there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the interim 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as incorporated in Greek Law, 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 interim financial statements.

As part of an audit in accordance with ISAs as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim 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 interim 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 interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31.12.2021.
b) Based on the knowledge obtained in the course of our audit for the Company GAS DISTRIBUTION COMPANY THESSALONIKI – THESSALIA S.A. and its environment, no material inconsistencies in the Directors' report have been identified.

Thessaloniki, March 11th, 2022
The Certified Auditor Accountant

Konstantinos Katsagannis
Audit Registration Number 25921
ERNST & YOUNG (Hellas)
Certified Audit Accountants S.A.
Himarras 8B, 151 25 Marousi
Audit Company Registration Number 107

(all amounts are expressed in Euro)

Statement of Financial Position

Statement of Financial Position	Notes	31.12.2021	31.12.2020 (Restated)	31.12.2019 (Restated)
Assets				
Tangible assets	5	128.956.645,86	98.824.528,30	66.719.925,77
Intangible assets	6	230.257.120,37	240.555.260,51	250.386.318,86
Right of use assets	7	2.144.406,11	3.010.348,48	3.247.688,99
Deferred tax asset	8	691.245,61	741.180,24	720.931,50
Long-term receivables	10	252.562,74	265.559,74	260.264,74
Non - Current Assets		**362.301.980,69**	**343.396.877,27**	**321.335.129,86**
Inventories	9	1.908.060,12	1.858.809,50	1.617.805,51
Trade and other receivables	10	20.052.579,68	18.783.131,66	17.417.341,94
Cash and cash equivalents	11	22.535.542,04	10.283.034,80	12.174.015,10
Current Assets		**44.496.181,84**	**30.924.975,96**	**31.209.162,55**
Total Assets		**406.798.162,53**	**374.321.853,23**	**352.544.292,41**
Equity & Liabilities				
Share capital	12	247.127.605,00	247.127.605,00	247.127.605,00
Reserves	13	19.112.162,99	18.193.938,22	17.166.904,21
Retained earnings		18.603.174,14	20.713.692,88	19.928.877,85
Equity		**284.842.942,13**	**286.035.236,10**	**284.223.387,06**
Long-term loan	14	64.330.556,00	37.000.000,00	31.100.000,00
Financial liabilities for leases	14	1.139.570,92	2.037.637,32	2.275.653,04
Provision for personnel compensation	15	442.863,00	384.708,00	333.819,00
Grants	16	9.073.029,28	9.485.439,70	9.897.850,14
Other long-term liabilities	17	1.632.198,34	1.181.927,08	681.690,81
Non - Current Liabilities		**76.618.217,54**	**50.089.712,10**	**44.289.012,99**
Trade and other payables	17	31.257.732,28	25.713.341,19	14.932.902,45
Short term portion of long term loans	14	11.169.444,00	10.100.000,00	8.100.000,00
Financial liabilities for leases	14	1.066.610,80	1.032.459,98	998.989,91
Income tax payable	18	1.843.215,78	1.351.103,86	0,00
Current Liabilities		**45.337.002,86**	**38.196.905,03**	**24.031.892,36**
Total Liabilities		**121.955.220,40**	**88.286.617,13**	**68.320.905,35**
Total Equity & Liabilities		**406.798.162,53**	**374.321.853,23**	**352.544.292,41**

(all amounts are expressed in Euro)

Income Statement

Income Statement	Notes	01.01.2021-31.12.2021	01.01.2020-31.12.2020 (Restated)
Distribution revenue		59.295.838,79	59.719.341,60
Connection charges		126.040,82	36.906,80
Other income	19	3.675.491,18	2.619.901,64
Total distribution revenue		**63.097.370,79**	**62.376.150,04**
Personnel cost	20	-11.702.549,27	-13.286.103,29
Other operating expenses	21	-15.357.399,87	-10.753.861,53
Personnel Cost & Services Capitalisation	20	5.853.474,63	5.132.293,52
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**41.890.896,28**	**43.468.478,74**
Depreciation tangible & intangible assets	5, 6	-16.191.439,00	-14.883.270,87
Depreciation of rights of use assets	7	-1.108.208,50	-1.101.191,07
Amortization of grants	16	412.410,42	412.410,44
Earnings before interest and taxes		**25.003.659,20**	**27.896.427,24**
Interest income	22	9.864,85	131.181,67
Interest expense	22	-1.329.723,63	-1.065.694,18
Earnings before taxes		**23.683.800,42**	**26.961.914,73**
Income tax	18	-5.336.779,08	-6.406.277,88
Earnings after taxes		**18.347.021,34**	**20.555.636,85**

Statement of Comprehensive Income

Statement of Comprehensive Income	Notes	01.01.2021-31.12.2021	01.01.2020-31.12.2020 (Restated)
Profit after taxes		18.347.021,34	20.555.636,85
Items that will not be classified in the financial results at later time			
Profit from remeasurement of defined benefit plan	15	2.291,00	6.934,00
Income tax related to actuarial profits	8	-1.417,30	-1.664,16
Total comprehensive income after taxes		**18.347.895,04**	**20.560.906,69**

(all amounts are expressed in Euro)

Statement of Changes in Equity

Statement of Changes in Equity	Share Capital	Statutory Reserves	Other Reserves	Accum. Profit	Total Shareholders' Equity
Balance at 01.01.2021	**247.127.605,00**	**18.228.231,71**	**-34.293,49**	**20.713.692,88**	**286.035.236,10**
Net profits after taxes	0,00	0,00	0,00	18.347.021,34	**18.347.021,34**
Other comprehensive income after taxes	0,00	0,00	873,70	0,00	**873,70**
Total comprehensive income after taxes	**0,00**	**0,00**	**873,70**	**18.347.021,34**	**18.347.895,04**
Profits Distribution to reserves (Note 13)	0,00	917.351,07	0,00	-917.351,07	**0,00**
Dividends (Note 27)	0,00	0,00	0,00	-19.540.189,01	**-19.540.189,01**
Balance at 31.12.2021	**247.127.605,00**	**19.145.582,78**	**-33.419,79**	**18.603.174,14**	**284.842.942,13**
Balance at 01.01.2020	**247.127.605,00**	**17.206.467,54**	**-219.089,01**	**18.968.557,81**	**283.083.541,34**
Change in accounting policy (Note 2.3)	0,00	0,00	179.525,68	960.320,04	1.139.845,72
Restated Balance 01.01.2020	**247.127.605,00**	**17.206.467,54**	**-39.563,33**	**19.928.877,85**	**284.223.387,06**
Net profits after taxes	0,00	0,00	0,00	20.555.636,85	**20.555.636,85**
Other comprehensive losses after taxes	0,00	0,00	5.269,84	0,00	**5.269,84**
Total comprehensive income after taxes	**0,00**	**0,00**	**5.269,84**	**20.555.636,85**	**20.560.906,69**
Profits Distribution to reserves	0,00	1.021.764,17	0,00	-1.021.764,17	**0,00**
Dividends (Note 27)	0,00	0,00	0,00	-18.749.057,65	**-18.749.057,65**
Balance at 31.12.2020	**247.127.605,00**	**18.228.231,71**	**-34.293,49**	**20.713.692,88**	**286.035.236,10**

(all amounts are expressed in Euro)

Statement of Cash Flows

Statement of Cash Flows	Notes	01.01.2021-31.12.2021	01.01.2020-31.12.2020 (Restated)
Cash Flows from Operating Activities			
Profit before taxes		23.683.800,42	26.961.914,73
Adjustments for:			
Depreciation of tangible assets	5	5.593.832,10	4.312.528,00
Amortization of intangible assets	6	10.597.606,90	10.570.742,87
Amortization of grants	16	-412.410,42	-412.410,44
Net loss from destruction /disposal of fixed assets	5	7.105,57	6.129,22
Depreciation of rights of use of assets	7	1.108.208,50	1.101.191,07
Provision for personnel compensation	15	108.010,05	57.823,00
Provision for inventory impairment	9	5.387,41	29.449,78
Provision for doubtful debts	10	80.200,76	10.357,89
Finance expenses	22	1.329.723,63	1.065.694,18
Finance income	22	-9.864,85	-131.181,67
		42.091.600,07	**43.572.238,63**
Increase in inventories		-54.638,03	-270.453,77
Increase in trade and other receivables		-1.334.118,49	-1.913.766,23
Increase in trade and other payables		5.402.338,17	10.628.085,42
Increase in trade and other long-term liabilities		450.271,26	500.236,27
Benefits paid	15	-47.564,05	0,00
		46.507.888,93	**52.516.340,32**
Interest paid		-1.187.670,71	-913.340,85
Income tax paid	18	-4.798.683,12	-4.544.763,30
Net cash inflows from operating activities		**40.521.535,10**	**47.058.236,17**
Cash Flows from investing activities			
Capital expenditure related to network	5	-34.491.348,97	-35.352.542,57
Purchases of other tangible assets	5	-1.547.281,47	-1.814.466,39
Proceeds from disposal of tangible assets	5	6.108,45	4.064,68
Interest received		9.864,85	131.181,67
Net cash outflows from investing activities		**-36.022.657,14**	**-37.031.762,61**
Cash flows from financing activities			
Payments of financial liabilities for leases		-1.106.181,71	-1.068.396,21
Reiceipts from issued long term borrowing	14	38.500.000,00	16.000.000,00
Repayment of bank loans	14	-10.100.000,00	-8.100.000,00
Dividends paid	27	-19.540.189,01	-18.749.057,65
Net cash inflows / (outflows) from financing activities		**7.753.629,28**	**-11.917.453,86**
Increase / (Decrease) in cash and cash equivalents		**12.252.507,24**	**-1.890.980,30**
Cash and cash equivalents at beginning of the year	11	10.283.034,80	12.174.015,10
Cash and cash equivalents at the end of the year	11	**22.535.542,04**	**10.283.034,80**

Thessaloniki, March 10th, 2022

Chairman of the BoD: **Ioannis Tsitsopoulos**

General Manager: **Leonidas Bakouras**

Finance Manager: **Theodosios Bakirtzis**

Tax Consultant: **Nikolaos Zeberligos**

The accompanying notes constitute an integral part of these Financial Statements

(all amounts are expressed in Euro)

Notes to the Financial Statements

1. General Information

The GAS DISTRIBUTION COMPANY THESSALONIKI-THESSALY 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 has its principal place of business on 256 Monastiriou & 7 Glinou street, 54628, Thessaloniki, Greece.

