HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.

357-359 MESOGEION AVE., CHALANDRI

General Register of Commerce No: 748360100

Financial Statements for the year ended 31 December 2023

in accordance with the International Financial Reporting Standards (IFRS)

as adopted by the European Union

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Statement of Comprehensive Income

Amounts in thousands €	*Notes*	*1/1/2023 - 31/12/2023*	*1/1/2022 - 31/12/2022*
Revenue	**3**	573.157	295.211
Cost of Sales	**4**	(371.046)	(192.678)
Gross profit		**202.111**	**102.533**
Other Income	**5**	19.728	27.806
		221.838	**130.339**
Administrative expenses	**4**	(24.087)	(21.315)
Distribution expenses	**4**	(1.209)	(1.284)
Other Expenses	**4**	(2.740)	(6.283)
Amortisation of fixed asset grants	**19**	11.150	11.211
Operating profit		**204.953**	**112.667**
Finance costs – net	**6**	(3.424)	(6.416)
Profit before income tax		**201.529**	**106.252**
Income tax expense	**12**	(44.742)	(24.645)
Profit for the year		**156.788**	**81.607**
Other comprehensive income			
Profits/Losses from Cash flow Hedging	**16.1**	**(12.291)**	**8.700**
Actuarial (loss)/profit on retirement benefit obligations	**21**	**89**	**516**
Deferred tax relating to these items	**12**	**2.684**	**(2.027)**
Other comprehensive (loss)/income for the year, net of tax		**(9.517)**	**7.188**
Total comprehensive income for the year		**147.270**	**88.795**

The notes on pages **7 to 51** are an integral part of these financial statements.

Statement of Financial Position

Amounts in thousands €	*Notes*	*31/12/2023*	*31/12/2022*
ASSETS			
Non-current assets			
Tangible assets	**7**	1.321.558	1.198.479
Intangible assets	**8**	20.802	17.372
Investments in associates	**9**	18.528	14.968
Financial assets at fair value through profit or loss	**10.1**	350	350
Other non-current assets	**11**	67.325	8.267
Financial assets at fair value through other comprehensive income	**16.1**	3.464	9.231
Financial assets at amortised cost	**10.2**	8.320	-
Total non-current assets		**1.440.347**	**1.248.666**
Current assets			
Inventories	**13**	24.109	31.607
Trade and other receivables	**14**	144.743	91.236
Income tax asset	**12**	-	-
Financial assets at fair value through profit or loss	**16.1**	-	117
Cash and cash equivalents	**15**	179.313	201.357
Total current assets		**348.165**	**324.316**
TOTAL ASSETS		**1.788.511**	**1.572.983**
EQUITY AND LIABILITIES			
Equity			
Share capital	**16**	491.265	491.265
Reserves	**16**	50.319	52.046
Retained earnings		369.106	300.109
Total equity		**910.690**	**843.420**
Non-current liabilities			
Employee benefit obligations	**21**	3.287	3.440
Borrowings	**18**	365.809	231.025
Lease liabilities	**20**	8.677	7.144
Provisions	**25.6**	1.918	1.918
State grants	**19**	210.245	215.343
Other non-current liabilities	**27**	155	148
Interest rate SWAP Liability	**16.1**	5.943	-
Deferred tax liabilities	**12**	39.607	37.375
Total non-current liabilities		**635.641**	**496.393**
Current liabilities			
Trade and other payables	**22**	150.267	195.547
Borrowings	**18**	44.662	13.445
Lease liabilities	**20**	1.757	1.365
Derivatives Liabilities	**16.1**	-	633
State grants	**19**	11.048	11.134
Current income tax liabilities	**12**	31.710	8.221
Other taxes payable	**23**	2.735	2.825
Total current liabilities		**242.179**	**233.170**
Total Liabilities		**877.821**	**729.563**
TOTAL EQUITY AND LIABILITIES		**1.788.511**	**1.572.983**

The notes on pages **7 to 51** are an integral part of these financial statements.

Statement of Changes in Equity

Amounts in thousands €	Share capital	Statutory reserves	Other reserves	Retained earnings	Total equity
Balance on 1 January 2022	**564.069**	**40.662**	**449**	**222.250**	**827.430**
Decrease of share capital	(72.804)	-	-	-	**(72.804)**
Profit for the year	-	-	-	81.607	**81.607**
Other comprehensive income	-	-	6.786	402	**7.188**
Total comprehensive income for the year	**(72.804)**	**-**	**6.786**	**82.009**	**15.990**
Transfer to statutory reserve	-	4.150	-	(4.150)	-
Transactions with owners in their capacity as owners:					
Dividends paid (Note 17)	-	-	-	-	-
Balance on 31 December 2022	**491.265**	**44.812**	**7.234**	**300.109**	**843.420**
Balance on 1 January 2023	**491.265**	**44.812**	**7.234**	**300.109**	**843.420**
Decrease of share capital	-	-	-	-	-
Profit for the year	-	-	-	156.788	**156.788**
Other comprehensive income	-	-	(9.587)	70	**(9.517)**
Total comprehensive income for the year	**-**	**-**	**(9.587)**	**156.858**	**147.271**
Transfer to statutory reserve		7.860		(7.860)	-
Transactions with owners in their capacity as owners:					
Dividends paid (Note 17)	-	-	-	(80.000)	**(80.000)**
Balance on 31 December 2023	**491.265**	**52.672**	**(2.352)**	**369.106**	**910.690**

The notes on pages **7 to 51** are an integral part of these financial statements.

Cash Flow Statement

Amounts in thousands €	*Notes*	*1/1/2023 - 31/12/2023*	*1/1/2022 - 31/12/2022*
Cash flows from operating activities			
Profit/(Loss) before income tax		201.529	106.252
Adjustments for:			
Depreciation and amortization	**7 & 8**	60.668	58.446
Provisions		(103.930)	(21.804)
Amortization of grants for investments in fixed assets	**19**	(11.150)	(11.211)
(Gains) / Losses from disposal of assets		-	1
Foreign Exchange Differences	**6**	794	(237)
Finance costs – net	**6**	2.629	6.653
		150.540	**138.100**
Change in operating assets and liabilities:			
(Increase) / Decrease in inventories		4.447	(11.212)
(Increase) / Decrease in trade and other receivables		(12.531)	(35.411)
Increase / (Decrease) in trade and other payables		(21.276)	76.637
Cash (used in)/generated from operations		**121.180**	**168.113**
Income taxes paid		(15.616)	(5.499)
Finance costs paid		(6.914)	(6.443)
Net cash inflows from operating activities		**98.650**	**156.172**
Cash flows from investing activities			
Purchases of tangible assets	**7**	(178.265)	(121.430)
Purchases of intangible assets	**8**	(1.127)	(133)
Acquisition of investment in an associate		(3.560)	(30)
Proceeds/repayments of loans by related parties		(8.320)	-
Proceeds from grants for investments in fixed assets	**19**	5.966	7.396
Interest received and investment income		3.060	85
Net cash (outflows) from investing activity		**(182.246)**	**(114.112)**
Cash flows from financing activities			
Receipts (payments) from increase (decrease of share capital)		(24.753)	(48.051)
Repayments of borrowings		167.773	105.722
Repayment of lease liabilities		(1.467)	(1.098)
Dividends paid	**17**	(80.000)	-
Net cash (outflows) from financing activities		**61.553**	**56.573**
Net (decrease) in cash and cash equivalents		**(22.043)**	**98.632**
Cash and cash equivalents at the beginning of year		201.357	102.724
Cash and cash equivalents at the end of year		**179.313**	**201.357**

The notes on pages **7 to 51** are an integral part of these financial statements.

(Amounts in thousand of Euros)

Notes to the Financial Statements

1. Establishment and activities

1.1. General information

HELLENIC GAS TRANSMISSION SYSTEM OPERATOR (the “Company” or “DESFA”) was founded in Athens in 2007 and has its registered office at 357-359 Mesogeion Avenue, in the municipality of Chalandri, Prefecture of Attica, Greece. It was the result of the spin-off of the gas branch of company "DEPA S.A." on 30 June 2006, when the company drafted its Pre-spin off Balance Sheet, in accordance with the provisions of Laws 2166/1993 and 3428/2005. The term of the Company has been set at ninety-nine (99) years from the date of registration in the Registry of Sociétés Anonymes and may be extended by virtue of a resolution of the General Meeting of Shareholders.

The Shareholders of DESFA as at 31.12.2023 are:

The Board of Directors of DESFA as at 31.12.2023 is the following:

NAME	STATUS
KOSMADAKIS Konstantinos	Chairman of the BoD
DE WAELE Ben	Vice Chairman
RODENAS DE LA VEGA Carlos	Member
BELLAGAMBA Marta	Member
MOLISANI Sergio	Member
TAMBOURLOS Panagiotis	Member
TSAKIRIS Theodoros	Member
CASEROTTI Matteo	Member
BRANCA Salvatore	Member
MANTAKOU Anna	Member
KRITIKOS Eleftherios	Member

The term of office for the Board of Directors is 3 years (until 01/06/2025)

1.2. Scope of activity

The company engages in the operation, maintenance, management, exploitation and development of the National Gas System (ESFA) in Greece, as defined by Article 6 of Law 3428/2005, including its connections, so that the ESFA is cost-effective, technically perfect and complete, as well as capable of meeting the needs of users, as defined in Article 2(31) of Law 3428/2005, for gas in a safe, adequate and cost-effective way.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies

2.1. Basis of preparation

These financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and their interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of IASB, as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of equity investments at fair value through profit or loss, in accordance with the going concern basis of accounting.

The financial statements for the year ended 31 December 2023 were approved for issuance by the Board of Directors on **23.05.2024** and are subject to the final approval of the General Meeting of Shareholders.

The accounting principles and calculations based upon under the preparation of the financial statements are the same as those applied for the preparation of the annual financial statements for FY ended as at 31 December 2022 and successively applied to all the presented periods.

The financial statements of the Company are included in the consolidated financial statements of its parent company, Senfluga Energy Infrastructure Holdings S.A.

2.2. Presentation of financial statements

The financial statements are presented in Euro, which is the group's functional and presentation currency.

All amounts are presented in Euro thousands, unless stated otherwise.

2.3. New standards, interpretations and amendments

New standards, amendments to existing standards and interpretations have been issued, which are obligatory for accounting periods beginning during the present fiscal period or at a future time. The beforementioned ones are presented below.

2.3.1. Standards, Amendments and Interpretations mandatory for Fiscal Year 2023:

IAS 1: "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting policies" (Amendments)

The amendments require companies to disclose information about their accounting policies when these are considered material and provide guidance on the concept of materiality, when it is applied to disclosures of accounting policies.

The amendments are effective for annual periods beginning on or after January 1st, 2023.

IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates"

The amendments introduce a new definition of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". There is also a clarification of the term "change in accounting estimates" to facilitate distinction from "change in accounting policies" and "the correction of errors".

The amendments are effective for annual periods beginning on or after January 1st, 2023.

Notes to the Financial Statements (continued)

IAS 12: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

The amendments are effective for annual periods beginning on or after January 1st, 2023.

IAS 12: "Income Taxes (Amendment)"

The amendment clarifies that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

A temporary exception is introduced to the accounting requirements for deferred taxes in IAS 12 by these amendments, so that an entity would not recognize and/or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after January 1st, 2023 and have not been yet endorsed by the European Union.

IFRS 17: "Insurance Contracts"

The specific accounting standard relates with insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The Group and the Company are not affected by contracts in scope of IFRS 17; therefore, its application does not have an impact on the Group's and the Company's financial performance, position or/and cash flows.

The amendments are effective for annual periods beginning on or after January 1st, 2023. Early application is permitted.

2.3.2. <u>New standards, interpretations, and amendments effective for periods beginning on or after January 1st, 2024:</u>

IAS 1: "Classification of Liabilities as Current or Non-Current" and "Non-Current Liabilities with Covenants" (Amendments)

The amendments aim to provide guidance for the consistent application of IAS 1 requirements regarding the classification of debt and other liabilities with an uncertain settlement date, as current or non-current in the Statement of Financial Position. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, and that the management's intention to exercise this right as well as the counterparty's right to settle the obligation through transfer of own equity instruments of the company, do not affect current or non-current classification. Furthermore, the amendments specify that only covenants with which an entity must comply with on or before the reporting date will affect a liability's classification. Additional

Notes to the Financial Statements (continued)

disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

The amendments are effective for annual periods beginning on or after January 1st, 2024 (extension was provided compared to January 1st, 2023, that was originally stated) and have also been endorsed by the European Union.

IAS 7: "Statement of Cash Flows (Amendments)" and IFRS 7: "Financial Instruments: Disclosures (Amendments)"

The amendments to IAS 7, which states that a company must disclose information about supplier financing arrangements, are intended to inform users of financial statements of these supplier financing arrangements, to assess their effects on the company's liabilities and cash flows and the company's exposure to liquidity risk.

Under the current IFRS 7 guidelines, the company is required to disclose how it manages the liquidity risk arising from financial liabilities. The amendments to IFRS 7 add the factor whether the company has obtained or has access to financing agreements with suppliers that provide it with extended payment terms or provide the company's suppliers with early payment terms.

The amendments are effective for annual periods beginning on or after January 1st, 2024, and have not yet been endorsed by the European Union.

IAS 21: "The effects of Changes in Foreign Exchange Rates: Lack of Exchangeability- Amendments"

The amendments require companies to apply a consistent approach in determining whether a currency is exchangeable to another currency and when it is not, to provide information about the exchange rate to be used and required disclosures. The amendments are not expected to have a significant impact on the Group's and the Company's Financial Statements.
The amendments are effective for annual periods beginning on or after January 1st, 2025, and have not yet been endorsed by the European Union. Early application is permitted.

IFRS 16: "Lease Obligations in Sale and Leaseback Transactions"

The amendments add subsequent measurement requirements for sale and leaseback transactions that meet the requirements of IFRS 15 "Revenue from Contracts with Customers" to be accounted for as a sale. The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in such a way that the seller-lessee does not recognize a gain or loss associated with the right of use retained by the seller-lessee, after the commencement date.

