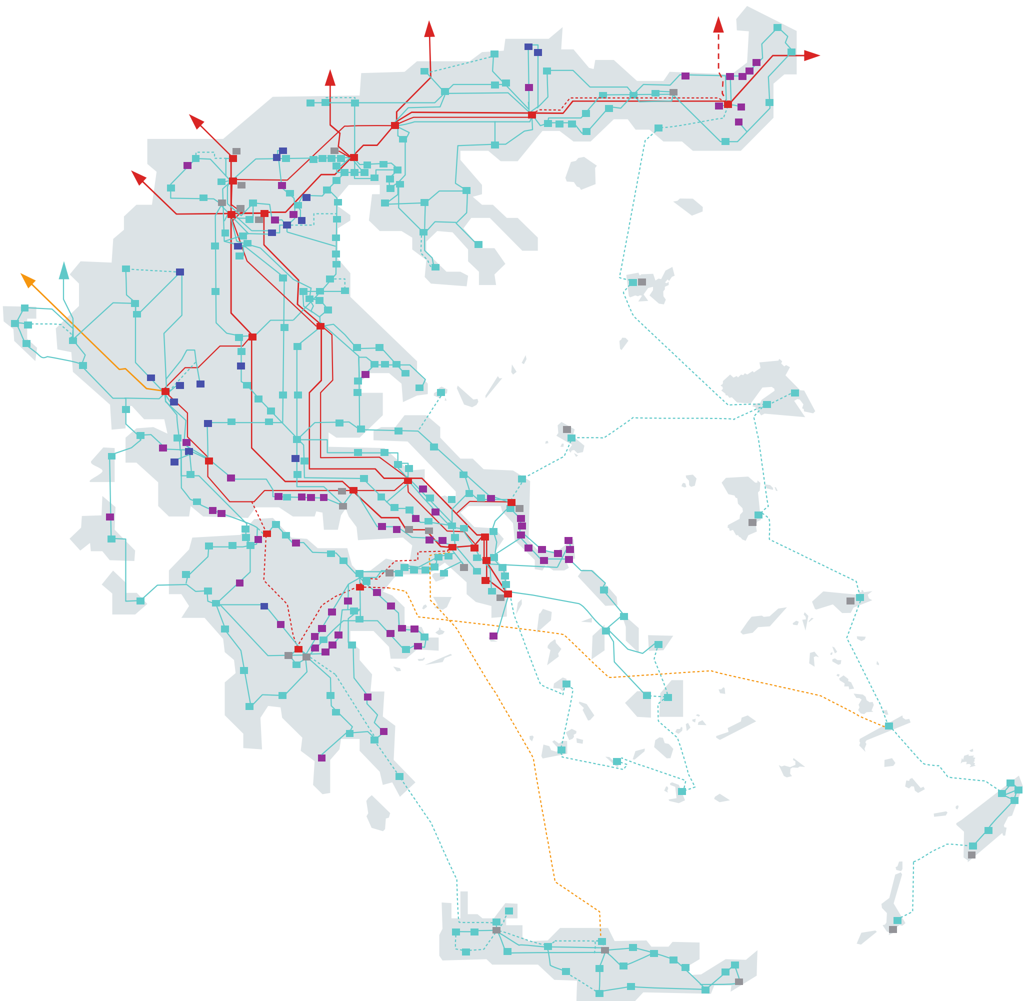
INTERIM CONDENSED FINANCIAL STATEMENTS

for the period
January 1st to June 30th 2020



INDEPENDENT POWER TRANSMISSION OPERATOR

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

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INTERIM CONDENSED SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
for the period January 1st to June 30th 2020 in accordance with the
International Financial Reporting Standards as adopted
by the European Union (IAS 34)

The attached financial statements have been approved by the Board of Directors of the Independent Power Transmission Operator (IPTO)S.A. on September 16, 2020

CHAIRMAN OF THE BoD & CEO	EXECUTIVE VICE CHAIRMAN OF THE BoD	DEPUTY CHIEF EXECUTIVE OFFICER	CHIEF ACCOUNTANT
M. MANOUSAKIS ID Card 579857	I MARGARIS ID Card 286541	X. SHI No PE1727632 Passport Republic of China	G. KAMPOUROGLOU 1st class No 0008253

PricewaterhouseCoopers Accounting S.A.

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(In thousand euro unless otherwise stated)

INTERIM CONDENSED INCOME STATEMENT FOR THE PERIOD 01/01/2020 – 30/06/2020

	Note	Group		Company	
		01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Revenue:					
Revenue from transmission system rent	4	131.157	116.450	131.157	116.450
Concession agreement expenses	4	-	-	(390)	-
Operator's revenue from clearing charges	4	172.614	351.688	172.614	351.688
Operator's expenses from clearing charges	4	(172.614)	(351.688)	(172.614)	(351.688)
Other revenue	4	6.481	9.542	6.406	9.542
Total revenue		**137.638**	**125.992**	**137.173**	**125.992**
Expenses/(Income):					
Payroll cost	5	27.811	29.516	27.795	29.322
Depreciation and amortization	6	43.360	35.666	43.356	35.666
Contractors' cost		43	867	43	867
Materials and consumables		712	20	712	20
Third party benefits	7	2.772	1.694	2.772	1.694
Third party fees	7	4.049	2.827	3.751	2.574
Taxes–duties		1.083	878	1.062	875
Provision (release of provision) for risks and expenses	8	148	(3.539)	160	(3.539)
Other Income		(1.326)	(1.266)	(1.383)	(1.296)
Other expenses		5.457	5.606	5.409	5.598
Total expenses		**84.109**	**72.269**	**83.677**	**71.781**
Profit before taxes and financial results		**53.529**	**53.723**	**53.496**	**54.210**
Financial expenses	9	(6.607)	(6.945)	(6.607)	(6.945)
Financial income	9	7.177	8.224	6.656	6.810
Profit before taxes		**54.099**	**55.002**	**53.545**	**54.075**
Income Tax	10	(14.757)	(14.970)	(14.612)	(14.709)
Net profit for the period		**39.342**	**40.032**	**38.933**	**39.366**

The notes on pages 12 to 44 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 01/01/2020 – 30/06/2020

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Net profit/(loss) for the period	**39.342**	**40.032**	**38.933**	**39.366**
Other comprehensive income (non-reclassified in the income statement)				
Actuarial profit/ (loss) based on IAS 19	(145)	(379)	(140)	(379)
Deferred tax on actuarial loss	35	91	33	91
Other comprehensive income after taxes	**(110)**	**(288)**	**(107)**	**(288)**
Cumulative comprehensive income after taxes	**39.232**	**39.744**	**38.826**	**39.078**

The notes on pages 12 to 44 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION ON 30/06/2020

		Group		Company	
ASSETS		**30/6/2020**	**31/12/2019**	**30/6/2020**	**31/12/2019**
Non-current assets:	**Note**				
Tangible assets	13	2.190.436	2.115.914	2.190.422	2.115.911
Intangible assets	14	2.962	2.843	2.936	2.843
Rights of use assets	15	809	853	809	853
Investments in subsidiaries	11	-	-	201.800	200.300
Investments in associates	12	1.181	1.021	1.050	1.000
Financial assets at amortized cost	16	4.547	3.935	3.827	3.936
Finance lease receivables	16	4.060	4.055	2.882	2.882
Total non-current assets		**2.203.995**	**2.128.621**	**2.403.726**	**2.327.725**
Current assets:					
Inventories	17	52.787	55.135	52.787	55.135
Trade receivables		256.813	254.069	255.642	254.083
Other receivables		69.434	69.030	65.859	68.761
Short -term portion of optical fiber lease receivables	16	176	176	109	109
Cash and cash equivalents		410.007	425.170	210.128	224.351
Total current assets		**789.217**	**803.580**	**584.525**	**602.439**
Total assets		**2.993.212**	**2.932.201**	**2.988.252**	**2.930.165**
EQUITY AND LIABILITIES					
Equity:					
Share capital	18	38.444	38.444	38.444	38.444
Legal reserve	19	12.963	12.963	12.815	12.815
Other reserves	20	(12.990)	(12.884)	(12.990)	(12.884)
Revaluation reserve		886.163	886.163	886.163	886.163
Retained earnings		393.100	405.219	389.894	402.418
Total equity		**1.317.680**	**1.329.906**	**1.314.326**	**1.326.957**
Non-current liabilities:					
Long-term borrowings	21	585.276	539.633	585.276	539.633
Provisions for employee benefits		20.278	20.007	20.278	20.007
Other provisions		30.175	31.379	30.175	31.379
Deferred tax liabilities		196.146	196.800	196.153	196.809
Subsidies		290.477	293.586	290.477	293.586
Long-term lease liabilities	22	735	801	735	801
Other non-current liabilities		5.698	4.035	4.584	4.036
Total non-current liabilities		**1.128.785**	**1.086.241**	**1.127.678**	**1.086.251**
Current liabilities:					
Trade and other payables		215.700	224.753	190.938	224.687
Short -term portion of lease liabilities	22	107	82	107	82
Short-term portion of long-term borrowings	21	95.431	85.662	95.431	85.662
Income tax payable		25.110	8.748	24.523	8.185
Accrued and other liabilities		56.779	51.991	56.757	51.922
Special accounts (reserves)	23	153.620	144.818	178.492	146.419
Total current liabilities		**546.747**	**516.054**	**546.248**	**516.957**
Total equity and liabilities		**2.993.212**	**2.932.201**	**2.988.252**	**2.930.165**

The notes on pages 12 to 44 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01/01/2020 – 30/06/2020

