.583	19.145.583
Profits relating to previous years	16.911.337	-717.615
Reserve for remeasurement of defined-benefit plans for employees	55.716	-33.420
Net profit (loss)	-4.025.737	17.628.952

(all amounts are expressed in Euro)

Share capital remains unchanged from 2021 amounting to € 247,127,605 as at December 31st, 2022

Reserves: reserves comprise the following as at 31.12.2022:

- **Legal reserve**: In compliance with the Greek Company legislation, companies are obliged to hold 5% of their net annual profit as a statutory reserve, until it reaches one third of the paid share capital. During the Company's life, any distribution of the statutory reserve is forbidden.
- **Reserve for remeasurement of defined-benefit plans for employees**: The reserve for remeasurement of employee benefit plans amounts to € 55,305 as at December 31st, 2022 (€ -33.834 as at December 31st, 2021) included actuarial losses, net of the relative tax effect, recognized under other components of comprehensive income pursuant to IAS 19.
- **Reserve from exchange local currency capital** amounting to € 411 (31.12.2021: € 411)

The changes in the reserve for actuarial gains / (losses) during the course of the year are shown below:

(Amounts in €)	Gross reserve	Tax effect	Net reserve
Reserve as at December 31st, 2020	**-45.123**	**10.830**	**-34.293**
Changes of the year 2021	2.291	-1.417	**874**
Reserve as at December 31st, 2021	**-42.832**	**9.412**	**-33.420**
Changes of the year 2022	114.277	-25.141	**89.136**
Reserve as at December 31st, 2022	**71.445**	**-15.729**	**55.716**

18. Guaranties, commitments, and risks

Guarantees, commitments and risks, which amounts to € 14,891,454 as at December 31st, 2022 comprise:

(Amounts in €)	31.12.2022	31.12.2021
Bank guarantees given in the interest of the companies of the Group	**4.424.839**	**907.899**
Financial commitments and risks:	10.466.615	15.693.450
Commitments	10.466.615	15.693.450
Commitments for the purchase of goods and services	10.466.615	15.693.450
	14.891.454	16.601.349

Guarantees

Guarantees as at December 31st, 2022 amounting to € 4,424,839 refer mainly to guarantees issued with regard to suppliers and third parties.

Commitments

Commitments as at December 31st, 2022 amounting to € 10,466,615 refer mainly to commitments with Contractors and third parties to purchase property, plant and equipment and provide services relating to the purchase of property, plant and equipment and intangible assets under construction.

Financial risk management factors

EDA THESS Risk Management System aims at the timely and effective management of corporate risks, considering the risk events and external factors that may occur and the uncertainty of financial markets. The main objective is to mitigate the potential adverse effects on its financial performance by designing and recording the proper control measures.

The Top Management provides the guidance and directions for the risk tolerance on risk management and the corresponding internal bodies, such as the liquidity and legal committees, ensure the appropriate management of the financial risks (interest rate risk, credit risk).

The Company identified and managed the following financial risks that had a high severity of impact:

- risk arising from exposure to fluctuations in interest rates.
- credit risk arising from the possibility of counterparty default.
- liquidity risk due to inflation and reduced distribution volumes.
- debt covenant and default risk.

Financial assets and liabilities of financial position include cash, trade, and other receivables and short-and long-term trade and other liabilities.

The Company does not use derivatives to hedge risk aversion. The Company is not engaged in financial products that could expose it to fluctuations in exchange rates of foreign currencies and interest rates.

Interest rate risk

Fluctuations in interest rates affect the market value of Company's financial assets and liabilities and its net financial expense.

An increase in interest rates, not implemented - in full or in part - in the regulatory WACC, could have negative effects on the assets and on the economic and financial situation of the Company for the variable component of the debt in place and for future loans.

Below are the impacts on shareholders' equity and the net period result at 31 December 2022 of a hypothetical positive and negative variation of 10 basis points (bps) of the interest rates effectively applied during the year.

(all amounts are expressed in Euro)

(Amounts in €)	Result of the income statement	
	interest +10 bps	interest -10 bps
Variable-rate loans not hedged		
Effect of change in interest rate	-822.231	822.231
Tax effect	180.891	-180.891
Impacts net of the tax effect	**-641.340**	**641.340**

Risk of exchange rates:

The Company operates and functions in Greece. The Company's exposure to currency risk is limited in supply of materials and services. Such transactions are not essential to the operation of the Company. Thus, no derivative is used to mitigate this risk.

Credit risk:

Credit risk is the exposure to potential losses arising from counterparties failing to fulfil their obligations. Default or delayed payment of amounts owed may have a negative impact on the Italgas financial results and financial situation. It cannot be ruled out that the Company could incur liabilities and/or losses due to its customers' failure to fulfil their payment obligations.

