



GRID TELECOM SINGLE MEMBER SA

Annual Financial Statements

Period from January 1, 2022 to December 31, 2022

According to International Financial Reporting Standards

GRID TELECOM SINGLE MEMBER SA
Annual Financial Statements as at December 31st,2022
(Amounts in Euro)

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Annual Financial Statements as at December 31st,2022
(Amounts in Euro)

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

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ANNUAL REPORT OF THE BOARD OF DIRECTORS

of GRID TELECOM SINGLE MEMBER S.A.
for the period from 1st January 2022 to 31st December 2022
To the ordinary General Meeting of shareholders

Dear shareholders,

The annual report of the Board of Directors that follows (hereinafter for reasons of brevity "the Report"), was prepared in a manner harmonized with the relevant provisions of the current legislation and the articles of association of **GRID TELECOM SOLE SHAREHOLDER COMPANY** ("GRID TELECOM" or the "Company") and contains in a concise, but substantial and comprehensive manner all the relevant information required by law, in order to extract a substantial and thorough understanding on the activity during the corporate year ended December 31, 2022.

The corporate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

1. Analysis of Company development and financial performance

a) Business model description, goals and core values

GRID TELECOM was established on January 14, 2019, by the INDEPENDENT POWER TRANSMISSION OPERATOR SA (or "IPTO" or "the Parent"). Its share capital amounts to €5,300,000 (five million three hundred thousand Euro), while the Company as a subsidiary of IPTO is fully consolidated in the Group's results. The Company's sole purpose and activity consists of:

- i. The provision of electronic communications services, products and integrated services / solutions, as well as broadband access
- ii. Installation, operation, exploitation, management and development of any kind of electronic communications networks and any kind of electronic communications infrastructure and related services, locally, nationally, cross-border and internationally
- iii. The development, installation, operation, management and exploitation of all types of mobile and fixed communication services
- iv. Undertaking activities related to the provision of electronic communications services, telecommunications, including system design, as well as the development, production, use, sale, rental, leasing and maintenance of telecommunications equipment
- v. The acquisition of ownership of equipment and media for the provision of services that fall within the scope of the Company and the acquisition of ownership, use or exploitation rights through purchase, lease or otherwise of movable or immovable property or rights.
- vi. The development, installation, operation, management and exploitation of new services, based on technological developments in the fields of telecommunications, information technology, multimedia and the Internet, as well as any other service that may be provided through the Company's network or other networks in the which the Company has or may have access to.
- vii. The provision of electronic data processing services, databases and internet services.
- viii. Provision of leased or subleased lines and network and leasing of capacity
- ix. The provision of consulting services or services related to line/network operations, to companies affiliated with the Company, operating domestically or abroad

On April 29, 2022, an extraordinary General Assembly of the Company was held, which approved an amendment of the Company's purpose with new activities. These activities related to the provision of electric mobility services such as the development, operation, management, repair, and maintenance of electric vehicle charging infrastructure.

To fulfill the above purpose, the Company may:

- i. Establish, with or without the participation of third-party physical or legal entities, or to participate in any business of any corporate type, with a similar or relevant purpose, in a broadly defined sense, in Greece and / or abroad.

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- ii. Cooperate with any physical or legal entities in any way in Greece and / or abroad and enter into any agreements or contracts, of any kind.
- iii. Develop any kind of financial activity for the purpose of achieving its goals (e.g. lending, issuing bills of exchange, checks, banknotes, bonds, pledges and other debt securities or documents incorporating debt, etc.).
- iv. Lease, sublease, buy or sell or otherwise acquire or transfer real estate or movable property or rights or reestablish collateral or other rights.
- v. Make use of funding programs and tools, in particular those offered by the European Union and its associated agencies.
- vi. Perform technical, financial, organizational studies related to the construction, operation, organization, management, maintenance of any form of telecommunications facility, unit or structural projects including any related construction.

GRID TELECOM's registered office is located at 89, Dyrachiou and Kifissou str., 104-43, Athens, Greece, and its duration has been set at 35 years from the date of its registration in the Commerce Register. Its registry number to Commerce Register is 148802001000.

b) Administration principles and internal management systems

The administration bodies of the Company are the General Assembly of shareholders and the Board of Directors which is elected, appointed and controlled by it.

c) Description of performance and tangible and intangible assets

Financial overview of year 2022

Sales during the fiscal year 2022 increased significantly and reflect deliveries of infrastructure contracted at the end of the previous fiscal year.

The total income of the Company encompasses revenues from operating and maintenance services and revenues from IRU capacity services, colocation services, profits resulting from the derecognition of right-of-use assets and their subletting to customers, as well as, financial income related to the leasing of fiber optics to customers. Revenue from operating and maintenance services increased to €178,724 compared to €152,656 in the previous year, incorporating the analogy of new sales in the last quarter of the year ended December 31, 2022. Additionally, during 2022 the Company recognized revenues €5,323 for IRU capacity services and €9,955 for colocation services as well as €159,258 from real estate rentals (including €119,058 from previous years). The IRU capacity and colocation services were recognized in the last quarter of the year ended on December 31, 2022. The financial income from the leasing of fiber optics was increased to €340,410 compared to €333,599 in the previous year, reflecting the evolution of the repayment schedule of a 2019 and 2021 significant customer lease, as well as the addition of new leases during 2022, which were concluded mainly in the fourth quarter of the fiscal year and are characterized by front-loaded payment schedules.

In relation to the subleasing to customers, of part of the fiber optic network leased by the Company from IPTO and in accordance with IFRS, a recognized gain of €1,827,680 in the year ended December 31, 2022 included in total income represents the difference between, the unamortized value of the right-of-use asset derecognized (lease of part of the network from IPTO) and the financial receivable (sublease to customers).

Operating expenses relate to services and expenses of third parties, including IPTO, based on the agreements between them, payroll, taxes, depreciation and provision for expected losses on credit risk and amounted to €1,743,029 compared to €1,115,810 in the previous year. The increase in operating expenses incorporates higher depreciation costs from investments completed to install the DWDM network, increase in personnel and the company's continued participation in the Ultra-Fast Broad Band competition. It is worth noting the increased costs from the company's presence in data centers, on the one hand, due to entering the new Balkan Gate data center in Thessaloniki, and on the other hand, due to the transfer of the increased cost of electricity consumed by data centers, which was affected by the conditions of the energy markets during 2022. Finally, the increase in operating expenses incorporates higher operating and maintenance costs to the parent company related to new fiber optic infrastructure leases.

The above changes contributed to profit before tax of €488,373 and net profit of €481,716 compared to profits before tax and net profits of €347,394 and €264,664 respectively, in the previous year.

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The financial situation of the Company as at 31/12/2022 is considered satisfactory. On the same date, the Company's equity amounted to €6,513,101

For the year 1.1.2022 – 31.12.2022 the key financial performance was as follows:

	<u>01/01/2022 - 31/12/2022</u>
Total income	2,187,736
Earnings Before Interest Tax and Depreciation (EBITDA)	644,205
Earnings before tax	488,373
Net income	481,716

Cash flows

The cash inflows during the year ended 31 December 2022 mainly reflect the increase of equity, the collection of financial income and receivables from the lease of fiber optics, while the outflows mainly relate to asset investments, the payment of salaries and operating expenses of the Company, as well as the payments of lease liabilities. At the end of the fiscal year 2022 the cash position of the Company was €1,135,397 compared to €1,059,826 at the end of the previous year. In December 2022, the Company maintained one bank account with the National Bank of Greece.

Dividend policy

Pursuant to article 24 of the articles of association, the distribution of net profits and the payment of a dividend shall be made in accordance with the provisions of the law, as it stands in effect.

On March 31, 2023, the Board of Directors approved the financial statements for the fiscal year 2022 and proposed to the ordinary General Meeting of shareholders the formation of the statutory regular reserve amount of €24,419 and the non-distribution of dividend for the fiscal year ended December 31, 2022.