The amendments are effective for annual periods beginning on or after January 1st, 2024, and are not yet endorsed by the European Union.

Notes to the Financial Statements (continued)

2.4. Functional and Presentation Currency, and Foreign Exchange Conversion

The Company keeps its accounting books in Euro, which is the Company's functional and presentation currency. Transactions that are carried out in a foreign currency are converted to Euro using the official exchange rate that applies on the day each transaction is carried out. On the financial statement preparation date, the assets and liabilities amounts expressed in other currencies are converted to Euro so as to reflect current exchange rates. The profit and loss arising from foreign currency transactions and the end-of-period measurement of foreign currency amounts are recorded in the statement of comprehensive income.

2.5. Tangible fixed assets

Tangible assets are presented in the financial statements at their acquisition cost. The initial cost of acquisition is subsequently reduced by: (a) accumulated depreciation, and (b) any impairment loss. The initial fixed asset acquisition cost includes the purchase price, including import duties and non-refundable purchase taxes and compensation for land expropriation, as well as all necessary expenses to prepare the fixed assets for their intended use. Subsequent expenditures incurred in connection with tangible assets are capitalized when the future economic benefits expected to flow from the use of the affected assets increase. All other expenditures relating to the repair, maintenance, etc. of fixed assets are recorded in the expenses of the fiscal year when they were incurred. Upon withdrawal or sale of fixed assets, the relevant cost and accumulated depreciation is deleted from the corresponding accounts in the withdrawal or sale period, and the relevant profits or losses are recognized in profit or loss. Depreciation is charged to the statement of comprehensive income using the straight-line method over the useful lives of fixed assets. Land is not depreciated. The estimated useful economic life per category of fixed asset is:

Buildings and installations	1 - 20	years
Plant, machinery and equipment	6 - 40	years
Transportation equipment	5 - 7	years
Furniture and fixtures	3 - 7	years

The residual values and useful lives of tangible fixed assets are reviewed at each reporting date and if needed appropriate revision and adjustment is recorded.

2.6. Intangible fixed assets

2.6.1. Easements

Easements are recognized in intangible assets at the amounts paid by the Company to beneficiaries as right of way for the installation of the gas system. Amortization is charged to profit or loss using the straight-line method over the useful lives of the assets. Their estimated useful economic life is 40 years as the relevant expenditure is considered to be consequential to the gas pipeline installation investment, which has the same useful economic life.

2.6.2. Software

Software is recognized as an intangible asset at acquisition cost. The expenses incurred to increase or expand the performance of software beyond its initial specifications are recognized as capital expenses added to the initial software cost. Amortization of software is charged to profit or loss using the straight-line method over the useful economic life of such software, which is estimated to be 5 years.

Notes to the Financial Statements (continued)

2.7. Investments in associates

Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are measured at cost less impairment. For the impairment assessment refer to Note **2.8**.

DESFA is not obliged to prepare consolidated financial statements as its financial statements are included in the consolidated financial statements of its immediate parent company, Senfluga Energy Infrastructure Holdings S.A.

2.8. Impairment of non-financial assets

Assets that are subject to depreciation/amortization are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized, as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.9. Financial instruments - Hedging Accounting

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

The Company has the following financial assets as at 31 December 2023: Trade & Other receivables, Cash and cash equivalents and other non-current assets, of which are categorized to be measured at amortised cost as well as an equity investment which is classified within financial assets at fair value through profit or loss in the statement of financial position. Lastly, for derivative financial instruments, the result of their valuation at Fair Value is recognized in the Statement of Financial Position as an asset ("Financial assets at fair value through other comprehensive income") when positive and as a liability ("Derivatives Liabilities") when negative.

(i) Initial recognition and subsequent measurement of financial assets

The Company classifies its financial assets, at initial recognition in the following measurement categories:

- Financial assets at fair value through profit or loss ("FVPL").
- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income ("FVOCI").

Notes to the Financial Statements (continued)

The classification of financial assets at initial recognition depends on the Company's business model for managing the Company's financial assets and the contractual terms of the cash flows.

With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined under IFRS 15 "Revenue from contracts with customers". In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI criterion and is performed at an instrument level.

For the purpose of subsequent measurement, financial assets are classified in three categories:

a) Financial assets at amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.

b) Interest income from these financial assets is included in finance income using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability. Any gain or loss arising on derecognition of an asset is recognized directly in profit or loss, together with any foreign exchange gains/losses. Impairment losses are presented in the separate line item "Net gains/(losses) on impairment of financial assets" in the income statement.

c) Financial assets at fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other gains/losses". Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented in the separate line item "Net gains/(losses) on impairment of financial assets" in the income statement.

d) Financial assets at fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. Gain or loss is recognised in profit or loss in "Other gains/(losses)" in the period in which it arises.

Notes to the Financial Statements (continued)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This category includes all financial assets of the Company, except for the investments are measured at fair value through profit or loss (Financial assets at fair value through profit or loss).

For assets measured at fair value, except of financial assets under Hedging Accounting, gains and losses will be recorded in profit or loss. Gains or losses arising from changes in the fair value are recognized in the income statement within “Gains / (losses) from investments and other financial assets - Impairment”.

Hedging Accounting

The Company is exposed to financial risks arising from its business (for example, exchange rates or interest rates or commodity prices). Company may implement different risk management strategies in order to eliminate or reduce its risk exposures.

Hedge accounting is a matching concept that eliminates or reduces the volatility in the statement of comprehensive income that otherwise would arise if the hedged item and the hedging instrument were accounted for separately under IFRS.

The objective of hedge accounting is to represent, in the financial statements, the effect of risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (P&L) or other comprehensive income (OCI).

The Company uses only Cash Flow Hedging instruments for that purpose.

Cash Flow Hedging

The Company enters into Cash Flow Hedging transactions-contracts in order to cover the risks that cause fluctuations in its cash flows and arise either from an asset or a liability or a forecasted transaction and the change will affect the results. Each contact is designated as Hedging Instrument in its entirety. The Company uses only two types of cash flow hedging instruments:

a) Future foreign currency transactions (Currency Forward Contacts) subject to exchange rate changes, covering the foreign exchange risk related to the variability of future payments expressed in foreign currencies (payments to suppliers) and of the related cash flows. Within the Company the exchange rate risk is managed in order to reduce the variability of the expected payments expressed in foreign currencies. The objective of the designated hedging relationships is to fix the Euro equivalent value of expected foreign currency payments to specific levels of exchange rate, through the negotiation of plain vanilla Foreign Exchange Forwards/Outrights/Swaps (i.e. linear instruments).

b) Interest Rate Swaps (IRS) subject to changes in interest rates covering the risk arising from a EUR floating rate liability (interest loan payment). Within the Company the interest rate risk is managed with the objective of optimizing the cost of debt, reducing the economic impacts due to the volatility of market interest rates and identifying the optimal ratio between fixed and floating rate debt. The Company derivatives portfolio is constantly monitored in order to maintain the exposure to counterparty risk at acceptable levels.

Notes to the Financial Statements (continued)

On the transaction date, the Company records the relationship (“Effectiveness Assessment”) between the hedging instrument and the hedging item, as well as the risk management objective and risk hedging transaction strategy. The Company also records both - when creating the hedging transaction and afterwards – the extent to which the instruments used is effective in offsetting fluctuations in the cash flows of hedging items.

The derivative financial instruments are initially recognized at their fair value at the date of the contract and are subsequently measured at their fair value. Changes in the fair value of financial derivative instruments are recognized at every reporting date either in the income statement or in other comprehensive income, depending on the extent, to which the derivative financial instrument meets the requirements of hedge accounting and, if so, according to the nature of the hedging object.

Thus, changes in the carrying amount of:

- the “effective” part of the hedging instrument (the component of changes in fair value that is attributable to effective risk hedging) is recognized in Equity as "Reserve" through Other Comprehensive Income (see Note **16.1**), while the changes of
- the “ineffective” portion is recognized directly in the Income Statement.

The result of this valuation is recognized in the Statement of Financial Position as an asset (“Financial assets at fair value through other comprehensive income”) when positive and as a liability (“Derivatives Liabilities”) when negative.

The amounts accrued in equity are transferred to the Income Statement (recycled through the Statement of Comprehensive Income to the Income Statement) in the periods in which the hedged items are recognized in the income statement (when the projected hedged transaction is taking place).

When a hedging instrument has expired, sold, settled or does not qualify for hedging accounting all accumulated gains or losses recognized directly in equity until that date remains in the reserves until the hedged item affects the Statement of Comprehensive Income. In the event that a hedged transaction is no longer expected to be realized, the net accumulated gains or losses recorded in the reserves are directly transferred to the Statement of Comprehensive Income

The Company holds no other assets at fair value through other comprehensive income as at 31 December 2022.

(ii) Impairment

The Company assesses at each reporting date, whether a financial asset or group of financial assets is impaired and recognizes, if necessary, an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Financial Statements (continued)

For trade receivables, the Company applies the simplified approach permitted by IFRS 9. Based on this approach, the Company recognizes the credit losses that are expected throughout the lifetime of trade receivables (expected lifetime losses). Further details on trade receivables are disclosed in Note **14**.

For all other financial assets at amortized cost, the general approach is applied. These assets are considered to have low credit risk and any loss allowance is therefore limited to 12 months' expected losses.

(iii) Derecognition

Financial assets are derecognized when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Initial recognition and subsequent measurement of financial liabilities

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

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Notes to the Financial Statements (continued)

2.10. Offsetting financial instruments

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

2.11. Inventories

Inventories are stated at the lower of acquisition cost and net realizable value. The cost of inventories is determined using the weighted average cost method and includes all the necessary expenses incurred for inventories to be

taken to their placement location. The net realizable value of inventories is their estimated selling price during the normal operation of the Company minus the estimated necessary costs for sale thereof. On each reporting date, inventories that are obsolete, useless and with very low inventory turnover are tested for impairment. Provisions are formed for the reduction of the acquisition value of inventories in net realizable value, which are registered in profit or loss during the period where such reductions arise. The provisions are revised at each reporting period.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, short-term high liquidity investments of up to three months.

2.13. Share Capital

Ordinary shares are classified in equity. The cost directly attributable to issuing new shares is recognized directly in equity as a reduction of share premium.

2.14. Borrowings

All loans and borrowings are initially classified at cost being the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, borrowings are measured at amortized cost using the effective interest method. Any difference between the amount received (net of acquisition cost) and the amount to be repaid is recognized in profit and loss over the loan period.

2.15. Leases

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

The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets in accordance with IFRS 16.

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. If ownership of the leased asset is transferred to the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Financial Statements (continued)

The Company has lease contracts for buildings, vehicles and other equipment used in their operations. The lease contracts may contain both lease and non-lease components.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company use the Company's incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract.

Details for the Company's leases are included in Note **7**.

2.16. <u>Income tax (current and deferred)</u>

The income tax for the fiscal year includes current and deferred taxes. Current and deferred income taxes are calculated based on the relevant amounts reflected in the financial statements, in accordance with the tax laws applicable in Greece. Current income tax refers to tax on the taxable profits of the company as reformed in accordance with the requirements of the tax law and calculated on the basis of the applicable tax rate.

Deferred tax is determined using the liability method for all the temporary tax differences, as at the reporting date, between the tax basis and book value of the assets and liabilities. The expected tax effects of the temporary tax differences are determined and presented either as deferred tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all tax-deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the tax-deductible temporary difference can be used, based on the estimated future performance of the Company.

The book value of the deferred tax assets is reviewed at each Financial Position date and is reduced to the extent that taxable profits will not be available against which a part or the total of the deferred tax assets can be used.

Current Income tax assets and liabilities for the current and previous fiscal years are measured at the amount

expected to be paid to the tax authorities (or recovered from them), using tax rates (and tax laws) that have been enacted by the reporting date.

2.17. <u>Dividends</u>

Dividends are recognized as a liability at the time of approval by the General Meeting of Shareholders.

Notes to the Financial Statements (continued)

2.18. Defined Benefits Obligation

The Company contributes to both defined benefit and defined contribution plans. The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and they are included in other reserves in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

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

2.19. Revenue from contracts with customers

The Company recognizes revenue related to the provision of services at a price that reflects the consideration it expects to be entitled to exchange goods or services in accordance with IFRS 15. It examines in detail the terms of the contract with the client as well as all relevant facts and circumstances related to the transfer of goods or services under the five-step model-framework provided. Revenue is recognized at the time that control of the goods or services is transferred to the customers, which is deemed to coincide with the time of satisfaction of contract obligations. The recording of revenue from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation, represented by the contractual promised to transfer goods and/or services to a customer; (iii) determination of the transaction price;

(iv) allocation of the transaction price to the performance obligations identified on the basis of the stand-alone sales price of each good or service; (v) recording of the revenue when the related performance obligation has been satisfied, or at the time of transfer to the customer of the good or service promised; the transfer will be considered as made when the customer obtains control over the goods or services, which may take place over time or at a specific point in time.

As regards the activities carried out by the Company, revenue is generally recognized as follows:

Notes to the Financial Statements (continued)

Regulated services

Transmission of natural gas

Revenue from the transmission of natural gas is recognized as the service is provided based on: a) the amount of transmission capacity booked by each user (customer) via his approved booking applications and b) the quantity (in energy units) of natural gas transmitted for each user (customer), during the month in question. According to the article 4 of the Standard Contract Framework Agreement the Transmission User must pay a monthly fee to the Operator for the provision of the services agreed in the Agreement and in the Approved Application by the latter. The Fee is calculated and invoiced pursuant to the provisions of the Network Code, the Tariff Regulation, the NNGS Usage Tariff and any relevant delegated acts. The Transmission User is been invoiced on a monthly basis.