The Company's share capital is fully paid up, stands at Euro 247.127.605,00 and is divided into 247.127.605,00 registered shares with a nominal value of Euro 1 each. On 30.04.2020, all the shares of the company DEPA S.A. were transferred to DEPA INFRASTRUCTURE S.A. due to universal succession following the spin-off of the infrastructure sector.

The Company's current shareholding structure as at December 31st, 2021 is as follows:

(1) DEPA INFRASTRUCTURE S.A.:	126.035.079,00 shares, i.e. 51%
(2) ENI Gas e Luce S.p.A: SB	121.092.526,00 shares, i.e. 49%.

In compliance with Law 4001/2011, as from 30.12.2016 the Company became the legal Operator of the Distribution Networks of Thessaloniki and Thessaly.

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). On 22.11.2021 RAE published the decisions 786 (OGG B '5428/22.11.2021) for the modifications of the Distribution Network Operation License of EDA THESS, and 785 (OGG B' 5411/22.11.2021) for the modification of Distribution License of EDA THESS, due to a change in the name and shareholding structure of the company, following the transformation of "DEPA SA" (partial breakdown of the infrastructure sector) .were granted to the Company, pursuing the provisions of L. 4001/2011, and the Licensing Regulation (OGG B '3430 / 17.08.2018). The period of validity of the Licenses is 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.

With the Distribution Network Operation License, the management right and operation of the distribution networks in the geographic areas of Thessaloniki and Thessaly, is granted to the Company. The geographical area of the license covers the Regional Unit of Thessaloniki and the Region of Thessaly.

It is noted that the Revenue from the Basic Distribution Activity was based on the distribution tariff coefficients, according to Decision RAE 1429/2020 (Government Gazette B' 4882/04.11.2020) on "Determination of the Required Revenue and Approval of Tariff for the Basic Natural Gas Distribution Activity of the Distribution Network of Thessaloniki and the Distribution Network of Thessaly for the Regulatory Period 2019-2022", with which the Regulatory Authority for Energy approved the Distribution Tariffs with effect from 01.12.2020. It is further noted that the approved tariff coefficients for the Regulatory Period 2019-2022 are lower than the corresponding coefficients of the previous Regulatory Period, which were valid during the corresponding period of the previous year and until 30.11.2020.

EDA THESS has signed a contract, following the approval of RAE, for the distribution network management services which relate to management, operation, maintenance of the

Natural Gas Distribution Network to another Distribution Network company and which were completed in December 2021.

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, 2021, and have been approved by the Board of Directors on March 10th, 2022.

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

2.1 Basis for the Presentation of Interim Financial Statements

The Financial Statements have been prepared in accordance with IFRS as issued by the International Board (IASB) as well as in accordance with their interpretations, as issued by the IASB Standards Interpretation Committee, as adopted by the European Union and are mandatory applied for the year ending December 31st, 2021. There are no standards and interpretations of standards that have been applied before the date of their application.

The Financial Statements of the Company have been prepared in accordance with the historical cost principle and on the basis of the going concern principle.

The preparation of the Financial Statements in accordance with IFRS require the adoption of specific estimations and assumptions. It also requires management judgment when applying the Company's accounting policies. Areas with a higher degree of judgment or complexity, or areas where assumptions and estimations are significant in the Financial Statements are indicated in note 4 below.

The financial data are presented in Euro which is the applicable currency for the Company's operation and presentation.

In the statement of Financial Position are disclosed separately the tangible and the intangible assets belonging to EDA THESS and DEPA Infrastructure S.A. According to the article 80B of Law N. 4001/2011, the networks of Distribution that had been constructed until 31.03.2017 remain in the exclusive property of DEPA Infrastructure S.A. and transferred as tangible assets to DEPA Infrastructure S.A. DEPA Infrastructure S.A. as the owner of the Network is not entitled to an exchange for the concession of the management and exploitation of Distribution Networks of Thessaloniki and Thessalia up to the amortization of the right of use and beneficial use of assets and specifically until the expiration of the License on 31.12.2043. Respectively, the construction of Distribution Network completed from April 1st, 2017, by EDA Thess who manages the Distribution Network of Thessaloniki and Thessaly, under their respective Distribution Network Operation License, is in the exclusive ownership of EDA Thess and will be amortized until the expiration of the Distribution License on 31.12.2043.

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, Income for the Gas Distribution activities 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. In the same context, once approved, it will be feasible to disclose the approved distribution rules and the separate Financial Statements for each geographical area in the notes the Financial Statements.

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

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,2020 except for the adoption of the following new standards and amendments applicable to annual periods beginning on or after January 1st, 2021:

- **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**
  In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The amendments had no impact on the financial statements of the Company.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**
  The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:
  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

- Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
- There is no substantive change to other terms and conditions of the lease.

The amendment had no impact on the financial statements of the Company.

- **Attributing Benefit to Periods of Service (IAS 19 Employee Benefits) – IFRS Interpretation Committee (IFRS IC or IFRIC) Agenda Decision issued May 2021**
  The International Financial Reporting Standards Interpretations Committee issued a final agenda decision in May 2021, under the title "Attributing Benefits to Periods of Service" (IAS 19), which includes explanatory material regarding the attribution of benefits in periods of service regarding a specific defined benefit plan analogous to that defined in Article 8 of Greek Law 3198/1955 regarding provision of compensation due to retirement (the "Labor Law Defined Benefit Plan"). This explanatory information differentiates the way in which the basic principles and regulations of IAS 19 have been applied in Greece in the previous years, and therefore, according to what is defined in the "IASB Due Process Handbook (par 8.6)", entities that prepare their financial statements in accordance with IFRS are required to amend their Accounting Policy accordingly. Based on the above, the aforementioned decision is implemented in accordance with paragraphs 19-22 of IAS 8 as a change in accounting policy. The Company's Management examined the impact of the agenda decision on the financial statements of the Company and a detailed reference is provided in note 2.3.

<u>**Standards issued but not yet effective and not early adopted by the Company**</u>

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed the effect of the standard and does not expect that this standard will have an impact on the financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**
  The amendments were initially effective for annual reporting periods beginning on or after January 1st, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of

recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the Company issuing own equity instruments.
In November 2021, the Board issued an exposure draft (ED), which clarifies how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. In particular, the Board proposes narrow scope amendments to IAS 1 which effectively reverse the 2020 amendments requiring entities to classify as current, liabilities subject to covenants that must only be complied with within the next twelve months after the reporting period, if those covenants are not met at the end of the reporting period. Instead, the proposals would require entities to present separately all non-current liabilities subject to covenants to be complied with only within twelve months after the reporting period. Furthermore, if entities do not comply with such future covenants at the end of the reporting period, additional disclosures will be required. The proposals will become effective for annual reporting periods beginning on or after 1 January 2024 and will need be applied retrospectively in accordance with IAS 8, while early adoption is permitted. The Board has also proposed to delay the effective date of the 2020 amendments accordingly, such that entities will not be required to change current practice before the proposed amendments come into effect. These Amendments, including ED proposals, have not yet been endorsed by the EU. Management estimates that these amendments will not have an impact on the financial statements.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**
  The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:
  - **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a Company will recognise such sales proceeds and related cost in profit or loss.
  - **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a Company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
  - **Annual Improvements 2018-2020** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

  Management estimates that these amendments will not have an impact on the financial statements.

- **IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)**
  The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the

practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. Management estimates that these amendments will not have an impact on the financial statements.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**
  The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Amendments have not yet been endorsed by the EU. Management estimates that these amendments will not have an impact on the financial statements.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**
  The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Amendments have not yet been endorsed by the EU. Management estimates that these amendments will not have an impact on the financial statements.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**
  The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Amendments have not yet been endorsed by the EU. Management estimates that these amendments will not have an impact on the financial statements.

2.3 Changes in accounting policies

Decision of the Interpretation Committee of International Financial Reporting Standards (IFRIC), on the distribution of staff benefits over periods of service under a defined benefit plan, in accordance with International Accounting Standard (IAS) 19 "Employee Benefits"

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods service on a specific program of defined benefits similar to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Program of Fixed Benefits of Labor Law").

Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard is differentiated, and consequently, according to what is defined in the IASB Due Process Handbook (par. 8.6)", Entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policy accordingly.

Until the issuance of the agenda decision, the Company applied IAS 19 distributing the benefits defined by article 8 of L.3198/1955, L.2112/1920, and its amendment by L.4093/2012 in the period from recruitment to completion of 16 years of work following the scale of Law 4093/2012.

The application of this final Decision in the attached financial statements, has as a result now the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

Based on the above, the application of the above final Decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 - 22 of IAS 8.

The effect of this adjustment to the Statement of Financial Position on January 1st, 2020, was the increase of Euro 960.320,04 in the item "Retained earnings", increase of Euro 179.525,68 in the item "Reserves", decrease of Euro 1.499.797,00 in the item "Provision for personnel compensation "and a reduction of Euro 359.951,28 in the item" Deferred tax asset".

Similarly, the effect of this adjustment on the financial position on January 1st, 2021 was the increase of Euro 1.016.091,91 in the item "Retained earnings", increase of Euro 122.707,32 in the item "Reserves", decrease of Euro 1.498.420,04 in the item "Provision for personnel compensation" and reduction of Euro 359.620,81 in the item "Deferred tax asset".

The effect of this adjustment on the Income statement at December 31, 2020, was a decrease of Euro 73.384,04 in the item "Personnel Costs" and an increase of Euro 17.612,17 in the item "Income Tax".

The effect of this adjustment on the Statement of Comprehensive Income as at December 31, 2020 was a decrease of Euro 74.761,00 in the item "Profit from remeasurement of defined benefit plan" and an increase in the item "Income tax related to actuarial gains" by Euro 17.942,64.

The following tables present the adjustments made for each separate line of the Statement of Financial Position, of the Income Statement and the Statement of Comprehensive Income for the Company. Lines that were not affected by the changes made by the new standard are not included in the table. The changes are analyzed in more detail below.

(all amounts are expressed in Euro)

The above change also had an effect on the Cash Flow Statement with an increase of the item "Profit before taxes" by Euro 73.384,04 and an equivalent decrease of the item "Provision for staff compensation" without affecting the total cash flows from operating activities.