Tangible and intangible assets

As of December 31, 2022 the Company's net capital expenditures amounted to €3,154,864 incorporating additions for the period of €1,101,264 for the continued expansion of telecommunication nodes and the development of points of presence locations for colocation services in different regions of Greece, as well as the completion of new fiber optic infrastructure in the wider area of Thessaloniki. The Company also maintains right-of-use assets and fiber optic network infrastructure with net value €1,775,818 acquired from the Parent company for the DWDM network development and operation and from third-party suppliers for the expansion of the fiber optic network in the metropolitan area of the Attica region and the western mainland prefecture.

2. Significant projects completed in 2022

The project for design, licensing, construction ,and maintenance of GRID TELECOM's fiber optic network in areas of the municipalities of Egaleo, Cholargos in Attica, as well as the regions of Preveza, Igoumenitsa and Corfu prefecture was completed successfully in the year ended 31 December, 2022. This project contributes to the connection of the optical fiber network of ADMIE with Networks of other Domestic and International Providers. The activation of GRID TELECOM's presence in yet another large Data Center in the area of Thessaloniki (DC Balkan Gate) has been completed. At the same time, points of presence (PoPs) of GRID TELECOM such as Agios Stefanos, Aetos, Koumoundouros, Distomo, Acheloos, Arachthos, Larymna, Lamia, Larissa, Ag Dimitrios were configured in accordance with telecommunication standards.

Finally, the expansion plan of the Company's DWDM network to the Regions of Attica, Peloponnese and Crete proceeded with a parallel increase in the capacity of the Network by 400 Gb/s, in order to support capacity leases to Business Customers and Providers, ensuring high availability of services to said customers .

As a result of the above, GRID TELECOM further strengthened its position in the domestic Telecommunications market.

3. Major risks

The Company is constantly monitoring developments with the aim of limiting as much as possible the potential adverse effects that may result from various events.

a. Future prospects and how these are affected by the existing regulatory framework

Risk of decline in demand

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GRID TELECOM takes advantage of the nationwide fiber optic network IPTO has in place to promote telecommunications services in the domestic and international market. This optical network has a large number of alternative routes, which ensure high availability of services to customers. Due to the profile of potential customers of the Company and the nature of the telecommunications market activity which is characterized by strong growth, demand is not expected to decline in the near future.

b. Other risks related to the activity or the sector in which the Company operates

Risks related to the sector in which the Company operates

Considering the Greek state holds (directly or indirectly) 51% of the share capital of the parent company IPTO, GRID TELECOM as a 100% subsidiary of IPTO may be considered, in certain areas, as a Greek public sector company. Consequently, its operations will continue to be subject to laws and regulations applicable to companies in the Greek public sector that affect specific procedures. Indicatively, and not restrictively, those relating to remuneration, pay ceilings, and procurement procedures.

Nonetheless, the Company's business sector is completely different from that of its regulated Parent entity's and is characterized by complete competitiveness as a free market. Consequently, the main risk is therefore the risk of competition, as the market involves established companies in the sector. This risk is largely offset by the Company's access to the IPTO network which is characterized by high penetration, excellent quality and increased safety. Features that are considered attractive and essential by interested customers.

Liquidity risk

Liquidity risk is associated with the need for adequate financing for the operation and development of the Company. The Company manages its liquidity risk by monitoring and scheduling its cash flows, and acting appropriately by securing adequate cash levels, seeking long-term relationships with its customers. The Company ensures efficient and low-risk placement of cash keeping cash available for investments specified in its business plan.

As at 31.12.2022 the current assets exceeded the current liabilities by €2,059,348.

Credit risk

Credit risk arises when the failure of counterparties to meet their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. For the commercial receivables arising from the long-term leases, the Company is exposed to credit risk, in case it does not ensure the collection of its customers' receivables. In this context, the Company acts by seeking advance payments of part of the total future obligation, advance payment agreements for future obligations, securing letters of guarantee of good payment and recognizing customer risk provisions in its results.

Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. Currency risk is insignificant for the Company and relates mainly to any potential agreements for the supply of materials or equipment whose payment is in foreign currency. As at December 31, 2022, the Company had not entered into any material or equipment supply contract and has no assets or liabilities in foreign currency.

Risk of changes in taxation and other regulations

Possible modification of tax and other regulations may have an impact on the financial results of the Company. This impact is not expected to be significant for the company.

4. Environmental issues

The Company recognizes the need for continuous improvement of its environmental performance and compliance with laws and international standards and aims at a balanced economic development in harmony with the natural environment. Following a path of sustainable development, it carries out its activities in a way that ensures

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environmental protection. Management considers that there are currently no conditions for the recognition of provisions for environmental liabilities.

5. Labor issues

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

Promoting equal opportunities and protecting diversity are fundamental principles of the Company. Company Management does not discriminate in recruitment / selection, remuneration, training, job assignment or any other job activity. The factors that are exclusively taken into account in Management responsibilities are the experience, personality, theoretical training, qualifications, efficiency and competences of the individual. The Company encourages and recommends all its employees to respect the diversity of each employee or supplier or customer of the Company and not to accept any behavior that may be discriminatory in any form. The Company had one employee as of December 31, 2022.

b) Respect for workers' rights and trade union freedom

The Company respects the rights of its employees, ensures the maintenance and enhancement of a work peace climate and observes labor laws.

c) Health and safety at work

Employee safety is a top priority and a prerequisite for the operation of the Company. In this context, the Company has contracted with the provision of technical security services as defined and provided by provisions Law 3850/2010 to ensure and support obligations by the written provisions for health and safety of employees

The Company maintains in all workplaces "first aid" materials (medicines, bandages, etc.)

d) Recruitment process, training, promotions

The selection and recruitment procedures are based on the qualifications required for the position, without discrimination and based on the approved personnel policy. The purpose of this policy is to promote harmonious cooperation between employees and the Company. With the firm and fundamental principle that human resources are the most important source for the Company's competitive advantage and with the main focus on the provision of high quality technical services, emphasis is placed on the existence of appropriate infrastructure, Management procedures and ongoing training of human resources. This ensures that each position is filled by people who have the appropriate knowledge and skills. Additional emphasis is placed in shaping a culture that promotes honest communication, team spirit, flexibility and creativity. At the same time, the Company educates and trains its staff, on a regular basis, due to the special professional requirements and operational or individual needs. In addition, the evaluation of staff is based on an approved staff policy depending on the results and skills of each employee.

6. Financial key performance indicators (KPIs)

According to the year ended on December 31, 2022, the following indicators are listed:

Financial ratios		01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
<u>Current assets</u>	=		
Total assets		37.08%	34.04%
<u>Non-current assets</u>	=		
Total assets		62.92%	65.96%
The above indicators show the ratio of capital available to current and fixed assets			
<u>Equity</u>	=		
Total liabilities		92.29%	38.05%

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The above indicators show the financial adequateness of the Company

<u>Total liabilities</u>	=	52.01%	72.44%
Total equity and liabilities			

<u>Equity</u>	=	47.99%	27.56%
Total equity and liabilities			

The above indicators show the debt dependence of the Company

<u>Equity</u>	=	76.28%	41.78%
Non-current assets			

This indicators shows the degree of funding of the assets of the Company from equity

<u>Current assets</u>	=	169.27%	88.94%
Current liabilities			

The above indicator shows the entity's general liquidity

Profitability Ratios		01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
<u>Profit before tax</u>	=	7.50%	13.61%
Total equity			

This indicators shows the Company's profitability of equity.

7. Future development of the Company

Prospects for 2023

Having access nationwide to an ever-expanding network of fiber optic cables over 4,000 kilometers long, GRID TELECOM provides a large number of alternative routes ensuring high availability of services for its customers. In its short history to date, GRID has provided services and Dark Fiber access to telecommunication providers and large companies.

In 2022 GRID TELECOM continued to invest in fiber optic infrastructure through the exchange of the right to use fiber optic infrastructure in urban metropolitan areas of Attica, expanded its presence in Data Centers with its presence at Balkan Gate in Thessaloniki, completed the first phase of development of a state-of-the-art high-speed DWDM technology network (development of network and related equipment in 27 points as well as creation of point of presence locations) also launching the first sales of capacity services to strategic customers through its presence in data centers. It delivered the extension of the terrestrial optical trunk network of the IONIAN submarine cable connecting Italy and Greece, from Preveza to Athens and then to Thessaloniki, and concluded an agreement with Telecom Egypt for the construction and laying of the subsea cable infrastructure branch between Greece and Egypt via Crete.