Use of LNG services

Revenue from the use of LNG services is recognized as the service is provided based on: a) the amount of regasification capacity booked by each user (customer) via his approved booking applications and b) the quantity (in energy units) of liquefied natural gas regasified for every user (customer), during the month in question. According to the article 4 of the LNG Contract Framework Agreement the LNG User must pay a monthly fee to the Operator for the provision of the services agreed in the Agreement and each Approved LNG Application by the latter. The Fee is calculated and invoiced pursuant to the provisions of the Network Code, the Tariff Regulation, the Usage Tariff of the NNGS and the relevant delegated acts. The LNG User is been invoiced monthly.

Sales of balancing and operating gas

The Company ensures in any case the balance between Natural Gas Deliveries and Receptions in the National Natural Gas Transmission System (NNGTS) by the Transmission Users (Gas Balancing), taking into account the losses and stored quantities of Natural Gas on the Transmission System, aiming to the reliable, secure and effective operation thereof. The revenue from sales and operating gas is recognized over the period that the service is provided based on achieving the neutralization of the positive or negative balancing position of the Transmission Users in the system on a monthly basis. The Transmission User is invoiced on a monthly basis.

Security of supply duty

The Regulatory Authority for Energy (RAE) has set the maximum limit of the security of supply account, a unitary security of supply charge per category of natural gas customers and per standard power generation unit. According to the respective RAE decision, the Company maintains a separate interest-bearing account for inputs and outflows relating to security of supply matters, which will be refinanced by the interest accruing from the inventory of that account. The revenue deriving from the security of supply account is recognized on a monthly basis according to RAE decision (344/2014).

Connection Fees

On the basis of a Connection Agreement with the User, according to the Tariff regulation (Article 5: “Creation of new Entry or Exit Point”) in case of the creation of a new Exit Point or the increase of capacity of an existing Exit Point and pursuant to the provisions of the National Natural Gas System (NNGS) Administration Code, the User shall pay a Connection Fee to the Operator which reflects the construction cost of the (if any) relevant metering (and regulating) station, and pipeline upstream of the new Exit Point and which is recognized on an accrual basis, following the provisions of IFRS 15, throughout the services of the Connection Agreement and until the full performance delivery of the connection.

Notes to the Financial Statements (continued)

Non-regulated services

Supplementary Transmission Services

Supplementary Transmission Services include the services of metering systems calibration, the conduct of Dew Point Control Measurements and the provision of Equipped Working Space at the NGTS Entry Points. Revenue is recognized when the service is provided.

Other Non-Regulated Services

Other Non-Regulated Services include operation and maintenance services for distribution networks, CNG facilities. LNG facilities and LNG tankers, pipeline protection and other technical support services. Revenue is recognised when the service is provided.

2.20. Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.21. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.22. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements and the related notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and in the valuation of contingent assets and liabilities. The actual results that arise upon the occurrence of the relevant events could thus differ from these estimates.

The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in statement of comprehensive income. The use of estimates is significant for the following items:

Notes to the Financial Statements (continued)

Impairment testing of Property, Plant and Equipment: The Company's items of Property, Plant & Equipment are tested for impairment at the reporting date when indications of impairment exist. If any such indication exists, the recoverable amount of the items of Property, Plant and equipment is assessed by identifying those assets that form an independent Cash Generating Unit. The pipeline infrastructure of the Company has been assessed to be a single Cash Generating Unit for this purpose.

Future cash flows are projected based on the Company's business plan approved by management taking into consideration the approved regulatory income for the period covered by the plan. A terminal value is also calculated based on a reasonable perpetuity rate.

The key assumptions used by management in projecting cash flows for impairment testing on **31 December 2020** (which is the last performed by the Company) are the following:

- Regulated revenue: For 2023 Management has based its analysis on the prevailing regulatory framework (former Tariff Regulation, RAEWW's Decision 1434/2020, according to RAEWW's Decision E-58 2023), while calculating recoverable differences based on recent actual data (2021). Required revenue of year 2023 is calculated based on the prevailing regulatory WACC (from 7.44% in 2022 to 7.51% in 2023). Required revenue of year t within the Regulatory Period is based on approved regulatory parameters for each year of the Regulatory period and includes any recoverable differences arising in year t-2 between the revenue from tariffs and the required revenue.

- Capital expenditure: The annual amounts are derived from the Company's 10 year Development Plan approved by RAE. Any capital expenditure relating to expansion has been excluded from the calculation, so that only maintenance capital expenditure is included.

- Terminal value: in order to capture the value of business beyond 2039 management estimated a Terminal Value based on a perpetuity formula. The perpetuity rate assumed was 1.5%.

Pre-tax discount rates: Reflect specific risks relating to the relevant segment and the country risk for Greece. The pre-tax discount rate range used in 2020 was 6,2% to 7,2%.

RAEWW has issued its Decision on the regulatory parameters of the next regulatory period 2024-2027 for all regulated activities (E-69,June 2023) .

- **Depreciation and Amortization:** Depreciation of tangible assets and amortization of intangible assets with a finite useful life. The process of determining depreciation and amortization expense entails reviewing periodically the remaining useful lives of assets. Refer to Notes **2.5** and **2.6**.
- **Provisions for contingencies:** There are pending disputed cases relating to the Company. Management assesses the outcome of these cases in order to recognize asset or liability. Where a negative outcome is possible, the Company forms the required provisions. Provisions, where required, are calculated on the basis of the current value of the estimates made by the management of the cost to be incurred for settling the expected liabilities as of the reporting period date. Refer to Note **25.6**.

Notes to the Financial Statements (continued)

- **Impairment of trade and other receivables:** Estimation of expected credit loss for trade and other receivables. Refer to Note **25.2**.
- **Impairment of inventory:** Estimation of inventory devaluation. Refer to Note **2.11**
- **Assessment of uncertain tax positions:** Determination of the provision for income taxes that the Company is subjected to requires significant judgment. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audits based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Revenue

Revenue is analyzed as follows:

Amounts in thousands €	**1/1/2023-31/12/2023**	**1/1/2022-31/12/2022**
Transmission	226.623	159.430
Use of LNG services	59.804	40.121
LNG Operational Gas	24.383	35.499
Electricity	14	5
Additional services	955	875
Operation and Maintenance (“O&M”) services	17.034	15.499
Non-regulated sales	596	73
Sales of balancing and operating gas	45.671	26.834
Security of Supply fees	198.075	16.874
Total	**573.157**	**295.211**

Revenue increased by **€278 million,** mainly due to: 1. a significant increase of Regulated Revenues by more than €80 million due to the application of auction premia invoiced in 2023 as a result of the energy crisis in 2022/2023, combined with higher overall capacity bookings and increased tariffs compared to 2022; 2. i) the realization of the 2022 Preventive Action Plan from the Security of Supply Activity with its exceptional measures for the winter of 2022-2023 such as the Underground Storage in neighboring countries and the chartering of the FSU; as well as 2. ii) the full year 2023 effect from pass-through invoicing of energy costs (fully applied as from 1st of July 2022 onwards) and higher costs for Balancing Gas (prices and quantities).

Notes to the Financial Statements (continued)

LNG Operational Gas (€ 24,4m)

According to the provision of article 118 of Law 4951/2022 amending the provision of paragraph 2 of article 68 of Law 4001/2011 & implemented by RAE Decision 645/2022 as the 8th amendment of NNGS Network Code (articles 80 & 80A to E'), DESFA can recover directly the cost suffered from the offsetting of the physical losses and the self-consumption of the NNGS and not indirectly, as before the amendment, through the Tariff process (as Regulated operational expense). As an effective date for these provisions was set the 1st of July 2022. The total cost for these acts includes the LNG Supply Cost (also concerning the consumption of natural gas for a) the operation of the High-Efficiency Cogeneration of Electricity and Heat unit on the island of Revithoussa and b) for the compression stations of the NNGS), the cost from the purchase of carbon dioxide emission rights C02, as well as the energy cost from the consumption of electricity for the operation of the NNGS (calculated by the Administrator of the NNGS). Lastly according to the provision of paragraph 5 of article 116 of Law 4951/2022 this cost includes the cost of offsetting for physical losses and the cost of self-consumption and fuel of the leased FSU vessel, as well as the purchase of carbon dioxide emissions rights, for the entire period of the lease. The FSU vessel is defined as operating cost of the Revithoussa LNG Terminal Facility and inseparable part of NNGS under paragraph 3 of article 116 L.4951/2022.The total amount of the cost of the above acts of offsetting is recovered within the year in which the relevant cost is incurred.

FSU Vessel

Also, according to the provision of article 116 of Law 4951/2022 the cost of leasing the vessel is approved and recovered by DESFA through the Security of Supply Levy of par. 6 of article 73 of Law 4001/2011. The lease was for a maximum period of 12 consecutive months, starting from the month of July 2022, with an option of a 6-month extension under RAE decision. The lease of the vessel has ended in June 2023. The FSU vessel has been operated as a floating tank of the Revithoussa LNG Terminal, in order to strengthen the storage capacity of this Facility. The operation of the FSU, moored 700 meters from the terminal, has increased the storage capacity of the LNG Terminal of Revithoussa from 225,000 m3 to approx. 370,000 m3 LNG in total, an increase of around 70%. In addition, it has offered the LNG facility extended flexibility in terms of receiving and unloading LNG cargoes, since it has been possible to simultaneously unload two LNG carriers (at the Revithoussa jetty and the floating unit), thus optimizing the country's LNG supply chain and ensuring the required reserves for the smooth supply of the market during the winter of 2022-23.Lastly, a related reclassification of € **16.874** thousand is included in Note 28 concerning amounts of Security of Supply fees presented in 2022 Notes as "Other Income".

Notes to the Financial Statements (continued)

4. Expenses

Cost of sales

Cost of sales is analyzed as follows:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Personnel fees and expenses	17.851	14.945
Third party fees and expenses	13.646	15.628
Utilities and services	17.889	22.036
FSU vessel lease cost	6.516	13.681
Taxes and duties expenses	896	839
Security of Supply Levy	191.467	3.193
Consumption of Natural Gas & materials	58.051	55.966
Depreciation and amortization	59.245	57.340
Staff indemnity provision	113	28
Miscellaneous expenses	5.371	9.022
Total	**371.046**	**192.678**

The increase in the cost of sales by **€ 178,4** million, is mainly due to the two elements (2.i, 2.ii) stated above under Revenue, whereas the other operating expenses (Administrative & Distribution) increased by **€ 2,7** million mainly due to higher personnel costs in 2023 (effects from a higher number of employees combined with inflation) and due to higher maintenance materials costs.

A corresponding evolution is also visible in revenues.

Notes to the Financial Statements (continued)

Administrative expenses

Administrative expenses are analyzed as follows:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Personnel fees and expenses	13.234	12.108
Third party fees and expenses	4.375	3.950
Utilities and services	1.386	1.140
Taxes and duties expenses	171	151
Depreciation and amortization	1.225	994
Staff indemnity provision	62	51
Miscellaneous expenses	3.633	2.920
Total	**24.087**	**21.315**

Distribution expenses

Distribution expenses are analyzed as follows:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Personnel fees and expenses	35	14
Third party fees and expenses	182	188
Utilities and services	13	12
Taxes and duties expenses	108	119
Miscellaneous expenses	870	951
Total	**1.209**	**1.284**

Other Expenses

Other Expenses are analyzed as follows:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Extraordinary and non-operating expenses	5	1.139
Extraordinary losses	5	997
Expenses from previous years	1.709	2.519
Staff retirement indemnities	1.021	724
Provisions for bad debt (Note 14)	-	904
Total	**2.740**	**6.283**

Notes to the Financial Statements (continued)

5. Other Income

Other Income consists of the following items:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Grants for training	56	9
Other income from services	16.221	3.787
Rental income	7	3
Other extraordinary & non-operating income	507	6
Income from previous years	313	315
Income from provisions for personnel redundancy or retirement compensation	238	143
Income from settlement of legal cases	-	4.572
Reversal of provision for Inventories (Spare parts – Note 13)	1.342	-
Reversal of provision for bad debt (Note 14)	-	995
Reversal of other provisions	1.045	17.976
Total	**19.728**	**27.806**

The decrease in Other Income by € 8.079 thousand, is mainly due to the decrease of Reversal of other provisions & income from settlement of legal cases, totally amounted to € 21.503 thousand, minus the Connection Fees increase (included in "Other income from services") of € 12.361 thousand.
Also, a related restatement of € 16.874 thousand is included in Note 28 concerning amounts of Security of supply fees presented in 2022 Notes as "Other Income".