	Group					
	Share capital	**Legal reserve**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Total equity**
Balance as at 01/01/2019	**38.444**	**12.828**	**650.939**	**(13.252)**	**341.737**	**1.030.695**
Effect of IFRS 16	**-**	**-**	**-**	**-**	**(16)**	**(16)**
Net profit for the period	-	-	-	-	40.032	40.032
Other comprehensive income after tax for the period	-	-	-	(288)	-	(288)
Total comprehensive income	-	-	**-**	**(288)**	**40.032**	**39.744**
Dividends paid	-	-	-	-	(42.799)	(42.799)
Balance as at 30/06/2019	**38.444**	**12.828**	**650.939**	**(13.541)**	**338.954**	**1.027.624**
Net profit for the period	-	-	-	-	65.561	65.561
Legal reserve	-	135	-	-	(135)	-
Other comprehensive income after tax for the period	-	-	235.225	1.496	-	236.721
Other reserves - transfer	-	-	-	(839)	839	-
Balance as at 31/12/2019	**38.444**	**12.963**	**886.163**	**(12.884)**	**405.219**	**1.329.906**
Balance as at 01/01/2020	**38.444**	**12.963**	**886.163**	**(12.884)**	**405.219**	**1.329.906**
Net profit for the period	-	-	-	-	39.342	39.342
Other comprehensive income after tax for the period	-	-	-	(106)	(4)	(110)
Total comprehensive income	-	-	-	**(106)**	**39.338**	**39.232**
Dividends paid	-	-	-	-	(51.457)	(51.457)
Balance as at 30/06/2020	**38.444**	**12.963**	**886.163**	**(12.990)**	**393.100**	**1.317.680**

The notes on pages 12 to 44 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01/01/2020 – 30/06/2020

	Company					
	Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 01/01/2019	**38.444**	**12.815**	**650.939**	**(13.252)**	**341.480**	**1.030.425**
Effect of IFRS 16	**-**	**-**	**-**	**-**	**(16)**	**(16)**
Net profit for the period	-	-	-	-	39.366	39.366
Other comprehensive income after tax for the period	-	-	-	(288)	-	(288)
Total comprehensive income	-	-	-	**(288)**	**39.366**	**39.078**
Dividends paid	-	-	-	-	(42.799)	(42.799)
Balance as at 30/06/2019	**38.444**	**12.815**	**650.939**	**(13.541)**	**338.031**	**1.026.688**
Net profit for the period	-	-	-	-	63.548	63.548
Other comprehensive income after tax for the period	-	-	235.225	1.496	-	236.721
Other reserves - transfer	-	-	-	(839)	839	-
Balance as at 31/12/2019	**38.444**	**12.815**	**886.163**	**(12.884)**	**402.418**	**1.326.957**
Balance as at 01/01/2020	**38.444**	**12.815**	**886.163**	**(12.884)**	**402.418**	**1.326.957**
Net profit for the period	-	-	-	-	38.933	38.933
Other comprehensive income after tax for the period	-	-	-	(106)	-	(106)
Total comprehensive income	-	-	-	**(106)**	**38.933**	**38.827**
Dividends paid	-	-	-	-	(51.457)	(51.457)
Balance as at 30/06/2020	**38.444**	**12.815**	**886.163**	**(12.990)**	**389.894**	**1.314.326**

The notes on pages 12 to 44 form an integral part of these financial statements.

(In thousand euro unless otherwise stated)

INTERIM CONDENSED STATEMENT OF CASH FLOW FOR THE PERIOD 01/01/2020 – 30/06/2020

		Group		Company	
		01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Cash flows from operating activities	**Note**				
Profit before tax		54.099	55.002	53.545	54.075
Adjustments for:					
Depreciation of tangible and intangible assets	6	47.231	39.903	47.227	39.903
Amortization of subsidies	6	(3.871)	(4.237)	(3.871)	(4.237)
Interest income		(7.177)	(8.224)	(6.656)	(6.810)
Other provisions		148	(3.560)	160	(3.539)
Asset write-offs and transfer to contracting cost		834	1.551	834	1.551
Amortization of loan issuance costs	9	1.266	476	1.266	476
Gain from associates		(114)	-	-	-
Interest expense	9	5.341	6.366	5.340	6.366
Personnel provisions		243	574	243	574
Operational profit before changes in the working capital		**98.000**	**87.851**	**98.088**	**88.359**
(Increase)/decrease:					
Trade and other receivables		171	488.927	(1.375)	488.927
Other receivables		(3.835)	40.327	2.829	40.517
Inventories	17	1.919	(2.060)	1.919	(2.060)
Increase/(decrease) :					
Trade payables		(29.941)	(523.015)	(33.771)	(523.115)
Other payables and accrued expenses		12.191	20.879	12.185	20.879
Compensation payments in the period		(221)	(2.255)	(220)	(2.255)
Net cash flow from operating activities		**78.284**	**110.654**	**79.655**	**111.252**
Cash flows from investing activities					
Interest received		3.877	6.181	3.406	4.766
Subsidies received		762	-	762	-
Investments in related parties and fin. assets		(50)	-	(50)	(300)
Purchases of current and non-current assets		(98.642)	(77.723)	(98.600)	(77.723)
Net cash flows from investing activities		**(94.053)**	**(71.542)**	**(94.482)**	**(73.256)**
Cash flows from financing activities					
Loan repayments	21	(43.278)	(32.111)	(43.278)	(32.111)
Dividends paid		(51.457)	(42.799)	(51.457)	(42.799)
Receipt of loans		100.000	-	100.000	-
Interest paid		(4.663)	(6.355)	(4.661)	(6.355)
Net cash flows from financing activities		**602**	**(81.265)**	**604**	**(81.265)**
Net increase/ (decrease) of cash and cash equivalents		**(15.163)**	**(42.152)**	**(14.223)**	**(43.269)**
Cash and cash equivalents, opening balance		**425.170**	**602.933**	**224.351**	**402.639**
Cash and cash equivalents, closing balance		**410.007**	**560.781**	**210.128**	**359.370**

The notes on pages 12 to 44 form an integral part of these financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

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1 ESTABLISHMENT, ORGANISATION AND OPERATION OF THE COMPANY AND GROUP

The Independent Power Transmission Operator SA (IPTO SA or ADMIE SA or the Company) is a continuation of PPC TELECOMMUNICATIONS SOCIETE ANONYME, established in 2000 in Greece following a change in its trade name, according to the decision published in GG 10787/11.10.2011, and its operation is governed by the Greek Law.

The purpose of the Company is to engage in the activities and perform the duties of the Owner and Operator of the Hellenic Electricity Transmission System (HETS or ESMIE in Greek), as stipulated in Law 4001/2011. More specifically, the purpose of the Company is the operation, exploitation, maintenance and development of the Hellenic Electricity Transmission System so as to ensure that the supply of electricity in Greece is conducted in an adequate, safe, efficient and reliable manner. In the framework of the above purpose, the Company performs its duties and operates under the provisions of articles of chapters A to C, of the Fourth Part of Law 4001/2011, and the delegated acts issued, and mainly of the Operation Code of HETS and the operation license of HETS.

The headquarters of the Company are located at 89, Dyrrachiou and Kifissou Streets, Athens 104-43, Greece, and its duration has been set up to December 31, 2100. The Group, apart from the parent entity, comprises of its subsidiaries “Ariadne Interconnection SPSA” and “GRID TELECOM SINGLE – MEMBER SA On June 30th, 2020, the Group employed 1,259 employees, while the Company employed 1,239 employees, 5 of whom were seconded to Public Sector services and 4 were paid by the Company.

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

2.1 BASIS OF PREPARATION

Statement of compliance

The Interim Condensed Financial Statements for the period ended 30 June 2020 (the “Financial Statements”) have been prepared in accordance with International Financial Reporting Standard 34 ("IFRS") for interim financial reporting.

2.1.1 INTERIM CONDENSED FINANCIAL STATEMENTS APPROVAL

The Board of Directors of the Group approved the interim financial statements for the period ended on 30 June, 2020, on 16 September, 2020.

2.1.2 BASIS OF PREPARATION OF THE UNAUDITED FIANANCIAL STATEMENTS

The Interim Condensed Financial Statements do not include all the information required in the annual Financial Statements and therefore these should be interpreted in combination with the published audited Financial Statements for the year ended on 31 December, 2019, which have been published in Company’s website www.admie.gr.

The accompanying interim financial statements have been prepared under the historical cost principle except for fixed assets (excluding assets under construction) measured regularly at fair value and the going concern principle. The Group management continues to closely monitor the development of coronavirus spread, both nationally and globally, and the possible impact on the Group’s activities. Based on Group management assessment the going concern principle has not been affected.

The interim financial statements are presented in thousands of Euros and all values are rounded to the nearest thousand unless otherwise stated. Any differences that may be noticed in the tables are due to rounding.

EFFECT OF COVID-19

The Group’s priority is the protection of the health of the employees and the reduction of the spread of the virus, as well as the minimization of the impact on the financial performance of the Group. The magnitude of the impact will be determined mainly by the duration and extent of the pandemic and the measures taken to limit its spread, as well as by government initiatives taken to strengthen the economy.

Particularly, the effects of the pandemic for the first half of 2020 on the Group's financial results were quite limited There are risks due to the possibility of delays in payments by the users of the System (something that however has not been observed at the moment)), as well as in the projects under construction with delays in their planned implementation.

The management estimates that any effects in the Group and the Company will not affect the implementation of IPTO' s investment plan. However, these estimates are constantly revised given the crisis development.

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS OF MANAGEMENT

The preparation of the Interim Condensed Financial Statements requires the Management of the Group and the Company, to make estimates, judgments and assumptions that affect the balances of the assets and liabilities accounts, the disclosure of any contingent assets and liabilities as at the date of Condensed Financial Statements as well as the income and expenses presented during the considered periods. Management estimates and judgments are reviewed annually. Actual results may differ from these estimates and judgments.

2.3 NEW ACCOUNTING POLICIES

The accounting policies used for the preparation of the Interim Condensed Financial Statements are the same as those used in the preparation of the Annual Financial Statements for the year ended 31 December 2019. The accounting policies are reported in detail in the notes of the Annual Financial Statements with the exception of the application of the new standards and interpretations listed below, the application of which is mandatory for the accounting periods beginning on 1 January 2020.

2.3.1 Standards, amendments and Interpretations effective for the current period

Specific new standards, amendments to existing standards and interpretations have been issued, which are effective for accounting periods starting on or after January 1st, 2020 and are listed below.