Impact on the balance sheet (increase / (decrease)) of 31 December 2019 and 2020 as published:

Excerpt of the Statement of Financial Position

Statement of Financial Position	31.12.2019	IAS 19	01.01.2020
Non - Current Assets			
Deferred tax asset	1.080.882,78	-359.951,28	720.931,50
Equity			
Reserves	16.987.378,53	179.525,68	17.166.904,21
Retained earnings	18.968.557,81	960.320,04	19.928.877,85
Non - Current Liabilities			
Provision for personnel compensation	1.833.616,00	-1.499.797,00	333.819,00

Statement of Financial Position	31.12.2020	IAS 19	01.01.2021
Non - Current Assets			
Deferred tax asset	1.100.801,05	-359.620,81	741.180,24
Equity			
Reserves	18.071.230,90	122.707,32	18.193.938,22
Retained earnings	19.697.600,97	1.016.091,91	20.713.692,88
Non - Current Liabilities			
Provision for personnel compensation	1.883.128,04	-1.498.420,04	384.708,00

Excerpt of Income Statement

Income Statement	31.12.2020	IAS 19	31.12.2020
Personnel cost	13.359.487,33	-73.384,04	13.286.103,29
Income tax	6.388.665,71	17.612,17	6.406.277,88

(all amounts are expressed in Euro)

Excerpt of Statement of Comprehensive Income

Statement of Comprehensive Income	31.12.2020	IAS 19	31.12.2020
Profit from remeasurement of defined benefit plan	81.695,00	-74.761,00	6.934,00
Income tax related to actuarial gains (losses)	-19.606,80	17.942,64	-1.664,16

2.4 Basic Accounting Principles

2.4.1 Intangible Assets

According to Article 80B of Law 4001/2011, the Distribution Networks that had been constructed until 31.03.2017 remain in the exclusive property of DEPA Infrastructure S.A. and are transferred as a "tangible asset" to DEPA Infrastructure S.A., as Network Owner, is not entitled to anything in exchange for the granting of the management and operation of the Distribution Networks of Thessaly and Thessaloniki until the amortization of right to use and the beneficial use, and specifically until the expiry of the Distribution License on 31.12.2043.

The rights and obligations that govern the relationship of the Company with the owner of the Distribution Network assets that existed on April 1st, 2017 are set out in Appendix IV of the Company's Distribution Network Management Authorization (OGG B' 5916/31.12.2018 and were amended by OGG B' 5428/22.11.2021) relating to fixed assets referred to in Appendix II and III of the License. The Existing Distribution Network, which was built and completed before April 1st, 2017, and its replacements or restorations, is owned by DEPA Infrastructure S.A., excluding the replacement of smart meters.

DEPA Infrastructure S.A. grants to the Company, without anything in exchange, the management and exploitation of the existing Network.

The above assets of DEPA Infrastructure S.A. are presented as intangible assets in the Company's Statement of Financial Position and are amortized until the expiry of the License (2043).

2.4.2 Tangible Fixed Assets

In compliance with Law, the expansion works on Distribution Networks operated by the Company from 01.04.2017 belong to its exclusive property and are presented as tangible fixed assets in the Statement of Financial Position.

Fixed assets are presented at historical cost less accumulated depreciation and any impairment. Acquisition and construction cost include any costs directly attributable to the acquisition and construction of fixed assets. Subsequent expenditure is included in the carrying amount of the asset only when it is likely that future economic benefits will flow to the Company and the asset cost can be reliably estimated.

The residual value and useful life of the assets are reviewed and determined at each date of preparation of the Financial Statements, if necessary.

Depreciation is computed based on the straight-line method over the estimated useful lives of such assets and starts when the asset becomes available for use. Plant and equipment are depreciated as follows:

Tangible fixed assets are depreciated as follows:

Leasehold improvements:	over the life of the lease contract or useful life if shorter
Machinery and equipment:	8-10 years
Distribution network:	Until the License expiration (2043)
Vehicles:	8-10 years
Furniture and fittings (including software):	3-10 years

Depreciated values of assets are reviewed for impairment when events or amendments indicate the depreciated value may not be recoverable. In case of such indication and whenever depreciated values exceed the estimated recoverable amount, assets are written down to their recoverable amount. The recoverable amount is the highest between net selling price and value in use. Value in use is assessed by the estimated future cash flows in their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to such asset. Impairment losses are recognized in the Income Statement.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

2.4.3 Impairment of non-financial assets

Assets of indefinite useful life are not subject to amortization and are reviewed annually for impairment. Assets subjected to amortisation are reviewed for impairment when events indicate the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount may not be recoverable. The recoverable amount is the highest of an asset's fair value less costs to sell and value in use. Value in use is assessed by the estimated future cash flows in their present value using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to such asset. Impairment losses are recognised in the Income Statement of the year they arise.

2.4.4 Financial Instruments

Financial instrument is any contract that creates a financial asset to a Company and a financial liability or an equity instrument in another one.

I. Financial Assets

Initial recognition and measurement
At initial recognition financial assets are classified depending on their nature and characteristics into one of the following three categories:

i. Financial assets measured at amortized cost,
ii. Financial assets measured at fair value through profit or loss,
iii. Financial assets measured at fair value through other comprehensive income

All financial assets are initially recognized at their fair value, which is usually the acquisition cost plus direct transaction costs. Purchases and sales of investments are recognized at the date of the transaction, which is the date the Company commits to purchase or sell the item.

Subsequent measurement

i. **Financial assets measured at amortized cost**
This category classifies the financial assets for which both of the following conditions are met:
1. the financial asset is retained within a business model, the objective of which is to hold financial assets for the purpose of collecting contractual cash flows; and
2. under the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

This category includes all financial assets of the Company.

ii. **Financial assets measured at fair value through profit or loss**.
A financial asset is measured at fair value through profit or loss, unless is measured at amortized cost according to paragraph (i) or fair value through other comprehensive income in accordance with paragraph (ii).

However, at initial recognition, the Company may elect irrevocably for specific investments in equity instruments that would otherwise be measured at fair value through profit or loss, presenting other comprehensive income on subsequent changes in fair value

Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise.

iii. **Financial assets measured at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

1. the financial asset is retained in the context of a business model the objective of which is achieved both by the collection of contractual cash flows and the sale of financial assets; and
2. under the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

At the date of the Financial Statements the Company did not have investments of this category.

Derecognition of financial asset

The Company ceases to recognize a financial asset when the contractual rights to the cash flow of the financial asset expire or transfer the financial asset and the transfer meets the conditions for write-off.

Reclassification of financial assets

Reclassification of financial assets occurs in rare cases and is due to a decision by the Company to modify its business model for the management of those financial assets.

Impairment of financial assets

Under IFRS 9, impairment of financial assets measured at amortized cost or at fair value through other comprehensive income occurs by recognizing the expected credit losses.

At each reporting date, IFRS 9 requires measuring the provision for a financial instrument for an amount equal to the expected lifetime loss if the credit risk of the financial instrument has increased significantly since initial recognition. On the other hand, if at the reporting date the credit risk of a financial instrument has not increased significantly from the initial recognition, IFRS 9 requires the provision for a loss provision for that financial instrument to be equal to the expected 12-month credit losses.

The risk parameters taken into account for the calculation of expected credit losses are the estimated default probability, the percentage of loss on the principal due to the fact that the client has failed to repay the amount due and the outstanding balance of the Company in case of default the customers. In certain cases, the Company may assess for certain financial information that there is a credit event when there is internal or external information indicating that the collection of amounts determined under the relevant contract is unlikely to be collected as a whole.

As a general rule, the assessment of the classification in stages shall be carried out at each reporting period.

Regarding to 'Trade and other receivables, IFRS 9 requires the application of the simplified approach to the calculation of expected credit losses. The Company, using this approach, has calculated the expected credit losses over the life of the receivables. For this purpose, a credit loss forecasting table was used to measure the projections in a way that reflects past experience and predictions of the future financial situation of customers and the economic environment.

II. Financial liabilities

Initial recognition

The balances of suppliers and other liabilities are recognized at cost that is the fair value of the future payment for the purchases of goods and services provided. Trade and other short-term liabilities are not interest-bearing accounts and are usually settled at 0-60 days.

All loans are initially recorded at cost, which reflects the fair value of the receivables less the relevant direct acquisition costs where they are significant. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when liabilities are written off or impaired through the amortization process.

Subsequent measurement

After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method except for:

I. financial liabilities at fair value through profit or loss.
II. financial liabilities that arise when the transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.
III. financial guarantee contracts
IV. loan commitments at lower interest rates than those on the market.

The unamortised cost of loans is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when the liabilities are written off or impaired, and through the amortization process.

Amounts repayable within one year from the date of the Financial Statements are entered as current liabilities whereas amounts payable at a later stage are entered as long-term loans.

Derecognition

An entity ceases to recognize a financial liability (or part thereof) in its financial statements when, and only when, it is repaid, that is, when the commitment set out in the contract is fulfilled, cancelled, or expires. An exchange between an actual debtor and a borrower of debt securities in substantially different terms is accounted for as a repayment of the original financial liability and recognition of a new financial liability. Similarly, a material changes in the terms of an existing financial liability (whether due to a borrower's financial difficulty or not) is accounted for as a repayment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of a financial liability (or a portion of a financial liability) payable or transferred to another party and the consideration paid, including the non-cash assets and the liabilities assumed, is recognized in the income statement.

Reclassification of financial liabilities

The Company may not reclassify any financial liability.

Offsetting financial instruments

The offsetting of financial assets with liabilities and the presentation of the net amount in the Financial Statements is made only if there is a legal right to offset and there is an intention to settle the net amount resulting from the offsetting or simultaneous settlement.

2.4.5 Inventory

Inventories consist of materials related to the construction of gas distribution network and spare parts used for maintenance. Inventories are valued at the lowest between cost and net realizable value. Net realizable value is the estimated selling price of stocks in the ordinary course of business less any costs of sale where applicable. The Company measures inventories at the weighted average cost.

Appropriate allowance is made for obsolete, useless and slow-moving materials. The reductions in value of inventories to net realizable value and other reserves losses are entered in the Income Statement of the period displayed.

2.4.6 Trade and other receivables

The commercial receivables which generally have a credit of 0-30 days are entered at fair value (originally invoiced amount) minus the provisions for any uncollectable balance amounts.

The remaining receivable which are expected to be collected within a year from the reporting date, are entered at fair value less the provisions for any uncollectable balance amounts, while long-term receivable accounts (balance amounts deviating from the standard credit limits) are valued at unamortized cost on the basis of the effective interest rate method.

A provision for impairment is made when the collection of a total amount due is no longer possible. Furthermore, the Company calculates the expected credit losses over the life of the receivables and prepares a related provision. For this purpose, a forecasting matrix of credit losses is used, based on aging of balances, to measure the related provisions in a way that reflects past experience and forecasts of the future financial situation of customers and the economic environment.

The balance of such provision for impairment is applicably adjusted to each reporting date, in order to reflect the potentially relevant risks.