6. Finance costs – net and foreign exchange differences -net

The item is analyzed as follows:

Amounts in thousands €	1/1/2023 - 31/12/2023	1/1/2022 - 31/12/2022
Interest and other bank charges	7.843	6.502
Interest charge on leases	362	251
FX Differences (Net)	794	(237)
Derivatives Interest (Hedging – Note 16.1)	(526)	(15)
Total financial expenses	**8.473**	**6.501**
Interest and investment income	(5.050)	(85)
Total financial income	**(5.050)**	**(85)**
Net financial expenses / (income)	**3.424**	**6.416**

Notes to the Financial Statements (continued)

7. Tangible assets

The Company’s tangible assets are broken down as per following tables. No impairment has been considered necessary in 2023 (note 2.22). No securities have been provided to outside parties on owned assets:

Amounts in thousands €	Land	Buildings	Machinery	Vehicles	Furniture, fittings and equipment	Assets under construction	Total
Cost							
Balance on 1 January 2022	**8.210**	**126.624**	**1.927.008**	**2.923**	**52.614**	**39.707**	**2.157.087**
Additions	-	2.175	61	764	254	121.114	**124.368**
Transfers	142	1.871	13.148	-	460	(20.866)	(5.244)
Disposals	-	-	-	-	(148)	-	(148)
Balance on 31 December 2022	**8.352**	**130.670**	**1.940.218**	**3.687**	**53.180**	**139.956**	**2.276.063**
Accumulated depreciation							
Balance on 1 January 2022	**-**	**(89.214)**	**(884.835)**	**(2.646)**	**(44.176)**	**-**	**(1.020.871)**
Depreciation for the year	-	(4.127)	(49.637)	(172)	(2.924)	-	**(56.860)**
Disposals	-	-	-	-	147	-	**147**
Balance on 31 December 2022	**-**	**(93.341)**	**(934.472)**	**(2.818)**	**(46.953)**	**-**	**(1.077.584)**
Net book amount on 31 December 2022	**8.352**	**37.329**	**1.005.746**	**869**	**6.227**	**139.956**	**1.198.479**

Notes to the Financial Statements (continued)

Amounts in thousands €	Land	Buildings	Machinery	Strategic spare parts	Vehicles	Furniture, fittings and equipment	Assets under construction	Total
Cost								
Balance on 1 January 2023	**8.352**	**130.670**	**1.940.218**	**6.693**	**3.687**	**53.180**	**139.956**	**2.282.756**
Additions	-	2.196	1.390	-	1.190	236	176.644	**181.656**
Transfers	554	2.623	30.128	-	35	3.697	(41.760)	**(4.724)**
Disposals	-	-	-	-	-	-	-	**-**
Balance on 31 December 2023	**8.906**	**135.489**	**1.971.736**	**6.693**	**4.912**	**57.113**	**274.840**	**2.459.688**
Accumulated depreciation								
Balance on 1 January 2023	**-**	**(93.341)**	**(934.472)**	**(2.300)**	**(2.818)**	**(46.953)**	**-**	**(1.079.884)**
Depreciation for the year	-	(4.203)	(50.147)	(167)	(333)	(3.397)	-	**(58.247)**
Disposals	-	-	-	-	-	-	-	**-**
Balance on 31 December 2023	**-**	**(97.544)**	**(984.619)**	**(2.467)**	**(3.151)**	**(50.350)**	**-**	**(1.138.131)**
Net book amount on 31 December 2023	**8.906**	**37.945**	**987.117**	**4.226**	**1.761**	**6.763**	**274.840**	**1.321.558**

For Strategic spare parts recognition in 2023 see Inventories (Note 13).

Notes to the Financial Statements (continued)

Leases – Right-of-use assets

The right-of-use assets included in Property, plant and equipment have resulted from the application of IFRS 16 as from 1 January 2019 and are disclosed separately in the following table:

1/1-31/12/2022

Amounts in thousands €	Buildings	Vehicles	Furniture, fittings and equipment	Total
Cost				
Book value as at 1 January 2022	8.926	1.552	170	**10.648**
Additions	2.175	763	-	**2.938**
Total Cost as at 31/12/2022	**11.101**	**2.315**	**170**	**13.586**
Depreciations				
Book value as at 1 January 2022	(2.740)	(1.312)	(127)	**(4.179)**
Additions	(958)	(164)	(42)	**(1.164)**
Total depreciations as at 31/12/2022	**(3.698)**	**(1.476)**	**(169)**	**(5.343)**
Net book value as at 31/12/2022	**7.404**	**838**	**1**	**8.243**

1/1-31/12/2023

Amounts in thousands €	Buildings	Vehicles	Furniture, fittings and equipment	Total
Cost				
Book value as at 1 January 2023	11.101	2.315	170	**13.586**
Additions	2.196	1.190	5	**3.391**
Total Cost as at 31/12/2023	**13.297**	**3.505**	**176**	**16.978**
Depreciations				
Book value as at 1 January 2023	(3.698)	(1.476)	(169)	**(5.343)**
Additions	(1.247)	(323)	(6)	**(1.576)**
Total depreciations as at 31/12/2023	**(4.945)**	**(1.799)**	**(176)**	**(6.919)**
Net book value as at 31/12/2023	**8.353**	**1.706**	**-**	**10.059**

Notes to the Financial Statements (continued)

8. Intangible assets

The Company's intangible assets are broken down as follows:

Amounts in thousands €	Software	Easements	Total
Cost			
Balance at 1 January 2022	**5.979**	**26.519**	**32.498**
Additions	129	3	**133**
Transfers for the period 1/1-31/12/2022	5.244	-	**5.244**
Balance at 31 December 2022	**11.353**	**26.522**	**37.875**
Accumulated depreciation			
Balance at 1 January 2022	**(3.883)**	**(15.035)**	**(18.917)**
Amortization charge for the year	(1.061)	(525)	**(1.586)**
Balance at 31 December 2022	**(4.944)**	**(15.559)**	**(20.503)**
Net book amount at 31 December 2022	**6.409**	**10.963**	**17.372**

Amounts in thousands €	Software	Easements	Total
Cost			
Balance at 1 January 2023	**11.353**	**26.522**	**37.875**
Additions	1.127	-	**1.127**
Transfers for the period 1/1-31/12/2023	2.848	1.876	**4.724**
Balance at 31 December 2023	**15.329**	**28.398**	**43.727**
Accumulated depreciation			
Balance at 1 January 2023	**(4.944)**	**(15.559)**	**(20.503)**
Amortization charge for the year	(1.876)	(545)	**(2.421)**
Balance at 31 December 2023	**(6.820)**	**(16.104)**	**(22.924)**
Net book amount at 31 December 2023	**8.509**	**12.294**	**20.802**

9. Investments in associates

The Company's Investments in associates are as follows:

Company	Participation	Value
GASTRADE S.A	20%	18.173
SOUTH STREAM GAS PIPELINE SOCIÉTÉ ANONYME	50%	355
Total		**18.528**

- The participation of 20% in Gastrade SA (Reg. No. 095699101000) - the company that develops the Floating Storage and Regasification Unit (FSRU) of liquefied natural gas (LNG) in Alexandroupolis – was officially ratified on 30.12.2021. The project is under a testing period and the commercial usage of the station will be started mid-2024.

Notes to the Financial Statements (continued)

- The company "SOUTH STREAM GAS PIPELINE SOCIÉTÉ ANONYME" was established and registered in the Registry of Sociétés Anonyme of the Prefecture of Athens under S.A. Reg. No. 009592801000, on 13 July 2010. The company's objective is to: (a) develop, finance, construct, manage, operate and maintain the part of the South Stream gas pipeline that is in Greece, which is owned by the company, and (b) provide support services relating to the activities referred to under (a) above, as well as to prepare studies of all types concerning the above activities. DESFA and OAO GAZPROM each have a 50% holding in the company. The company is currently dormant; therefore, no financial results are generated.

10. Financial assets

The company at 31.12.2023 holds 3 main classification categories of Financial Assets:

- at fair value through profit and loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)
- at amortised cost

Financial assets at fair value through other comprehensive income (FVTOCI) are solely related to the Cash Flow Hedge Reserve (see note 16.1).

10.1. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss relate to the equity investments, being a 7% participation in the "HELLENIC ENERGY EXCHANGE SA" ("HENEX"). This participation is classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For 31.12.2023, no special valuation study for the fair value of HENEX has been performed, as all possible results from using unobservable inputs and not market data in a valuation technique, are estimated to have insignificant effect for DESFA's Financial Statements due to the low level of participation & exposure through that investment, as well as to HENEX's Equity & Profit's level, which are allocated annually to that participation.

In 2023 the dividend received due to this participation amounts to € 49 thousand and it's included in "Interest and investment income" (Note 6).

10.2. Financial assets at amortised cost

Financial assets at amortised cost are related to the long-term Subordinated Bond Loan (SBL) provided to GASTRADE by its shareholders regarding each participation in the share capital. As DESFA holds a participation of 20% in GASTRADE (see note 9), it has a relative commitment up to the amount of € 11.320 thousand. The amount granted by DESFA on 31.12.2023 is € 8.320 thousand. The SBL bonds will be repaid fully on 31.12.2032. The interest rate is defined as 5%.

Notes to the Financial Statements (continued)

11. Other non-current assets

The Company's non-current assets are analyzed as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Guarantee deposits	2.325	8.267
Security Supply Levy receivables	65.000	-
Total Other non-current assets in Statement of Financial Position	**67.325**	8.267

The Company's non-current assets represent:

a) Security Supply Levy receivables that are expected to be settled after 12 months.

b) Guarantee deposits provided for office rent, electricity, water supply, Henex and other utilities. A decrease of € 6 million is referring to the Henex Guarantee.

12. Current and deferred tax

(i) Income tax expense

Amounts in thousands €	31/12/2023	31/12/2022
Current tax on profit for the year	40.047	16.047
Tax audit differences from prior years	(221)	5
Current tax	**39.826**	**16.052**
Deferred tax	4.916	8.594
Total tax through P&L	**44.742**	**24.645**

(ii) Numerical reconciliation of income tax expense

A reconciliation between the income tax expense and the accounting profit before tax multiplied by tax rates in force in Greece (2023: 22%, 2022: 22%) is as follows:

Amounts in thousands €	1/1/2023-31/12/2023	1/1/2022-31/12/2022
Profit before Taxes (PbT)	**201.529**	**106.252**
Tax at statutory tax rate	44.336	23.375
Tax effect of:		
Non-tax deductible expenses	627	1.265
Change in tax rate	-	-
Tax audit differences from prior years	(221)	5
Income tax expense	**44.742**	**24.645**
Tax expense/PbT	**22,2%**	**23,2%**

Notes to the Financial Statements (continued)

(iii) *Current income tax liability / asset*

Income tax liability / asset is analyzed as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Income tax	44.916	17.057
Prepaid income tax for the year	(13.205)	(8.836)
Refund of prepaid income tax	-	-
Withholding income tax for the year	-	-
Total income tax liability/(asset) in Statement of Financial Position	**31.710**	**8.221**

(iv) Deferred tax

Deferred tax balances are as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Deferred tax assets	21.135	20.399
Deferred tax liabilities	(60.742)	(57.774)
Total deferred tax in Statement of Financial Position	**(39.607)**	**(37.375)**

Deferred tax assets	Grants	Defined Benefits Obligation	Bad Debt	Inventory Obsolete	Provisions	Lease Liabilities	Derivatives	Totals
At 1 January 2022	**9.989**	**878**	**174**	**2.632**	**7.669**	**1.411**	**-**	**22.754**
(Charge) / credit to P&L	1.422	(8)	-	-	(3.919)	264	-	**(2.242)**
(Charge) / credit to OCI	-	(113)	-	-	-	-	-	**(113)**
At 31 December 2022	**11.411**	**756**	**174**	**2.632**	**3.751**	**1.675**	**-**	**20.399**
At 1 January 2023	**11.411**	**756**	**174**	**2.632**	**3.751**	**1.675**	**-**	**20.399**
(Charge) / credit to P&L	1.353	(14)	-	(801)	(112)	(216)	-	**210**
(Charge) / credit to OCI	-	(20)	-	-	-	-	-	**(20)**
Transferred to/from Liabilities	-	-	-	-	-	-	545	545
At 31 December 2023	**12.763**	**723**	**174**	**1.831**	**3.639**	**1.459**	**545**	**21.135**

Deferred tax assets and liabilities are analyzed as follows:

Deferred tax liabilities	PPE	Prepaid expenses	Derivatives	Totals
At 1 January 2022	**48.340**	**1.168**	**-**	**49.508**
Charge / (credit) to P&L	6.033	315	3	**6.352**
Charge / (credit) to OCI	-	-	1.914	**1.914**
At 31 December 2022	**54.373**	**1.483**	**1.917**	**57.774**
At 1 January 2023	**54.373**	**1.483**	**1.917**	**57.774**
Charge / (credit) to P&L	4.629	256	241	**5.126**
Charge / (credit) to OCI	-	-	(2.704)	**(2.704)**
Transferred to/from Liabilities	-	-	545	**545**
At 31 December 2023	**59.002**	**1.740**	**-**	**60.742**

Notes to the Financial Statements (continued)

13. Inventories

The Company's inventories are as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Natural gas (operational and balancing purposes)	20.869	25.440
Materials for the construction and maintenance of a natural gas pipeline	18.254	18.131
Reclass of spare parts (Note 7)	(6.693)	-
Total cost	**32.430**	**43.571**
Impairment provision for obsolete materials	(8.322)	(11.963)
Net balance	**24.109**	**31.607**

In 2023 an amount of € 6.693 thousand of Spare Parts inventory has been recognised as "Strategic Parts" in the PPE category, and with an accumulated depreciation until 1.1.2023 of € 2.300 thousand. At the same time, a reversal of € 3.642 thousand of the impairment provision for obsolete stock has been recorded. The net profit of € 1.342 thousand is presented as "Other Income" (Note 5) in the Statement of Comprehensive Income.

There are no liens on inventories.

14. Trade and other receivables

The Company's total receivables are broken down as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Trade debtors	40.757	37.432
(-) Allowance for credit losses	(4.745)	(4.745)
Trade debtors (net)	**36.011**	**32.687**
Other Debtors	706	668
(-) Allowance for credit losses	(441)	(441)
Other Debtors (net)	**265**	**227**
Advances to suppliers	14.979	2.062
Loans and advances to employees	356	272
Security supply duty	36.626	2.048
Prepaid expenses	6.093	8.983
Accrued revenue	30.545	44.957
Receivable for other taxes payable (VAT)	19.867	-
Total	**144.743**	**91.236**

Notes to the Financial Statements (continued)

Trade and other receivables increased by **€ 53.507** thousand, mainly due to:

a) the Security supply duty increase of € 34.578 thousand. A corresponding evolution is also visible in revenues of the Security of Supply Levy account.

b) the VAT credit amount of € 19.867 thousand for future offsetting. It is created due to significant PPE purchases in 2023.

c) the higher advance payments to suppliers (in the context of the ongoing investment plan).

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Year ended	
Amounts in thousands €	**31/12/2023**	**31/12/2022**
Opening loss allowance at 1 January	**5.186**	**5.277**
Increase in loss allowance recognized in profit or loss during the year (Note 4)	-	904
Amount reversed (Note 5)	-	(995)
Closing loss allowance at 31 December	**5.186**	**5.186**

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables. The expected credit loss ("ECL") model is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. To measure the expected credit loss in relation to trade receivables and for significant clients representing over 90% of total balance, the company assesses the expected credit loss individually, based on the client's specific characteristics and circumstances. As per note 22, a significant amount of cash guarantees has been obtained (as per applicable regulation) from customers, which mitigates the recoverability risk on trade receivables. Additionally, there are 3 customers with over 10% each, of the total turnover from Regulated Revenues (€ 310,8 m), concentrating all together, up to 57,8% (€ 179,7m) of that revenue.