The immediate objective of the Company is to develop the provision of high capacity services with ultra-high interconnection speeds between the major urban centers of the country. These services will be assisted by physical co-location capabilities of providers' equipment and high availability services. At the same time, it is planned to start the development of Phases II & III of the DWDM network to expand the footprint towards Peloponnese/Crete and Thrace with complementary development of space configuration and installation of prefabricated telecommunication kiosks to create points of presence according to customer needs in new network segments (Peloponnese, Crete, Thrace). In addition, the Company will undertake the preliminary actions for the implementation of the agreement with Telecom Egypt, aiming at the maximum utilization of the branching of the cable and its landing in Timbaki, Crete, laying the foundations for the interconnection to the east with Port Said in Egypt and to the west with Genoa in Italy and Marseille in France.

8. Company activity in the field of research & development

The Company did not incur expenses in the field of "research and development" in 2022.

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9. Information regarding the acquisition of treasury shares as provided in article 52 of Law 4548/2108

No treasury shares were acquired neither during the fiscal year 2022 nor in previous fiscal periods.

10. Company branches

The Company has not founded any branches.

11. Use of financial instruments

The Company does not use financial instruments.

12. Significant transactions with related parties

The Company is controlled by IPTO, which holds 100% of the paid up share capital and is the Parent company.

On January 15, 2019, the Company leased from IPTO SA part of the optical fiber network with a 15 year right of use for commercial exploitation through long-term sub-leasing to customers. During the year ended December 31, 2022 additional parts of the optical fiber network were leased from the Parent company.

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

13. Management remuneration

For the year ended December 31, 2022, Management fees were paid to members of the Board of Directors amount €62,028.

14. Applied key accounting principles

For the preparation of the statement of financial position for the fiscal year, as well as the income statement and other comprehensive income, equity and cash flow statements, the accounting policies as set forth by the Parent company were applied and detailed in the financial statements.

15. Other issues

The Company has no foreign exchange currency.

There are no encumbrances, as the Company has no property.

16. Subsequent events

By decision of the Board of Directors on January 26st, 2023, the ordinary General Meeting of the Company's shareholders was convened to increase the Company's share capital in order to address the Company's financing needs for capital expenditures.

The General Meeting took place on February 1st, 2023 and approved the increase of the share capital by €9,738,300. The increase of the share capital will be carried out through cash payment by IPTO SA, 100% shareholder of the Company and by issuing 97,383 new common registered shares, with a nominal value of one hundred Euros (€100) each.

Following this Report, we kindly request that you

1. Approve the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, the summary of significant accounting policies and methods, and other explanatory information for the year 2022 (financial year 01/01/2022 - 31/12/2022)
2. Approve the overall management by the Board of Directors and release the auditors from any responsibility for the actions of the fiscal year 2022 (management fiscal year 01/01/2022 - 31/12/2022)
3. Approve the proposed non-distribution of dividend from the profits of the year 2022

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4. Appoint two (2) regular and two (2) substitute certified auditors for the year 2023.

Athens, March 31, 2023

For the Board of Directors

The Chairwoman
Eleni Zarikou

To the Shareholder of the company “GRID TELECOM SINGLE-MEMBER SOCIÉTÉ ANONYME”

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GRID TELECOM SINGLE MEMBER SOCIETE ANONYME (the Company), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GRID TELECOM SINGLE MEMBER SOCIETE ANONYME as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company throughout our appointment in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

Report on other Legal and Regulatory Requirements

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

- a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31.12.2022.

b) Based on the knowledge we obtained during our audit of GRID TELECOM SINGLE-MEMBER SOCIÉTÉ ANONYME and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 5 April 2023

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
INCOME:			
Optic fiber maintenance revenue	6	178,724	152,656
IRU capacity revenue	6	5,323	-
Other income	7	2,003,689	1,215,838
Total income		2,187,736	1,368,494
EXPENSES:			
Payroll costs		(188,899)	(141,102)
Third party services	8	(75,206)	(15,942)
Third party fees	9	(1,164,439)	(855,175)
Other taxes - duties	10	(17,343)	(5,246)
	15,16,		
Depreciation and amortization	17	(199,498)	(30,838)
Provisions for impairment	20,21	(19,706)	(22,390)
Other expenses	11	(77,937)	(45,116)
Total		(1,743,029)	(1,115,810)
PROFIT BEFORE TAX AND FINANCIAL RESULTS		444,707	252,684
Finance expenses	12	(296,745)	(238,889)
Finance income	13	340,410	333,599
PROFIT BEFORE TAX		488,373	347,394
Income tax	14	(6,656)	(82,730)
NET PROFIT FOR THE YEAR		481,716	264,664
NET PROFIT FOR THE YEAR		481,716	264,664
Other comprehensive income for the year, after tax		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR AFTER TAX		481,716	264,664

The notes on pages 19 to 49 are an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

	Notes	<u>31/12/2022</u>	<u>31/12/2021</u>
ASSETS			
Non – current assets:			
Property, plant and equipment	15	3,154,864	2,226,505
Intangible assets	16	28,962	760
Right of use assets	17	1,775,818	116,382
Deferred tax assets	18	8,328	9,333
Other non-current assets	19	2,920	2,570
Long-term receivables for optic fiber sublease	20	3,567,525	3,753,233
Total non- current assets		<u>8,538,417</u>	<u>6,108,785</u>
Current assets:			
Trade receivables	21	2,001,752	1,345,922
Other receivables	22	762,306	382,025
Short-term receivables for optic fiber sublease	20	1,132,648	364,262
Cash and cash equivalents	23	1,135,397	1,059,826
Total current assets		<u>5,032,104</u>	<u>3,152,034</u>
Total assets		<u>13,570,521</u>	<u>9,260,819</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	24	5,300,000	1,800,000
Legal reserve	25	92,278	67,860
Retained earnings		1,120,822	684,525
Total equity		<u>6,513,101</u>	<u>2,552,384</u>
Non-current liabilities:			
Long-term lease liabilities	26	4,084,664	3,164,284
Total non-current liabilities		<u>4,084,664</u>	<u>3,164,284</u>
Current liabilities:			
Trade and other payables	27	2,483,486	3,215,766
Short-term lease liabilities	26	240,043	180,644
Income tax payable		85,179	79,528
Accrued and other current liabilities		81,034	58,450
Deferred income	28	83,015	9,763
Total current liabilities		<u>2,972,756</u>	<u>3,544,150</u>
Total liabilities		<u>7,057,420</u>	<u>6,708,435</u>
Total liabilities and equity		<u>13,570,521</u>	<u>9,260,819</u>

The notes on pages 19 to 49 are an integral part of these financial statements.

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STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Legal Reserve	Retained Earnings	Total equity
Balance 01/01/2021	1,800,000	50,490	437,231	2,287,721
Net profit for the year	-	-	264,664	264,664
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year (net of tax)	-	-	264,664	264,664
Legal reserve for the year	-	17,370	(17,370)	-
Balance 31/12/2021	1,800,000	67,860	684,525	2,552,384
Balance 01/01/2022	1,800,000	67,860	684,525	2,552,384
Net profit for the year	-	-	481,716	481,716
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year (net of tax)	-	-	481,716	481,716
Share capital increase	3,500,000	-	-	3,500,000
Share issue transaction costs	-	-	(21,000)	(21,000)
Legal reserve for the year	-	24,419	(24,419)	-
Balance 31/12/2022	5,300,000	92,278	1,120,822	6,513,101

The notes on pages 19 to 49 are an integral part of these financial statements.