Any written-off balance of customers is charged to the existing provision for impairment. The Company does not write off any receivable until all possible legal actions are taken for its collection. The provision amount is entered as an expense item in the Income Statement.

Any subsequent recovery of amounts for which a provision had been made, are credited under "Other revenues" in the Income Statement.

2.4.7 Cash and cash equivalents

Cash and cash equivalents consist of cash, maximum 3-month term deposits and other highly liquid investments.

2.4.8 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.

2.4.9 Foreign currency translation and transactions

Financial Statements are presented in Euro, the functional currency of the Company. Transactions in foreign currencies are translated into the functional currency using the exchange rates existing on the date of transaction. Debts, assets and liabilities in foreign currency on reporting date are adjusted to reflect the exchange rates prevailing on reporting date. Gains and losses from foreign exchange differences arising from translation of monetary items denominated in foreign currencies during the year and on reporting date with the existing rates, are entered in Income Statement.

2.4.10 Personnel Retirement Benefits

In compliance with the provisions of labour law, the Company reimburses its retirees, with the amount of compensation depending on the years worked and the salary. The program is considered to be a defined benefit plan.

Retirement obligations are calculated at the discounted value of future benefits accumulated at the end of the year, based on the employees' retirement benefit rights. The Company distributes the benefits in the last 16 years until the date of retirement of the employees following the scale of Law 4093/2012. Such obligations are calculated on the basis of financial and actuarial assumptions and are determined by means of the Projected Unit Method.

Net pension costs for the fiscal year 2021 are comprised in the Statement of Comprehensive Income and consist of the present value of benefits earned during the year, interest on the benefit obligation and the actuarial gains or losses are entered directly in other comprehensive income rather than carried forward. For the prepayment, the Full Yield curve method is used.

Short-term employee benefits in cash and in kind are entered as an expense when accrued.

2.4.11 Provisions

Provisions are entered when the Company has a present obligation (legal or constructive) as a result of a past event, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of such obligation.

Provisions are re-estimated on each reporting date of the Financial Statements and adjusted so as to depict the current value of the expense to be made in order the obligation to be settled. Should the effect of the time value of money is significant, provisions are calculated by discounting the expected future cash flows with a pre-tax factor, reflecting the current estimations of the market for the time value of money and, whenever necessary, the risks specifically related to the obligation. Any eventual payables are not recognized to the Financial Statements but rather announced, unless the probability of an outflow of resources incorporating financial benefits is increased and at the same time the probable outflow can be measured with relative accuracy. Eventual claims are not recognized to the Financial Statements but rather announced, should the inflow of financial benefits is likely.

2.4.12 Government grants

As grants concern property of ownership of DEPA Infrastructure SA which are presented as intangible assets, or right of use the gas network in the Statement of the Financial Position, the fair value of the grants is credited to a long-term liability account and charged equally to the Income Statement in the period of the amortization of distribution Network intangible assets namely until to 2043. The related amortization is presented separately to the Income Statement.

Grants related to investments will be recognized at fair value when is expected with certainty that the grant will be collected and the Company will be in agreement with all mandatory conditions.

2.4.13 Trade and other payables

The suppliers and other liabilities balances are recognized at cost, which is identical to the fair value of future payment for goods and services provided. Trade and other payables are not interest bearing and are normally settled within 0-60 days.

Part of long-term liabilities are related to guarantees received from distribution users to guarantee future payments. Guarantees are not interest-bearing accounts and the amounts should be refunded to distribution users in accordance with their respective contracts of use, if there has been no reason for deducting, withholding and / or collecting this amount from the Company. In the event of termination of the contract of use from the Company due to non-payment of the bad depts, the amount of the guarantee is forfeited to the Company and offset against the amount of bad depts.

2.4.14 Current and Deferred Income Tax

Current tax is calculated in compliance with the tax laws in force in Greece.

Current income tax expense includes income tax calculated on profits the Company, as adjusted in tax returns, additional income taxes resulting from tax audits by the tax authorities and provisions for additional taxes and surcharges on tax issues and is calculated in compliance with the effective tax rates as of Financial Statements date.

Deferred tax is calculated by using the liability method, under the effective rates applicable when will be paid on all temporary differences on reporting date, between the tax basis and book value of assets and liabilities. If deferred income tax arises from the initial entry of an asset or liability in a transaction other than the business combination, then when the transaction affects neither accounting nor taxable profit or loss and therefore not considered.

Deferred tax assets are recognized for all deductible temporary differences, tax losses carried forward and tax-deductible transfer of investment laws to the extent that it is likely that taxable profit will be available, against which the deductible temporary differences, tax losses transferred, and transferable rights tax-free deduction of investment laws can be exploited.

The carrying amount of deferred tax assets is reviewed on each reporting date and is reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred tax assets may be used.

2.4.15 Revenue recognition from contracts with customers

The Company's main sources of revenue are the following

I. Distribution Revenues
II. Revenues from Connection Charges
III. Revenues from other ancillary (excluding connection Charges) services

The amounts attributable to each Revenue category are presented separately in either the Income Statement or the Explanatory Notes of the Financial Statements.

The Company recognizes revenue when it fulfills a contractual obligation to the individual customer by providing a service (which is the same time when the control of services passes to the customer). The customer acquires control of a service when it can direct its use and take substantially all the remaining benefits from it. If a contract includes more than one contractual obligations, the total value of the contract is allocated to the individual obligations on the basis of the individual sales values. The amount of revenue recognized is the amount attributed to the corresponding contractual obligation that has been settled, based on the consideration expected to be received by the Company under the terms of the contract.

The Company does not enter into contracts where the period between the transfer of the goods or services promised to the customer and the payment by the customer exceeds one year. Consequently, the Company does not adjust the transaction price for the time value of money.

I. Distribution Revenues

The Company, in the context of signed contracts of Network Use, invoices the Distribution users of Gas Network monthly based on the approved distribution invoices by the Regulatory Authority for Energy (RAE) in accordance with the provisions of the Distribution Network Operation Code.

Revenues from the use of the Natural Gas Distribution Network are the main source of revenue for the Company. Based on the valuation carried out by the Company's Management, gas revenue is recognized over time as the customer receives and at the same time uses the benefits arising from the use of the Network. In particular, revenue is recognized by issuing the invoice to customers on the basis of distributed quantities of natural gas. Therefore, the right to issue an invoice is used to recognize revenue from such contracts.

II. Revenues from Connection Charges

Based on the assessment conducted by the Company's Management, the connection of each customer to the Distribution Network is a separate execution obligation, as the connection has a value for the customer. Therefore, revenue from these one-time charges is recognized at a point in time, namely at the time of the connection to the Network, and the customer acquires control of that service

III. Revenues from other ancillary and optional services (except Connection Charges)

The Company invoices monthly the ancillary services provided in accordance with the list of Ancillary and Invoiced Services of the Distribution Networks of Thessaloniki and Thessaly and their related unit prices.
Revenue from ancillary services, mainly includes de-activation and reconnection fees, is recognized at the time the service is completed (at a point in time), as at that time the customer acquires control of that service.
Revenue from optional services, mainly includes gas network maintenance charges, related to the distribution network of another distribution Company and is recognized at the time the service is completed (at a point in time), as at that time the customer acquires control of that service.

Contract assets

At the end of the period, the Company recognizes a contractual asset for accrued revenue that has not yet been invoiced to Gas Network users and which is included in the Trade and other receivables in the Statement of Financial Position. When the relevant invoice is issued to customers, the Company recognizes a relevant receivable, as the issuance of the invoice is the moment when the Company's right in exchange becomes unconditional (if only the passage of time is required to make payment of the said consideration). The amount of the contractual asset as at December 31st, 2021 is Euro 10.593.522,82 (31.12.2020: Euro 7,898,725.48) and is included in trade and other receivables in the attached Financial Statements (Note 10). The Company's right to this amount becomes unconditional once the relevant invoices are issued on the following month.

2.4.16 Interest income

Interest income is recognized on a time proportion basis, determined by the actual performance of the asset.

2.4.17 Leases

- Right of use assets

The Company recognizes the right of use assets at the commencement of the lease (the date the asset is available for use). The rights to use of assets are measured at their cost less the accumulated depreciation and impairment and adjusted on recalculation of the corresponding lease obligations. The cost of right of use assets includes the amount of lease liabilities recognized, the initial directly related expenses and lease payments made on or before the commencement date, reduced by the amount of discounts or other incentives offered. Except where the Company is reasonably certain that the lease will occur in its possession at the end of the lease contract, the recognized rights of use assets are amortized over the stable method of the shorter period between the useful life of the underlying asset and the terms of lease contract. The rights of use of assets are subject to impairment testing.

- **Lease Liability**

At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the leases over the entire term of the lease contract. Payments include contractual fixed rents, reduced by the amount of subsidies offered, variable rents depending on an index, and amounts for residual value payments expected to be paid. Leases also include the exercise price of a purchase right that is relatively certain to be exercised by the Company and payment of termination penalties if the terms of the contract indicate with relative certainty that the Company will exercise the right of termination. Variable rents that are not dependent from an index are recognized as an expense in the year that the event or the condition arises, and the payment is made.

The Company, in order to calculate the present value of payments uses the cost of additional borrowing at the date of lease commencement, if the effective interest rate is not directly determined by the lease contract. Following the commencement of the lease, the amount of the lease liabilities is increased by interest expenses and is reduced by the lease payments made. In addition, the carrying amount of the lease liabilities is revalued if there is a change in the contract, or any change in the term of the contract, in the fixed leases or in the market valuation of the asset. These remeasurements are recorded in one line in the note of right of use of asset as conversions.

- Short-term leases and leases of assets of low value

The Company applies the exception for short-term leases (ie leases of less than or equal to 12 months from the date of commencement of the lease contract where there is no right to purchase the asset). It also applies the exemption for low value assets (ie less than Euro 5 thousand). Lease payments for short-term and low-value leases are recognized as an expense on a straight-line basis during the lease period (Note. 24).

- **Significant considerations in determining the duration of leases with the right to renewal**

The Company determines the duration of the lease as the contractual lease term, including the period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised, or (b) the right to terminate the contract, if it is relatively certain that the right will not be exercised.

For some leases, the Company has the right to extend the term of the lease. The Company assesses whether there is relative certainty that the right to renewal will be exercised, considering all relevant factors that create financial incentive to exercise the right to renewal. After the lease commencement date, the Company reviews the term of the lease if there is a significant event or change in the circumstances that are within its control and affect the choice (or not) of exercising the renewal right (such as a change in business strategy of the Company).