Notes to the Financial Statements (continued)

15. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. In particular:

Amounts in thousands €	31/12/2023	31/12/2022
Cash on hand	10	9
Sight and time deposits	179.303	201.348
Total	**179.313**	**201.357**

In "Sight and time deposits" these is an amount of € 5.025 thousand concerning the special contribution of article 62 Law 4986/2022 towards DAPEEP.

16. Share capital and reserves

The issued share capital of the Company consists of 7.258.644 shares of a nominal value of € 67,68 each.

The analysis of the ownership of the Company's shares as at 31 December 2023 is as follows:

Shareholder	Number of shares	Share capital (In thousands €)	Percentage
Senfluga Energy Infrastructure Holdings S.A.	4.790.705	324.235	66%
Ministry of Environment and Energy	2.467.939	167.030	34%
Total	**7.258.644**	**491.265**	**100%**

Under Greek Corporate Law, entities are required to transfer on an annual basis a minimum of five percent of their annual profit (after income taxes) to a statutory reserve, until such reserve equals one-third of the issued share capital. As of December 31, 2023, and 2022, this reserve amounted to € **52.672** thousand and **44.812** thousand respectively. This statutory reserve cannot be distributed to the shareholders.

Amounts in thousands €	31/12/2023	31/12/2022
Statutory reserves	52.672	44.812
Cash Flow Hedge Reserve	(2.801)	6.786
Value of real estate and other fixed assets acquired free of charge	449	449
Total	**50.319**	**52.046**

Notes to the Financial Statements (continued)

16.1. Cash Flow Hedge Reserve

The Cash Flow Hedge Reserve is analyzed as follows:

Cash Flow Hedging *(Amount in thousands €)*	Fair Value (Loss)	Deferred Tax (Profit)	Net amount in Reserve
Interest Rate Swap reserve	(3.591)	790	(2.801)
Total	**(3.591)**	**790**	**(2.801)**

This CFH Reserve concerns changes in the fair value of financial derivative instruments ("effective" part) which are recognized at every reporting in Equity through other comprehensive income (see Note **2.9**).

The actual values of financial derivative products are based on observable market data. For all exchange contracts, actual values are confirmed by the credit institutions with which the Company has entered into agreements. The Company hedge the risk of changes in cash flows due to:

a) its exposure to interest rate risk by using swap contracts (IRS) to hedge fluctuations in the price of interest rates due to the volatility of market interest rates

b) its exposure to exchange rate risk by using forward contracts and options, "locking in" exchange rates.

Additionally, the fair value of IRS contacts is recognized after the Credit Risk Adjustment according to IFRS 13.

The result of this valuation is also recognized as an asset when positive and as a liability when negative.

I. Interest Rate Swap (Amount in thousands €)	**01/01/23**	**Change through OCI**	**31/12/23**
Financial assets at fair value through other comprehensive income (Non-Current Assets)	**9.231**	(5.767)	3.464
Interest rate SWAP Liability (Current Liabilities)	-	(5.943)	(5.943)
Retaining Earnings (Derivatives Interest)	(5)		(5)
Derivatives Interest (accrued portion for P&L/CAPEX allocation)	-	(571)	(571)
Derivatives Interest Ineffective Part (accrued portion transferred to P&L/ financial expenses)	-	(536)	(536)
Fair Value in Equity Reserve for IRS	**9.226**	**(12.817)**	**(3.591)**
<u>II. FX Forward Contracts</u>			
Financial assets at fair value through profit or loss (Non-Current Assets)	117	(117)	-
Derivatives Liabilities (Current Liabilities)	(633)	633	-
Retaining Earnings (Fair value)	(10)	-	(10)
Fair Value Gain from Trading Derivatives (recognized directly in P&L / financial income)	-	10	10
Fair Value in Equity Reserve for FX Swaps	**(526)**	**526**	**-**
Total Fair Value in Equity Reserve (I+II)	**8.700**	**(12.291)**	**(3.591)**

Notes to the Financial Statements (continued)

17. Dividends

According to the provisions of law 4548/2018 the Ordinary General Meeting of Shareholders of 15.05.2023 has decided the distribution of € 80.000.000 consisting of € 74.332.175 from retaining earning until 2021 and € 5.667.825 from profits of 2022. All dividends were fully paid to the shareholders in 2023.

Concerning the distribution of profits of the closing year 2023, as the distribution of dividends requires approval at the General Assembly of the Shareholders (GA) meeting, no liability in this respect is recognized in the 2023 financial statements.

18. Borrowings

The Company's borrowings are expressed in Euro. They have been granted by the European Investment Bank (EIB) as well as a Common Bond Loan (B.L) by the 4 Greek systemic banks. The amounts payable within one year from the financial statement reporting date are classified as short-term liability, and those payable beyond one year are classified as long-term.

The Company's loans are broken down, per main financing organization, as follows:

Amounts in € thousands	31/12/2023		31/12/2022	
Bank:	**Short-term liabilities**	**Long-term liabilities**	**Short-term liabilities**	**Long-term liabilities**
EUROPEAN INVESTMENT BANK	13.445	99.152	13.445	112.598
NBG OPEN WORK.CAP./SEC.SUPPLY LEVY L.4001/73A/4β	31.218	-	-	-
BOND LOAN	-	266.657	-	118.427
Total Liabilities	**44.662**	**365.809**	**13.445**	**231.025**

Maturity Analysis:	**31/12/2023**	**31/12/2022**
Not Later than one year	44.662	13.445
From the second to fifth year	107.704	63.945
After five years	258.105	167.079
Total Borrowing 31 December	**410.471**	**244.469**

The weighted average cost of debt comes to **4,92%** for 2023 against **4.34%** for 2022.

Loan covenants

The Company has complied with covenants throughout the reporting period.

Notes to the Financial Statements (continued)

19. State Grants

State grants relate to investments in fixed assets and are recognized as income along with the depreciation of the subsidies' assets, which mainly concern technical equipment. In accordance with the prevailing legislation certain restrictions apply to the transfer of the subsidies fixed assets and the modification of the legal status of the Company. The relevant audits performed by the competent authorities have not identified any non-compliance with such restrictions. There are no unfulfilled conditions or other contingencies attaching to these grants. The movement of the balance of state grants is analyzed as follows:

Amounts in thousands €	31/12/2023	31/12/2022
At 1 January	226.477	**230.292**
Grants received	5.966	7.396
Amortization of grants	(11.150)	(11.211)
At 31 December	**221.293**	**226.477**
Short Term State Grants	**11.048**	**11.134**
Long Term State Grants	**210.245**	**215.343**

The Company recognizes Government Grants that cumulatively satisfy the following criteria:

- There is reasonable certainty that the company has complied or will comply with the conditions of the grant and b) it is probable that the amount of the grant will be received. Government Grants are booked at fair value and are systematically recognized as revenues according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Government Grants that relate to assets are included initially in long-term liabilities as deferred income and are recognized systematically and rationally as revenues over the useful life of the fixed asset. The part of deferred income concerning next year's revenue is presented in Short-term liabilities.

Notes to the Financial Statements (continued)

20. Lease liabilities

The Company has adopted IFRS 16 "Leases" retrospectively from 1 January 2019. For further details of the adoption of IFRS 16, please refer to Note **2.15**.

Lease liabilities at 31 December 2023 and 2022 are as follows:

Amounts in thousands €	2023	2022
As at 1 January	8.509	6.670
Additions	3.391	2.938
Accretion of Interest	362	251
Payments	(1.829)	(1.350)
As at 31 December	**10.434**	**8.509**
Current Lease Liabilities	1.757	1.365
Non-Current Lease Liabilities	8.677	7.144

Maturity Analysis:	**2023**	**2022**
Not Later than one year	1.757	1.365
In the second year	579	1.407
From the third to fifth year	928	534
After five years	7.170	5.203
Total Lease Liabilities 31 December	**10.434**	**8.509**

The following are the amounts recognized in profit or loss of 2023:

Depreciation expense of right-of-use assets	1.576
Interest expense on lease liabilities	362
Expense relating to short-term leases	1.135
Expense relating to leases of low-value assets	0
Security of Supply Levy Lease (FSU Vessel)	6.516
Total amount recognized in profit or loss	**9.590**

21. Employee benefit obligation

The Company's liability to employees working in Greece for the future payment of benefits depending on the employment time of each one of them is measured and presented on the basis of the expected payment of each employee's accrued right at the financial statement reporting date, discounted at its present value, taking into account the estimated time of payment thereof. The accumulated benefits in each period are charged to profit or loss with a corresponding increase in the retirement liability. The benefits paid to retiring employees are charged against such liability.

The number of personnel employed by the Company as at 31.12.2023 is 593 (31.12.2022: 563).

Amounts recognized in the Statement of Comprehensive Income in respect of these defined benefit obligation are as follows:

Notes to the Financial Statements (continued)

Amounts in thousands €	**1/1-31/12/2023**	**1/1-31/12/2022**
Service cost	175	106
Net expense recognized in the Statement of Comprehensive Income	**175**	**106**
Actuarial (gains) / losses PVDBO	(89)	(516)
Net (gain) / loss recognized in Total Comprehensive Income	**86**	**(410)**

The above recognized expense is included into the operating expenses as follows:

Amounts in thousands €	***1/1-31/12/2023***	***1/1-31/12/2022***
Cost of sales	113	55
Administrative expenses	62	51
Total	**175**	**106**

The movement in the respective employee benefit obligation is as follows:

Amounts in thousands €	**31/12/2023**	**31/12/2022**
At 1 January	**3.440**	**3.993**
Service cost	67	88
Interest cost	108	18
Benefits paid	(238)	(143)
Actuarial (Gains) / Losses	(89)	(516)
Settlement/ Curtailment/Termination loss/ (gain)	-	-
At 31 December	**3.287**	**3.440**

Company's staff retirement indemnity liability was determined through an actuarial study carried out by an independent recognized actuarial firm. The key amounts and long-term assumptions of the actuarial study of as of 31 December 2023, are presented below:

Basic assumptions in the actuarial study	**as of 31/12/2023**	**as of 31/12/2022**
Actuarial method of measurement:	Projected unit Credit Method	Projected unit Credit Method
Average annual long-term rise of inflation	2,9% by 2024, 2,3% by 2025, 2,0% by 2026 1,9% by 2027 and 1,8 %thereafter	3,2% by 2023, 1,6% by 2024, 1,8% by 2025 1,8% by 2026 and 1,9 %thereafter
Average annual payroll increase	1,5%	1,5%
Discount interest rate	4,80%	3,60%

Notes to the Financial Statements (continued)

The sensitivity of the defined benefit obligation to changes in the basic assumptions is as follows:

	Change in assumption 31/12/2023	Impact on defined benefit obligation 31/12/2023
Discount rate	Increase by 0,5%	Decrease by 2,2%
Salary growth rate	Increase by 0,5%	Increase by 2,2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the statement of financial position.

22. Trade and other payables

The Company's total trade and other payables are broken down as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Suppliers	52.539	24.531
Social security funds	1.303	1.297
Sundry creditors	5.226	1.964
Return of Share Capital to Shareholders	-	24.573
Customer Cash Guarantees	61.435	91.472
Accrued expenses	25.342	47.556
Related parties (shareholders) (see Note 24)	1.198	929
Liability to Hellenic Competition Commission	3.224	3.224
Total	**150.267**	**195.547**

Trade and other payables decrease is mainly due to the lower outstanding network user cash guarantees at end of 2023, and the liability of € 24,6 m from the share capital reduction which is paid in 2023.

In "Sundry creditors" these is an amount of 5.018 thousand € concerning the special contribution of article 62 Law 4986/2022 towards DAPEEP.

23. Other taxes payable

The Company's total other taxes payable are broken down as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Value added tax (see Note 14)	-	1.013
Payroll taxes and duties	1.447	1.149
Third party fees taxes and duties	16	9
Other taxes & duties	1.272	653
Total	**2.735**	**2.825**

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

Notes to the Financial Statements (continued)

24. Related party transactions

(a) Shareholders of the Company

Name	Place of incorporation	Ownership interest
Senfluga Energy Infrastructure Holdings S.A.	Greece	66%
Ministry of Environment and Energy	Greece	34%

Senfluga Energy Infrastructure Holdings S.A. consolidates the Company in its own financial statements by applying the full consolidation method. The Greek State (Ministry of Environment and Energy) owns 34% of the Company's share capital.

(b) Related party entities

The Company has the following balances with related parties, all of them are either direct shareholders of the Parent company, Senfluga Energy Infrastructure Holdings S.A., or subsidiaries of these shareholders and relate primarily to liabilities for seconded executives:

Liabilities:	**31/12/2023**	**31/12/2022**
SNAM S.p.A.	943	763
SNAMRETEGAS (SNAM) S.p.A.	-	-
GASTRADE	-	1.000
ENAGAS INTERNACIONAL S.L.U.	-	15
FLUXYS EUROPE B.V.B.A.	81	69
ENAGAS SERVICES SOLUTIONS S.L.U.	174	82
Total	**1.198**	**1.929**

Expenses:	**31/12/2023**	**31/12/2022**
SNAM S.p.A.	1.936	1.790
SNAMRETEGAS (SNAM) S.p.A.	-	-
GASTRADE	-	-
ENAGAS INTERNACIONAL S.L.U.	-	195
FLUXYS EUROPE B.V.B.A.	286	322
ENAGAS SERVICES SOLUTIONS S.L.U.	322	535
Total	**2.544**	**2.842**

Receivables:	**31/12/2023**	**31/12/2022**
GASTRADE	116	551
ENAGAS INTERNACIONAL S.L.U.	7	-
ENAON EDA / DEDA	135	-
SOUTH STREAM	2	5
Total	**260**	**556**

Revenue:	**31/12/2023**	**31/12/2022**
SNAM S.p.A.	-	-
GASTRADE	15.043	551
ENAON EDA / EDATHESS	178	-
ENAON EDA / EDAATTIKIS	89	-
ENAON EDA / DEDA	349	-
ENAGAS SERVICES SOLUTIONS	-	-
SOUTH STREAM	5	5
Total	**15.664**	**556**

All related parties' transactions were made on an arm's length basis.