The rules for user access to the gas distribution service established by RAE and set out in the Network Code, namely, in documents that establish, for each type of service, the rules regulating the rights and obligations of the parties involved in the process of providing said services and lay down contractual conditions that reduce the risk of non-compliance by distribution users, such as the provision of letters of guarantee by the contracting parties, that can be liquidated immediately.

Up until 31 December 2022 there were no significant credit risks. Note that on average, 96,89% of trade receivables relating to gas distribution are settled by the due date and over 99,68% within the following 4 days, confirming the strong reliability of the customers.

In addition to this, in order to manage credit risk, the Company has established procedures for monitoring and assessing its customer portfolio.

For further considerations linked to the impacts associated with Covid-19, as well as the related accounting implications linked to the measurement of assets and liabilities, see the below note, "Update information on Covid-19"

Liquidity risk:

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the Company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the Company incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the Company's future as a going concern.

(all amounts are expressed in Euro)

Given the significant and rapid increase in gas prices during the year and the decrease in distribution volumes the Company has recognized the risk of a decrease in the distribution revenue.

EDA Thess has set strong controls which includes: (i) maintenance of sufficient cash and equivalent assets (ii) adequacy of financial facility (iii) close monitoring of liquidity based on cash inflows and outflows forecasts and also through certain ratios and (iv) close monitoring of operational key data, in order to be in apposition to adjusts its planning timely if necessary.

As at December 31, 2022, current liabilities are higher than current assets due to:

V. lower trade receivables linked to reduced distribution revenues during November & December 2022,

VI. lower cash and cash equivalents compared to prior year,

VII. special levy in favour of the LGO's and

VIII. the current portion of the Recoverable Difference for the period 2019-2022.

The following table shows financial liabilities that are allocated according to the date of repayment (taking into consideration the waivers received from the banks – see also note 11). The following amounts are presented in their book value, since the present value of discounted future cash flows are not significantly different.

The following table analyzes the Liquidity Risk according to the payment period (31.12.2021 & 31.12.2022) based on the payments resulting from the relevant contracts and agreements, presented in non-discounted values:

(Amounts in €)	Due date								
	Balance as at 31.12.2021	Balance as at 31.12.2022	Portion with due date within 12 months	Portion with due date beyond 12 months	2024	2025	2026	2027	Beyond
Financial liabilities									
Bonds	75.642.053	64.526.914	64.526.914	0	0	0	0	0	0
Short-term liabilities	32.512.706	22.308.925	22.308.925	0	0	0	0	0	0
Interest on loans	0	0	8.366.517	0	0	0	0	0	0
Liabilities Right of Use	2.206.182	1.271.910	509.015	762.895	283.502	157.482	139.916	140.220	41.775
Interest Right of Use	0	0	40.249	70.517	25.743	16.663	10.100	5.187	12.825
	110.360.941	**88.107.749**	**95.751.620**	**833.412**	**309.244**	**174.145**	**150.016**	**145.406**	**54.600**

Debt covenant and default risk

As at December 31st, 2022 all loan agreements contain financial covenants but there is absence of collaterals.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Company's failure to comply and could trigger the early repayment of the relative loan.

The Company duly meets all its obligations arising from the bond loans' contractual agreements excluding specific financial ratios (mentioned below) that were not met as the Company's results for the closing year were significantly affected from the "once-off" recognition of the Recoverable Difference for the period 2019-2022, resulting to deviation from the desired limits that were set by the cooperating banks.

The financial ratios affected are "Net Debt to EBITDA" ratio and the ratio "EBIT to financial expenses". The rest of the indicators remain approximately at the same level as in the previous year and in compliance with desired limits that were set by the cooperating banks.

It should be noted that all bank covenants are met since the effect of Recoverable Difference is excluded from the Company's results.

The Company monitors these cases closely in the context of financial management and business performance.

Specifically, Company's Management received, following a relevant request, a written assurance from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the financial ratios mentioned above, with a reference date of 31.12.2022.

Taking under consideration the above and following the requirements of IAS 1, all debt balances as at 31.12.2022 have been classified as short term.

Fair value estimation

The fair value of a financial instrument is the price that someone would get for selling an asset or that someone would pay to transfer a liability in a normal transaction between market participants on the measurement date. The fair value of financial assets in the Financial Statements on December 31st, 2022, and on December 31st, 2021 was determined by the Management as better as possible.

Fair value measurement methods are hierarchized at three levels:

Level 1: Stock market values from active financial markets for exactly the same marketable items;

Level 2: Other than level 1 values which yet can be directly or indirectly identified through stock prices from active markets;

Level 3: Values for assets or liabilities not based on stock prices from active financial markets.

The amounts shown in the Financial Statements for cash, trade and other receivables as well as trade and other short-term liabilities approximate their respective fair values due to their short-term maturity. The book value of long-term loans is almost identical as the reasonable ones because the loans are in local currency and with floating interest rates

During the period there were no transfers between Levels 1 and 2 or transfers in and out of Level 3 when measuring fair value. Also, during the same period there was no change in the purpose of a financial asset that would lead to a different classification of the asset.