IFRS 3: Business Combinations (Amendments)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

IAS 1 and IAS 8 (Amendments) 'Definition of material'

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

IFRS 9and IFRS 7 (Amendments) 'Interest rate benchmark reform'

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

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

2.3.2 Standards, amendments and Interpretations effective on annual periods beginning on or after 1st January 2021

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

The above amendment does not have a significant impact on the Financial Statements.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

The above amendment does not have a significant impact on the Financial Statements.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

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

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

The above amendment does not have a significant impact on the Financial Statements.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

The above amendment does not have a significant impact on the Financial Statements.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

The amendments set out below include changes to specific IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group and the Company are exposed to financial risk, such as market risk (fluctuations of exchange rates, interest rates, market prices), credit and liquidity risk. The overall risk management program, focuses on the unpredictability of financial and non – financial markets, aiming to minimize their possible adverse effect on the Company's and the Group's financial performance. The Group and the Company determine, evaluate and, if necessary, hedge the risks related to operating activities, while control and revise the relevant policies and procedures related to financial risk management. Also, there are no speculative transactions.

a) Market Risk

Fair value risk

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

Risk of cash flows due to changes in interest rates

The Group and the Company have interest-bearing assets consisting of sight deposits and fixed – interest bonds. They also hold bank borrowings, of fixed and floating interest rate. However, the Group's and Company's exposure to risk arises from the borrowing calculated using floating Euribor rate. The Group and the Company are exposed to interest rate fluctuations which affect their financial position as well as their cash flows. Borrowing costs may increase as a result of such changes and generate losses or decrease in the event of unexpected events.

Regarding the loan liabilities of the Group and the Company, there is no interest rate hedging policy and consequently any change in interest rates, will affect the results and equity of the Group and the Company in case of change in Euribor rates.

The following table shows the sensitivity analysis of earnings before taxes from possible interest rate changes from the beginning of the year, in case of change in Euribor rates, with the other fixed variables, through the impact on floating rate of current borrowings:

(In thousand euro unless otherwise stated)

	Increase/Decrease in basis points (%)	Effect on profit before taxes
01/01/2020 30/06/2020		
Euro	15	(237)
Euro	(15)	237
01/01/2019 30/06/2019		
Euro	15	(269)
Euro	(15)	269

b) Exchange rate risk

The exchange rate risk is minor as it is related mainly with any material or equipment supply contracts whose payment is in foreign currency.

c) Credit Risk

For trade and other receivables, the Group and the Company are exposed to credit risk mainly for system use receivables. The Group and the Company use quantitative and time monitoring tools for their receivables, and keep contact with their customers in order to reduce credit risk. In addition, ratios for expected credit losses are used throughout the life of the receivables. These percentages are based on past experience and adjusted in such a way as to reflect expectations about the future financial situation of customers and the economic environment.

For trade receivables arising from the Electricity Market, the Company operates as an intermediate. According to the provisions of Law. 4001/2011 and as mentioned in the Management Code of Hellenic Electricity Transmission System, IPTO is the competent Administrator for the clearance of Imbalances and settlement of financial transactions between the Participants arising therefrom. In carrying out its responsibilities, it acts as an intermediary, with a mediating role, among the Participants in the electricity market. The above-mentioned mediation competence of IPTO is associated with the tasks assigned by the legislator for the smooth operation, maintenance and development of HETS, to ensure that the country's electricity supply is adequate, safe, efficient and reliable. The invoicing practice to and from IPTO, currently followed, does not make IPTO a debtor of the relevant amounts, since IPTO is not involved in transactions for its own account, and does not participate in the price formation, but on behalf of the Participants, in the context of its mediating role, as defined by the aforementioned regulatory framework. As per above, it is not foreseen, nor can any obligation of IPTO be paid with its own funds, the financial obligations of any defaulting Participant, nor of course, there is a legal basis for parallel responsibility. Therefore, IPTO is not exposed to credit risk related to any default by the Participants.

d) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the operation and development of the Group and the Company. The Group and Company manages liquidity risk by monitoring and planning its cash flows, and acts appropriately to ensure sufficient credit lines and cash deposits, while aiming to extend the average maturity of its debt and the diversification of its funding sources.

The contractual maturities of the principal financial liabilities (loan liabilities), not including interest payments, are as follows:

(In thousand euro unless otherwise stated)

Payable amounts as at 30.06.2020

	Within 1 year	1 to 5 years	>5 years	Total payables
Trade and other payables	272.218	-	-	272.218
Leasing liabilities	107	122	613	842
Loans	95.431	279.686	305.591	680.708
Total	**367.756**	**279.808**	**306.204**	**953.768**

Payable amounts as at 31.12.2019

	Within 1 year	1 to 5 years	>5 years	Total payables
Trade and other payables	284.795	-	-	284.795
Lease liabilities	82	164	636	883
Loans	85.663	322.466	217.167	625.296
Total	**370.539**	**322.630**	**217.803**	**910.974**

e) Other Risks

The Group management continues to closely monitor the development of coronavirus spread, both nationally and globally, and the possible impact on the Group's activities in the upcoming quarters, due to the restrictive measures taken by the Greek government during March 2020.

The economic impact of the current crisis, in greek and global economies and in the business activities as a whole, cannot yet be assessed with certainty, due to the pace the pandemic is expanding and the high level of uncertainty that arises from the inability to predict the outcome of this phenomenon.

The Company is closely monitoring the budget of 2020 and there are no major indications that its financial figures will be significantly affected by the pandemic. Also, the Group's Management remains on standby to adapt its actions when necessary.

The projects that are already in progress throughout Greece are not substantially delayed due to the pandemic.

CAPITAL RISK MANAGEMENT

The Group's purpose in terms of capital management is to ensure its ability to continue its operations smoothly in order to provide returns to shareholders, benefits to other parties related to the Group and to maintain an optimal capital structure to reduce capital costs. The Group aims to maintain the net debt ratio at its optimum level in relation to similar companies at European level.

The Group and the Company monitor its capital based on the leverage ratio. Leverage ratio is calculated as the net debt divided by total working capital. Net debt is calculated as the total liabilities (short-term and long-term liabilities as they appear in the statement of financial position) minus cash and cash equivalents. Total working capital is calculated as the sum of equity, as it appears in the statement of financial position, with net debt.

The net debt ratio relative to equity is as follows:

(In thousand euro unless otherwise stated)

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Long- term loans	585.276	539.633	585.276	539.633
Long- term lease liabilities	735	801	735	801
Short- term loans	95.431	85.662	95.431	85.662
Short- term lease liabilities	107	82	107	82
Minus: cash and cash equivalents	(410.007)	(425.170)	(210.128)	(224.351)
Net debt	**271.542**	**201.008**	**471.421**	**401.827**
Equity	**1.317.680**	**1.329.906**	**1.314.326**	**1.326.957**
Total working capital	**1.589.222**	**1.530.914**	**1.785.747**	**1.728.784**
Net debt to equity ratio	**21%**	**15%**	**36%**	**30%**
Leverage ratio	**17%**	**13%**	**26%**	**23%**

Below is an analysis of net debt and its movement for the current financial year.

	Net Debt Group			
	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	Total
Net debt as at 1st January 2019	**602.933**	**(63.352)**	**(625.295)**	**(85.714)**
Cash flows	(177.763)	-	64.222	**(113.541)**
Non cash movements-depreciation of loan costs	-	(870)	-	**(870)**
Non cash movements-recognition of new financial leases	-	(82)	(801)	**(883)**
Net debt as at 31st December 2019	**425.170**	**(64.304)**	**(561.874)**	**(201.008)**
Net debt as at 1st January 2020	**425.170**	**(64.304)**	**(561.874)**	**(201.008)**
Cash flows	(15.163)	-	-	**(15.163)**
Cash flows - repayment of loan capital	-	-	43.278	**43.278**
Cash flows - new loans	-	-	(100.000)	**(100.000)**
Non cash movements- loan agreement amendments	-	-	3.185	**3.185**
Non cash movements- loan interest	-	-	(609)	**(609)**
Non cash movements-depreciation of loan costs	-	(1.266)	-	**(1.266)**
Non cash movements-recognition of new financial leases	-	41	-	**41**
Net debt as at 30th June 2020	**410.007**	**(65.529)**	**(616.020)**	**(271.542)**

(In thousand euro unless otherwise stated)

	Net Debt Company			
	Cash and cash equivalents / bank	Loan and finance liabilities up to 1 year	Loan and finance liabilities after 1 year	Total
Net debt as at 1st January 2019	**402.639**	**(63.352)**	**(625.295)**	**(286.008)**
Cash flows	(178.288)	-	64.222	**(114.066)**
Non cash movements-depreciation of loan costs	-	(870)	-	**(870)**
Non cash movements-recognition of new financial leases	-	(82)	(801)	**(883)**
Net debt as at 31st December 2019	**224.351**	**(64.304)**	**(561.874)**	**(401.827)**
Net debt as at 1st January 2020	**224.351**	**(64.304)**	**(561.874)**	**(401.827)**
Cash flows	(14.223)	-	-	**(14.223)**
Cash flows - repayment of loan capital	-	-	43.278	**43.278**
Cash flows - new loans	-	-	(100.000)	**(100.000)**
Non cash movements- loan agreement amendments	-	-	3.185	**3.185**
Non cash movements- loan interest	-	-	(609)	**(609)**
Non cash movements-depreciation of loan costs	-	(1.266)	-	**(1.266)**
Non cash movements-recognition of new financial leases	-	41	-	**41**
Net debt as at 30th June 2020	**210.128**	**(65.529)**	**(616.020)**	**(471.421)**

3.2 OTHER FINANCIAL RISKS

Risk of change of the Regulatory Framework: The Company's operation is subject to a strict and complex legislative and regulatory framework, related to the management of the HETS, and increased supervisory obligations. Possible amendments of the HETS Management Code and the relevant legislative and regulatory framework may create additional management responsibilities for the Company. The addition of any further responsibilities or possible changes to the relevant institutional framework are likely to adversely affect the Company's profitability.

Also, possible changes in the methodology and / or parameters for calculating system usage charges are likely to have a significant effect on the Company's revenues and profitability.

Regulatory risk: Any amendments and / or additions to the regulatory framework governing the Electricity Market, in implementation of the provisions of the European Legislation may have a significant impact on the operation and the financial results of the Company.

Risk of regulated returns of the company: The Company's operation is significantly determined by the implementation of the Ten Year Network Development Plan (TYNDP) as it affects both the investments it is required to make and its future revenues from the use of the Transmission System. Consequently, any modifications to the TYNDP that either increase the Company's liabilities or require faster execution of projects, may adversely affect the Company's profitability.

Regulated returns on the investments of the System may adversely affect the Company's profitability if they do not cover the fair return of the relevant invested capital.

In any case, the Company has the necessary safeguards and controls to limit regulatory and modulatory risks and in cooperation with the Regulatory Authority for Energy ensures that the necessary approvals for each transaction are in place.