Notes to the Financial Statements (continued)

(c) Remuneration of BoD members & Key management personnel:

Amounts in thousands €	**31/12/2023**	**31/12/2022**
BoD members	109	87
SC members	55	55
Total	**164**	**142**

The remuneration of members of the Board of Directors are proposed and approved by the Annual General Assembly Meeting of the shareholders.

The remuneration of directors and other members of key management for the Company for the period 1/1-31/12/2023 and 1/1-31/12/2022 amounted to € **3.001** thousand and € **3.490** thousand, respectively.

25. Financial risk management

The Company's risk management is controlled by management under policies approved by the board of directors. The Company is exposed to various financial risks; the most significant risks are market risk – including foreign exchange risk and interest rate risk – credit risk and liquidity risk. The Company's risk management policies are aimed at minimizing the possible negative effects of such risks on the financial position and performance of the Company. As referred in note **2.9** the main financial instruments used by the Company are cash, bank deposits, trade and other receivables and liabilities and bank loans. From time to time, the Company Management reviews and revises the relevant policies and procedures relating to the management of financial risks, as described below:

25.1. Market risk

25.1.1. Interest rate risk

Interest rate risk arises from interest rate increases in the long-term and short-term variable rate borrowings. On 31.12.2023, long-term borrowings were both on a fixed and variable rate basis. To mitigate the exposure from the interest risk increase the Company is either issuing/contracting debt on fixed term basis or using market standard financial instruments, like Interest Rate Swaps (IRS). On 31.12.2023 the fixed rate part of the Company's total debt portfolio was 69% (283m/410m), in line with its internal strategy.

25.1.2. Foreign exchange risk

The Company is exposed to limited foreign exchange risk as all its assets and most of its liabilities are in Euro, while almost all transactions of the Company are also performed in Euros. In 2023, like 2022, the Company did face some currency risk, as a result of the FSU related contractual obligations denominated in USD. This risk was fully covered (100%) with a combination of Spot USD transactions, as well as some market standard financial instruments, like USD Forwards. Also, since the company is progressively expanding its services outside the EU zone, policies are being developed to monitor the exposure and take action in accordance with internal policy.

25.2. Credit risk

Risk management

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as trade receivables and other financial assets.

Notes to the Financial Statements (continued)

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Company is exposed in respect of the relevant assets, which, as at the financial statement reporting date, are broken down as follows:

Amounts in thousands €	31/12/2023	31/12/2022
Trade receivables and other financial assets	144.743	91.236
Cash and cash equivalents	179.313	201.357
Total	**324.056**	**292.593**

The credit risk of the Company is small. The clients' payments are made to the Company on agreed credit terms of the corresponding invoices within the next month. The Company's payments to suppliers are generally up to 45 days after the issuance of the respective invoice, except for the gas procurement for balancing purposes and the procurement of operational gas, which follow the respective deadlines similar to those that DESFA imposes to its clients. Generally, collection risks on the Company's receivables have been low, except for specific disputed historical invoices, which are under legal procedures.

The Company has established specific credit policies under which customers are analyzed for creditworthiness and there is an effective management of receivables in place both before and after they become overdue and doubtful.

Customers that are characterized as doubtful are reassessed at each reporting date for the estimated loss that is expected, and an appropriate impairment allowance is established.

The Company's cash and cash equivalents are mainly invested in highly rated counterparties and with a very short-term tenor.

25.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The liquidity risk is kept at low levels through the availability of sufficient cash and credit limits. To ensure this, there is a respective provision in the Tariff Regulation (par. 6 of article 4 of Tariff Regulation) and in the Regulation on Cash Reserves Administration Policy of the Company. The cash retained by DESFA meets this requirement. Regarding the handling of the Security of Supply Account, the Company, in cooperation with RAE, has introduced the appropriate safeguards to prevent any liquidity risk related to this activity (despite the significant increase in size of actions in the 2022 Preventive Action Plan).

Following is a table (in thousands €) presenting an analysis of financial liabilities, according to their contractual settlement dates.

31/12/2023	Up to 1 year	Between 1 to 5 years	More than 5 years
Borrowings	44.662	107.704	258.105
Leases	1.757	1.507	7.170
Trade and Other Payables	150.267	-	-
31/12/2022	**Up to 1 year**	**Between 1 to 5 years**	**More than 5 years**
Borrowings	13.445	63.945	167.079
Leases	1.365	1.941	5.203
Trade and Other Payables	195.547	-	-

Notes to the Financial Statements (continued)

25.4. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders, and
- maintain an optimal capital structure to reduce the cost.

The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The debt risk of the Company is low. The Company's gearing ratio, i.e., the ratio of total loans to the sum of total loans and total equity, on 31.12.2023, was equal to 31,1% (compared to 22,5% in the end of 2022). Another ratio is the ratio of net debt to equity (Net debt includes interest bearing loans and notes, less cash and cash equivalents).

Amount in thousands €	31/12/2023	31/12/2022
Long-term borrowings	365.809	231.025
Short-term portion	44.662	13.445
Cash and cash equivalents	(179.313)	(201.357)
Net debt	**231.158**	**43.113**
Total equity	**910.690**	**843.420**
Ratio of Net debt over Total Equity	**25,4%**	**5,1%**

25.4.1 Other significant issues for the Management

Concerning the Russia/Ukraine crisis, the Company is in close cooperation with stakeholders (Government, Regulator, shareholders, NNGTS users, vendors, financial institutions, etc.) to monitor the progress of the crisis and the potential effects/risks to the Company. Management continues to consider, evaluate, and take reasonable measures to address these effects/risks. Based on the current state of crisis, no risk of operations' disruption exists, and the Company has adequate liquidity to continue its operation in the FY 2024.

Additionally, it is estimated that the Israel-Palestine conflict will not have any effect on DESFA's business. Management is also monitoring closely all developments from that crisis.

Notes to the Financial Statements (continued)

25.5. Fair value measurement

The Company applies fair value measurement to the financial assets at fair value through profit & loss (Note **10**), which is classified as Level 3. Also, for derivative financial instruments the Company applies measurement at fair value through Other Comprehensive Income (see Notes **2.9** & **16.1**) which is classified as Level 2.

An explanation of each level follows.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

25.6. Provisions

Movement of provisions during the financial year is set out below:

Amounts in thousands €	**1/1/2023-31/12/2023**	**1/1/2022-31/12/2022**
Carrying amount at start of year	**1.918**	**18.860**
Amounts reversed	-	(16.941)
New amounts during the year	-	-
Carrying amount at end of year	**1.918**	**1.918**

The Company's contingent liabilities and provisions are analyzed as follows:

i. Cases in litigation or under arbitration

As at 31 December **2023**, there remain a number of third-party claims and legal actions against the Company relating to old trade and other disputes, as well as actions lodged against the Company involving compensation for expropriation of land related to the construction-extension of the conduit and other tangible assets. Considering the progress of these cases and advice from the Company's legal counsel, the Company has maintained the remaining provision for the estimated amount of settlement of the aforementioned cases of €**1.918** thousand. The total amount of contingent liabilities due to claims under legal dispute is amounted to € **3.695**thousand (2022: € **4.160** thousand).

ii. Tax audit

DESFA S.A. has been tax audited by the tax authorities up to fiscal year **2010**. For fiscal years **2011** until **2013** special tax audits were performed in accordance with Article 82(5) of Law 2238/1994 by its statutory auditor and respective tax compliance reports were issued.

Notes to the Financial Statements (continued)

For fiscal years **2014 to 2022** special tax audits were performed in accordance with Article 65a of Law 4174/2013 by its statutory auditor and respective tax compliance reports were issued. In any case and according to Circ.1006/05.01.2016 these companies for which a Tax Compliance Certificate has been issued are not excluded from a further tax audit by the relevant tax authorities.

Therefore, the tax authorities may perform a tax audit as well, only for the years **2018-2022** which are still considered as not time barred. However, the Company's management believes that the outcome of such future audits, should these be performed, will not have a material impact on the financial position of the Company. Up to the date of approval of these financial statements, the Company's tax audit, by the statutory auditors, for the fiscal year **2023** is in progress. However, it is not expected that material liabilities will arise from this tax audit.

iii. Letters of guarantee

The Company had provided the following letters of guarantee to suppliers:

Amounts in thousands €	**31/12/2023**	**31/12/2022**
Liabilities		
Supplier's letters of guarantee	19.941	17.755
Letters of guarantee from third parties	**19.941**	**17.755**

26. Commitments

26.1. Commitments from operating leases

The Company has entered into contracts for the operating lease of vehicles and buildings. From 1 January 2019, the Company has recognized right-of-use assets and lease liabilities for these leases following the adoption of IFRS 16 (see note **2.15** and note **7** for further information).

26.2. Other commitments

Amounts in thousands €	**2023**	**2022**
Liabilities		
Commitments for projects under construction	361.582	406.194
Total	**361.582**	**406.194**

27. Other non-current liabilities

The Company's long-term liabilities represent mainly the performance guarantee in relation to Contract 497/12 with Egnatia Odos, of € 145 thousand.

Notes to the Financial Statements (continued)

28. Reclassifications

There are the following reclassifications in the financial statements of 2023:

i) In the Statement of Comprehensive Income of 2022, the following amounts have been reclassified for better presentation:

- Security Supply Levy Revenues amounting to € 16.874 thousand from "Other Income" to "Revenue".

Amounts in thousands €	Note	Initial Presentation in 2022	Reclass	Final Presentation in 2023
Revenue	3	**278.337**	**16.874**	**295.211**
Cost of Sales		(192.678)	-	(192.678)
Gross profit		**85.659**	**16.874**	**102.533**
Other Income	5	44.681	(16.874)	27.806
Total		**130.339**	**-**	**130.339**

ii) In Notes to the Financial Statements of 2022 the following amounts have been reclassified for better presentation:

- In Note 5 "Other Income" € 16.874 thousand, reclassed to Note 3 "Revenue" as Security of supply fees.

Note 5 – "Other Income" *Amounts in thousands €*	Initial Presentation in 2022	Reclass	Final Presentation in 2023
Grants for training	9	-	9
Other income from services	3.787	-	3.787
Rental income	3	-	3
Rental of FSU vessel (recovered)	13.681	(13.681)	-
Other extraordinary & non-operating income	6	-	6
Income from previous years	393	(78)	315
Income from provisions for personnel redundancy or retirement compensation	143	-	143
Income from settlement of legal cases	4.572	-	4.572
Reversal of provision for security supply levy	3.116	(3.116)	-
Reversal of provision for bad debt (Note 14)	995	-	995
Reversal of other provisions	17.976	-	17.976
Total	**44.681**	**(16.874)**	**27.806**

Note 3 – "Revenue" *Amounts in thousands €*	Initial Presentation in 2022	Reclass	Final Presentation in 2023
Transmission	159.417	13	159.430
Use of LNG services	40.091	30	40.121
LNG Operational Gas	35.499	-	35.499
Electricity	5	-	5
Additional services	99	776	875
Operation and Maintenance ("O&M") services	15.499	-	15.499
Non regulated sales	893	(820)	73
Sales of balancing and operating gas	26.834	-	26.834
Security of supply fees	-	16.874	16.874
Total	**278.337**	**16.874**	**295.211**

29. Unbundled Financial Statements

The company in order to comply with the provisions of the Greek Law 4001/2011, the No. 332/2016 Decision of the Regulatory Authority for Energy and the 5th Amendment of Tariff regulation approved by the Regulatory Authority for Energy (Decision No. 1434/2020), prepared the Appendix of the Unbundled Financial Statements 2023.

Notes to the Financial Statements (continued)

30. Events occurring after the reporting period

There are no events that could have a material impact on the Company's financial structure or operations that have occurred since **1/1/2024** up to the date of issue of these financial statements.