There are no differences between the fair values and the respective accounting values of the financial instruments shown in Assets and Liabilities.

Other information on financial instruments

(all amounts are expressed in Euro)

With reference to the categories established by IFRS 9 Financial instruments, the book value of financial instruments and their relative effects on results and on equity can be analyzed as follows:

(Amounts in €)	Book value		Income / expense recognised		Income / expense recognised	
	Balance as at 31.12.2022	Balance as at 31.12.2021	Balance as at 31.12.2022	Balance as at 31.12.2021	Balance as at 31.12.2022	Balance as at 31.12.2021
Financial instruments measured at amortised cost	**127.470.222**	**155.605.819**	**1.741.627**	**1.332.684**	**0**	**0**
- Cash	953.669	22.535.542	0	0	0	0
- Trade and other receivables	15.765.143	19.650.765	0	0	0	0
- Other current and non-current non-financial assets	595.379	654.377	0	0	0	0
- Trade and other payables	18.920.947	30.669.490	0	0	0	0
- Financial payables (b)	65.798.824	77.848.235	1.741.627	1.332.684	0	0
- Other current and non-current non-financial liabilities	25.436.259	4.247.409	0	0	0	0

The table below provides a comparison between the book value of financial assets and liabilities and their respective fair value.

(Amounts in €)	Balance as at 31.12.2022		Balance as at 31.12.2021	
	Book value	Market value	Book value	Market value
Financial instruments measured at amortised cost				
- Long-term financial debt	0	0	64.330.556	64.330.556

19. Disputes and other measures (outstanding litigations)

The Company is involved in legal proceedings and actions related to its normal business operations. The Management, as well as the inhouse and external legal advisors of the Company, consider that the outcome of these outstanding legal cases or arbitration proceedings, will not have material a significant effect on the Financial Statements or the operations of the Company.

Below is a summary of the most significant proceedings.

Case Compensatory measures RAE

On 31.08.2020, RAE Decision 1058/22.06.2020 (OGG B' 3545/27.08.2020) was notified to the Company, with subject "Taking compensatory measures for gas distribution tariffs pursuant to par. 10 of article 41 of Directive 2009/73 / EC, as incorporated in the domestic legal order with the provision of par. 4 of article 15 of Law 4001/2011" according to which Regulatory Authority for Energy ("RAE"), in summary, decided the adoption of compensatory measures which concern all the Eligible Customers, who during the period 14.08.2015 until 01.12.2016 were charged by the former EPAs and DEPA, distribution tariff of 4 €/MWh, based on the relevant provision of law 4336/2015. According to the Decision, the compensatory measures will be calculated as payable amount (in €) by the Company. For the calculation, RAE has set the tariff coefficients that would be valid for the period 14.08.2015 – 30.11.2016. These Eligible Customers (beneficiaries of the compensatory measures) will receive a refund following a written application to the Distribution Network Operators.

The Company, according to the procedure provided by law, submitted to RAE an application for the revision of the above decision, on 25.09.2020.

With the letter RAE O-85939 / 26.01.2021, the RAE Decision 1480/29.10.2020 with which RAE during the 22.10.2020 and 29.10.2020 Plenary Sessions, decided on the rejection of the review request submitted by the Company against the RAE Decision 1058/2020.

The Company, based on the submitted application for revision, assesses that the Decision RAE 1058/2020 is legally and substantially unfounded, inter alia, because:

1. RAE issued the Decision in violation of the provision of par. 4 of article 15 of law 4001/2011 and specifically, imposed compensatory measures without previously proceeding to the determination of temporary Basic Distribution Activity tariffs.

2. The legal framework (Law 3428/2005 and Law 4001/2011) that was applicable then did not interfere, in any way, RAE in exercising its competence for setting temporary tariffs.

3. The adoption of compensation measures is linked in accordance to the applicable legislation, to the prior determination of temporary tariffs.

4. Following the provisions of law 4336/2015, the formal legislator clearly established a transitional price for the Basic Activity of the Natural Gas Distribution Network.

5. The Company acts in accordance with the principle of legality and therefore, cannot receive a Basic Activity tariff lower than the one provided by law.

6. In assessing the criteria, the Authority did not take into consideration that responsible for taking action was not each Operator, but RAE itself, as well as the State.

7. In accordance with the provisions of Law 4336/2015, the entities billed, with the transitional Basic Activity tariff, for the provision of the Basic Activities, are the Distribution Users and not any other entities.

8. The extension of the imposition of the measure of refund (compensation) of the additional amounts, as supposedly compensatory measures, to all the Eligible Customers constitutes a wrong judgment of RAE, lying outside the legislative authorization, and violation of the principle of legality.