2.4.18 Expenses

Expenses are recognized in the Income Statement on accrual basis. Payments related to operational leasing are entered in the Income Statement, during the term of the lease.

2.4.19 Profit distribution and dividend distribution

Appropriations for use other than the statutory reserve, and recognition of the liability distribution are entered in the Financial Statements if the distribution is approved by the General Assembly of the Shareholders.

3. Risk Management

3.1 Financial risk management factors

The Company is exposed to several financial risks, such as:

I. market risk (changes in exchange rates, interest rates, market prices)
II. credit risk; and
III. liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Management provides guidance and directions for the overall risk management and the specific internal bodies (such as the liquidity and legal committees) ensure the management of specific risks (such as interest rate risk and credit 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 offset risk aversion. The Company is not engaged in financial tools that could expose it to fluctuations in exchange rates of foreign currencies and interest rates.

I. Market risk:

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 financial tool is used to reduce this risk.

Interest rates risk: The Company's exposure to risk due to changes in interest rates relates primarily to current liabilities. The Company's policy is to monitor the interest rate trends as well as the Company's financing needs.

Investments include either in time deposits or sight deposits to ensure the Company's liquidity.

The Company finances its investments through bank borrowing resulting in charging its earnings with debit interest. An increase in interest rates (change to Euribor) will have a negative effect on the results, as the Company will incur additional borrowing costs.

Interest Rate Sensitivity Analysis

	Interest rate change in basis points	Impact on Earnings Before Taxes Euro 000's
2021		
Euro	+/-1%	-/+546
2020		
Euro	+/-1%	-/+375

II. Credit risk:

The biggest credit risk (net of the value of collateral or other security) if the contracting parties do not meet their obligations with respect to each class of recognized financial asset is the present value of these requirements, as shown in Balance Sheet less the value of securities/ collateral.

The credit risk due to a possible delay of payment by a Distributor User is minimized as, under the User Contracts, all Users have provided either a Letter of Guarantee or a Cash Guarantee. According to the terms of the Contracts, the guarantee letters may be forfeited immediately.

III. Liquidity risk:

Prudent liquidity risk management includes the following:

- maintaining sufficient cash and equivalent assets; and
- adequacy of financial facility.

Management monitors the Company's liquidity based on cash inflows and outflows forecasts.

As at December 31, 2021, current liabilities are slightly higher than current assets due to significant expansion of the Company's construction activity during the last months of the closing year.

The following table shows financial liabilities that are allocated according to the date of repayment. The following amounts are presented in their book value, since the present value of discounted future cash flows are not significantly different.

(all amounts are expressed in Euro)

The following table analyzes the Liquidity Risk according to the payment period (31.12.2021 & 31.12.2020) based on the payments resulting from the relevant contracts and agreements, presented in non-discounted values:

Liquidity Risk according to the payment period		up to 2 months	from 2 months up to 12 months	over 1 year	Total
Commercial & other Liabilities at :	31.12.2021	18.321.287,69	12.935.536,61	0,00	**31.256.824,30**
Other Long-term liabilities at:	31.12.2021	0,00	0,00	1.632.198,34	**1.632.198,34**
Long-term loan at:	31.12.2021	1.925.000,00	9.244.444,00	64.330.556,00	**75.500.000,00**
Financial liabilities from leases:	31.12.2021	184.859,88	881.750,92	1.139.570,92	**2.206.181,72**
Commercial & other Liabilities at :	31.12.2020	12.594.759,57	13.118.581,62	0,00	**25.713.341,19**
Other Long-term liabilities at:	31.12.2020	0,00	0,00	1.181.927,08	**1.181.927,08**
Long-term loan at:	31.12.2020	1.925.000,00	8.175.000,00	37.000.000,00	**47.100.000,00**
Financial liabilities from leases:	31.12.2020	182.637,15	849.822,83	2.037.637,32	**3.070.097,30**

IV. 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

3.2 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, 2021 and on December 31st, 2020 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 approximating their respective fair values due to their short-term maturity. The book value of long-term loans are 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 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.

3.3 Capital risk factors

The Company's objective in Capital management is the assurance of a continuous productivity and profits for the Shareholders as well as maintaining a capital structure which will reduce the cost of capital.

The capital is reviewed using a Gearing (Leverage) ratio. The factor is calculated as the percentage of total debt (long term and short-term loans plus the total long term and short-term financial liabilities from leases) to the sum of Equity and total debt.

4. Critical Accounting Estimates and Judgements

The preparation of Financial Statements in compliance with International Financial Reporting Standards requires Management to make significant judgments & accounting estimates affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the reporting date and the reported revenues and expenses during the reporting year. Although such estimates are based on the best knowledge of Management under the circumstances and the prevailing actual results, they may eventually differ from such estimates. Estimates and judgments are continuously assessed and are based on historical experience and other factors, including reasonably expected future events, under the circumstances.

The areas requiring a higher degree of management judgment, in which assumptions and estimates are significant to the Financial Statements, are as follows:

4.1 Revenue recognition and estimates

The Company recognizes revenue when it fulfills a contractual obligation to the customer by providing a service. The Company makes a judgment to determine when the customer acquires control of a service and considers that the customer acquires control when it can direct its use and obtain substantially all the remaining benefits from the service provided to it.

4.2 Income tax

The Company is subject to income tax in compliance with Greek tax laws. A significant judgment in determining income tax provision is required. For some transactions and calculations outright tax calculation is uncertain.

Whenever the final tax outcome of such matters is different from the amounts initially entered, such differences will have an impact on the income tax and the income tax provisions in the period in which they are incurred.

4.3 Estimated impairment of non-financial assets

The Company annually reassesses whether non-financial assets have been impaired in compliance with IAS 36, based on available data and information. The recoverable amounts of assets generating cash inflows are determined by calculating the value in use. Such calculations require the use of estimates.

The unamortized value of tangible and intangible assets related to Distibution Network, is considered fully recoverable due to amortization during the license period up to 2043.

4.4 Programs of specific benefits

The cost of specific benefits programs is determined by means of actuarial valuations, when assumptions on discount rates, the rate of wage growth and mortality rates are used. Due to the long-term nature of the programs, such assumptions are subject to significant uncertainty.

4.5 Impairment of Receivables

Receivables are presented as amounts likely to be recovered. Estimates of the amounts expected to be recovered arise from the Company's experience regarding the likelihood of the impairment or the expected credit losses.

The Company's policy is that no claim is made until all possible legal actions for their collection have been exhausted.

(all amounts are expressed in Euro)

5. Tangible assets

Property, Plant & Equipment	Land	Leasehold improvements	Network of distribution	Other machinery	Vehicles	Furniture & office equipment	Assets under construction	Total
Initial Value								
Balance at 01.01.2020	**4.066,74**	**1.584.605,05**	**58.110.758,82**	**417.352,92**	**34.682,11**	**14.021.554,24**	**6.932.939,05**	**81.105.958,93**
Additions of network	0,00	0,00	0,00	0,00	0,00	0,00	35.352.542,57	**35.352.542,57**
Other additions	31.763,59	42.085,44	0,00	30.100,00	0,00	1.552.517,36	158.000,00	**1.814.466,39**
Disposals	0,00	-250,00	-10.718,35	0,00	0,00	-110.132,30	0,00	**-121.100,65**
Transfers	0,00	0,00	25.281.894,01	0,00	0,00	1.044,72	-25.282.938,73	**0,00**
Transfers to intangible assets (Note 6)	0,00	0,00	0,00	0,00	0,00	0,00	-739.684,52	**-739.684,52**
Balance at 31.12.2020	**35.830,33**	**1.626.440,49**	**83.381.934,48**	**447.452,92**	**34.682,11**	**15.464.984,02**	**16.420.858,37**	**117.412.182,72**
Initial Value								
Additions of network	0,00	0,00	0,00	0,00	0,00	0,00	34.491.348,97	**34.491.348,97**
Other additions	0,00	2.950,00	0,00	0,00	0,00	994.581,47	549.750,00	**1.547.281,47**
Disposals	0,00	0,00	-14.184,54	0,00	0,00	-19.070,38	0,00	**-33.254,92**
Transfers	0,00	0,00	34.919.190,57	0,00	0,00	21.000,00	-34.940.190,57	**0,00**
Transfers to intangible assets (Note 6)	0,00	0,00	0,00	0,00	0,00	0,00	-299.466,76	**-299.466,76**
Balance at 31.12.2021	**35.830,33**	**1.629.390,49**	**118.286.940,51**	**447.452,92**	**34.682,11**	**16.461.495,11**	**16.222.300,01**	**153.118.091,48**
Accum. Depreciation								
Balance at 01.01.2020	**0,00**	**969.874,84**	**2.639.324,55**	**274.263,82**	**14.394,32**	**10.488.175,63**	**0,00**	**14.386.033,16**
Depreciation	0,00	55.562,67	2.848.997,04	20.482,88	2.467,32	1.385.018,09	0,00	**4.312.528,00**
Disposals	0,00	-249,99	-525,22	0,00	0,00	-110.131,53	0,00	**-110.906,74**
Balance at 31.12.2020	**0,00**	**1.025.187,52**	**5.487.796,37**	**294.746,70**	**16.861,64**	**11.763.062,19**	**0,00**	**18.587.654,42**
Accum. Depreciation								
Depreciation	0,00	54.807,14	4.187.109,15	22.086,19	3.268,80	1.326.560,82	0,00	**5.593.832,10**
Disposals	0,00	0,00	-970,93	0,00	0,00	-19.069,97	0,00	**-20.040,90**
Balance at 31.12.2021	**0,00**	**1.079.994,66**	**9.673.934,59**	**316.832,89**	**20.130,44**	**13.070.553,04**	**0,00**	**24.161.445,62**
Net book value								
31.12.2020	35.830,33	601.252,97	77.894.138,11	152.706,22	17.820,47	3.701.921,83	16.420.858,37	**98.824.528,30**
31.12.2021	35.830,33	549.395,83	108.613.005,92	130.620,03	14.551,67	3.390.942,07	16.222.300,01	**128.956.645,86**

Disposals/destruction of fixed assets	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Receipts from disposals	6.108,45	4.064,68
Minus net book value	13.214,02	10.193,90
Net loss from destruction/disposal of fixed assets	**-7.105,57**	**-6.129,22**

There are no tangible assets pledged as at December 31st, 2021 and as at December 31st, 2020.