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STATEMENT OF CASH FLOW

	Notes	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Cash flows from operating activities			
Profit before tax		488,373	347,394
<i>Adjustments for:</i>			
Depreciation / amortization of PPE, intangible assets and right of use assets	15,16,17	199,498	30,838
Provisions for impairment	20,21	19,706	22,390
Interest and other finance income	13	(340,410)	(333,599)
Gain on right of use assets derecognition	7,11	(1,820,252)	(1,205,837)
Interest and other finance expense	12	296,745	238,889
Operating loss before changes in working capital		(1,156,341)	(899,925)
<i>(Increase) / decrease in:</i>			
Trade receivables		(291,737)	617,330
Other receivables		(380,631)	(149,114)
<i>Increase / (decrease) in:</i>			
Trade payables		(902,926)	1,179,496
Other payables and accrued expenses		95,836	(20,023)
Tax payments		-	(126,177)
Net cash flows (used in) / generated from operating activities		(2,635,799)	601,588
Cash flows from investing activities			
Acquisition of property, plant and equipment	15	(1,101,264)	(1,724,668)
Lease receivable proceeds		271,391	434,551
Interest received		319,469	329,251
Net cash flows used in from investing activities		(510,403)	(960,866)
Cash flows from financing activities			
Proceeds from issues of shares	24	3,500,000	-
Share issue transaction costs		(21,000)	-
Lease liability payments		(230,238)	(13,565)
Interest and other financial expense paid		(26,988)	(17,517)
Net cash flows generated / (used in) from financing activities		3,221,774	(31,082)
Net increase/ (decrease) in cash and cash equivalents		75,572	(390,360)
Cash and cash equivalents at the beginning of the year		1,059,826	1,450,186
Cash and cash equivalents at the end of the year		1,135,397	1,059,826

The notes on pages 19 to 49 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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GRID TELECOM SINGLE MEMBER SA
Annual Financial Statements as at December 31st,2022

(Amounts in Euro)

1. GENERAL INFORMATION

GRID TELECOM SINGLE MEMBER SOCIETE ANONYME was incorporated on January 14th, 2019 and is controlled by INDEPENDENT POWER TRANSMISSION OPERATOR S.A .(or "IPTO S.A". or "the Parent company"). The Company' s share capital amounts to €5,300,000.00 and it has been paid in full. The Company as a subsidiary of IPTO SA. is consolidated under the full consolidation method.

- a) The provision of electronic communications services, products and integrated services / solutions, as well as broadband access.
- b) Installation, operation, exploitation, management and development of any kind of electronic communications networks and any kind of electronic communications infrastructure and related services, in local, national, cross-border and international level.
- c) The development, installation, operation, management and exploitation of all types of mobile and fixed communication services.
- d) Undertaking activities related to the provision of electronic communications services, telecommunications, including system design, as well as the development, production, use, sale, rental, leasing and maintenance of telecommunications equipment.
- e) The acquisition of ownership of equipment and media for the provision of services that fall within the scope of the Company and the acquisition of ownership, use or exploitation rights through purchase, lease or otherwise of movable or immovable property or rights.
- f) The development, installation, operation, management and exploitation of new services, based on technological developments in the fields of telecommunications, information technology, multimedia and Internet, as well as any other service that may be provided through the Company's network or other networks in the which the Company has or may have access to.
- g) The provision of electronic data processing services, databases and internet services.
- h) Provision of leased or subleased lines and network and leasing of capacity.
- i) The provision of consulting services or services related to line / network operations, to companies affiliated with the Company, operating domestically or abroad.

On April 29, 2022, an extraordinary General Assembly of the Company was held, which approved an amendment of the Company's purpose with new activities. These activities related to the provision of electric mobility services such as the development, operation, management, repair, and maintenance of electric vehicle charging infrastructure.

To fulfill the above purpose, the Company may:

- a) Establish, with or without the participation of third-party physical or legal entities, or to participate in any business of any corporate type, with a similar or relevant purpose, in a broadly defined sense, in Greece and/or abroad.
- b) Cooperate with any physical or legal entities in any way in Greece and / or abroad and enter into any agreements or contracts, of any kind.
- c) Develop any kind of financial activity for the purpose of achieving its goals (e.g. lending, issuing bills of exchange, checks, banknotes, bonds, pledges and other debt securities or documents incorporating debt, etc.).
- d) Lease, sublease, buy or sell or otherwise acquire or transfer real estate or movable property or rights or establish collateral or other rights.
- e) Make use of funding programs and tools, in particular those offered by the European Union and its associated agencies.
- f) Perform technical, financial, organizational studies related to the construction, operation, organization, management, maintenance of any form of telecommunications facility, unit or structural projects including any related construction.

GRID TELECOM's registered office is located at 89, Dyrachiou and Kifissou str., 104-43, Athens, Greece, and its duration has been extended to 35 years, from 20 years that was initially set, from the date of its registration in the Commerce Register, its Commerce Register number is 148802001000.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The main accounting principles applied for the preparation of these financial statements are presented below. These principles have been applied with consistency for all the financial periods presented, except stated otherwise

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and in accordance with their interpretations as issued by the commission. IASB Interpretations and standards have been adopted by the European Union ("EU") and are mandatory for financial years starting as of January 1st,2022 or later.

The financial statements have been prepared under the historical cost principle and the going concern principle. The financial statements are presented in Euros and all funds are rounded to the nearest whole Euro unit unless otherwise stated, any differences in the tables are due to roundings.

The preparation of financial statements under IFRS requires Management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in the financial statements. It also requires Management to exercise its judgment in the process of applying the accounting policies adopted. Actual results may differ from these estimates under different assumptions or conditions.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4

2.1.1 GOING CONCERN

The financial statements have been prepared under the going concern principle.

MACROECONOMIC AND BUSINESS ENVIRONMENT RISKS IN GREECE

The onset of the energy crisis following Russia's invasion of Ukraine led to a significant increase in energy prices, an increase in food prices, as well as an adjustment of monetary policy in a more restrictive direction, constituents which are expected to lead to a slower growth rate in 2023, close to 1.5%. However, the effective use of the resources of the long-term EU budget 2021-2027 and the European recovery instrument NextGenerationEU can mitigate the negative effects of the energy crisis and the tightening of monetary policy on the economy, leading in the medium term to growth rates close to 3% in 2024 and in 2025.

More specifically, investments are expected to increase at a very high rate throughout the period 2023-2025, 10% on average, supported by the maintenance of sufficient liquidity in the banking sector and by the utilization of available European resources. In the coming years, Greece will receive around €40 billion in support from the EU's long-term budget 2021-2027 and €30 billion from the Recovery and Resilience Mechanism until 2026. These resources are expected to attract additional private capital. At the same time, an increase in foreign direct and indirect investments is expected.

Exports of goods have shown resilience during the pandemic. After increasing by 13.8% in 2021, it is estimated that in 2022 and 2023 they have continued and continue to increase, albeit at a much softer pace, due to the expected decline in economic activity and the deterioration of the prospects in the euro area and the global economy. Services exports are estimated to have recovered significantly in 2022 and will continue to move upwards in the following years. At the same time, however, imports are expected to rise throughout the period 2023-2025, due to the stimulation of domestic demand, especially investments.

The gradual de-escalation of unemployment and the increase in the number of employed persons is expected to continue in the period 2023-2025, as a result of economic growth that will be supported by the implementation of the National Recovery and Resilience Plan.

Inflation, based on the Harmonized Index of Consumer Prices, escalated, as in the rest of the eurozone, at a particularly high level in 2022, namely at 9.3%, mainly due to the upward trend in the prices of energy goods, but also the revaluations in food items. A gradual de-escalation is expected for 2023 and 2024, to 5.8% and 3.6% respectively, mainly due to the expected decline in energy prices and the negative effect of the comparison base. Core inflation, i.e. inflation that excludes changes in food and energy prices, stood at 4.6% in 2022 and is estimated to remain similarly high in 2023, due to the incorporation of strong inflationary pressures from the components of non-energy industrial goods and services.

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General government debt is projected to decelerate from 169% of GDP in 2022 to 160% of GDP in 2023, mainly due to the estimated increase in nominal GDP. Regarding the sustainability of public debt, the observed increase in Greek bond yields due to the tightening of monetary policy does not stop its downward trajectory. The favorable composition of the public debt, consisting of approximately 76% of medium- and long-term obligations to the official sector, the extremely favorable structure of repayments, as it has been formed in the context of the agreements with Greece's partners and the hedging operations of interest rate risk, render the debt essentially unaffected by increases in funding costs in the medium term. Therefore, according to the Bank of Greece's updated estimates, despite the observed increase in Greek bond yields, the risks to the sustainability of the public debt remain limited in the medium term, under the following conditions: First, the fiscal measures that have been taken in the context of the pandemic and the energy crisis, remain targeted and of a temporary nature. Second, fiscal policy returns to permanent and sustainable primary surpluses from 2023 onwards, approaching 2% of GDP, to fully cover public debt interest. Third, all available European resources are effectively utilized, contributing decisively to covering the investment gap and strengthening the potential growth rate of the economy. However, in the longer term, uncertainty increases as the gradual refinancing of the accumulated debt to the official sector on market terms will increase the exposure of the Greek Government to interest rate risk and market risk, which eliminates room for relaxation in terms of the required size of primary surpluses. Therefore, the next decade represents a unique window of opportunity for the rapid de-escalation of Greek public debt since, despite the increased yields of new issues, only a small share of the debt is expected to be refinanced annually on market terms, while a significant share of official sector loans has been hedged against interest rate risk.