9. The nature of the "compensatory" measures taken is purely compensatory (as damages) and in no way regulatory.

10. The starting date of the regulatory competence of the Authority to take compensatory measures is not from 20.08.2015, but from the date that law 4001/2011 entries in force.

11. The Decision was issued in excess of RAE's competences, given that RAE, within the framework of its regulatory competence, can only impose regulatory measures and in this case, related to the pricing of the Basic Activity and in no case to decide the return of amounts, i.e. taking compensatory (as damages) measures.

The Management of the Company, taking into account the decision of the Authority for the rejection of the application for revision and the opinion of its legal advisors, filed an appeal before the Administrative Court of Appeal and an application for annulment before the Council of State, timely and lawfully, and their hearing has been set on 18.03.2022 (Γ' Annulment Procedure Depart.) before the Administrative Court of Appeal of Athens, following an internal referral by the CoS. On 09.03.2022 the Annulment Formation of the Administrative Court of Appeal of Athens, referred to the case to be judged on the merits by the competent dispute formation of the respective Court. The hearing date took place on 29.09.2022 and now the Court's judgment is pending. The contested decisions of RAE are decisions no. 1058/2020 and 1480/2020.

Furthermore, on 23.09.2021 the RAE decision No. 729/2021 was issued on the "Approval of refundable amounts by the Company under the trade name GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY SA., to the Eligible Customers which are beneficiaries of the compensatory measures by virtue of RAE decisions 1058/2020 and 1480/2020". An application for revision was filed before RAE against this decision, which was implicitly rejected.

Based on RAE decision 729/2021, the Company is required to pay a total amount of € 3,256,160.83 as a refund of compensatory measures (€ 1,809,699.00 for the Thessaloniki Distribution Network and € 1,446,461.83 for the Thessaly Distribution Network) in 36 equal interest-free installments from 01.11.2021 to 31.10.2024. The Company has not yet paid any amount, in view of the aforementioned pending litigation.

Pending the hearing of the case before the Administrative Court of Appeal of Athens, the Company on 01/02/2022 filed two applications for suspension of the execution of the above RAE decisions (1058/2020, 1480/2020 and 729/2021) until the Court judges upon the administrative appeal and the application for annulment. The applications for suspension were discussed before the Administrative Court of Appeal of Athens on 07.06.2022 and rejected by the no. N81/2022 and N82/2022 decisions of the Administrative Court of Appeal of Athens.

After the implicit rejection of the application for revision of Decision 729/2021 by RAE, the Company filed on 17.03.2022 an administrative appeal against RAE decision no. 729/2021 before the Athens Administrative Court of Appeal, the hearing of which took, also, place on 29.09.2022.

During 2022 the Company formed a provision amounting € 3,256,161 in order to comply with the decision of the Administrative Court of Appeal regarding the adoption of compensatory measures which concern all the Eligible Customers, who during the period 14.08.2015 until 01.12.2016 were charged by the former EPA Thessaloniki and EPA Thessalia, distribution tariff of 4 €/MWh, based on the relevant provision of law 4336/2015.

20. Exogenous factors / COVID – 19

As presented in the income statement, the operating results as well as the results before and after taxes have not been affected by the pandemic. Management monitors the Government's announcements that may affect the operation of the Company and adjusts its decisions based on the conditions that are formed. At the same time, the Management has taken all necessary measures to protect public health and the health of its employees.

The amounts recognized in the 2022 income statement for the main impacts directly attributable to covid -19 are set out below.

(all amounts are expressed in Euro)

(Amounts in €)	2022
Purchase of consumables (disinfectant, gloves, masks, etc.) and services	2.423

21. Revenue

The breakdown of revenue for the year, which totaled € 78.927.090 as at December 31st, 2022 (€ 97.509.152 as at December 31st, 2021) is shown in the following table.

(Amounts in €)	2022	2021
Revenue	77.469.600	94.595.369
Other revenue and income	1.457.490	2.913.783
	78.927.090	**97.509.152**

Revenue

Revenues, which amount to € 77,469,600 as at December 31st, 2022 (€ 94,595,369 as at December 31st, 2021), are analyzed in the table below:

(Amounts in €)	2022	2021
Gas distribution	54.863.947	59.295.839
Recoverable Difference	-16.288.833	0
Revenues for infrastructure and improvements (IFRIC 12)	38.894.486	35.299.530
	77.469.600	**94.595.369**

Revenue refers primarily to the consideration for the natural gas distribution service (€ 54,863,947), the impact in revenue from the recoverable difference (Note 15) and the revenues from infrastructure connected with concession agreements pursuant to IFRIC 12 (38,894,486).

Gas distribution revenue (€ 54,863,947) refers to invoices to the Distribution users of Gas Network monthly based on the approved distribution tariffs by the Regulatory Authority for Energy (RAE) in accordance with the provisions of the Distribution Network Operation Code.