(Amounts in thousand of Euros)

APPENDIX : UNBUNDLED FINANCIAL STATEMENTS

UNBUNDLED STATEMENTS OF COMPREHENSIVE INCOME (01.01.2023-31.12.2023)

	S01 TRANSMISSION	S02 USE OF LNG FACILITY	S03C GAS BALANCING	S03D NNGTS OPERATING GAS & ENERGY COST	S03E LNG OPERATING GAS & ENERGY COST	S05C NON TRANSMISSION SERVICES	S05D ADDITIONAL LNG SERVICES	S06 NON REGULATED SERVICES W/O INVESTMENTS	S07 PARTICIPATION IN OTHER COMPANIES	S08 NON REGULATED SERVICES WITH INVESTMENTS	S10 SECURITY OF SUPPLY	Total
	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023	
STATEMENT OF COMPREHENSIVE INCOME												
Revenue	210.641	75.786	37.626	8.045	24.397	946	9	17.631	0	0	198.075	573.157
Less: Cost of Sales	(66.285)	(23.671)	(37.622)	(8.032)	(24.396)	(95)	(353)	(12.309)	(61)	(238)	(197.983)	(371.046)
Gross Profit	144.357	52.115	4	13	1	850	(344)	5.322	(61)	(238)	92	202.111
Other income	18.904	691	0	15	21	1	18	27	51	0	0	19.728
	163.260	52.806	4	28	22	851	(326)	5.348	(10)	(238)	92	221.838
Administrative expenses	(17.483)	(4.390)	0	0	0	(76)	(133)	(1.978)	(27)	0	0	(24.087)
Distribution expenses	(896)	(235)	0	0	0	(4)	0	(73)	0	0	0	(1.209)
Other expenses	(1.647)	(346)	(1)	(28)	(21)	(2)	(10)	(679)	(6)	0	0	(2.740)
Amortisation of fixed asset grants	8.556	2.580	0	0	0	0	14	0	0	0	0	11.150
Operating results	151.790	50.415	3	0	1	769	(455)	2.619	(43)	(238)	92	204.953
Financing cost	(851)	(1.656)	(3)	0	(1)	0	(48)	(13)	44	0	(102)	(2.629)
Foreign exchange differences	(611)	(1)	0	0	0	0	0	(182)	0	0	0	(794)
Results before taxes	150.329	48.758	0	0	0	769	(503)	2.424	1	(238)	(10)	201.529
Income tax	(29.727)	(9.687)	0	0	0	(152)	0	(481)	0	0	0	(40.047)
Income tax- Deferred tax	(3.611)	(1.272)	0	0	0	0	(41)	6	(1)	0	2	(4.916)
Tax audit differences from prior years	174	43	0	0	0	2	0	3	0	0	0	221
Results after taxes	117.164	37.842	0	0	0	618	(544)	1.952	0	(238)	(8)	156.788
Net profit for the period												
Other comprehensive income	117.164	37.842	0	0	0	618	(544)	1.952	0	(238)	(8)	156.788
Profits/Losses From Cash flow Hedging	0	0	0	0	0	0	0	0	0	0	0	0
Actuarial profit/(loss)	(11.821)	(615)	0	0	0	0	(381)	0	0	0	526	(12.291)
Deferred Tax	52	19	0	0	0	0	1	17	0	0	0	89
Other comprehensive income of the period after taxes	2.589	131	0	0	0	0	84	(3)	0	0	(116)	2.684
Total comprehensive income of the period after taxes	(9.180)	(465)	0	0	0	0	(297)	14	0	0	410	(9.517)
	107.984	**37.377**	0	**0**	**0**	**619**	**(840)**	**1.966**	**0**	**(238)**	**403**	**147.270**

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

UNBUNDLED STATEMENTS OF FINANCIAL POSITION (31.12.2023)

	S01 TRANSMISSION	S02 USE OF LNG FACILITY	S03C GAS BALANCING	S03D NNGTS OPERATING GAS & ENERGY COST	S03E LNG OPERATING GAS & ENERGY COST	S05C NON TRANSMISSION SERVICES	S05D ADDITIONAL LNG SERVICES	S06 NON REGULATED SERVICES W/O INVESTMENTS	S07 PARTICIPATION IN OTHER COMPANIES	S08 NON REGULATED SERVICES WITH INVESTMENTS	S10 SECURITY OF SUPPLY	Total
	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	31/12/2023	
ASSETS												
NON-CURRENT ASSETS												
Tangible assets	979.263	330.662	0	0	0	5	11.462	131	34	0	0	**1.321.558**
Intangible assets	20.802	1	0	0	0	0	0	0	0	0	0	**20.802**
Investments in associates	0	0	0	0	0	0	0	0	18.528	0	0	**18.528**
Financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	350	0	0	**350**
Financial assets at fair value through other comprehensive income	2.758	329	0	0	0	0	377	0	0	0	0	**3.464**
Financial assets at amortised cost	0	0	0	0	0	0	0	0	8.320	0	0	**8.320**
Other non-current assets	55.855	11.461	0	0	0	0	3	2	3	0	0	**67.325**
Total Fixed Assets	**1.058.678**	**342.453**	**0**	**0**	**0**	**5**	**11.843**	**133**	**27.234**	**0**	**0**	**1.440.347**
Current assets												
Inventories	11.780	12.328	0	0	0	0	0	0	0	0	0	**24.109**
Trade and other receivables	60.960	19.308	0	0	0	285	566	5.809	2	12	57.800	**144.743**
Income tax asset	0	0	0	0	0	0	0	0	0	0	0	**0**
Financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	0	0	0	**0**
Cash and cash equivalents	111.928	17.648	0	0	0	605	29.279	11.724	8.129	0	0	**179.313**
Total current assets	**184.668**	**49.284**	**0**	**0**	**0**	**890**	**29.846**	**17.533**	**8.131**	**12**	**57.800**	**348.165**
TOTAL ASSETS	**1.243.347**	**391.737**	**0**	**0**	**0**	**895**	**41.688**	**17.666**	**35.366**	**12**	**57.800**	**1.788.511**

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

EQUITY & LIABILITIES												
EQUITY												
Share capital	341.355	146.622	0	0	0	384	22	1.537	926	418	0	491.265
Reserves	37.017	12.155	0	0	0	118	157	872	0	0	0	50.319
Retained earnings	235.042	100.991	0	0	0	1.773	(1.291)	5.017	27.873	(298)	0	369.106
Total Equity	613.413	259.769	0	0	0	2.275	(1.112)	7.426	28.800	120	0	910.690
Non-current liabilities												
Borrowings	307.930	50.157	0	0	0	0	7.723	0	0	0	0	365.809
Employee benefits obligation	2.112	848	0	0	0	18	(7)	317	0	0	0	3.287
State grants	156.073	53.745	0	0	0	1	390	13	22	0	0	210.245
Provisions	1.918	0	0	0	0	0	0	0	0	0	0	1.918
Leases	6.229	2.119	0	0	0	7	110	113	98	0	0	8.677
Other non-current liabilities	155	0	0	0	0	0	0	0	0	0	0	155
Interest rate SWAP Liability	5.474	297	0	0	0	0	173	0	0	0	0	5.943
Inter-activity account	(36.846)	(27.883)	0	0	0	(1.746)	33.970	6.003	6.659	(237)	20.080	0
Deferred tax liabilities	30.729	9.093	0	0	0	(3)	(48)	(48)	(117)	0	0	39.607
Total non-current liabilities	473.774	88.376	0	0	0	(1.723)	42.311	6.397	6.663	(237)	20.080	635.641
Current liabilities												
Trade and other payables	119.153	20.912	0	0	0	72	422	3.170	(94)	129	6.502	150.267
Leases	1.261	429	0	0	0	1	22	23	20	0	0	1.757
Borrowings	7.142	6.303	0	0	0	0	0	0	0	0	31.218	44.662
Derivatives Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Other taxes payable	2.256	310	0	0	0	4	25	140	0	0	0	2.735
State grants	8.201	2.824	0	0	0	0	20	1	1	0	0	11.048
Income tax liability	18.146	12.814	0	0	0	266	0	509	(24)	0	0	31.710
Total current liabilities	156.159	43.593	0	0	0	344	489	3.842	(97)	129	37.720	242.179
Total liabilities	629.933	131.969	0	0	0	(1.379)	42.800	10.239	6.566	(108)	57.800	877.821
TOTAL EQUITY & LIABILITIES	1.243.347	391.737	0	0	0	895	41.688	17.666	35.366	12	57.800	1.788.511

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

APPENDIX : UNBUNDLED FINANCIAL STATEMENTS

UNBUNDLED STATEMENTS OF COMPREHENSIVE INCOME (01.01.2022-31.12.2022)

	S01 TRANSMISSION	*S02 USE OF LNG FACILITY*	*S03C GAS BALANCING*	*S03D NNGTS OPERATING GAS & ENERGY COST*	*S03E LNG OPERATING GAS & ENERGY COST*	*S05C NON TRANSMISSION SERVICES*	*S05D ADDITIONAL LNG SERVICES*	*S06 NON REGULATED SERVICES W/O INVESTMENTS*	*S07 PARTICIPATION IN OTHER COMPANIES*	*S08 NON REGULATED SERVICES WITH INVESTMENTS*	*S10 SECURITY OF SUPPLY*	
	01/01/2022 - 31/12/2022	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**01/01/2022 - 31/12/2022**	**Total**
STATEMENT OF COMPREHENSIVE INCOME												
Revenue	146.548	53.016	29.498	(2.663)	35.499	875	0	15.564	0	0	16.874	**295.211**
Less: Cost of Sales	(63.457)	(38.884)	(29.484)	2.663	(35.499)	(57)	72	(11.149)	(10)	0	(16.874)	**(192.678)**
Gross Profit	**83.091**	**14.132**	**14**	**0**	**0**	**819**	**72**	**4.415**	**(10)**	**0**	**(16.874)**	**85.659**
Other income	14.693	13.021	0	0	0	(5)	(11)	101	7	0	0	**27.806**
	97.784	**27.153**	**14**	**0**	**0**	**814**	**61**	**4.516**	**(3)**	**0**	**0**	**130.339**
Administrative expenses	(15.294)	(4.189)	0	0	0	(55)	(116)	(1.639)	(23)	0	0	**(21.315)**
Distribution expenses	(873)	(312)	0	0	0	(5)	0	(93)	0	0	0	**(1.284)**
Other expenses	(2.286)	(2.541)	0	0	0	(1)	(5)	(1.444)	(6)	0	0	**(6.283)**
Amortisation of fixed asset grants	8.622	2.587	0	0	0	0	1	0	0	0	0	**11.211**
Operating results	**87.953**	**22.698**	**14**	**0**	**0**	**753**	**(59)**	**1.340**	**(31)**	**0**	**0**	**112.667**
Financing cost	(4.522)	(1.942)	(14)	0	0	0	(2)	(176)	(7)	0	10	**(6.653)**
Foreign exchange differences	91	(2)	0	0	0	0	0	148	0	0	0	**237**
Results before taxes	**83.523**	**20.754**	**0**	**0**	**0**	**752**	**(60)**	**1.312**	**(38)**	**0**	**10**	**106.252**
Income tax	(12.601)	(3.134)	0	0	0	(114)	0	(198)	0	0	0	**(16.047)**
Income tax- Deferred tax	(7.312)	(1.259)	0	0	0	0	(19)	(2)	0	0	(2)	**(8.594)**
Tax audit differences from prior years	(4)	(1)	0	0	0	0	0	0	0	0	0	**(5)**
Results after taxes	**63.606**	**16.360**	**0**	**0**	**0**	**639**	**(80)**	**1.111**	**(38)**	**0**	**8**	**81.607**
Net profit for the period	63.606	16.360	0	0	0	639	(80)	1.111	(38)	0	8	**81.607**
Other comprehensive income	0	0	0	0	0	0	0	0	0	0	0	**0**
Profits/Losses From Cash flow Hedging	8.092	588	0	0	0	0	546	0	0	0	(526)	**8.700**
Actuarial profit/(loss)	428	53	0	0	0	1	5	29	0	0	0	**516**
Deferred Tax	(1.876)	(140)	0	0	0	0	(121)	(6)	0	0	116	**(2.027)**
Other comprehensive income of the period after taxes	**6.644**	**500**	**0**	**0**	**0**	**1**	**430**	**23**	**0**	**0**	**(410)**	**7.188**
Total comprehensive income of the period after taxes	**70.251**	**16.860**	**0**	**0**	**0**	**639**	**350**	**1.134**	**(38)**	**0**	**(403)**	**88.795**

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

UNBUNDLED STATEMENTS OF FINANCIAL POSITION (31.12.2022)

	S01 TRANSMISSION	*S02 USE OF LNG FACILITY*	*S03C GAS BALANCING*	*S03D NNGTS OPERATING GAS & ENERGY COST*	*S03E LNG OPERATING GAS & ENERGY COST*	*S05C NON TRANSMISSION SERVICES*	*S05D ADDITIONAL LNG SERVICES*	*S06 NON REGULATED SERVICES W/O INVESTMENTS*	*S07 PARTICIPATION IN OTHER COMPANIES*	*S08 NON REGULATED SERVICES WITH INVESTMENTS*	*S10 SECURITY OF SUPPLY*	**Total**
	31/12/2022	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	**31/12/2022**	
ASSETS												
NON-CURRENT ASSETS												
Tangible assets	853.609	334.570	0	0	0	6	10.141	94	58	0	0	**1.198.479**
Intangible assets	17.370	1	0	0	0	0	0	0	0	0	0	**17.372**
Investments in associates	0	0	0	0	0	0	0	0	14.968	0	0	**14.968**
Financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	350	0	0	**350**
Other non-current assets	8.147	115	0	0	0	0	1	1	3	0	0	**8.267**
Financial assets at fair value through other comprehensive income	8.096	588	0	0	0	0	546	0	0	0	0	**9.231**
Total Fixed Assets	**887.223**	**335.274**	**0**	**0**	**0**	**6**	**10.688**	**95**	**15.379**	**0**	**0**	**1.248.666**
Current assets												
Inventories	13.156	18.450	0	0	0	0	0	1	0	0	0	**31.607**
Trade and other receivables	50.804	18.600	0	0	0	226	302	3.928	13	0	17.364	**91.236**
Income tax asset	0	0	0	0	0	0	0	0	0	0	0	**0**
Cash and cash equivalents	116.494	26.182	0	0	0	1.063	30.000	7.616	19.998	0	4	**201.357**
Financial assets at fair value through profit or loss	0	0	0	0	0	0	0	0	0	0	117	**117**
Financial assets at fair value through other comprehensive income	0	0	0	0	0	0	0	0	0	0	0	**0**
Total current assets	**180.454**	**63.232**	**0**	**0**	**0**	**1.289**	**30.302**	**11.546**	**20.011**	**0**	**17.484**	**324.316**
TOTAL ASSETS	**1.067.676**	**398.506**	**0**	**0**	**0**	**1.295**	**40.990**	**11.641**	**35.390**	**0**	**17.484**	**1.572.983**