In this environment and context, the absolute orientation of the economic and especially the fiscal policy towards the acquisition of investment grade for the bonds of the Greek Government should be a non-negotiable national goal, as its achievement will have beneficial effects on all sectors of the Greek economy. The Greek economy is now very close to this goal. Recently, the rating agency "Fitch Ratings" also upgraded the country, placing it just one "step" below investment grade. It was the third upgrade of the Greek economy in the last year. Now, three of the four ratings agencies eligible by the European Central Bank have placed the country on the threshold of investment grade.

The Company, in conjunction with its Parent Company, constantly assesses the situation and the possible impacts to ensure that all necessary and possible measures and appropriate actions are taken in a timely manner to minimize any impact on its activities.

2.2 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The accounting policies followed by the Company for the preparation of the financial statements are applied consistently, after taking into account the new standards, the following amendments to standards and interpretations which have been issued and are mandatory for the annual accounting periods beginning on 2022 or later. The Company's assessment of the impact of the implementation of these new standards, modifications and interpretations is set out below.

The Company did not proceed with early adoption of standards, interpretations or amendments issued by International Accounting Standards Board and adopted by European Union but have no mandatory application for the year 2022.

New Standards and Interpretations mandatory for the current year

IFRS 3 Business combinations (Amendments)

The amendments update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”)

Amendments to IAS 37 clarify that the cost of fulfilling a contract for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract.

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IAS 16 Property, Plant and Equipment (Amendments)- “Proceeds before Intended Use”

This amendment changes the way that the cost of testing whether the asset functions properly is recognized and the accounting for net proceeds that result from producing and selling items through the process of making an item of PPE available for its intended use. The above expenses and proceeds should be recognized in profit or loss rather than deducting the acquisition cost of the asset. The entities are required to disclose separately, the costs and the proceeds that are related to the production of items that does not result from the regular business of the entity.

Annual improvements to IFRS standards 2018–2020

On 14 May 2020, the Board issued the annual improvements that concludes the following amendments of the below International Financial Reporting Standards:

Fees and the '10 per cent test' for derecognition of financial liabilities (Amendments to IFRS 9 financial instruments)

The amendment that applies to IFRS 9, clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Lease incentives (Amendments to IFRS 16 leases)

Furthermore, a modification of IFRS 16 removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

Standards that have been issued but are not effective to current accounting period and have not early adopted

Standards and Interpretations effective for the forthcoming financial years that have not been adopted earlier by the Company and have not been adopted by the European Union:

The below amendments are not expected to have significant effects to the financial statements of the Company unless otherwise is specified.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Amendments in classification of liabilities as current or non-current, issued in January 2020 and an entity shall apply those amendments for annual reporting periods beginning on or after 1st January 2024 retrospectively in accordance with IAS 8. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact. The first change that was applied is that an entity shall classify a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. More specifically, to recognize such right, entity should comply with specified conditions. If the right to defer settlement is subject to the entity's compliance to those conditions at the end of the reporting period, even if the lender does not test compliance until a later date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria to be classified as non-current, shall be classified as non-current, even if Management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are authorized for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position. Another amendment issued is that, for the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash or other economic resources or the entity's own equity instruments. With respect to equity instruments, is specified that that the option of the counterparty should be classified as an equity component of a compound financial instrument if IAS 32 criteria are met. The amendments including the proposals of the draft Report have not yet been adopted by the European Union.

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Disclosure of accounting policies (Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 Making Materiality Judgments)

The amendments are effective for annual accounting periods beginning on or after January 1, 2023, with earlier application permitted. The amendments provide guidance on the application of materiality judgments in disclosures of accounting policies. Specifically, the amendments replace the requirement to disclose “significant” accounting policies with the requirement to disclose “material” accounting policies. Guidance and illustrative examples are also added to the Practice Statement to assist in applying the concept of materiality when making judgments in accounting policy disclosures.

Definition of accounting estimates (Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”)

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 “Income Tax”)

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

IAS 1 Non-Current Liabilities with Covenants (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date. The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. The amendment has not yet been endorsed by the EU.

IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU.

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**Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures:
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

2.3 MAIN ACCOUNTING POLICIES

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Euro, which is the Company’s functional and presentation currency.

Transactions and balances

Transactions involving other currencies are converted into Euro using the exchange rates which were in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities that are denominated in other currencies are adjusted to reflect the current exchange rates. Gains or losses resulting from foreign currency adjustments are reflected in other expenses in the income statement.

Property, plant and equipment

Property, plant and equipment are initially recognized at their acquisition cost which includes all directly attributable expenses for their acquisition of their construction until they are ready for use as intended by the Management. Subsequent to their initial recognition, property, plant and equipment are measured at historical cost less any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the profit and loss when incurred.

Depreciation of other PPE is calculated using the straight-line method over their estimated useful life as follows:

Classification	Useful lives
Buildings – installations on buildings	25
Technical works and improvements (in third parties’ properties)	10
Installations and other mechanical equipment	10
Mechanical equipment (third parties’ assets)	35
Computer	5
Furniture and other equipment	10

The residual values and useful lives of tangible assets are subject to review at each balance sheet date. When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is immediately recognized in the statement of comprehensive income as an expense

For all assets retired or sold, their acquisition cost and related depreciation are written off. The gain or loss arising on the disposal of an acquired tangible asset is determined as the difference between the sale proceeds and the carrying value of the asset. Any gain or loss is included in the income statement

Leases

The Company as a lessee

The Company assess 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.

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The Company apply a single recognition and measurement approach for all leases except for short-term leases (defined as leases with a lease term of 12 months or less) and leases whose underlying asset is of low value (i.e. less than €5,000). The Company treats these leases as operating expenses using the straight-line method over the term of the lease. The Company recognizes the lease payments relating to these leases as operating expenses in the income statement.

The Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognize 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. The depreciation starts at the commencement date of the lease.

The useful lives of the assets are consistent with those used by independent evaluator to calculate the remaining useful lives of the Parent's assets (IPTO).

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The right-of-use assets are also subject to impairment.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

Lease liabilities

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

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

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate

Lease liabilities are presented separate in the statement of financial position.

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

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

(a) interest on the lease liability; and

(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

The Company as an intermediary lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company operates as an intermediary lessor, subleasing assets to third parties. The Company treats the underlying lease and sublease as two separate contracts, recognizing as a finance lease asset the claim arising from the sublease and derecognizing part of the right of use the asset that corresponds to the sublease. During the lease period, a portion of the installments charged to customers is recognized as a decrease of the net investment and a portion as a lease income.

Upon initial recognition of the financial asset, the Company used the discount rate used for the main lease as the interest rate implicit of the sublease was not easy to determine.(IFRS 16, Paragraph 68).

Intangible assets

Intangible assets include costs of purchased and internally generated software.

An intangible asset is initially recognized at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment loss. Amortization is recorded based on the straight-line method over the estimated useful life of the asset.

Classification of intangible asset

Software

Useful life

5

For all assets retired or sold, their acquisition cost and related depreciation are written off. The gain or loss arising on the disposal of an acquired intangible asset is determined as the difference between the sale proceeds and the carrying value of the asset. Any gain or loss is included in the income statement

Impairment of non-financial assets

The Company assesses at each reporting date the existence or absence of evidence of impairment of its assets. These indications relate mainly to a greater loss in the asset's value than expected, changes in the market, technology, legal status, physical condition of the asset and change in use. In case there are indications, the Company calculates the recoverable amount of the asset. The recoverable amount of an asset is determined as the greater of the fair value of the asset's or cash-generating unit's sale value (net of disposal costs) and value in use.