For Recoverable Difference see analysis included in note No 15 "Other current & non-current non-financial liabilities".

Other revenue and income

Other revenue and income, which amount to € 1,457,490 as at December 31st, 2022 (€ 2,913,783 as at December 31st, 2021), can be broken down as follows:

(all amounts are expressed in Euro)

(Amounts in €)	2022	2021
Revenue from regulated activities	887.186	714.353
Connection contribution uses	60.279	38.213
Other revenue	510.026	2.161.217
	1.457.490	**2.913.783**

Revenue from regulated activities € 887,186 relate to ancillary services such as: deactivation, reactivation, disconnection, etc.

Other revenue (€ 510,026) consists of sales of network equipment, recharges to third parties and release of unused provision. In year 2021, Other revenue consisted of the income derived from rendering services to another Distribution Network Company amounting to € 1,440,137 as well as various other revenues that arose from the operation of the Company amounting to € 708,770.

22. Operating costs

The breakdown of operating costs for the year, which totaled € 66,032,657 as at December 31st, 2022 (€ 56,503,045 as at December 31st, 2021) is shown in the following table.

(Amounts in €)	2022	2021
Purchase costs for raw materials, consumables, supplies and goods	6.158.246	6.259.638
Costs for services	42.711.084	38.590.354
Costs for the use of third-party assets	89.198	2.803
Personnel cost	10.937.880	11.234.741
Allocations to/releases from provisions for doubtful debt	4.820	80.201
Other expenses	6.131.430	335.308
	66.032.657	**56.503.045**

Operating costs relating to the construction and upgrading of gas distribution infrastructure connected with concession agreements pursuant to what is set forth in IFRIC 12, amount to € 38,894,486 and are presented down as follows:

(Amounts in €)	2022	2021
Purchase costs for raw materials, consumables, supplies and goods	**5.723.708**	**5.837.581**
of which external	*5.723.708*	*5.837.581*
Costs for services	**28.661.565**	**24.864.461**
of which external	*28.661.565*	*24.864.461*
Personnel cost	**4.509.213**	**4.597.489**
of which internal	*4.509.213*	*4.597.489*
	38.894.486	**35.299.530**

(all amounts are expressed in Euro)

Costs for raw materials, consumables, supplies and goods, amounting to € 6,158,246 as at December 31st, 2022 (€ 6,259,638 as at December 31st, 2021), comprise only by consumables as shown in the table below:

(Amounts in €)	2022	2021
Inventories	5.723.708	**5.837.581**
Consumables	434.538	**422.058**
	6.158.246	**6.259.638**

Inventories consist of materials related to the construction of gas distribution networks and spare parts used for maintenance.

Purchase costs for raw materials, consumables, supplies and goods include costs relating to the construction and upgrading of gas distribution and water service infrastructure (€5,723,708), recorded in accordance with IFRIC 12.

Cost for services for the year, which totaled € 42,711,084 as at December 31st, 2022 (€ 38,590,354 as at December 31st, 2021) is shown in the following table.

(Amounts in €)	2022	2021
Project management and plant maintenance	36.822.744	32.855.943
Consultancy and professional services	657.795	906.475
Costs for personnel services	803.831	796.050
IT and telecommunications services	1.445.776	1.370.611
Electricity, water and other (utility) services	401.324	256.871
Insurance	526.705	430.699
Cleaning, security service and guard services	277.970	284.268
Advertising and entertainment	864.808	953.740
Other services	910.132	735.696
	42.711.084	**38.590.354**

Costs for services include costs relating to the construction and upgrading of gas distribution and water distribution infrastructure (€ 28,661,565) recognized pursuant to IFRIC 12.

Costs for project management and plant maintenance (€ 36,822,744) essentially relate to the extension and maintenance of gas distribution plants.

Costs for the use of third-party assets which totaled € 89,198 as at December 31st, 2022 (€ 2,803 as at December 31st, 2021) is shown in the following table.

(Amounts in €)	2022	2021
Leases and rentals	89.198	2.803
	89.198	**2.803**

Leases and rentals concern short-term or low value leases of cars and printers ending in various dates up to March 2023.

(all amounts are expressed in Euro)

Personnel cost, totaling € 10,937,880 as at December 31st, 2022 (€ 11,234,741 as at December 31st, 2021) breaks down as follows:

(Amounts in €)	2022	2021
Wages and salaries	8.456.911	8.607.727
Social charges	1.887.114	1.990.867
Employee benefits	593.855	636.147
	10.937.880	**11.234.741**

The item includes costs relating to the construction and upgrading of gas distribution infrastructure (€ 4,509,213) recognized pursuant to IFRIC 12.

Employee benefits (€ 593,855) mainly relate to the employee severance pay accrued (€ 79,674), to be paid to pension funds and the cost for medical and other plans for employees (€ 514.181).