(In thousand euro unless otherwise stated)

4 REVENUE

Revenue are presented in the table below:

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Revenue from transmission system rent	131.157	116.450	131.157	116.450
Concession agreement expenses	-	-	(390)	-
Other revenue:				
Revenue from contracts	45	917	45	917
Revenue from services related to HEDNO fixed assets	4.774	5.118	4.774	5.118
Customers' contributions received	1.408	3.285	1.408	3.285
Revenue from recovery of administrative expenses	179	202	179	202
Other revenue	75	20	-	20
Total other revenue	**6.481**	**9.542**	**6.406**	**9.542**
Grand total	**137.638**	**125.992**	**137.173**	**125.992**

Increase in Revenue from transmission system rent by Euro 14,7 mil (11,7%) is due to a) the reduction from transmission system fees by Euro 0,6 mil (0,6%) and b) the increase of interconnection rights by Euro 15,3 mil (81,8%). Interconnection rights are recognized based on RAE's approval and specifically for the year 2020 in accordance with the decision 869/2019 were recognized for the period 01/01/2020-30/06/2020 Euro 34 mil while for the respective period of 2019 Euro 18,7 mil.

The Operator's revenue and expenses from clearing charges are presented in the table below:

	Group		Company	
Clearing charges of energy Operator	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Transitory flexibility compensation mechanism	-	40.769	-	40.769
Special reducing emissions fee	-	141.656	-	141.656
Charge based on average-weighted cost (RES)	-	9.644	-	9.644
Deviations	53.927	43.305	53.927	43.305
Ancillary services	28.243	31.772	28.243	31.772
Clearing balance	37.632	25.560	37.632	25.560
Recovery of production units - variable costs	52.812	58.983	52.812	58.983
Total energy charges	**172.614**	**351.688**	**172.614**	**351.688**

(In thousand euro unless otherwise stated)

	Group		Company	
Clearing returns of energy Operator	**01/01/2020 30/06/2020**	**01/01/2019 30/06/2019**	**01/01/2020 30/06/2020**	**01/01/2019 30/06/2019**
Transitional flexibility compensation mechanism	-	(40.769)	-	(40.769)
Special reducing emissions fee	-	(141.655)	-	(141.655)
Charge based on average-weighted cost (RES)	-	(9.644)	-	(9.644)
Deviations	(91.559)	(68.865)	(91.559)	(68.865)
Ancillary services	(28.243)	(31.772)	(28.243)	(31.772)
Recovery of production units - variable costs	(52.812)	(58.983)	(52.812)	(58.983)
Total energy returns	**(172.614)**	**(351.688)**	**(172.614)**	**(351.688)**

5 PAYROLL COST

Payroll cost is presented in the table below:

	Group		Company	
	01/01/2020 30/06/2020	**01/01/2019 30/06/2019**	**01/01/2020 30/06/2020**	**01/01/2019 30/06/2019**
Salaries and wages	27.043	27.507	26.598	27.352
Employer's social contributions	6.483	7.435	6.373	7.396
Other employee benefits	476	430	477	430
Net provision for reduced tariff	108	252	108	252
Provision for employee compensation	185	574	185	574
Capitalisation of Payroll cost	(6.484)	(6.682)	(5.946)	(6.682)
Total	**27.811**	**29.516**	**27.795**	**29.322**

6 DEPRECIATION AND AMORTIZATION

Depreciation and amortization are presented in the table below:

	Group		Company	
	01/01/2020 30/06/2020	**01/01/2019 30/06/2019**	**01/01/2020 30/06/2020**	**01/01/2019 30/06/2019**
Depreciation and amortization:				
Fixed assets	46.753	39.580	46.750	39.580
Software	433	290	432	290
Subsidies	(3.870)	(4.236)	(3.870)	(4.236)

(In thousand euro unless otherwise stated)

Right of use assets	44	34	44	34
Total	**43.360**	**35.666**	**43.356**	**35.666**

On December 31st 2019, the Company proceeded to the revaluation of its fixed assets in use, as per that date , in accordance with IAS 16 and IFRS 13, by an independent appraisal company. From the comparison of the values provided by the appraisal company with the net book value of the assets, a net surplus of Euro 308.430 was recognized directly to equity (Euro 234.407 net of deferred tax). The aforementioned surplus and the new additions of the later months of the previous year, resulted in the depreciation increase, which for the period ended on June 30th 2020 amounted to Euro 43,3 million, compared to the related period in last year (Euro 35,7 million).

7 THIRD PARTY FEES AND THIRD PARTY BENEFITS

Third party fees

The increase in third party fees by approximately 1.1 million, is mainly due to the increased fees of self-employed personnel by Euro 628, the increased building security fees by Euro 164, the increased fees to consulting companies by Euro 129 and due to the fees related to the Target Model by Euro 104.

Third party benefits

The increased amount in third party benefits is mainly due to the new agreement, beginning from February 2020, of the maintenance and technical support services to the Energy Control System (about Euro 700).

8 PROVISION (RELEASE OF PROVISION) FOR RISKS AND EXPENSES

The amount of provision is presented in the table below:

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Provision (release) for outstanding legal disputes	(193)	(3.952)	(193)	(3.952)
Impairment provision for other assets	109	-	109	-
Impairment provision (release) for materials and consumables	429	294	429	294
Impairment provision (release) for receivables	(197)	117	(185)	117
Total	**148**	**(3.539)**	**160**	**(3.539)**

The amount of provision (release) for risks and expenses for outstanding legal disputes in the comparative period (Euro 3.9 millions) is related to the issuance of decisions of the Athens First Instance Court, which rejects the lawsuits of companies for which the Company had formed a relevant provision (A & B Photovoltaic SA, C&A Photovoltaic energy SA and SPES SOLARIS 2).

9 FINANCIAL EXPENSES - INCOME

(In thousand euro unless otherwise stated)

Financial expenses and income are presented in the table below:

Financial expenses

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Interest expense	5.181	6.258	5.181	6.258
Interest on finance lease-expense	13	12	13	12
Actuarial finance cost	58	103	58	103
Amortization of loans' issuance costs	1.266	476	1.266	476
Other bank charges	89	96	89	96
Total	**6.607**	**6.945**	**6.607**	**6.945**

Financial income

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Interest on deposits	512	2.495	299	1.081
Finance lease interest	182	-	132	-
Other interest	3.298	3.685	3.040	3.685
Gain from loans interest rate modification	3.185	-	3.185	-
Discount interest income of non-current assets	-	2.044	-	2.044
Total	**7.177**	**8.224**	**6.656**	**6.810**

On March 4, 2020, the Company proceeded to the refinancing of the 20.04.2018 syndicated bond loan (Euro 199 million) with the bank syndicate BOC – ICBC, with a decrease of interest margin of the current loan balance of Euro 154,8 million. The revised interest rate is set at 2,7% decreased by 30 basis points (previous rate 3%).

On May 21st, 2020, the Company jointly proceeded with the banks (National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank) to the refinancing of the existing loan amounted to Euro 203,50 million. The revised interest rate is set at 2,4%, decreased by 60 basis points (previous rate 3%) and it has retroactive effect from January 1st 2020.

In accordance with the provisions of IFRS 9 - Financial Instruments, the Company proceeded with an assessment as to whether the change in interest rates constitutes the cancellation / repayment or modification of the loan agreements. All other terms of the loan agreements remained unchanged. Management concluded that the change of the reference interest rate for these loans does not lead to a substantial change in the terms of the existing financial liabilities, so it is a modification and therefore it did not de-recognize these loans.

As a result of this modification, was the recognition of a gain of Euro 3.185 in the Income Statement.

(In thousand euro unless otherwise stated)

10 INCOME TAX (CURRENT AND DEFERRED)

Income tax is presented in the table below:

	Group		Company	
	01/01/2020 30/06/2020	01/01/2019 30/06/2019	01/01/2020 30/06/2020	01/01/2019 30/06/2019
Current tax	15.380	14.762	15.236	14.502
Deferred tax	(623)	208	(624)	207
Total income tax	**14.757**	**14.970**	**14.612**	**14.709**

Current corporate income tax is calculated at 24% for the period 1/1-30/06/2020 and at 28% for the comparative period 1/1–30/06/2019.

11 INVESTMENTS IN SUBSIDIARIES

During the reporting period, the changes in the book value of the parent company's investments in subsidiaries that are consolidated are as follows:

	Company	
	30/06/2020	31/12/2019
Opening balance	**200.300**	**200.000**
Additions	1.500	300
Closing balance	**201.800**	**200.300**

On January 2nd 2020, the Extraordinary General Assembly Meeting of the subsidiary "GRID TELECOM SINGLE – MEMBER SA" approved the share capital increase of Euro 1.5 million.

12 INVESTMENTS IN ASSOCIATES

The Group's investments, included in the "Investments in associates", Euro 1.181 are accounted for using the equity method and refer to a) the 20% holding of the Company in the share capital of the Hellenic Energy Exchange SA (Henex SA), b) the 25% holding of the Company in the Share Capital of the company "South East Electric Network Coordination Center". Pursuant to Law 4512/2018, the Hellenic Energy Exchange SA was established with the competence to manage the Energy Markets and the Energy Financial Markets in accordance with the provisions of the law and its delegated acts.

Its shareholding structure is (in brackets share percentage):

- DAPEEP SA (22%)
- Athens Exchange (ATHEX) (21%)
- IPTO SA (20%)

- European Bank for Reconstruction and Development (EBRD) (20%)
- CSE (10%)
- DESFA SA (7%)

The Hellenic Energy Exchange is the successor of the LAGIE Market Operator and will undertake energy trading clearing, i.e. it will be the market where energy producers and traders will trade. According to the new model, 4 different markets will be created where transactions will be made for different products: Day-Ahead Market, Intraday Market, Forward Market and Balancing Market. Henex SA will be responsible for trading on the forward, Day-Ahead and Intra-day markets, while the balancing market will be operated by IPTO S.A.

Regarding the Company's investment in the "South East Electric Network Coordination Center" (SEleNe SA), the Regional Security Coordinators (RSCs) are companies, established and belonging to Transmission Systems Operators, such as IPTO SA, with main purpose to maintain the operational security of the Electricity System at European level.