The recoverable amount is determined at the level of a qualifying asset unless that asset does not generate cash inflows that are independent of those of other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, it is assumed that its value is impaired and adjusted to its recoverable amount. The value in use is calculated as the present value of estimated future cash flows using a pre-tax discount rate that reflects current estimates of the time value of the money and the risks associated with that asset. The fair value of the sale (after deducting selling expenses) is determined on the basis, where appropriate, of applying a valuation model. Impairment losses from continuing operations are recognized in the income statement. At each financial position date, the extent

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to which impairment losses recognized in the past still exist or have been impaired. If there are such indications, the recoverable amount of the asset is redefined. Impairment losses that have been recognized in the past are reversed only if there are changes in the estimates used to determine the recoverable amount from the recognition of the last impairment loss.

The increased balance of the asset resulting from the reversal of the impairment loss may not exceed the amount that would have been determined (less depreciation) if the impairment loss had not been recognized in the past. Reversal of impairment is recognized in the income statement unless the asset is measured at fair value, where the reversal is treated as an increase of the already recognized goodwill and after reversal, the depreciation of the asset is adjusted so that the revised balance (less the residual value) is allotted equally in the future based on the remaining useful life of the asset.

Financial instruments

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.

Financial assets

i. Initial recognition of financial assets

The Company classify its financial as financial assets measured at amortized cost.

The classification of financial assets at initial recognition depends on the contractual cash flow of the financial assets and the business model within which the financial asset is held.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as determined by IFRS 15.

In order for a financial asset to be classified and measured at amortized cost it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' (SPPI) test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how the Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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.

The Company's financial assets at amortized cost include trade and other receivables and financial lease receivables.

iii. Derecognition of financial assets

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired; or

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

The Company transfers a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Company transfers a financial asset, it shall evaluate the extent to which retains the risks and rewards of ownership of the financial asset.

In this case:

- if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- if the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognize the financial asset.
- if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, shall determine whether it has retained control of the financial asset.

In this case:

- (i) if the Company has not retained control, it shall derecognize the financial asset and recognize separately as assets or liabilities any rights and obligations created or retained in the transfer.
- (ii) if the Company has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

iv. Impairment of financial assets

The Company assess at each reporting date, whether a financial asset of financial assets is impaired and recognize, 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).

For trade receivables and financial lease receivables the Company apply a simplified approach in calculating ECLs. Therefore, the Company do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

i. 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.

ii. 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 the de-recognition of

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the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the assets and settle the liabilities 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.

Trade and other receivables and finance lease receivables

Trade receivables and finance lease receivables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate, except if the discount outcome is not material, less provision for impairment. Gains and losses, including impairment and amortization, are recognized in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits.

Share capital and share premium

Share capital consists of the ordinary shares of the Company. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as share premium in shareholders' equity. Share capital issuance costs, net of related tax, are reflected as a deduction from equity.

Income tax (current and deferred)

Current income tax

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

Deferred income tax

Deferred income tax is calculated using the liability method, on all temporary differences at the reporting date between the tax base and the book value of assets and liabilities. Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred income tax liability arises from initial recognition of capital gain or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, carried forward tax assets and tax losses, to the extent that it is possible that taxable profit will be available to use against the deductible temporary differences and the carried forward unused tax assets and unused tax losses. A deferred tax asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction it does not affect either the book profit or the taxable profit or loss.

Deferred tax assets are reassessed at each financial year and are reduced to the extent that it is unlikely that there will be sufficient taxable profits against which part or all of the deferred income tax assets may be used. Deferred tax assets and liabilities are calculated based on the tax rates that are expected to be effective for the period in which the asset is realized or the liability settled, based on the tax rates (and tax laws) that are in force or have been enacted at the date of preparation of the financial position statements. Income tax relating to items that are recognized directly in other comprehensive income is recognized as well directly in other comprehensive income and not in the income statement.

Employee benefits

Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly administered pension insurance plans on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The

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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.

Employment termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

In case of termination of employment where the number of employees who will use such benefits cannot be determined, the benefits are disclosed as contingent liabilities and are not accounted for.

Provisions for risks and expenses, contingent liabilities and contingent claims

Provisions are recognized when the Company has a present legal, contractual or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Trade and other payables

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business by suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

Revenue recognition

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

Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and discounts. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The terms of payments usually vary according to the type of sale and mainly depend on the nature of the products or services, the distribution channels, and the characteristics of each customer.

IFRS 15 provides a single, principles based five-step to be applied to all contracts with customers for the identification and the recognition of revenue. Its application also applies to the recognition and measurement of gains or losses on the sale of non-financial assets that are not part of three Company's ordinary activities (e.g. sale of tangible fixed assets or intangible assets).

Revenue is recognized when a contractual obligation to the individual customer is fulfilled by the provision of services. The customer obtains control of a service when it can direct its use and receive substantially all the remaining economic benefits from it. If a contract contains more than one contractual obligations, the total value of the contract is allocated to the individual liabilities based on the individual sales values. The revenue amount recognized is the amount allocated to the contractual obligation that has been fulfilled, based on the consideration that the Company expects to receive under the terms of the contract.

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Revenue from services

The Company's main revenue arises from the provision of specialized services for the operation & maintenance of the optical fiber network and IRU capacity services.

In accordance with the assessment of the Company's Management. The revenue from the operation & maintenance of the optical fiber network and the revenue from IRU capacity services are recognized over time as the customer receives and consumes the benefits provided by the Company.

Interest income

Financial income includes interest income from the fiber optic sublease and is recognized at the effective interest rate method. Lease payments received are recognized as a decrease of the net investment and a portion as a lease income.

Interest on cash deposits represents income recognized with the nominal interest rate method.

Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period they are approved by the General Assembly of the Company's shareholders.

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Company is exposed to a variety of financial risks, such as market risks (foreign exchange risk, interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables.

(a) Market risk

i. Foreign exchange risk

Foreign exchange risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Company's revenues are mainly based on Euro denominated agreements and therefore the Company is not exposed to foreign exchange risk. However, the Company's Management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Company has interest bearing assets that include sight deposits. Probable interest rate changes would have no significant impact on the Company's equity. Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and trade and other receivables. For banks and financial institutions only well established with good reputation parties are accepted and the Company set limits to the degree of exposure for each financial institution. In such cases, credit risk may arise from the counterparty's inability to meet its obligations towards the Company.

(c) Liquidity risk

Liquidity risk is connected with the need to ensure adequate cash flow for the financing of the operation and the growth of the Company. The Company does not face liquidity risk as it has sufficient cash and cash equivalents. The Company manages its liquidity risk by continuously monitoring and programming its cash flows and act appropriately by ensuring as far as possible sufficient credit limits and cash and cash equivalents, while simultaneously seeking the best sources of financing. At the same time, the Company ensures the efficient and low-risk placement of cash reserves while keeping cash and cash equivalents ready to implement the investments according to its articles of association.

The following table analyzed the Company's financial liabilities as of 31 December 2022 and 31 December 2021, into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cash flows.

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As at December 31st, 2021	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other liabilities	3,138,201	-	-	-	3,138,201
Lease liabilities	452,788	452,788	1,342,298	3,194,025	5,441,898
	3,590,988	452,788	1,342,298	3,194,025	8,580,099

As at December 31st, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other liabilities	2,431,494	-	-	-	2,431,494
Lease liabilities	587,962	587,962	1,736,748	4,349,794	7,262,465
	3,019,456	587,962	1,736,748	4,349,794	9,693,959

Lease liabilities are not in agreement with the respective amounts shown in the financial statements as they are contractual (undiscounted) cash flows, which include capital and interest.

The analysis of trade and other liabilities does not include the amounts from "Social security and other taxes".

3.2 CAPITAL RISK MANAGEMENT

The Company's purpose in terms of capital management is to ensure its ability to continue its operations smoothly in order to provide returns to shareholders, benefits to other parties related to the Company and to maintain an optimal capital structure to reduce capital costs

The Company monitors 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 company's 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 Company's net debt is presented in detail in the following table:

	31/12/2022	31/12/2021
Long-term lease liabilities	4,084,664	3,164,284
Short-term lease liabilities	240,043	180,644
<i>Minus: cash and cash equivalents</i>	(1,135,397)	(1,059,826)
Net lease liabilities	3,189,309	2,285,103
Total equity	6,513,101	2,552,384
Total working capital	9,702,410	4,837,487
Leverage ratio	33%	47%

The leverage ratio is calculated as the net debt divided by total working capital (total equity plus net debt).