(all amounts are expressed in Euro)

6. Intangible Assets

Intangible Assets	Network License Rights 31.12.2021	Network License Rights 31.12.2020
Cost		
Opening balance	**497.284.398,53**	**496.544.714,01**
Network licence rights additions (Note 5)	299.466,76	739.684,52
Closing balance	**497.583.865,29**	**497.284.398,53**
Accumulated Amortization		
Opening balance	**256.729.138,02**	**246.158.395,15**
Amortization of network licence rights	10.597.606,90	10.570.742,87
Closing balance	**267.326.744,92**	**256.729.138,02**
Net Book Value	**230.257.120,37**	**240.555.260,51**

Network License Rights are amortized over the period of the concession licence until 2043.

The Distribution Network is adequately insured against any property risk.

7. Right of use Assets

Right of use assets	Buildings	Vehicles	Total
Cost			
Balance at 01.01.2020	**3.268.470,03**	**1.072.626,20**	**4.341.096,23**
Additions (Note 14)	327.034,69	536.815,87	**863.850,56**
Balance at 31.12.2020	**3.595.504,72**	**1.609.442,07**	**5.204.946,79**
Additions (Note 14)	14.329,08	227.937,05	**242.266,13**
Balance at 31.12.2021	**3.609.833,80**	**1.837.379,12**	**5.447.212,92**
Accumulated Amortization			
Balance at 01.01.2020	**703.594,57**	**389.812,67**	**1.093.407,24**
Depreciation	704.060,39	397.130,68	**1.101.191,07**
Balance at 31.12.2020	**1.407.654,96**	**786.943,35**	**2.194.598,31**
Depreciation	707.995,89	400.212,61	**1.108.208,50**
Balance at 31.12.2021	**2.115.650,85**	**1.187.155,96**	**3.302.806,81**
Net Book Value			
31.12.2020	2.187.849,76	822.498,72	3.010.348,48
31.12.2021	1.494.182,95	650.223,16	2.144.406,11

(all amounts are expressed in Euro)

8. Deferred tax assets

Deferred Tax Asset	31.12.2021	31.12.2020
Opening Balance	**741.180,24**	**1.080.882,78**
Impact of Changes in accounting policy (Note 2.3)	0,00	-359.951,28
(Debit) / Credit in income statement (Note 18)	-48.517,33	21.912,90
Debit in other comprehensive income	-1.417,30	-1.664,16
Closing Balance	**691.245,61**	**741.180,24**

Deferred Tax Analysis	Useless Materials	Provision for Staff compensation	Provision for doubtful debts	Intangible Assets	Network Distribution	Grants	Distribution of Profit	Other	Total
Balance at 01.01.2020	**100,88**	**414.203,89**	**28.325,12**	**-917.032,72**	**-7.146,55**	**67.320,60**	**1.113.767,81**	**21.392,47**	**720.931,50**
Credit / (Debit) in Income Statement (Note 18)	5.043,35	3.672,11	2.485,90	73.339,80	3.793,65	-2.805,03	-70.865,81	7.248,93	**21.912,90**
Debit in other comprehensive income	0,00	-1.664,16	0,00	0,00	0,00	0,00	0,00	0,00	**-1.664,16**
Balance at 31.12.2020	**5.144,23**	**416.211,84**	**30.811,02**	**-843.692,92**	**-3.352,90**	**64.515,57**	**1.042.902,00**	**28.641,40**	**741.180,24**
Balance at 01.01.2021	**5.144,23**	**416.211,84**	**30.811,02**	**-843.692,92**	**-3.352,90**	**64.515,57**	**1.042.902,00**	**28.641,40**	**741.180,24**
Credit / (Debit) in Income Statement (Note 18)	-2.064,00	-63.779,22	15.076,58	138.364,42	26.211,61	-7.947,57	-151.868,25	-2.510,90	**-48.517,33**
Debit in other comprehensive income	0,00	-1.417,30	0,00	0,00	0,00	0,00	0,00	0,00	**-1.417,30**
Balance at 31.12.2021	**3.080,23**	**351.015,32**	**45.887,60**	**-705.328,50**	**22.858,71**	**56.568,00**	**891.033,75**	**26.130,50**	**691.245,61**

On 12.12.2019, Law 4646/2019 was passed, based on which the tax rate was set at 24% for the income of the tax year 2019 onwards

In May 2021, Law 4799/2021 was adopted. The new tax law introduced some amendments to the corporate income tax such as the reduction of the tax rate from 24%, valid until December 31st, 2020, to 22% for the years beginning on January 1st, 2021, and onwards.

EDA Thess, taking into account the new tax rate and in accordance with IAS 12, has adjusted the deferred tax by recognizing the difference as (income) / expense in the results and other comprehensive income in the Income Statement and the Income Statement respectively.

(all amounts are expressed in Euro)

9. Inventories

Inventory	31.12.2021	31.12.2020
Network construction materials and spare parts	3.784.947,53	3.802.543,55
Provision for materials not invoiced yet	-1.862.886,35	-1.922.299,76
Provision for obsolete materials	-14.001,06	-21.434,29
Inventories at the lowest between cost and net realizable value	**1.908.060,12**	**1.858.809,50**

The movement of provision for obsolete materials is analysed as follows:	31.12.2021	31.12.2020
Opening balance	21.434,29	420,34
Addition provision	5.387,41	29.449,78
Utilized provision	-12.820,64	-8.435,83
Closing balance	**14.001,06**	**21.434,29**

10. Trade and Other Receivables

Trade and Other Receivables	31.12.2021	31.12.2020
Trade receivables (except related parties)	1.077.578,48	1.506.944,13
Trade receivables from related parties (Note 23)	6.318.571,19	7.467.353,98
Minus: provision for doubtful debts	-208.580,00	-128.379,24
Total trade receivables	**7.187.569,67**	**8.845.918,87**
Trade receivables from related parties (Note 23)	8.756.602,95	6.803.676,02
Trade receivables from Greak State	1.761.276,72	1.361.022,15
Other receivables and prepaid expenses	401.814,30	669.907,56
Accrued income	1.945.316,04	1.102.607,06
Total other receivables	**12.865.010,01**	**9.937.212,79**
Total	**20.052.579,68**	**18.783.131,66**

Trade and other receivables are expected to be collected within one year from the reporting date of the Financial Statements.

Trade and other receivables approximate their fair value on the date of preparation of the Financial Statements.

(all amounts are expressed in Euro)

In any case, the credit risk of any delay in payment by Gas Distribution Users is minimized as all Users have provided either a Letter of Guarantee or a Cash Guarantee under the Terms of Use.

Letters of Guarantee may be immediately withdrawn, in compliance with the terms of the Contracts.

The movement of the provision for the impairment is as follows:

Provision for Trade receivables	31.12.2021	31.12.2020
Opening balance	**128.379,24**	**118.021,35**
Additional provision	80.200,76	10.357,89
Closing balance	**208.580,00**	**128.379,24**

As at December 31st, 2021 and December 31st, 2020 the trade receivables are presented as follows:

Aging Analysis of Receivables	Non Overdue Balance	0-30 Days	31-60 Days	61-90 Days	> 90 Days	Total
31.12.2021						
Expected percentage of Rec. Loss	0,00%	1,00%	2,00%	3,00%	76,81%	**2,82%**
Total Receivables	6.965.760,14	148.277,00	9.885,80	2.981,82	269.244,91	**7.396.149,67**
Expected loss on Receivables	0,00	1.482,77	197,72	89,45	206.810,06	**208.580,00**
31.12.2020						
Expected percentage of Rec. Loss	0,00%	1,00%	2,00%	3,00%	42,61%	**1,43%**
Total Receivables	8.254.308,37	236.804,28	102.464,55	96.552,46	284.103,89	**8.974.233,55**
Expected loss on Receivables	0,00	2.368,04	2.049,29	2.896,57	121.065,34	**128.379,24**

The long-term receivables as at 31.12.2021 of Euro 252.562,74 (31.12.2020: Euro 265.559,74) include guarantees related to rents for buildings, vehicles and utilities.

11. Cash and Cash Equivalents

Cash & Cash Equivalents	31.12.2021	31.12.2020
Cash on hand	1.018,64	4.811,45
Cash at Banks	22.534.523,40	10.278.223,35
Total	**22.535.542,04**	**10.283.034,80**

(all amounts are expressed in Euro)

The weighted average interest rate on short-term deposits during the period January 1st - December 31st, 2020 is around 0,01% (2020: 0.50%).

Interest income on bank sight deposits amounts to Euro 8.759,68 and Euro 131.024,64 for the periods ended December 31st, 2021 and 2020 respectively and is included in financial income / expense in the attached Income Statement (Note 22).

12. Share Capital

Share Capital	**31.12.2021**	**31.12.2020**
Number of Common Shares	247.127.605,00	247.127.605,00
Total share capital paid	**247.127.605,00**	**247.127.605,00**
Each share has a nominal value of 1 €		

13. Reserves

Reserves	**31.12.2021**	**31.12.2020**
Statutory Reserve	19.145.582,78	18.228.231,71
Other Reserves	-33.419,79	-34.293,49
Total	**19.112.162,99**	**18.193.938,22**

Statutory 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.

Other Reserves: Other reserves comprise the following as at 31.12.2021:

- reserve (loss) on actuarial losses relating to the provision of employment termination benefits amounting to Euro 33.830,94 (31.12.2020: loss Euro 34.704,64) and
- reserve from exchange local currency capital amounting to Euro 411,15 (31.12.2020: Euro 411,15)

14. Long -term Loans

The Long-term borrowing of the Company has been granted by Greek banks and is expressed in Euro on a floating rate.

Amounts repayable within one year from the date of the Financial Statements are entered as current liabilities whereas amounts payable at a later stage are entered as long-term loans.

The fair value of borrowing approximates the value entered in the books.

The long-term borrowing of the Company is analyzed on its repayment time as follows:

Loans	31.12.2021	31.12.2020
Within one year	11.169.444,00	10.100.000,00
From 1 to 5 years	37.511.111,00	26.000.000,00
More than 5 years	26.819.445,00	11.000.000,00
Total	**75.500.000,00**	**47.100.000,00**

Pursuant to the dated 31.07.2017 Decision of the Extraordinary General Assembly of the Company's Shareholders, a contract for the issuance of a five-year common bond loan amounting to Euro 16.000.000,00 was signed on 11.08.2017 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 instalments, the first to be paid in January 2018 amounting to Euro 800.000,00 and the last instalment of Euro 800.000,00 payable on maturity of the bond loan (11.10.2022). The outstanding loan amounts to Euro 3.200.000,00 on December 31st, 2021 since the Company has paid sixteen installments with total amount Euro 12.800.000,00 during the period January 1st, 2018 to December 31st, 2021 (Euro 9.600.000,00 until 31.12.2020).