Under the above framework, four European Transmission System Operators, IPTO (Greece), ESO-EAD (Bulgaria), TERNA SpA (Italy) and Transelectrica (Romania), established on 22 May 2020, the RSC under the name SEleNe CC (Southeast Electricity Network Coordination Center), with Thessaloniki being the company's headquarters and the energy center of Southeastern Europe and the Greek-Italian borders.

(In thousand euro unless otherwise stated)

13 TANGIBLE ASSETS

Changes in Group's tangible assets during the period 01/01-30/06/2020 are presented in the table below:

	Group						
	Land	Buildings - Technical Works	Machinery & equipment	Transportation	Fixtures and Furniture	Construction in Progress	Total
Carrying amount 01/01/2019	190.461	76.582	1.071.754	5.551	7.018	312.932	**1.664.299**
Additions	-	-	-	-	2	249.295	**249.297**
Depreciation	-	(5.479)	(71.436)	(718)	(1.909)	-	**(79.541)**
Disposals/ write-offs	-	-	(11)	-	(26)	-	**(37)**
Revaluation/ (Impairment) of tangible assets	10.053	6.767	274.006	128	661	-	**291.615**
Transfers from construction in progress	28	15.571	45.091	-	2.739	(65.924)	**(2.495)**
Transfers to contracting cost	-	-	-	-	-	(1.452)	**(1.452)**
Reclassification in special projects' cost	(13)	(633)	(426)	-	-	-	**(1.072)**
Transfers/write offs	-	-	(2.044)	-	-	(2.464)	**(4.508)**
Other movements	-	1.238	2.104	-	6	(3.538)	**(190)**
Carrying amount 31/12/2019	**200.529**	**94.046**	**1.319.038**	**4.961**	**8.491**	**488.848**	**2.115.914**
Carrying amount 01/01/2020	200.529	94.046	1.319.038	4.961	8.491	488.848	**2.115.914**
Additions	-	4	-	-	7	122.632	**122.643**
Depreciation	-	(2.118)	(43.397)	(344)	(894)	-	**(46.753)**
Transfers from construction in progress	215	520	35.423	-	322	(37.015)	**(535)**
Transfers to contracting cost	-	-	-	-	-	(43)	**(43)**
Transfers/write offs	-	-	-	-	-	(791)	**(791)**
Other movements	-	-	-	-	6	(5)	**1**
Carrying amount 30/06/2020	**200.744**	**92.452**	**1.311.064**	**4.617**	**7.932**	**573.628**	**2.190.436**

No part of the stated above tangible assets has been retained as collateral for liabilities of the Group or the Company.

(In thousand euro unless otherwise stated)

Changes in Company's tangible assets during the period 01/01-30/06/2020 are presented in the table below:

	Company						
	Land	**Buildings & Technical Works**	**Machinery & equipment**	**Transportation**	**Fixtures and Furniture**	**Construction in Progress**	**Total**
Carrying amount 01/01/2019	190.461	76.582	1.071.754	5.551	7.018	312.932	**1.664.299**
Additions	-	-	-	-	-	249.295	**249.295**
Depreciation	-	(5.479)	(71.436)	(718)	(1.909)	-	**(79.541)**
Disposals/ write-offs	-	-	(11)	-	(26)	-	**(37)**
Revaluation/(Impairment) of tangible assets	10.053	6.767	274.006	128	661	-	**291.615**
Transfers from construction in progress	28	15.571	45.091	-	2.739	(65.924)	**(2.495)**
Transfers to contracting cost	-	-	-	-	-	(1.452)	**(1.452)**
Reclassification in special projects' cost	(13)	(633)	(426)	-	-	-	**(1.072)**
Transfers to other expenses (restated amount)	-	-	(2.044)	-	-	(2.464)	**(4.508)**
Other movements	-	1.238	2.104	-	6	(3.538)	**(190)**
Carrying amount 31/12/2019	**200.529**	**94.046**	**1.319.038**	**4.961**	**8.489**	**488.848**	**2.115.911**
Carrying amount 01/01/2020	200.529	94.046	1.319.038	4.961	8.489	488.848	**2.115.911**
Additions	-	-	-	-	-	122.629	**122.629**
Depreciation	-	(2.118)	(43.397)	(344)	(891)	-	**(46.750)**
Transfers from construction in progress	215	520	35.423	-	322	(37.015)	**(535)**
Transfers to contracting cost	-	-	-	-	-	(43)	**(43)**
Transfers/write offs	-	-	-	-	-	(791)	**(791)**
Other movements	-	-	-	-	6	(5)	**1**
Carrying amount 30/06/2020	**200.744**	**92.448**	**1.311.064**	**4.617**	**7.926**	**573.623**	**2.190.422**

No part of the stated above tangible assets has been retained as collateral for liabilities of the Group or the Company.

In the additions of the Construction in progress, an amount of Euro 22.878.976 relates to workings made for the construction project of Crete – Attica Interconnection through the subsidiary company "ARIADNE INTERCONNECTION S.P.S.A".

(In thousand euro unless otherwise stated)

14 INTANGIBLE ASSETS

The total amount of Group's intangible assets relates to software. Software value for the Group and the Company is analysed as follows:

	Group	Company
	31/12/2019	**31/12/2019**
Cost	10.161	10.161
Accumulated amortization	(7.318)	(7.318)
Net book value	**2.843**	**2.843**
	30/06/2020	**30/06/2020**
Cost	10.714	10.687
Accumulated amortization	(7.752)	(7.751)
Net book value	**2.962**	**2.936**

The amortization charge of the period is Euro 433 for the Group and Euro 432 for the Company, respectively.

15 RIGHTS OF USE ASSETS

The rights of use assets are presented in the table below:

	Group 30/06/2020			Company 30/06/2020		
	Cars	**Property**	**Total**	**Cars**	**Property**	**Total**
Cost						
Balance as at 01/01/2019	**78**	**614**	**692**	**78**	**614**	**692**
Additions	97	153	250	97	153	250
Balance as at 31/12/2019	**175**	**767**	**942**	**175**	**767**	**942**
Balance as at 01/01/2020	**175**	**767**	**942**	**175**	**767**	**942**
Additions	-	-	-	-	-	-
Balance as at 30/06/2020	**175**	**767**	**942**	**175**	**767**	**942**
Depreciation						
Balance as at 01/01/2019	**-**	**-**	**-**	**-**	**-**	**-**
Additions	(56)	(33)	(89)	(56)	(33)	(89)
Balance as at 31/12/2019	**(56)**	**(33)**	**(89)**	**(56)**	**(33)**	**(89)**
Balance as at 01/01/2020	**(56)**	**(33)**	**(89)**	**(56)**	**(33)**	**(89)**
Additions	(26)	(19)	(44)	(26)	(19)	(44)
Balance as at 30/06/2020	**(82)**	**(52)**	**(134)**	**(82)**	**(52)**	**(134)**
Net book value as at 31/12/2019	**120**	**734**	**853**	**120**	**734**	**853**
Net book value as at 30/06/2020	**94**	**715**	**809**	**94**	**715**	**809**

(In thousand euro unless otherwise stated)

16 FINANCIAL ASSETS AT AMORTIZED COST

Unlisted securities - Bonds

The Company, on June 15, 2018, under Decision No. 99/2018 of the Board of Directors, decided to purchase 200 Bonds with a nominal value of 10.000 Euros each, as a capital investment in Subordinated Bonds of the Cooperative Bank of Chania with a 7 year maturity and an annual return of 4,75%, paying the amount of Euro 2 million (Euro 2.000.000) in total. On 30/06/2020 the Company identified the impairment loss of the aforementioned Bond at Euro 85 (31/12/2019: Euro 31).

Also, on December 19, 2018, the Company under Decision No. 161/2018 of the Board of Directors, decided to participate via private placement in the simple subordinated bond of the Pancretan Cooperative Bank with a 7 year maturity and a return of 6,50%, paying the amount of Euro 2 million (Euro 2.000.000) in total. On 30/06/2020 the Company identified the impairment loss of the aforementioned Bond at Euro 88 (31/12/2019: Euro 31).

Lease receivables

During 2019 the Company leased part of the optical fiber network, "Dark fiber" type, to the subsidiary company "GRID TELECOM S.M.S.A." with a duration of 15 years. The subsidiary company "GRID TELECOM S.M.S.A." operating as sub-lessor, subleased this optical fiber network to the company "WIND HELLAS" for the same period.

Analysis of the maturity of the receivables is presented in the table below:

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Long-term portion of finance lease receivables	4.103	4.109	2.882	2.882
Short-term portion of finance lease receivables	176	176	109	109
Total	**4.279**	**4.285**	**2.991**	**2.991**
Provisions against expected credit losses	(43)	(55)	-	-
Total	**4.236**	**4.230**	**2.991**	**2.991**

Maturity dates of long-term receivables analysed as follows:

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
1 to 2 years	396	197	247	247
2 to 5 years	1.002	928	623	623
>5 years	2.705	2.985	2.012	2.012
Total	**4.103**	**4.109**	**2.882**	**2.882**

At Company level, the finance lease receivables are related to the lease of optical fibers to the subsidiary "GRID TELECOM S.M.S.A." and the lease for the subsidiary's headquarters.

(In thousand euro unless otherwise stated)

17 INVENTORIES

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Materials, spare parts and consumables	70.135	72.471	70.135	72.471
Advance payments for purchases	1.145	728	1.145	728
Provision for impairment of materials and spare parts	(18.493)	(18.064)	(18.493)	(18.064)
Total	**52.787**	**55.135**	**52.787**	**55.135**

The impairment provision of materials and spare parts is as follows:

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Opening balance	**18.064**	**17.955**	**18.064**	**17.955**
Additional provision (Note 8)	429	109	429	109
Closing balance	**18.493**	**18.064**	**18.493**	**18.064**

Inventories are held free of encumbrances.

18 SHARE CAPITAL

(Amounts in Euro)

The Company's share capital on June 30, 2020 amounts to Euro 38.444.193,00 and is divided into 38.444.193 registered shares of nominal value Euro 1,00 each.

During the Annual Ordinary General Meeting of shareholders, the dividend distribution of the amount of Euro 51.45 million from the net profit for the year 2019 was decided.

19 LEGAL RESERVE

According to the Greek commercial law, each year at least the one twentieth (1/20) of net profits are withheld for the formation of a legal reserve. Once the reserve reaches one third (1/3) of the share capital the withholding ceases to be mandatory. The legal reserve is used to offset any debit balance of the income statement, before any dividend distribution.