On December 31, 2022, the Company's leverage ratio amounted to 33% while on December 31, 2021 the respective ratio was 47%.

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This section presents an analysis of net borrowing and its movements for the year ended.

	Lease liabilities			Total
	Cash / Bank	Lease liabilities within 1 year	Lease liabilities after 1 year	
Net debt on December 31, 2020	1,450,186	(134,795)	(2,685,932)	(1,370,541)
Cash flow	(390,360)	-	-	390,360
Cash movements	-	13,565	-	13,565
Non-cash movements - Recognition of new leases	-	(34,416)	(714,069)	(748,485)
Non-cash movements – Transfer to trade liabilities	-	(24,998)	235,717	210,719
Net debt on December 31, 2021	1,059,826	(180,644)	(3,164,284)	(2,285,102)

	Lease liabilities			Total
	Cash / Bank	Lease liabilities within 1 year	Lease liabilities after 1 year	
Net debt on December 31, 2021	1,059,826	(180,644)	(3,164,284)	(2,285,102)
Cash flow	75,572	-	-	75,572
Cash movements	-	230,238	-	230,238
Non-cash movements - Recognition of new leases	-	(34,009)	(1,248,962)	(1,282,971)
Non-cash movements – Transfer to trade liabilities	-	(255,628)	328,583	72,955
Net debt on December 31, 2022	1,135,397	(240,043)	(4,084,664)	(3,189,309)

3.3 DETERMINATION OF FAIR VALUES

There's no financial assets and liabilities that are measured in fair value as of 31 December, 2022.

4. SIGNIFICANT ESTIMATES AND JUDGMENTS OF THE MANAGEMENT

The preparation of the annual financial statements requires estimations, judgments and assumptions from Management that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the annual financial statements and the reported amounts of revenues and expenses during the reporting periods. The Management's estimations and judgments are reviewed annually. The actual results may differ from these estimations. The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming period are as follows:

Provision for income taxes

The provision for income taxes in accordance with IAS 12 "Income taxes", are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Group entities are subject to income taxes in different jurisdictions and significant Management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Company operate, or unpredicted results from the final determination of each year's liability by tax authorities. These changes could have a significant impact on the Company's financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

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Deferred tax assets and liabilities

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The accounting estimate related to deferred tax assets requires Management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities.

Provision for expected credit losses of trade receivables and legal cases

Management periodically reassess the adequacy of allowance for doubtful accounts receivable following an expected credit losses ('ECLs') approach. Because of the number of accounts, it is not practical to review the collectability of each account. Therefore, at each reporting date, the expected loss rate is assessed on the basis of historical credit losses adjusted to reflect current and forward-looking information. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive taking into consideration reports from its legal department.

For the allowance of legal cases Management assesses the probability of negative outcome, as well as possible payment amounts for their settlement. Provision for contingent liability there's no created.

Useful lives - Depreciation rates

The Company's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programmes.

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, Management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of intangible assets

The carrying values of intangible assets are assessed for indications of impairment on an annual basis. To assess impairment, the recoverable amount of the asset is estimated based on value in use calculation. The calculations estimate future cashflows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money. This calculation includes estimations and assumptions about the future cash flows, and about the appropriateness of the discount rate applied.

Determination of lease term – Accounting by lessee

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant: If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, Company is typically reasonably certain to extend (or not terminate). Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5. RECLASSIFICATIONS FOR THE YEAR ENDED 31 DECEMBER 2021

The comparative data of assets are presented restated in relation to the previous financial statements in order to make them more comparable with the amounts of the current year. Specifically, "Trade receivables", amounted to €35,057

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have been reclassified to “Other receivables” amount of €13,597 and to “Long-term lease receivables” amount of €21,460. This reclassification does not affect the total assets of comparative year.

In addition, the amount of €513 has been reclassified from “Other expenses” to “Other taxes”. Additionally, the amount of €53,660 has been reclassified from “Payroll costs” to “Third party fees”. This reclassification does not affect the net profit of comparative year.

6. REVENUE

The Company’s main revenue arises from the sublease of its fiber optic network. The Company treats the agreement as a finance lease and as a result, only the maintenance and operation fee is recognized as sales revenue in the income statement. The income for the period 01/01-31/12/2022 is €178,724 while for the period 01/01-31/12/2021 was €152,656. Interest from finance sublease contracts are included in financial income (Note 13).

Additionally, in 2022 the Company entered into contracts to provide IRU capacity services amounted to €5,323.

7. OTHER INCOME

Other income is analyzed as follows:

	<u>01/01/2022- 31/12/2022</u>	<u>01/01/2021- 31/12/2021</u>
Gain on derecognition of right of use assets	1,827,680	1,205,837
Revenues from vertical connection services	-	10,000
Colocation income	9,955	-
Revenue for providing access to third party facilities	159,258	-
Other income	6,795	1
Total	<u>2,003,689</u>	<u>1,215,838</u>

The amount of €1,827,680 (2021: €1,205,837) arises from the difference between the carrying amount of the right of use assets, recognized under the fiber optic lease agreement with IPTO SA, and the derecognition value of the right of use assets at the time of sublease to the client as a relevant lease receivable.

8. THIRD PARTY SERVICES

Third party services are analyzed as follows:

	<u>01/01/2022- 31/12/2022</u>	<u>01/01/2021- 31/12/2021</u>
Telecommunication services	4,386	5,033
Maintenance services	1,803	1,980
Building maintenance fees	12,356	8,710
Other facilities	1,500	-
Car rent (short-term lease)	656	219
Expense for access to third parties facilities	54,506	-
Total	<u>75,206</u>	<u>15,942</u>

Third party services include intra-group transactions related to the building maintenance fees (electricity, water, heating, cleaning, storage, etc.), telecommunications and maintenance services and expense for access to third parties facilities.

9. THIRD PARTY FEES

Third party fees are analyzed as follows:

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	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
IT services	9,520	9,860
Software licenses	8,916	7,283
HR services	3,201	9,228
Legal fees	11,644	5,890
Notary fees	-	196
Advisory fees	46,825	44,000
Audit fees	13,100	8,900
Accountants fees	38,700	65,740
Fees for telecommunication consultants	634,618	402,234
Fiber optic operation and maintenance costs	103,135	87,100
Colocation services	178,579	122,993
Technical costs	1,918	7,582
Other third party fees	114,284	84,168
Total	1,164,439	855,175

In the above analysis, IT services, use of software licenses, human resource management services and fiber optic maintenance costs relate to intra-group transactions as well as an amount of €1,459 that is connected to catering services (2021: €1,370) and is included in other third party fees.

10. OTHER TAXES - DUTIES

Other taxes are analyzed as follows:

	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Other taxes-duties	14,000	2,919
Stamp duty on leased building	295	305
Transit fees	1,477	509
Entrepreneurial duty fee	1,000	1,000
Tax fines	572	513
Total	17,343	5,246

Other taxes-duties include intra-groups transactions related to stamp duty on leased building.

11. OTHER EXPENSES

The other expenses are analyzed as follow:

	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Travel expenses	19,459	11,892
Advertising expenses	11,833	3,130
Conference expenses	4,120	-
Printing materials	1,592	425
Consumables	1,679	711
Other third party expenses	6,159	4,942
Prior year expenses	10,259	-
Tender services	21,600	22,524
Subscriptions	1,103	1,064
Fines for social security contributions	133	429
Total	77,937	45,116

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The prior year's expenses include the amount of €7,442.23 which refers to losses caused by the difference between the carrying amount of the asset with the right of use and the financial receivables from subleasing to the client.

12. FINANCE EXPENSES

Finance expenses are analyzed as follows:

	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Finance lease expense for building	1,710	1,880
Finance lease expense for fiber optic	280,543	229,291
Finance lease expense for vehicles	1,075	753
Finance lease expense for subsoil passage rights	1,210	318
Bank charges	12,207	6,648
Total	296,745	238,889

The financial costs of leasing property and optical fibers concern intra-group transactions.