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

EQUITY & LIABILITIES												
EQUITY												
Share capital	341.355	146.622	0	0	0	384	22	1.537	926	418	0	**491.265**
Reserves	40.403	10.734	0	0	0	88	454	778	0	0	(410)	**52.046**
Retained earnings	185.986	80.819	0	0	0	1.804	(740)	4.419	27.873	(61)	8	**300.109**
Total Equity	**567.744**	**238.175**	**0**	**0**	**0**	**2.276**	**(264)**	**6.735**	**28.800**	**357**	**(403)**	**843.420**
Non-current liabilities												
Borrowings	173.318	50.695	0	0	0	0	7.011	0	0	0	0	**231.025**
Employee benefits obligation	2.201	878	0	0	0	21	(9)	350	0	0	0	**3.440**
State grants	158.611	56.315	0	0	0	1	386	8	23	0	0	**215.343**
Provisions	1.918	0	0	0	0	0	0	0	0	0	0	**1.918**
Leases	4.539	2.440	0	0	0	7	14	99	45	0	0	**7.144**
Other non-current liabilities	148	0	0	0	0	0	0	0	0	0	0	**148**
Inter-activity account	(37.060)	(18.523)	0	0	0	(1.353)	32.966	2.077	6.600	(378)	15.670	**0**
Deferred tax liabilities	29.973	7.571	0	0	0	(3)	88	(21)	(119)	0	(114)	**37.375**
Total non-current liabilities	**333.648**	**99.375**	**0**	**0**	**0**	**(1.326)**	**40.457**	**2.512**	**6.549**	**(378)**	**15.557**	**496.393**
Current liabilities												
Trade and other payables	144.507	46.172	0	0	0	158	774	2.190	28	21	1.697	**195.547**
Leases	867	466	0	0	0	1	3	19	9	0	0	**1.365**
Borrowings	7.142	6.303	0	0	0	0	0	0	0	0	0	**13.445**
Derivatives Liabilities	0	0	0	0	0	0	0	0	0	0	633	**633**
Other taxes payable	789	1.970	0	0	0	72	0	(11)	4	0	0	**2.825**
State grants	8.200	2.912	0	0	0	0	20	0	1	0	0	**11.134**
Income tax liability	4.778	3.134	0	0	0	114	0	196	0	0	0	**8.221**
Total current liabilities	**166.284**	**60.956**	**0**	**0**	**0**	**345**	**797**	**2.394**	**42**	**21**	**2.330**	**233.169**
Total liabilities	**499.933**	**160.331**	**0**	**0**	**0**	**(981)**	**41.254**	**4.906**	**6.590**	**(357)**	**17.887**	**729.563**
TOTAL EQUITY & LIABILITIES	**1.067.676**	**398.506**	**0**	**0**	**0**	**1.295**	**40.990**	**11.641**	**35.390**	**0**	**17.484**	**1.572.983**

Notes on the Accounting of Unbundled Financial Statements of HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A. for the financial year 2022, in accordance with the Decision No 332/2016 / FEK 3763 / 22.11.2016 and taking also into account the 5th Amendment of the Tariff Regulation (*RAE's Decision no 1434/2020 published to OJ 30.10.2020)*

1. General information on segregation areas

The accounting unbundling of activities took place in accordance with the instructions of the Regulatory Authority for Energy (RAE) and concerns the distribution of the company's financial statements in unbundled financial statements for each activity of the company. Unbundled financial statements reflect the asset structure, requirements and obligations of each business activity as they would be drawn if they were exercised by different legal entities.

2.a Principles and Rules for Splitting Accounting Segregation

The company, in accordance with RAE's instructions, had to draw up internally unbundled accounts for each distinct activity. The preparation of the unbundled accounts was made extrapolation by separating the company accounts directly or indirectly from the activities involved.
Accounts that concern only an activity are allocated directly to this activity. For accounts that cannot be directly allocated to an activity because they relate to either more than one activity or the whole of the Integrated Natural Gas Company (e.g. legal service, computerization, accounting), they have been selected and approved standard rules for the allocation of these accounts. The Integrated Natural Gas Corporation has used these approved rules to divide indirectly into its distinct activities account details that cannot be directly allocated.

2.b Dispensing Principles and Rules for the Preparation of Annual Unbundled Financial Statements

Unbundled financial statements are made ex-accounting, further allocating the financial statements prepared in accordance with International Accounting Standards.

The 5th Amendment of the Tariff Regulation triggers the necessity for new categories of services subject to the unbundling rules. As a result the activities among which the accounts of the company are being split from 1.1.2020 are the following:

1. Transmission –S01
2. Use of LNG Facility –S02
3. Gas balancing – S03C
4. NNGTS Operating Gas & Energy Cost – S03D
5. LNG Operating Gas & Energy Cost– S03E
6. Supporting Activities (intermediate account) – S04
7. Non –Transmission Services – S05C
8. Additional LNG Services – S05D
9. Non regulated services without investment – S06
10. Participation in other companies – S07
11. Non regulated services with investments – S08
12. Security of supply account – S10

At the end of each accounting year unbundled Statements of Financial Position and Statements of Comprehensive Income have prepared for each of the distinct Natural Gas Activities of the Integrated Natural Gas Operators.

Unbundled financial statements are presented in accordance with International Accounting Standards and Appropriate Accounting Principles and Principles of Accounting Segregation.

3.a Direct Allocation of Accounts to the Affiliated Activities

Accounts directly related to an activity are allocated directly and entirely to this activity. The criterion for direct allocation is mainly the use or mode of creating this account. The direct way of allocating an activity to an activity and is made taking into account the boundaries of each activity (for example, through time or other direct allocation).

3.b Indirect Allocation of Accounts to the Affiliated Activities

Accounts that cannot be allocated entirely directly to an activity should be separated by sharing keys. Should be separated by allocation keys relevant to the nature of the account.

4. *Notes on the activities*

a) Activities S01 (Gas Transmission) & S02 (Use of LNG facility) remain unchanged and are the core activities of DESFA

b) Activities S03C (Gas Balancing) , S03D (NNGTS Operating Gas & Energy Cost) and S03E (LNG Operating Gas & Energy Cost) refer to non-profitable activities that are necessary for the follow-up of certain special DESFA transactions. The latter are regulated by the National Natural Gas System (NNGS) Management Code and the relevant decisions of RAE. On the basis of these, the above activity does not participate in the indirect allocation, nor does it receive any expenses and revenues beyond those allowed by the abovementioned decisions: costs are only the purchase price of the operating (NNGTS-LNG) and balancing gas, the cost of transferring the balancing gas, the cost of CO_2 and electricity to the Users; Revenues are only the (equal) charges of DESFA to Users. This activity does not have fixed assets

c) S04 (support services) is not an activity in accordance with RAE's decisions but an intermediate account, which is subsequently divided into activities in accordance with the allocation keys and what is specifically mentioned in the present. Following the abovementioned under note (3.b) the allocation of this intermediate account is done only to the activities S01, S02, S05C, S05D, S06, S07 and S08. Being an intermediate account, this activity is not reported with a PnL and balance sheet.
Supportive services include, but are not limited to, administration and support services, financial services, legal services, strategy and development, IT (when not regarding a specific activity), public relations and corporate social responsibility, internal control, safety, quality and hygiene (when not regarding a specific activity), risk monitoring, etc.

d) Non-Transmission Services (S05C) refer to the Services which are offered by the Operator of the National Natural Gas System to other parties and relate to the Transmission System (but are not included in the Transmission Services) mainly such as (1) Natural gas odorization, (2) Administrative, technical & metrological support on users at NGTS entry point's metering stations and (3) Training/Seminars.

e) Additional LNG Services (S05D) refer to the Services which are offered by the Operator of the National Natural Gas System to other parties and relate to the LNG Installation (but are not included in the LNG Service) such as. (1) the services of inerting, cooling, watering, loading of LNG vessels from existing jetty (2) the new truck loading services incl. ancillary ones and (3) loading of ssLNG vessels at the Second Jetty.

f) Non-regulated services without investment (S06) includes the non-regulated services that are provided by DESFA and do not require, or require negligible, use of assets of DESFA.

g) Non-regulated services with investment (S08) include all non-regulated services that are provided by DESFA and require the construction of new investments which are though not included in the Regulated Asset Base.

h) S07 is an activity which reflects the participation of DESFA to other companies. Assets of this activity are the corresponding shares of DESFA and revenue reflects the corresponding dividends.

i) S10 (Security of Supply Account) is a special non-profit activity that reflects for the monitoring of the security of supply account and FSU chartering. The latter is governed by the relevant decisions issued by RAE and, on the basis of these, is "segregated" by the other actions of DESFA. Therefore, this activity does not participate in the indirect allocation nor receives any expenses and revenues beyond those allowed by the aforementioned decisions by RAE: income is only the security of supply fee and the interest on the account and the cost only the compensations on the security of supply, any debtor's interest and the cost of FSU chartering. Also, it has no fixed assets.

5. *Methods of Allocation*

Direct Allocation

In order to track the accounting transactions of the activities, using the above individual remarks, individual internal accounts are kept in accordance with the International Financial Reporting Standards (IFRS), where the elements of the assets and liabilities are recorded in a discreet and distinctive manner as well as the corresponding revenues and expenses.

For this purpose, each transaction and its supporting document (purchase / sales invoice, proof of receipt / payment) is identified by the relevant staff and recorded in the account of the activity concerned (DIRECT ALLOCATION). Similarly, the distribution of the working hours of the company's staff is allocated directly. For this purpose a special application (es-project) is used.

Indirect Allocation

Transactions that cannot be directly allocated to an activity because they involve more than one activity or the whole of DESFA SA., are recorded during the financial year in the Support Services - S04. At the end of the year, the balances of accounts accrued in S04 are allocated, based on the allocation keys set by RAE.

Below is an analysis and annotation of the allocation keys for indirect allocation under RAE Directive 332/2016:

A) Total of Direct Allocation of Assets' Activity

The accounts related to the creation of the Company's fixed assets are allocated according to the "Total Directly Distributed Fixed Asset Allocation Key". This allocation key reflects the amount of the total fixed assets of the business directly attributable to the total fixed assets of the company that is directly allocated and applied for the allocation of the rest of the balance sheet accounts associated with the assets pool.

As regards the indirect allocation of fixed assets:

1. Fixed assets included in the Regulated Asset Base under the Tariff Regulation (i.e. included in a RAE-approved Development Program or Small Projects List) are allocated to S01 and S02 in proportion to the directly allocated assets.

Financial Statements for the year ended 31 December 2023 (Amounts in thousand of Euros)

2. S03C, S03D, S03E and S10, do not include fixed assets due to their specific purpose.

B) Activity turnover

The revenue-generating accounts for the company are allocated according to the "Activity Turnover" key. This allocation key reflects the turnover of the activity in relation to the total turnover of the company (excluding income from S03C, S03D, S03E and S10). It applies, in particular, to the allocation of accounts like receivables (e.g. from customers).

Activities S03C, S03D, S03E and S10, due to their special purpose, do not receive revenue from sharing (generally do not participate in any allocation) and do not participate in the indirect allocation. Their revenue is closely related to their purpose, i.e. for S03C ,S03D and S03E the proceeds from the disposal of balancing gas and operating gas including the transfer of balancing gas, the CO2, the electricity and for S10 the security of supply fees and the interest on the security of the supply security account. For the purposes of calculating this key, the amounts accumulated in the revenue accounts of these activities shall not be taken into account.

C) Personnel Fees and Expenses

The accounts related to the remuneration and expenses of the company's personnel are allocated according to the "Personnel Fees and Expenses" allocation key. This allocation key relates to the level of payroll of the activity in relation to the company's total payroll. It is applied for the allocation of the balance of accounts linked to the employment of staff. This key must be determined on the basis of the salaries of the officials actually engaged in the activity and not on the basis of the salaries of the registered officials.

Activities S03C, S03D, S03E and S10, due to their special purpose, receive only the allowable costs and do not participate in the indirect allocations.

D) Net Activity Results

Accounts that are more related to the Company's net result than its Turnover can be allocated according to the "Net Activity Results"' key. A typical example of the application of this key is income tax on profits at year ended. In particular, in case of loss-making activity period, the profitable ones will be burdened proportionately with the rest of the tax.
Activities S03C, S03D, S03E and S10, because they are non-profit-making, have no effect and are not involved in the indirect allocation.

Athens, 23/05/2024

Konstantinos Kosmadakis **Chairman of BoD**	PanagiotisTampourlos **Member of BoD**	Maria Rita Galli **Chief Executive Officer**
Marc Vercruysse **Chief Financial Officer**	Christiana Mougiou **Senior Manager Accounting & Tax**	

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Independent Auditor's Report

To the Shareholders of the Company HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A.,

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A ("Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A, as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis of Opinion

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

Other information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, reference to which is made in the "Report on other Legal and Regulatory Requirements" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein, we are required to communicate this matter. We have nothing to report in this respect.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern principle of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

Deloitte.

Report on Other Legal and Regulatory Requirements

1. Board of Directors Report

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

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements currently in force of the article 150 and 153 of Law 4548/2018 and its content is in line with the accompanying financial statements for the year ended 31.12.2023.

b) Based on the knowledge we obtained during our audit about the Company HELLENIC GAS TRANSMISSION SYSTEM OPERATOR S.A., and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Unbundled financial statements

The Management is responsible for the preparation of Company's unbundled financial statements as required by the article 141 of Law 4001/2011, the No. 332/2016 decision of the Regulatory Authority for Energy and the 5th Amendment of Tariff regulation approved by the Regulatory Authority for Energy (Decision No. 1434/2020) and for those internal controls that management determines are necessary to enable the preparation of the Company's unbundled statement of financial position as at December 31, 2023 and the unbundled statement of comprehensive income for the period from 1 January 2023 to 31 December 2023 that are free from material misstatement, whether due to fraud or error. The methodology of preparation of the unbundled financial statements is described in note 29 of the financial statements.

In our opinion, the Company's unbundled financial statements as at December 31, 2023, as presented in the relevant appendix of the financial statements, have been prepared in accordance with the article 141 of Law 4001/2011, the No. 332/2016 decision of the Regulatory Authority for Energy and the 5th Amendment of Tariff regulation approved by the Regulatory Authority for Energy (Decision No. 1434/2020).

Thessaloniki, 12 June 2024

The Certified Public Accountant

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Certified true translation of the original in the Greek language

Zissis D. Kompolitis
Reg. No. SOEL: 35601