Within 2020, the Company did not form legal reserve, since as at 2013 the mandatory amount of the 1/3 of the share capital had been covered. Thus, the Company's legal reserve as at June 30th , 2020 amounts to Euro 12.815 (2019: Euro 12.815), while at Group level, the amount of Euro 98 was formed by the subsidiary ARIADNE INTERCONNECTION S.P.L.C and Euro 50,4 by the subsidiary GRID TELECOM SMSA, respectively.

(In thousand euro unless otherwise stated)

20 OTHER RESERVES

The analysis of reserves is presented below:

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Redundancy compensation reserve	1.729	1.623	1.729	1.623
Actuarial results reserve for reduced electricity tariff	11.261	11.261	11.261	11.261
Total	**12.990**	**12.884**	**12.990**	**12.884**

21 LOANS

The total amount of loan interest is included in finance expense in the Income Statement. The total borrowing amount of the Company is denominated in Euro.

Below is a further analysis of the Company's long-term borrowing:

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Bank Loans	500.951	424.778	500.951	424.778
Bonds payable	181.441	203.469	181.441	203.469
Unamortized portion of loan issuance fees	(1.685)	(2.951)	(1.685)	(2.951)
Total borrowings	**680.708**	**625.296**	**680.708**	**625.296**
Less short term portion:				
Bank Loans	48.722	46.556	48.722	46.556
Bonds payable	47.500	40.000	47.500	40.000
Unamortized portion of loan issuance fees	(791)	(893)	(791)	(893)
Total short-term borrowings	**95.431**	**85.663**	**95.431**	**85.663**
Long term borrowings	**585.276**	**539.633**	**585.276**	**539.633**

The European Investment Bank (EIB) loans, which their balance as of 30 June 2020 is Euro 368,9 million are guaranteed by the Greek State.

On March 4, 2020, the Company proceeded to the refinancing of the 20.04.2018 syndicated bond loan (Euro 199 million) with the bank syndicate BOC – ICBC, with a decrease of interest margin of the current loan balance of Euro 154,8 million. The revised interest rate is set at 2,7% decreased by 30 basis points (previous rate 3%).

On March 26, 2020, the Company disbursed the amount of the loan agreement with the European Investment Bank of Euro 100 million, which was signed in May 2019, in the context of the financing the Peloponnese-Crete Interconnection project of total 178,2 million. A second loan agreement for the remaining amount of 78,2 million was signed in June 2020 but no disbursement was made until today.

(In thousand euro unless otherwise stated)

In March 2020, the subsidiary "Ariadne Interconnection SPSA" signed mandate letter with a bank for the issuance of bond loan amounted to Euro 400 million. The Group's issuance costs include the costs occurred from the above mentioned mandate letter. The loan agreement was signed within July 2020.

On May 21st, 2020, the Company jointly proceeded with the banks (National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank) to the refinancing of the existing loan amounted to Euro 203,50 million. The revised interest rate is set at 2,4%, decreased by 60 basis points (previous rate 3%) and it has retroactive effect from January 1st 2020.

In accordance with the provisions of IFRS 9 - Financial Instruments, the Company proceeded with an assessment as to whether the change in interest rates constitutes the cancellation / repayment or modification of the loan agreements. All other terms of the loan agreements remained unchanged. Management concluded that the change of the reference interest rate for these loans does not lead to a substantial change in the terms of the existing financial liabilities, so it is a modification and therefore it did not de-recognize these loans.

As a result of this modification was the recognition of a financial income of Euro 3.185 in the Income Statement.

The aforementioned loan agreements contain terms, whose non-compliance may lead to termination of contracts, such as the change in the Company's shareholding structure. Certain agreements also include financial terms that must be met by the Company. The Company complies with these terms.

For the period ended on June 30, 2020 the Company repaid the loan amount of Euro 43.278 (30/06/2019: Euro 64.221). The total borrowings of the Company do not include terms in relation to convertible shares.

The breakdown of loans in fixed and floating rates is as follows:

	Group		**Company**	
	30/06/2020	**31/12/2019**	**30/06/2020**	**31/12/2019**
Floating rate:				
Bank loans and bonds	316.136	358.247	316.136	358.247
Fixed rate:				
European Investment Bank	368.833	270.000	368.833	270.000
Total	**684.969**	**628.247**	**684.969**	**628.247**

Loan movement is as follows:

	Group		**Company**	
	01/01/2020 30/6/2020	**01/01/2019 31/12/2019**	**01/01/2020 30/6/2020**	**01/01/2019 31/12/2019**
Opening balance	**625.296**	**688.647**	**625.296**	**688.647**
New loans	100.000	-	100.000	-
Repayment	(43.278)	(64.221)	(43.278)	(64.221)
Modification of loan terms	(3.185)	-	(3.185)	-
Capitalised interest	609	-	609	-
Amortization of loan issuance fees	1.266	870	1.266	870
Closing balance	**680.708**	**625.296**	**680.708**	**625.296**

The loan maturity for the Group and the Company is analyzed at paragraph 3.2.

(In thousand euro unless otherwise stated)

22 LEASE LIABILITIES

The Group's lease liabilities are analyzed in the below tables:

	30/06/2020	31/12/2019
Long-term portion of finance lease liabilities	735	801
Short-term portion of finance lease liabilities	107	82
Total	**842**	**883**

Maturity dates of long-term loans, are analyzed as follows:

	30/06/2020	31/12/2019
1 to 2 years	52	66
2 to 5 years	70	99
>5 years	613	636
Total	**735**	**801**

Finance lease liabilities carrying amount is analyzed as follows:

	30/06/2020	31/12/2019
Up to 1 year	107	82
1 to 5 years	122	164
>5 years	613	636
Total	**842**	**883**

Finance lease

Finance lease liabilities-minimum rentals	30/06/2020	31/12/2019
Up to 1 year	142	107
1 to 5 years	201	248
>5 years	1.025	1.067
Total	**1.369**	**1.422**
Minus: future financial cost of finance leases	(527)	(540)
Carrynig amount of finance lease liabilities	**842**	**883**

(In thousand euro unless otherwise stated)

23 SPECIAL ACCOUNTS (RESERVES)

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Interconnection rights	86.511	101.720	86.511	101.720
Non-compliance charges	58.186	37.402	58.186	37.402
Extraordinary surplus of energy Imports L-B	1.910	1.716	1.910	1.716
Transitional duty of security of supplying / interruptible Load (L.4203/19)	4.078	1.410	4.078	1.410
Other deferred income	2.935	2.570	27.807	4.171
Total	**153.620**	**144.818**	**178.492**	**146.419**

Interconnection rights, concern the reserve formed by the Company from monthly settlement invoicing, under Article 178 of the HETS Management Code, to reduce the annual Transmission System Rent or for the funding of interconnection projects with neighboring countries after RAE's decision. During 2020, the Company will use the amount of Euro 68 million (2019: 37,9 million), based on 868/2019 Rae's decision to reduce the annual Transmission System Rent. For the period ended on June 30th 2020 the amount of interconnection rights is Euro 34 million.

Non-Compliance charges concern the reserve formed by the Company from monthly settlement invoicing and is intended to cover overdue receivables according to Article 164 of the HETS Operation Code. These amounts do not relate to Company's revenue but are mainly available to cover losses from insolvent providers following Management's decision.

Extraordinary Surplus of Energy Imports refer to the Company's inventory of settlement invoicing under Article 178 (8) of the HETS Operation Code. The utilization of this reserve is determined by RAE's decision upon the recommendation of the Transmission System Operator.

Pursuant to Law 4203/13 with effect from January 1, 2016, a special reserve account is maintained for the charging of a Transitional Supply Security Fee and the return to interruptible customers. According to law, any difference is attributed to the recipients of interruptible load (industries) after the final settlement. The rest of the amount that has not been paid so far, is expected to be paid during the next years, after the issuance of final settlements.

Other deferred Income mainly refers to downstream utilization revenues (Euro 23.6 million) from contractual projects (paragraphs 13 and 24) mainly with the transmission line Crete – Attica and the PPC previous parent company.

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(Amounts in Euro)

The Group is controlled by the Greek State indirectly through ADMIE HOLDING S.A. which owns 51% of its paid-up share capital and the PUBLIC HOLDING COMPANY ADMIE SA. (PHC ADMIE SA), which controls 25% of its paid-up share capital. Moreover, PHC ADMIE SA, holds 51,12% of ADMIE HOLDING SA. and is the Parent company.

The Company had the below transactions with the aforementioned companies during the reporting period in the ordinary course of business, while there are no material transactions that have not been carried out under normal market conditions. Within 2019, the Company, in compliance with 5.241/2019 notarial deed , decided to set up a subsidiary under the name GRID TELECOM SINGLE MEMBER SA whose share capital amounts to Euro 1.800.000 (one million eight hundred thousand euros). The amount of Euro 300.000 was fully paid during 2019 and the remaining amount of Euro 1.500.000 was paid in 2020.

(In thousand euro unless otherwise stated)

Related parties of the Group is presented in the analysis below:

Company	Relation
ARIADNE INTERCONNECTION SPLC	Subsidiary
GRID TELECOM SMSA	Subsidiary
ATHENS ENERGY EXCHANGE	Associate
SEleNe CC	Associate
ADMIE HOLDING SA	Shareholder
PHC ADMIE SA	Shareholder
STATE GRID LTD	Shareholder

The Company in the ordinary course of business conducted transactions , the balances (Receivables, liabilities and revenues and expenses) of which on June 30, 2020 are as follows:

	30/06/2020		31/12/2019	
Amounts in Euro	**Receivables**	**Liabilities**	**Receivables**	**Liabilities**
ARIADNE INTERCONNECTION S.P.S.A	58.120	24.854.660	126.517	1.586.155
GRID TELECOM SPSA	3.692.469	-	3.565.669	-
ADMIE HOLDING SA	5.067	-	9.324	-
Total	**3.755.656**	**24.854.660**	**3.701.510**	**1.586.155**

	01/01/2020 – 30/06/2020		01/01/2019 – 30/06/2019	
Amounts in Euro	**Revenues**	**Expenses**	**Revenues**	**Expenses**
ARIADNE INTERCONNECTION S.P.S.A	115.534	389.529	51.276	-
GRID TELECOM SPSA	176.832	-	-	-
ADMIE HOLDING SA	8.169	-	-	-
Total	**300.535**	**389.529**	**51.276**	**-**

The liabilities of the Company towards to the subsidiary “ARIADNE INTERCONNECTION S.P.S.A”, mainly include amount of Euro 23.667.559, which relates to the project under construction (Note 13) of Crete – Attica transmission line. Company’s receivable due from “GRID TELECOM SPSA” relates to the finance lease of the optical fiber network.