Average number of employees

The average number of payroll employees of the consolidated entities, broken down by status, is as follows:

Professional qualification	2022	2021
Executives	16	16
Managers	54	53
Office workers	153	150
Manual workers	60	70
	283	**289**

The average number of employees is calculated on the basis of the monthly number of employees for each category.

At December 31st, 2022, there were 261 employees.

Remuneration due to key management personnel

The remuneration due to persons with powers and responsibilities for the planning, management and control of the Company, i.e. executive and non-executive directors, general managers and managers with strategic responsibilities ("key management personnel"), in office at December 31st, 2022, amounted to € 1,801,882 and breaks down as follows:

(Amounts in €)	2022	2021
Wages and salaries	1.680.622	1.720.168
Post-employment benefits	22.434	19.014
Other long-term benefits	98.826	101.274
	1.801.882	**1.840.456**

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Remuneration due to Directors and Statutory Auditors

Remuneration due to Directors, except for the Chairman and the GM who form part of the key management personnel as explained in the foregoing paragraph, amounted to € 59,006 and remuneration due to Statutory Auditors amounted to € 63,220.

Other expenses of € 6,131,430 as at December 31st, 2022 (€ 335,308 as at December 31st, 2021) is shown in the following table.

(Amounts in €)	2022	2021
Other penalties	3.480	2.085
Indirect taxes, local taxes	2.734.489	178.401
Other expenses	3.393.461	154.821
	6.131.430	**335.308**

Indirect taxes, local taxes of € 2,734,489 mainly relate to the special levy in favor of the LGOs, following the issuance of Law 4920/2022, amounted to € 2,568,583 and other indirect expenses and fees amounted to €165,906. Various other expenses of € 3,393,461 include mainly the provision related to litigations amounting to € 3,256,161 (see also note 12).

23. Amortization, depreciation and impairment

Amortization, depreciation totaling € 16,223,113 as at December 31st, 2022 (€ 16,887,237 as at December 31st, 2021) breaks down as follow in the following table:

(Amounts in €)	2022	2021
Amortisation and depreciation	**16.223.113**	**16.887.237**
- Property, plant and equipment	573.439	702.408
- Right of use pursuant to IFRS 16	1.080.254	1.108.209
- Intangible assets	14.569.420	15.076.620
	16.223.113	**16.887.237**

(all amounts are expressed in Euro)

24. Financial Income (Expenses)

Net financial expense, amounting to € 1,739,707 as at December 31st, 2022 (€ 1,322,819 as at December 31st, 2021) breaks down as follow in the following table:

(Amounts in €)	2022	2021
Financial Income (Expense)	**-1.606.706**	**-1.201.960**
Financial expense	-1.608.627	-1.211.825
Financial income	1.920	9.865
Other financial income (expense)	**-133.001**	**-120.858**
Other financial expenses	-133.001	-120.858
Net financial expense	**-1.739.707**	**-1.322.819**

Net financial expense, amounting to € 1,739,707 comprises:

(Amounts in €)	2022	2021
Financial Income (Expense)	**-1.606.706**	**-1.201.960**
Borrowing costs:	**-1.608.627**	**-1.211.825**
- Interest expense on bonds	-1.608.627	-1.131.825
- Commission expense on bank loans and credit lines	0	-80.000
Income on financial receivables:	**1.920**	**9.865**
- Interest income and other income on financial receivables non-held for operations	1.920	9.865
Other financial income (expense):	**-133.001**	**-120.858**
- Financial income (expense) connected with the passing of time (accretion discount) (*)	-3.425	-2.960
- Expense for right of use pursuant to IFRS 16	-67.875	-94.402
- Other expenses	-61.701	-23.496
	-1.739.707	**-1.322.819**

(*) The item relates to the increase in the provisions for risks and charges and provisions for employee benefits that are specified, at a discounted value, in the notes "Provisions for risks and charges" and "Provisions for employee benefits.

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25. Income tax

Income taxes for the year, amounting to € -1,042,649 as at December 31st, 2022 (€ 5,167,100 as at December 31st, 2021) breaks down as follow in the following table:

(Amounts in €)	2022	2021
Current taxes	**3.785.782**	**5.288.262**
Current taxes for the year	3.785.782	5.248.825
Adjustments for current taxes pertaining to previous years	**0**	**39.437**
Deferred and prepaid taxes	**-4.828.431**	**-121.162**
Deferred taxes	-4.828.431	-121.162
	-1.042.649	**5.167.100**

Income taxes relate to current taxes amounting to € 3,785,782 as at December 31st, 2022 (€ 5,288,262 as at December 31st, 2021) and deferred tax assets of € 4,828,431 as at December 31st, 2022 (€ 121,162 as at December 31st, 2021).

The rates applied for and provided for by tax regulations for current taxes are 22%.