Pursuant to the dated 25.10.2018 Decision of the Extraordinary General Assembly of the Company's Shareholders, a contract for the issuance of a five-year common bond loan amounting to Euro 12.000.000,00 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 Euro 600.000,00 and the last installment of Euro 600.000,00 payable on maturity of the bond loan on December 2023. The outstanding loan amounts to Euro 4.800.000,00 on December 31st, 2021 since the Company has paid twelve installments with total amount Euro 7.200.000,00 during the period March 1st , 2019 to December 31st, 2021 (Euro 4.800.000,00 until 31.12.2020).

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 Euro 20.000.000,00 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 Euro 625.000,00 and the last instalment of Euro 625.000,00 payable on maturity of the bond loan on November 2027. The outstanding loan amounts to Euro 15.000.000,00 on December 31st, 2021 since the Company has paid eight installments with total amount Euro 5.000.000,00 during the period January 1st, 2020 to December 31st, 2021 (Euro 2.500.000,00 until 31.12.2020).

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 Euro 16.000.000,00 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 Euro 500.000,00 and the last instalment of Euro 500.000,00 payable on maturity of the bond loan on October 2028. The outstanding loan amounts to Euro 14.000.000,00 on December 31st, 2021 since the Company has paid four installments with total amount Euro 2.000.000,00 during the period January 1st, 2021 to December 31st, 2021 (no installment was made until 31.12.2020).

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 Euro 38.500.000,00 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 Euro 1.069.444,00 and the last instalment of Euro 1.069.444,00 payable on maturity of the bond loan on September 2031. The outstanding loan amounts to Euro 38.500.000,00 on December 31st, 2021 since the Company has not paid any installments in fiscal year 2021.

The Company duly meets all its obligations arising from the bond loan including financial ratios related to leverage & gearing.

The average borrowing interest rate of the Company for the year ending December 31st, 2021 is approximately 2,17% (31.12.2020: 2,43%). The Company, as at 31.12.2021 and 31.12.2020 has no unused available credit limits for long-term loans.

The Company has financing agreements for the financing of an amount of Euro 10.000.000,00 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, 2021 amounted to Euro 1.131.825,33 (31.12.2020: Euro 911.189,64) and is included in the financial expenses in the Income Statement (Note. 22).

(all amounts are expressed in Euro)

Financial Liabilities from Leases

Financial liabilities from leases	
Balance at 01.01.2020	3.274.642,95
Additions	863.850,56
Interest of financial liabilities from leases	117.947,06
Payments	-1.186.343,27
Balance at 31.12.2020	**3.070.097,30**
Additions	242.266,13
Interest of financial liabilities from leases	94.402,37
Payments	-1.200.584,08
Balance at 31.12.2021	**2.206.181,72**

The Company's lease obligations are analyzed, based on their repayment time, as follows:

Financial liabilities from leases	31.12.2021	31.12.2020
Within one year	1.066.610,80	1.032.459,98
From 1 to 5 years	956.039,26	1.854.105,66
More than 5 years	183.531,66	183.531,66
Total	**2.206.181,72**	**3.070.097,30**

(all amounts are expressed in Euro)

15. Provision for staff compensation

Provision for Staff Compensation	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Net Liability in the Statement of Financial Position	**442.863,00**	**384.708,00**
Components of total charge to Income Statement		
Service cost	62.349,05	103.703,04
Interest cost	2.960,00	27.504,00
Cost of extra benefits	42.701,00	0,00
Total charge to income statement (Note 20)	**108.010,05**	**131.207,04**
Movement of provision		
Net Liability at the beginning	384.708,00	1.833.616,00
Impact of changes in accounting policy (Note 2.3)	0,00	-1.499.797,00
Total expense recognized in the income statement	108.010,05	57.823,00
Tota credit debit in other comprehensive income	-2.291,00	-6.934,00
Benefits paid	-47.564,05	0,00
Net Liability at the end of the year	**442.863,00**	**384.708,00**
Assumptions		
Discount Rate	0,80%	0,80%
Rate of compensation increase	1,50%	1,50%
Plan Duration	6,09	6,54

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

In the expected average annual salary increase by 0,5%, the total employee benefits will increase by 3,0% to Euro 456.148,89 while in case of reduction in the expected average annual salary increase by 0,5%, the total employee benefits would be reduced by 2,9% to Euro 430.019,97.

In case of an increase of the discount rate by 0,25%, the total employee benefits would be reduced by 1,5% to the amount of Euro436.220,06 while in case of reduction of the discount rate by 0,25%, all employee benefits would increase by 1,5% to the amount of Euro 449.505,95.

(all amounts are expressed in Euro)

16. Grants

Grants	
Balances at 01.01.2020	**9.897.850,14**
Amortization of grants	-412.410,44
Balance at 31.12.2020	**9.485.439,70**
Balances at 01.01.2021	**9.485.439,70**
Amortization of grants	-412.410,42
Balance at 31.12.2021	**9.073.029,28**

Grants were received from the Greek State (Ministry of Development) and are amortized over the period of the License (until 2043).

17. Trade and Other Payables and Other Long-Term Liabilities

Trade and Other Long-Term Liabilities	31.12.2021	31.12.2020
Trade payables (except related parties)	15.905.481,15	10.702.769,78
Payables to related parties (Note 23)	53.327,18	1.954,87
Other payables	4.138.903,74	3.736.749,05
Accrued expenses	11.160.020,21	11.271.867,49
Total	**31.257.732,28**	**25.713.341,19**

Other long-term liabilities are amounting to Euro 1.632.198,34 (31.12.2020: Euro 1.181.927,08) concern guaranties received from Distribution Users as collateral for future payments and are refundable on termination of their contracts.

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 2,300 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 600,000.00, of which it has already disbursed until 31.12.2021, an amount of Euro 107,356.65 and the remaining amount of Euro 492,643.35 is reflected in the other liabilities and has been almost in its entirety disbursed in January 2022.

(all amounts are expressed in Euro)

18. Income Tax

Income Tax	01.01.2021-31.12.2021	01.01.2020-31.122020
Current income tax	-5.288.261,75	-6.428.190,78
Deferred tax (Note 8)	-48.517,33	21.912,90
Income Tax Expense	**-5.336.779,08**	**-6.406.277,88**
Profit before Taxes	**23.683.800,42**	**26.961.914,73**
Income Tax calculated based on current tax rate (2021: 22%, 2020: 24%)	-5.210.436,09	-6.470.859,54
Tax impact on non deductible expenses	-77.724,98	-153.192,74
Tax impact on non taxed income	70.152,73	217.774,40
Impact from change in tax rate	-118.770,73	0,00
Income Tax Expense presented in Income Statement	**-5.336.779,08**	**-6.406.277,88**
Income Tax Payable	**31.12.2021**	**31.12.2020**
Income Tax	5.288.261,75	6.428.190,78
(+) Income Tax installments- previous year	1.094.587,32	1.514.921,10
(-) Income tax advance and other withheld taxes	-4.539.633,29	-6.592.008,02
Total	**1.843.215,78**	**1.351.103,86**
Total Income tax paid during the year	**4.798.683,12**	**4.544.763,30**

The audit for the issuance of tax compliance certificate for fiscal years 2011 - 2020 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 2021 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, 2021. 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.

On 19.04.2021, the Independent Public Revenue Authority, has issued an order with protocol No 254/0/1118, for the partial audit of the Value Added Tax (VAT) of the year 2015 of EDA THESS S.A. Also, on 10.06.2021, the Independent Public Revenue Authority, has issued an order with protocol No 286/0/1118 for the partial audit of the Value Added Tax (VAT) of the year 2015 of EPA THESSALIA S.A.

(all amounts are expressed in Euro)

The tax audit for the year 2015 has already been completed for both EDA THESS and EPA Thessaly without the imposition of additional taxes against the Company.

On 18.03.2021, the Independent Public Revenue Authority, has issued two orders with protocol No 203/0/1118 and No 204/0/1118, for the audit of the year 2016 of the companies EDA THESS S.A. and EPA Thessalia S.A.

The above-mentioned tax audits for fiscal year 2016 have also been completed and it is expected that within the next period the respective reports with the findings of the audits will be sent, which based on what we know so far, are not expected findings that will result in a tax burden.

19. Other Income

Other Income	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Income from ancillary services	1.514.274,36	1.169.634,16
Income from expenses recharges to third parties	9.615,24	8.408,68
Other income	2.151.601,58	1.441.858,80
Total	**3.675.491,18**	**2.619.901,64**

Revenues from ancillary services are related to services provided to Distribution Users and/or to Final Customers. They are supplementary to the Basic Distribution Activity and are provided exclusively by the Company within the License Area, in accordance with article 13 of Distribution Network Operation Code (GG B' 1507/02.05.2018).

RAE with the decision 570/2020 (GG B' 2050/30.05.2020), approved the Catalog of Ancillary and Invoiced Services of the Distribution Networks of Thessaloniki and Thessaly and their unitary prices, in accordance with the provisions of article 13 of the Distribution Network Operation Code. According to the approved cost-oriented methodology, the revenue of each service is equal to the corresponding cost.

Other income includes, as of December 31st, 2021, the income derived from rendering services to another Distribution Network Company amounting to Euro 1.440.136,67 (31.12.2020: Euro 739.963,03) (Note 1) as well as various other revenues that arose from the operation of the Company amounting to Euro 708.769,97 (31.12.2020: Euro 701.895,77 which derived from the positive outcome of two litigation cases regarding the refund of withholding taxes amounting to Euro 472.630,83 Note 26).

(all amounts are expressed in Euro)

20. Personnel cost and Number of Employees

Personnel Cost and Number of Personnel	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Payroll expenses	-8.607.727,02	-9.669.944,92
Employer's contributions	-1.990.866,93	-2.436.468,74
Other personnel expenses	-995.945,27	-1.121.866,63
Provision for personnel compensation (Note 15)	-108.010,05	-57.823,00
Personnel cost	**-11.702.549,27**	**-13.286.103,29**
Number of employees at the end of the year	**265**	**278**

Part of personnel cost as well as third-party works overview services amounting to Euro 5.853.474,63 (31.12.2020: Euro 5.132.293,52) has been capitalized at the cost of Distribution Network since it is directly related to the construction.