Revenue transactions are mainly related to revenues from a) the provision of services such as the recharge of common expenses, b) the lease income and c) the financial income according with IFRS 16. Respectively, the nature of the receivables related to the above revenues, concern the balances that are due on 30.06.2020 from the transactions mentioned.

Transactions concerning expenses relate to the Company's concession agreement with the subsidiary “Ariadne Interconnection SPSA” and respectively, the liabilities balance concern both to the expenses and the cost of project under construction, according to the concession agreement, that are due on 30.06.2020.

25 COMMITMENTS AND CONTINGENCIES

25.1 COMMITMENTS

25.1.1 Significant events during the first semester of 2020

- On January 2nd 2020, the Extraordinary General Assembly Meeting of the sole shareholder of the subsidiary "GRID TELECOM SINGLE – MEMBER SA" approved the share capital increase of Euros 1.5 million, in order to cover the company's financial needs for operating and capital expenditures. The share capital increase was made in cash from the parent company with the issuance of 15,000 new common nominal shares with a nominal value of one hundred Euros (€ 100) each. The aforementioned Extraordinary General Assembly Meeting elected new president of the Board of Directors in replacement of a resigned member.
- On March 4th 2020, the Company refinanced the syndicated loan with Bank of China (Luxembourg) S.A. and Industrial and Commercial Bank of China Limited, amounted to Euro 154,8 million, decreasing the borrowing cost by 30 basis points, from 3,0% to 2,70%.
- On March 26th 2020, the Company fully disbursed the amount of Euro 100 million concerning the loan agreement signed on May 2019 with European Investment Bank, for the project of Crete - Peloponnese interconnection. The total financing amount was Euro 178,2 million.
- On March 31st 2020, the Company signed an agreement with the EnEx Clearing House SA for the assignment of clearing transactions functionalities of the Balancing Market, according to the implementation of "Target Model".
- On April 10th, 2020, a concession agreement was signed between the Company and its subsidiary "Ariadne Interconnection SPSA", which governs the relationship of the two parties regarding the construction and financing of the project "Crete-Attica Transmission line " as provided in the Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS) for the period 2018 -2027 and in the decisions of the Regulatory Authority for Energy (RAE).
- On May 5th, 2020, par. 2 of article 142 of Law 4389/2016 (Government Gazette A΄ 94) was approved and replaced by the article 115 of the draft law of the Ministry of Environment and Energy entitled "Modernization of environmental legislation, incorporation into Greek legislation of European Parliament and Council Directives 2018/844 and 2019/692" and other provisions. The proposed regulation stipulates that the Greek State may limit the percentage of its direct and / or indirect participation or legal entities in which holds the majority of shares or controls directly or indirectly the respective share capital of IPTO SA. The obligation, imposed by the previous version of the amended Law, that the Greek State should maintain a 51% direct and / or indirect participation in the share capital of IPTO SA is waived.
- On May 21st, 2020, IPTO jointly proceeded with the banks (National Bank of Greece, Eurobank, Alpha Bank and Piraeus Bank) to the refinancing of the existing syndicated loan amounted to Euro 203,50 million. The revised interest rate is set at 2,4%, decreased by 60 basis points (previous rate 3%) and it has retroactive effect from January 1st 2020.
- On May 22nd 2020, the Regional Security Coordinator (RSC) of southeast Europe was established in Thessaloniki by the operators of Greece, Romania, Bulgaria and Italy. The new RSC will ensure the supply of all neighboring countries and will be the culmination of the common effort for the maximized use of the electricity networks of whole Europe.
- On May 26th, 2020, the Ordinary Shareholders General Assembly approved dividends for distribution amounting to Euro 51,45 million out of the annual net profits of the year.
- On May 28th, 2020, the three party agreement among IPTO, HEDNO and the contractor ABB was signed (Euro 9,5 million), regarding the implementation of Skiathos interconnection in the High Voltage System. This is the first electrical interconnection project commissioned by two Operators.

- On June 10th, 2020, the contracts about all parts of the Crete – Attica interconnection project, regarding the cable sections and conversion stations were signed between Ariadne Interconnection SPSA (IPTO's subsidiary responsible for the project's implementation) and the contractors. The historic project, budgeted to Euro 1.1 billion, is scheduled to be completed within 36 months reinforcing Crete's capacity of energy by 1.000 MW. The electric interconnection of Crete through the two cables (Crete – Peloponnese and Crete – Attica) opens the way for the exploitation of the island's solar and wind power. After the reinforcing of Crete's electric power, new RES units will be able to be installed improving the environmental footprint and making Crete a "green" island full of energy.
- On June 22nd 2020, IPTO and HEnEx jointly started the testing on their systems for the implementation of the new Electricity Markets. During the testing period, the markets will be cleared on a daily basis, according to the bids of the market participants, and the relevant results will be published. Further to the daily submission of the bids, every day the participants and the Market Operators will have to implement certain actions, which will be examined separately. At the end of the testing period, the test results will be evaluated in order the two companies can proceed to the next phase of "dry run", that is the parallel operation of the existing and the new market system, until the release of the new model, on November 1st 2020, based on 1298/11.09.2020 RAE's decision.

25.2 COMMITMENTS FROM THE COMPLETION OF PROJECT CONSTRUCTION

1. Cyclades Interconnection

Cyclades interconnection project concerns the interconnection of the Islands of Syros, Mykonos, Paros and Naxos with HETS and the strengthening of the Andros - Tinos interconnection and it has been designated as a project of "major importance for the country's economy". The project aims on the one hand to increase the reliability of power supply of the interconnected Islands and on the other hand to reduce production costs (oil substitution with other energy sources, depending on the evolution of the power generation mix in the mainland).

The project design was formed with a view to minimizing environmental disturbance on the islands. In this regard, the new substations on the islands have been located near the seashore to prevent the construction of overhead transmission lines on the islands, while the interconnection of the islands with the Continental System is planned through submarine cable connections. According to the above, IPTO is implementing the project in phases:

Phase A

The implementation of Phase A was completed in the first months of 2018.

Phase A includes the connection of Syros with Lavrio, as well as with the Islands of Paros, Mykonos and Tinos. After its completion, the units of the autonomous power stations were put in reserve for emergencies and the loads of the Islands are now supplied by HETS (the loads of Andros - Tinos are already supplied by HETS through the transmission line which connects South Evia with Andros).

The project, budgeted at 264,3m euros (including preliminary expenses), was co-financed by the European Union and NSRF 2007-2013 and 2014-2020 and was funded by the European Investment Bank.

Phase B

The Phase B of the Cyclades interconnection will be completed within 2020. It includes the following sub-projects:

- Connection of Paros - Naxos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length 7.6 km.

- Connection of Naxos – Mykonos with a submarine tripolar alternative current cable 150 kV with a nominal capacity of 140 MVA, length40 km.
- Construction of a new GIS S/S on Naxos, as well as the required connection projects at the Paros and Mykonos substations.

In parallel with Phase B, the upgrade of the existing cable connection between Andros - Livadi (Southern Evia) with a length of 14,5 km and Andros - Tinos with a length of 4km were planned with the installation of new submarine cables with alternative current XLPE 150 kV with a nominal capacity of 200 MVA, replacing existing oil cables. The upgrade work was completed in early 2020.
The Phase B project with a budget of 47,3 million euros and the project of upgrading the existing cable connection Andros - Livadi with a budget of 22,2 euros are co-financed by the European Union and the NSRF 2014-2020.

Phase C
The Phase C of the Cyclades interconnection includes the completion of the interconnection with the launch of the second cable between Lavrio – Syros, as well as with the required connection works (self-inductions and gates) in Lavrio and Syros.

The aim of Phase C is to ensure the required reliability for all operating conditions, depending on the evolution of the demand of the interconnected Islands. Upon completion of the Phase C, full reliability of power supply of the Cyclades complex is ensured for the foreseen time horizon of operation of the project. In any case, even after the construction of all phases of the project, production capacity should be maintained in the islands, so that it is possible to deal with emergencies.

Phase C with a budget of 122,3 million euros will be completed within 2020 and is co-financed by the European Union and the NSRF 2014-2020.

Phase D
The last Phase, Phase D, of the Cyclades interconnection is expected to launch within 2020 amounting to Euro 386 million, which includes the interconnection of Santorini, Milos, Folegandros, and Serifos islands with the Continental System. The tender process for Santorini interconnection is expected to be announced within 2020 while the respective tenders for Folegandros, Milos and Serifos will be realised in 2021. The submarine route of Santorini is expected to be electrified within first semester of 2023 while the rest islands is expected to be electrified within first semester of 2024. The completion of Cyclades interconnection will enable the development of RES of 332 MW Power in accordance with the Ten-Year Network Development Plan 2021- 2030 achieving one more stable, green and economic energy mixture for the islandic complex.

2. Crete Interconnection

The System of Crete is characterized by:

- Very high variable production costs due to the use of oil in local power stations, which is reflected in a very significant burden on consumers to cover Public Service Obligations (PSOs).
- High annual rate of increase of the island's load. It is noted that the load during the summer months is marginally covered by the local Stations.
- The great difficulty or even the impossibility of finding spaces and ensuring licenses to strengthen the local Stations or develop new ones.
- The growing interest in exploiting the rich local RES potential, the penetration of which into the island power mixture is limited due to technical limitations (mainly important stability issues that can be created by the high penetration of RES in an autonomous electrical system such as that of Crete).
- Low level of supply reliability, particularly in cases of damage to the power system.

The above characteristics enable the interconnection of Crete with HETS a necessary project in terms of the feasibility of its implementation.

Interconnection of Crete with the Peloponnese

The Crete - Peloponnese Interconnection constitutes the first phase of Crete's interconnection with HETS. The Crete-Peloponnese interconnection of alternative current can be implemented with 2 circuits of alternative current 150 kV, with a nominal capacity of 200 MVA each one. After a thorough investigation into the operation and power adequacy of the electrical system of Crete, it emerged that the power, which can be safely transmitted through this Alternative Current connection, ranges from 150 MW to 180 MW, depending on the operating conditions.