The reconciliation of the theoretical tax charge (calculated by applying the corporation tax rate in force in Greece) with the actual tax charge for the year can be broken down as follows:

(Amounts in €)	2022		2021	
	Tax rate	Balance	Tax rate	Balance
Current Income tax (CIT)				
Profit before tax		-5.068.386	0	22.796.051
CIT calculated based on the theoretical tax rate	**22%**	**1.115.045**	**22%**	**-5.015.131**
- Non taxable Income	0	51.348	0	70.153
- Non deductable expenses	2,44%	-123.744	-0,34%	-77.725
Tax effect from a change in the tax rate		0	0	-144.396
CIT for the year through profit or loss	**21%**	**1.042.649**	**-23%**	**-5.167.100**

An analysis of deferred tax assets and liabilities based on the nature of the significant temporary differences that generated them can be found in Note 9.

Taxes related to components of comprehensive income

Current and deferred taxes related to other components of comprehensive income can be broken down as follows:

(all amounts are expressed in Euro)

(Amounts in €)	2022			2021		
	Gross value	Tax impact	Net tax value	Gross value	Tax impact	Net tax value
Remeasurement of defined-benefit plans for employees	114.277	-25.141	**89.136**	2.291	-1.417	**874**
Other components of comprehensive income	**114.277**	**-25.141**	**89.136**	**2.291**	**-1.417**	**874**
Deferred tax assets/liabilities	0	-25.141	**0**	0	-1.417	**0**

It is noted that the audit for the issuance of tax compliance certificate for fiscal years 2011 - 2021 conducted by the statutory auditors of the Company in compliance with the provisions of Article 82, par. 5, L.2238/1994 and the provisions of Article 65A, L.4174/2013. The audits did not reveal any additional tax liabilities.

For fiscal year 2022 the Company is subject to the tax audit of Chartered Accountants provided by the provisions of Article 65A, L.4174/2013. This audit is in progress and the related tax certificate to be awarded after the publication of the Financial Statements for the year ended December 31st, 2022. In case, on completion of the audit, any additional tax liabilities incur, it is estimated that they will have insignificant impact on the Financial Statements.

26. Related party transactions

Commercial and other transactions

Commercial and other transactions are analyzed below:

(Amounts in €)	31.12.2022			2022				
					Costs (a)		Revenue (b)	
	Receivables	Payables	Guarantees	Assets	Services	Other	Services	Other
Parent company								
DEPA INFRASTRUCTURE SA	0	0	0	0	0	563.068	0	563.068
ITALGAS S.p.A		0			5.342			
	0	**0**	**0**	**0**	**5.342**	**563.068**	**0**	**563.068**
Companies under joint control and associates								
DEDA S.A	0	0	0	0	0	0	0	48.700
BLUDIGIT S.p.A.	0	91.701	0	0	91.701	0	0	0
	0	**91.701**	**0**	**0**	**91.701**	**0**	**0**	**48.700**
Other related parties								
DEPA COMMERCIAL S.A.	19.969	0	0	0	0	0	106.714	0
E.P.A THESSALONIKIS-THESSALIAS S.A	8.547.513	52.024	0	0	454.024	0	42.272.764	0
E.P.A ATTIKIS S.A.	457.640	0	0	0	0	0	1.993.028	0
ENI INSURANCE Ltd	0	0	0	0	158.796	0		94.752
	9.025.123	**52.024**	**0**	**0**	**612.820**	**0**	**44.372.507**	**94.752**
Total	**9.025.123**	**143.726**	**0**	**0**	**709.864**	**563.068**	**44.372.507**	**706.520**

(all amounts are expressed in Euro)

(Amounts in €)	31.12.2021		2021				
			Costs (a)			Revenue (b)	
	Receivables	Payables	Assets	Services	Other	Services	Other
Parent company							
DEPA INFRASTRUCTURE SA	0	0		0	299.467	0	299.467
ITALGAS S.p.A	0	0	0	0	0	0	
	0	**0**	**0**	**0**	**299.467**	**0**	**299.467**
Companies under joint control and associates							
DEDA S.A	243.221	0	0	0	0	1.440.137	0
BLUDIGIT S.p.A.	0	0	0	0	0	0	0
	243.221	**0**	**0**	**0**	**0**	**1.440.137**	**0**
Other related parties							
DEPA COMMERCIAL S.A.	21.116	0	0	0	0	95.098	0
E.P.A THESSALONIKIS-THESSALIAS S.A	14.194.833	53.327	0	214.845	0	48.149.866	0
E.P.A ATTIKIS S.A.	616.004	0	0	0	0	1.799.638	0
ENI INSURANCE Ltd	0	0	0	204.755	0	0	0
	14.831.954	**53.327**	**0**	**419.600**	**0**	**50.044.602**	**0**
Total	**15.075.174**	**53.327**	**0**	**419.600**	**299.467**	**51.484.738**	**299.467**

Relations with the parent companies

The main transaction carried out with Depa Infrastructure specifically concern the concession right of use of the Network.