21. Other Operating Expenses

Other Operating Expenses	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Staff Related Expenses	-690.106,39	-764.878,95
Gas Meter Readings	-1.854.504,99	-2.053.795,28
Gas Network Expenses	-2.246.329,11	-1.635.238,95
Software Maintenance	-934.990,50	-1.001.369,03
Marketing Expenses	-948.248,32	-1.009.666,85
Building Maintenance	-639.866,24	-648.756,75
CNG Virtual Pipeline Service	-2.397.702,63	-1.100.965,63
Service and other costs	-5.645.651,69	-2.539.190,09
Total	**-15.357.399,87**	**-10.753.861,53**

Staff related expenses: Includes other employee expenses (telephony, travel expenses, subscriptions etc.)

Gas Meter Readings: Includes expenses related to gas meter readings, which are dependent on the number of activated delivery points.

Gas Network Expenses: Includes mainly maintenance expenses related to the safe and smooth operation of the Distribution Network.

Software Maintenance: Includes expenses related to the operation and maintenance of the IT infrastructure and applications.

(all amounts are expressed in Euro)

Marketing Expenses: Includes expenses related to the promotion of the use of natural gas on the Distribution Networks aiming to increase penetration in the License areas, according to the provisions of article 16 of the Code and the safe use of natural gas.

Building Maintenance: Includes expenses related to buildings such as building security, electricity & water supply etc.

CNG Virtual Pipeline Service: Includes costs of CNG virtual pipeline services

Service and other costs: Includes all other operational expenses of the Company such as third-party fees, consultancy expenses, third-party works overview services, auditing and fiscal services, maintenance and utilities, post office commissions, messaging services.

22. Financial Income and Expenses

Financial Income & Expense	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Income		
Interest income (Note 11)	8.759,68	131.024,64
Income from interest on late payments	1.105,17	157,03
Total	**9.864,85**	**131.181,67**
Expenses		
Bank charges and other financial expenses	-103.495,93	-36.557,48
Interest on bond loan (Note 14)	-1.131.825,33	-911.189,64
Interest of financial liabilities from leases (Note 14)	-94.402,37	-117.947,06
Total	**-1.329.723,63**	**-1.065.694,18**

23. Related Party Transactions and balances

Income Statement comprises income and expenses arising from transactions between the Company and related parties.

Such transactions mainly consist of sales and purchases of goods and services along with the Gas Network Transfers in the ordinary course of business and are analysed as follows:

(all amounts are expressed in Euro)

Related Party Transactions	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Sales of services	51.484.738,42	53.701.542,95
Gas Network Transfer	299.466,76	739.684,52
Purchases of Services	719.066,80	982.448,17
Board of Directors Fees	70.800,00	70.842,84

Closing Balances coming from sales and purchases of goods and services	31.12.2021	31.12.2020
Due from Related Parties (Note 10)	15.075.174,14	14.271.030,00
Due to Related Parties (Note 17)	53.327,18	1.954,87
Amount due to the board of directors	19.396,80	19.396,80

The open balances at the end of the year have no collaterals and the settlement is performed in cash.

It is also underlined that there are no specific agreements or co-operations between the Company and its related parties and any transactions between them are carried out based on the usual terms, within the context and the specificities of each market.

24. Liabilities from Short-term and Low Value Leases

Operating Leases	31.12.2021	31.12.2020
Within one year	57.710,62	49.612,17
From 1 to 5 years	0,00	0,00
Total	**57.710,62**	**49.612,17**
	31.12.2021	**31.12.2020**
Total expense recognized in the income statement	91.003,38	134.078,41

(all amounts are expressed in Euro)

Leases concern short-term or low value leases of cars and printers ending in various dates up to December 2022

25. Commitments and Contingent Liabilities/ Assets

The obligations and requirements deriving from letters of guarantee and unexecuted contracts are as follows:

Commitment and Contingent Liabilities/ Assets	31.12.2021	31.12.2020
Liabilities		
Open network construction contracts still in use	15.693.449,85	9.976.653,14
Letters of Guaranties to vendors and third parties	907.898,71	222.800,00
Total	**16.601.348,56**	**10.199.453,14**
Assets		
Letters of guaranties from distribution users	19.965.075,92	23.317.094,58
Letters of guaranties from network constructors & materials' vendors	5.002.139,58	4.351.220,37
Total	**24.967.215,50**	**27.668.314,95**

26. Outstanding litigations

The Company is involved in various court cases (in the capacity of plaintiff or defendant) within its normal operations. Management, as well as the external and inhouse legal advisors of the Company, consider that the outcome of these outstanding legal cases or arbitration proceedings, will not have a significant effect on the Financial Statements or the operations of the Company.

It is noted that with the no 12152/2020 decision of the Athens Administrative Court, management recognized a claim from the Greek State amounting to Euro 271,556.06 regarding the acceptance of the appeal of the former EPA Thessaloniki. Similarly following the decision no 3393/28.02.2020 of the Athens Administrative Court which accepted the respective appeal of the former EPA Thessaly for an amount of Euro 201,073.76 which was collected on the 4th quarter of fiscal year 2020 (Note 19).

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 may pay the amount payable in installments, in a period not exceeding five (5) years from the publication of the Decision.

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, could not receive a Basic Activity tariff lower than the one provided by law.
6. In assessing the criteria, the Authority did not take under consideration that responsible for taking actions 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 (I' Annulment Procedure Depart.) before the Administrative Court of Appeal of Athens, following an internal referral by the CoS. The contested decisions of RAE are the 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.

Based on RAE decision 729/2021, the Company is required to pay a total amount of Euro 3,256,160.83 as a refund of compensatory measures (Euro 1,809,699.00 for the Thessaloniki Distribution Network and Euro 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. In the event that the application for suspension is not accepted, RAE will proceed with the imposition of sanctions for non-compliance with the execution of its decisions, which can again be challenged by EDA THESS.

The Management and the legal advisors of the Company estimate that based on the reasons for annulment that have been presented in the various legal acts before the Administrative Court of Appeal of Athens, the filed applications for annulment against the respective decisions of RAE will be successful.

SOVEL case

The Company DEPA COMMERCIAL SA brought before the arbitral tribunal (article 20 of the contract dated 20.10.2003 between DEPA SA and EPA THESSALY SA) its lawsuit of 17.09.2021, appointing her own arbitrator. The Company appointed its own arbitrator on time. The lawsuit in question is brought for a claim of Euro 2,889,213.70. To date, the proceedings before the Arbitral Tribunal have not proceeded, as the court has not yet been established. The Company has recognized in the Financial Statements a provision of Euro 200,000, which includes the fees of the umpire and the arbitrator appointed by the EDA THESS.

Special Levy in favor of LGOs case

The Ministerial Decision ("MD") No. ΥΠΕΝ/ΔΥΔΡ/123679/338/23.12.2021 provided the procedure and conditions for the payment of the special levy for the consumption of natural gas, in accordance with the fifth sentence of par. 1 of article 5 of law 2364/1995. This is a regulation that has been pending for more than two years. According to article 2 of the MD, it is provided that the Operators of the Natural Gas Distribution Network who were granted with the Natural Gas Distribution Network Operation License, are obliged to pay the special levy of article par. 1 of article 5 of law 2364/1995 to KEDE, according to points 10-12 of the preamble, for the time period from 1.1.2019 to 31.12.2020. Beneficiaries of the above levy are the Municipalities, which lie within the geographical limits of activity of the Gas Distribution Network Operators, according to the granted Licenses.

According to the provisions of article 3 of the MD, every obligated Operator of Natural Gas Distribution Networks, of article 2, must pay to KEDE, a special levy, according to the fourth sentence of par. 1 of article 5 of law 2364/1995, as amended and in force, for the period 1.1.2019-31.12.2020, the amount of which is equal to ten percent (10%) of the dividend paid to DEPA Infrastructure SA, for the said years. The Company is required to pay the amount of Euro 1,952,751.58 in the time specified by the above MD, while it has already paid to DEPA Infrastructure SA the total of the respective dividend without any withholding based on its Ordinary General Assembly of Shareholders decisions for the years 2019 and 2020.

On 25/02/2022 EDA THESS filed an application for the annulment of the above MD before the CoS, following a relevant decision of the Board of Directors of the Company during its meeting No. 56/23.02.2022. It is deemed necessary to challenge the above decision for formal and substantive reasons. A total of seven irregularities are identified, for which the ministerial decision should be annulled, as set out below.

1. The levy imposed by the contested decision is non-compensatory and therefore constitutes a financial burden which has the nature of a tax.
2. The legislative delegation provided with the last sentence of paragraph 1 of article 5 of law 2364/1995 is unconstitutional, as contrary to the provisions of article 78 of the Constitution, since the determination of tax amount or the respective collection procedure is not allowed by a regulatory act and must therefore be annulled.
3. The contested decision falls out of the limits of what is constitutionally permissible, to wit is contrary to the mandatory provisions of Article 78 of the Constitution, as retroactive application is not allowed by a regulatory act, which imposes a tax, and should therefore be annulled.
4. The contested decision is outside the legislative delegation by regulating issues at a time that is not in line with the time for which the respective delegation is granted.
5. The administration, with the contested decision, violates the principles of good administration and the protected trust of the taxpayer.
6. The contested decision suffers from a lack of reasoning, even if the disputed financial burden was to be characterized as an "levy" and in fact of a special reasoning, which also should refer to the public interest it serves.
7. The content and the obligation imposed by the contested decision implies the imposition of the same levy for the same period of time to the detriment of EDA THESS, due to the fact that, on the one hand, the obligation of the Company has been fulfilled and on the other the contested decision does not identify the persons liable for a specific period of time, as a result of which the Company is charged to pay a financial charge twice (2).

The Management and the legal advisors of the Company estimate that based on the reasons for annulment that have been presented, the filed application for annulment against the above Ministerial Decision will be successful.

27. Dividends

In compliance with Greek law, each fiscal year companies may distribute to their Shareholders 35% of profits after tax and withholding for statutory reserves.

The Ordinary General Assembly of Shareholders on 26.06.2020 approved the dividend distribution from 2019 profit of Euro 18.749.057,65 (Ευρώ 0,0759 ανά μετοχή).

The Ordinary General Assembly of Shareholders on 02.09.2021 approved the dividend distribution from 2020 profit of Euro 19.540.189,01 (Euro 0.0790 per share).

On March 10th, 2022, the Board of Directors proposed a dividend from the accumulated profits of the year 2021, amounting to Euro 18.569.343,20 (Euro 0.0751 per share). The proposal is subject to approval by the Annual General Assembly.

28. Subsequent events

There were no events subsequent to the date of the Financial Statements of December 31st, 2021, that would have a significant impact on the understanding of these Financial Statements and should be either disclosed or adjusted to the Financial Statements.