In the case of alternative current power cables, the minimization of submarine routing is sought not only for cost reduction purposes, but also for reactive compensation requirements, which are significant anyway. Thus, the wider area of Neapoli has been chosen as a connection point in the Peloponnese.

In addition, the installation of a STATCOM system of reactive power compensation will be required in the electrical system of Crete to regulate the voltages and ensure the stability of the network in normal and in disturbed conditions.

The project, budgeted at 356, 4 million euros (including preliminary expenses), was co-financed by the European Union and NSRF 2014-2020 and was funded by the European Investment Bank. The overall project is in progress and will be completed within 2020.

Crete- Attica Interconnection (Phase II of Crete Interconnection)

This project is the natural continuation of the project of the small interconnection of Crete - Peloponnese. It serves the same purposes by further strengthening the island's security of power supply along with the need to increase the ability to absorb generation of electrical power from RES. At the same time, a further significant reduction in the Public Utilities (YKO) charges is expected for all consumers of the system in the Greek Territory.

This project will be carried out by the 100% subsidiary of IPTO, "ARIADNE INTERCONNECTION SPSA", which was established based on the decisions of RAE 816/2018 and 838/2018 as an implementing body, and whose sole purpose is the construction and financing of the project. In addition, it has been assigned the selection of companies that will enter into contracts with IPTO and will be in charge of maintaining the system for 10 years, for which IPTO will be responsible. The property, ownership, operation of the cable and the technical specifications provided to the contractors for the cable construction are the responsibility of IPTO. So, throughout the project implementation by Ariadne, the fixed assets belong to IPTO and are reflected respectively in the financial statements of IPTO and after its electrification, the project is integrated in HETS, the ownership and management of which belong exclusively to IPTO.

This project consists of two sub-projects: The first concerns the "Study, Supply and Installation of cables and electrode stations for the electrical interconnection of direct current between Crete and Attica (2 x 500 MW)" and the second in "Study, Supply and Installation of two Conversion Stations and a Substation for the Electrical Interconnection of direct current, between Crete and Attica (2 x 500 MW)".

The selection of the contractors has been completed and the relevant contracts have been finalized. Within the first half of 2020, it is expected that the contracts will be signed and the study-construction works of the electrical interconnection of Crete - Attica will begin, taking under consideration the implementation of the project on schedule.

The project with a budget of 1,1 billion euros has been included in the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014-2020" with No. 4101/1467 / A1 / 25-6-2019 decision of the Monitoring Committee for funding from NSRF 2014-2020.

3. System extension 400 kV to the Peloponnese

The expansion of the 400 kV system to Megalopolis (with the subsequent creation of a 400 kV loop Patras - Megalopolis - Corinth) dramatically increases the ability to transmit to and from the Peloponnese, enables the development of RES and thermal power stations, significantly improves the margin of stability of voltages for the Southern System and ensures the Peloponnese in any combination of power generation and load conditions. In addition, it strongly connects the power station of Megalopolis with the high load areas (Attica and Patras area) and contributes to the achievement of isobaric development of the Power Generation and Transmission Systems in the Southern Complex. Finally, it should be emphasized that the development of the 400 kV system towards the Peloponnese contributes to the reduction of the total losses of HETS.
Megalopolis project co-financed by NSRF 2007-2013 and part was funded by the European Investment Bank.

West Corridor (Megalopolis - Patras - West Sterea)

The projects of the Western Corridor are in progress and will be completed within 2020.

The construction of a new high voltage center in Megalopolis is important for the Peloponnese region. The high-voltage center of Megalopolis, which was fully operational in 2014, was needed to connect the new production unit in Megalopolis ("Megalopolis V" unit), to increase penetration by RES in the Peloponnese and to support voltages at high load hours.
The interconnection of the high voltage center of Megalopolis with the 400 kV circuits on the Antirio side is carried out with a new transmission line of 400 kV double circuit, consisting of overhead, underground and submarine sections, as well as the corresponding compensation inductions.

The total budget of projects amounts to Euro 163,7 mil.

East Corridor (Megalopolis - Corinth - Attica)

The main hub of the Eastern Corridor is the high voltage center of Corinth, which is planned to be connected to the 400 kV system as follows:

- With the Koumoundourou high voltage center through a new double transmission line 2B’B ’/ 400 kV.

  After its construction:

- With the new high voltage center of Megalopolis through a new double transmission line 2B’B ’/ 400 kV.

The projects of the Eastern Corridor are in progress and are expected to be completed by 2024 (the section from the high voltage center of Megalopolis to the high voltage center of Corinth will be completed within 2021).

The total budget of projects amounts to Euro 95,6 mil.

Ten-Year Network Development Plan (TYNDP) of the Hellenic Electricity Transmission System (HETS)

2019-2028 and 2020-2029

Attica-Crete interconnection since November 2019 is no longer part of PCI 3.10 (Project of Common Interest) and will be implemented by the special purpose company "ARIADNE INTERCONNECTION SPSA", a subsidiary of IPTO. Following this development, IPTO submitted the fourth (4th) Revised TYNDP 2019 - 2028, which was approved by the decision 1097/2019 of RAE and the Revised TYNDP 2020 - 2029 to RAE for approval on April 18, 2019, which according to RAE’s decision (1097/2019) must be updated and re-submitted. The third (3^{rd}) Revised TYNDP 2020 – 2029 was submitted to RAE for approval on 10^{th} June, 2020 and has been set to public consultation by the Authority from June 23 to July 24, 2020.

2021-2030

IPTO put the TYND Preliminary Plan 2021 - 2030, on public consultation from December 31, 2019 to January 31, 2020. IPTO considering the comments submitted during the public consultation, prepared the final draft of the TYNDP 2021-2030, which was submitted for RAE's approval on March 31, 2020

25.3 CONTINGENT LIABILITIES

The Company, as the energy transmission system operator under the current legislation, acts as an intermediary for the clearance of the energy charges between the parties responsible for paying these amounts and rendering them to the beneficiaries, and therefore no burden of the Financial Position of the Company is expected. However, some participants in the electricity market have also turned against the Company for delays in payment of their claims.

According to the Company's legal department, on the basis of the court rulings and RAE decisions issued to date, the only case in which the Company could be held liable is the generation of secondary liabilities for compensation due to an unjustifiable breach of its obligations under the Contract of the Operator's Transactions, which would although be limited to compensation for the damage that is reasonably connected with the breach of the Company's obligation. Management believes that in all cases the Company has performed its responsibilities as an energy transmission system operator duly and in accordance with the applicable legislation and therefore no negative outcome is expected for the Company.

25.3.1 Tax Liabilities

Pursuant to par. 5 art. 82 of Law 2238/1994 and art. 65A of Law 4174/2013, for fiscal years 2011 to 2015, Greek Société Anonyme whose annual financial statements are compulsorily audited by statutory auditors, were obliged to tax audit by the same statutory Auditor or audit firm that audited their annual financial statements and received "Tax Compliance Report". For fiscal years 2016 onwards, the tax audit and the issuance of a "Tax Compliance Report" are valid on an optional basis.

The Company has chosen to continue the tax audit by the statutory auditors which is now on optional basis. In this context, the Company has been audited and received "Tax Compliance Report" for fiscal years 2015, 2016, 2017 and 2018 with no findings.

The Company's tax liabilities have not yet been audited by the tax authorities for the years 2011 onwards, resulting in a possibility of additional taxes and penalties imposed at the time they will be examined and the obligations of these fiscal years will be finalized. Therefore, the tax results of these years have not been finalized. The Company has not made any assessment of additional taxes and penalties which may be charged against a future tax audit and no provision has been recognized for this contingent liability. According to the current legislation, the Company's management considers that the fiscal years 2011-2013 have expired and no additional tax liabilities are expected to arise.

For the year ended December 31, 2019, the tax audit of the Company is on its final stage of completion by Ernst & Young (Hellas) Certified Auditors Accountants SA. and it is not expected any significant tax liabilities to arise other than those recorded and recorded in the financial statements.

Regarding the Group's subsidiaries, the company "ARIADNE INTERCONNECTION SPSA" has received tax compliance report without qualification by its statutory auditor with respect to the tax obligations during the first fiscal year (2018). For the year 2019, the companies "ARIADNE INTERCONNECTION SPSA" and "GRID TELECOM S.M.S.A" are subject to optional tax audit by Certified Auditors Accountants in which no significant tax obligations are expected to arise other than those recorded and presented in the financial statements.

26 INVESTMENTS IN OTHER COMPANIES

Apart from its investments in the Group subsidiaries "ARIADNE INTERCONNECTION S.P.S.A" and "GRID TELECOM SMSA" and the Hellenic Energy Exchange SA, the Company participates with a 5% stake in Joint Allocation Office S.A. and has paid Euro 65 by June 30th, 2020 (2019: Euro 65). However, due to the unexpected return on this investment, the Company has fully impaired it.

The Company also participates with a 12.5% stake in the company COORDINATED AUCTION OFFICE (CAO) IN SOUTH EAST EUROPE D.O.O. and has paid Euro 40 by June 30th, 2020 (2019: Euro 40). This participation due to the unexpected return on investment is presented in the balance sheet in "Other receivables".

The Company has not issued guarantees or letters of guarantee for any of its above investments.

27 SUBSEQUENT EVENTS

On July 1st, the 100% subsidiary of IPTO SA, "ARIADNE INTERCONNECTION S.P.S.A", signed a loan agreement amounting to Euro 400 million for the funding of the project of the electrical interconnection Crete – Attica.

Since the 3rd of August 2020, the period of the continuous simulation of IPTO and EXE's systems for the new energy market has started. During the dry runs period, the market operation of the IPTO and Enex is conducted simultaneously with the current market. During the simultaneous operation of the two markets, the new market is not producing real financial results for the participants. Provided that all tests are completed successfully and the results are evaluated positively, the transition to the new market will take place on the 1st of November (based on 1298/11.09.2020 RAE's decision).

On 16 September 2020, the Board of Directors of the Company approved the issuance of a syndicated Bond Loan amounting to Euro 400 million. More specifically, the approved financing proposal concerns both the refinancing of an existing debt amounting to Euro 310 million and the coverage of capital needs.