Companies under joint control and associates

The main payable commercial transactions mostly regarded IT supplies.

Other related parties

The main receivable commercial transactions refer to:

- the distribution of natural gas for EPA Thessalonis Thessalias
- the distribution of natural gas for EPA Attikis
- the distribution of natural gas for DEPA Commercial SA

The main payable commercial transactions refer to:

- the supply of electricity and natural gas for internal consumption (heating) by EPA Thessalonikis Thessalias (Zenith)
- the supply of insurance services by Eni Insurance Ltd

The impact of related-party transactions or positions on Statement of Financial Position is summarized in the following table:

Annual Report for the year ended December 31st, 2022 (all amounts are expressed in Euro)

(Amount in €)	31.12.2022			31.12.2021		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Statement of financial position						
Trade and other receivables	15.765.143	9.025.123	57,2%	19.650.765	15.075.174	76,7%
Other non-current non-financial assets	595.379	0	0,0%	252.563	0	0,0%
Short-term financial liabilities	11.883.150	0	0,0%	12.378.108	0	0,0%
Trade and other payables	18.920.947	143.726	0,8%	30.669.490	53.327	0,2%
Other current non-financial liabilities	5.662.896	0	0,0%	502.922	0	0,0%
Long-term financial liabilities	53.915.674	0	0,0%	65.470.127	0	0,0%
Other non-current non-financial liabilities	17.204.780	0	0,0%	3.744.488	0	0,0%

The impact of related-party transactions on the income statement is summarized in the following table:

(Amount in €)	2022			2021		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Income Statement						
Revenues	77.469.600	44.372.507	57,3%	97.509.152	50.044.602	51,3%
Other revenue and income	1.457.490	143.452	9,8%	2.913.783	1.440.137	49,4%
Costs for raw materials, consumables, supplies and goods	6.158.246	0	0,0%	6.259.638	0	0,0%
Costs for services	42.711.084	709.864	1,7%	38.590.354	419.600	1,1%
Costs for leased assets	89.198	0	0,0%	2.803	0	0,0%
Personnel cost	10.937.880	0	0,0%	11.234.741	0	0,0%
Other expenses	2.875.269	0	0,0%	335.308	0	0,0%
Financial expense	1.741.627	0	0,0%	1.332.684	0	0,0%
Financial income	1.920	0	0,0%	9.865	0	0,0%

Related-party transactions are generally carried out at arm's length, i.e. at the conditions that would be applied between two independent parties.

27. Significant events after year end

During 2023 Company's Management requested and received, written assurances from the representatives of the Bondholders, regarding their decision to waive their rights which derive from the relevant Contracts due to non-compliance with the specific financial ratios with a reference date of 31.12.2022.

(all amounts are expressed in Euro)

There were no other events subsequent to the date of the Financial Statements of December 31st, 2022, that would have a significant impact on the understanding of these Financial Statements and should be either disclosed or adjusted to the Financial Statements.

28. Approval of the financial statements

The financial statements were approved by the Board of Directors of EDA Thess at its meeting of July 3rd, 2023 and are under the approval of the General Meeting of the Shareholder.

Thessaloniki, July 3rd, 2023

Chairman of the BoD:	**Raffaella Marcuccio**	Firmato da Raffaella Marcuccio il 13/07/2023 alle 17:25:30 CEST
General Manager:	**Francesca Zanninotti**	Firmato digitalmente da: Francesca Zanninotti Data: 12/07/2023 16:42:18
Finance Manager:	**Theodosios Bakirtzis**	
Tax Consultant:	**Nikolaos Zeberligos**	

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Independent Auditor's Report

To the Shareholders of the Company GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY S.S.A.,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY S.S.A., (the Company), which comprise the statement of financial position as at December 31, 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, as well as 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 the Company GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY S.S.A., as of December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.3 of the financial statements "Changes in accounting policies", which describes the changes that applied retrospectively in the financial statements for the year ended 31.12.2022 as required by IAS 8 "Accounting policies, changes in accounting estimates and errors". Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended December 31, 2021, before the effects of the adjustments that applied retrospectively (as described in Note 2.3 to the financial statements), were audited by another auditor whose report dated on March 11, 2022 expressed an unmodified opinion on those statements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of the 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 principle of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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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 they have been transposed in 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 they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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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 the following:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements currently in force of the articles 150 and 153 of Law 4548/2018 and its content is in line with the accompanying financial statements for the year ended 31.12.2022.

b) Based on the knowledge we obtained during our audit about the Company GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY S.S.A., and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, 14 July 2023

The Certified Public Accountant

Zissis D. Kompolitis
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Certified true translation of the original in the Greek language

Zissis D. Kompolitis
Reg. No. SOEL: 35601

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