13. FINANCE INCOME

Finance income is analyzed as follows:

	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Interest on deposits	440	167
Fiber optic sublease financial income	339,971	333,432
Total	340,410	333,599

14. INCOME TAX

Based on International Accounting Standard 12 "Income Taxes" deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply at the period of realization, provided they are enacted or substantively enacted at the reporting date.

According to law 4799/2021, the corporate income tax rate in Greece is 22% for fiscal year 2021 onwards. Consequently, the deferred tax was calculated using 22%.

The income tax return is submitted on an annual basis, but the declared profits or losses remain temporary until the tax authorities audit the taxpayer's statements and books and records and the final audit report is issued. In accordance with the Greek tax legislation (article 36 of law 4174/2013) in force and the respective Ministerial Decisions issued, the Greek tax authorities may impose additional taxes and penalties following a tax audit, within the applicable statute of limitations which in principle is five years as from the end of the following fiscal year within which the relevant tax return should have been submitted. Based on the above, the right of the tax authorities to impose additional income taxes for the fiscal years up to 2016 (inclusive) is considered in principle and under the general rules as time-barred.

Income tax payable is offset against the tax advance and withholding taxes and the net amount appears as a receivable or liability in the Company's statement of financial position.

From the financial year 2011 and onwards, the tax returns are subject to the audit tax certificate process (described below). Tax losses, to the extent that they are accepted by the tax authorities, may offset future gains for a period of five years from the year in which they arose.

Tax Compliance certificate

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the "Annual Tax Certificate" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4174/2013. This "Annual Tax Certificate" is issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon

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completion of the tax audit, the statutory auditor or audit firm issues to the entity a "Tax Compliance Report" which is subsequently submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm.

For the Company, which is subject to the "Annual Tax Certificate" process, the "Tax Compliance Report" for the years 2019 till 2021, has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements. It is noted that based on the tax legislation in force (Circular POL 1006/2016), the companies that have obtained a tax audit certificate without any reservations for infringements of the tax law, are not exempt from tax audit.

In effect, the tax authorities retain the right to audit them within the applicable statute of limitations as described above.

The tax audit for the financial year 2022 is being performed by "SOL S.A." Upon completion of the tax audit, Management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

	01/01/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Current income tax	85,179	79,528
Income tax previous years	(79,528)	-
Deferred tax (Note 18)	1,006	3,202
Total	6,656	82,730

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable in Greece on its profits. The difference is, as follows:

	01/01/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit before tax	488,373	347,394
Tax calculated based on the tax rate applicable	107,442	76,427
Tax effect on non-tax deductible expenses	10,186	5,259
Tax losses for which it was not recognized deferred tax asset	(31,444)	-
Adjustment of previous year tax	(79,528)	-
Tax effect due to change in tax rates	-	1,045
Tax	6,656	82,730

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are analyzed as follows:

	<u>Machinery</u>	<u>Buildings</u>	<u>Other equipment</u>	<u>Construction work in progress</u>	<u>Total</u>
<u>Cost</u>					
Balance at January 1, 2021	507,018	3,965	9,224	-	520,207
Additions	-	131,394	3,393	1,589,880	1,724,668
Balance at December 31, 2021	507,018	135,359	12,618	1,589,880	2,244,875
<u>Accumulated depreciation</u>					
Balance at January 1, 2021	-	(198)	(958)	-	(1,156)
Depreciation expense	(14,461)	(935)	(1,818)	-	(17,214)
Balance at December 31, 2021	(14,461)	(1,133)	(2,776)	-	(18,370)
Net book value at 31 December 2021	492,557	134,226	9,842	1,589,880	2,226,505

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	Machinery	Buildings	Other equipment	Construction work in progress	Total
<u>Cost</u>					
Balance at January 1, 2022	507,018	135,359	12,618	1,589,880	2,244,875
Additions	655,838	5,808	11,677	427,941	1,101,264
Transfers	1,590,412	-	-	(1,620,567)	(30,155)
Disposals	(7,647)	-	-	-	(7,647)
Balance at December 31, 2021	2,745,621	141,167	24,294	397,255	3,308,337
<u>Accumulated depreciation</u>					
Balance at January 1, 2022	(14,461)	(1,133)	(2,776)	-	(18,370)
Depreciation expense	(125,048)	(6,790)	(3,484)	-	(135,322)
Disposals	219	-	-	-	219
Balance at December 31, 2022	(139,290)	(7,923)	(6,260)	-	(153,473)
Net book value at 31 December 2022	2,606,331	133,244	18,035	397,255	3,154,864

16. INTANGIBLE ASSETS

Intangible assets are analyzed as follows:

	Software	Total
<u>Cost</u>		
Balance at January 1, 2021	1,013	1,013
Additions	-	-
Balance at December 31, 2021	1,013	1,013
<u>Accumulated depreciation</u>		
Balance at January 1, 2021	(51)	(51)
Depreciation expense	(202)	(202)
Balance at December 31, 2021	(253)	(253)
Net book value at 31 December 2021	760	760
<u>Cost</u>		
Balance at January 1, 2022	1,013	1,013
Additions	-	-
Transfers from PPE	30,155	30,155
Balance at December 31, 2022	31,168	31,168
<u>Accumulated depreciation</u>		
Balance at January 1, 2022	(253)	(253)
Depreciation expense	(1,953)	(1,953)
Balance at December 31, 2022	(2,206)	(2,206)
Net book value at 31 December 2022	28,962	28,962

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17. RIGHT OF USE ASSETS

Right of use assets are analyzed as follows:

	<u>Land</u>	<u>Buildings / Property</u>	<u>Vehicles</u>	<u>Fiber optic</u>	<u>Total</u>
<u>Cost</u>					
Balance at					
January 1, 2021	-	72,144	-	-	72,144
Additions	33,128	-	38,218	677,139	748,485
Disposals	-	-	-	(677,139)	(677,139)
Balance at					
December 31, 2021	33,128	72,144	38,218	-	143,490
<u>Accumulated depreciation</u>					
Balance at					
January 1, 2021	-	(14,152)	-	-	(14,152)
Depreciation expense	(356)	(7,195)	(5,406)	(466)	(13,422)
Disposals	-	-	-	466	466
Balance at					
December 31, 2021	(356)	(21,347)	(5,406)	-	(27,108)
Net book value at 31 December 2021	<u>32,772</u>	<u>50,797</u>	<u>32,813</u>	<u>-</u>	<u>116,382</u>
	<u>Land</u>	<u>Buildings / Property</u>	<u>Vehicles</u>	<u>Fiber optic</u>	<u>Total</u>
<u>Cost</u>					
Balance at					
January 1, 2022	33,128	72,144	38,218	-	143,490
Additions	-	-	-	2,285,015	2,285,015
Disposals	-	-	4,387	-	4,387
Disposals	-	-	-	(567,743)	(567,743)
Balance at					
December 31, 2022	33,128	72,144	42,605	1,717,272	1,865,150
<u>Accumulated depreciation</u>					
Balance at					
January 1, 2022	(356)	(21,347)	(5,406)	-	(27,108)
Depreciation expense	(1,468)	(7,195)	(9,587)	(43,973)	(62,223)
Balance at					
December 31, 2022	(1,824)	(28,541)	(14,992)	(43,973)	(89,331)
Net book value at 31 December 2022	<u>31,304</u>	<u>43,603</u>	<u>27,613</u>	<u>1,673,299</u>	<u>1,775,818</u>

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18. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income taxes concern the same tax authority. The offset amounts for the Company are the following:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Deferred tax assets	23,565	17,100
Deferred tax liabilities	(15,237)	(7,767)
Net deferred tax assets	<u>8,328</u>	<u>9,333</u>

The gross movement in the deferred income tax account is as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Balance at beginning of year	9,333	12,535
Charged in the statement of comprehensive income (Note 14)	(1,006)	(3,202)
Balance at end of year	<u>8,328</u>	<u>9,333</u>

Changes in deferred tax assets and liabilities during the year, without taking into account the offsetting of balances pertaining to the same tax authority, are the following:

	<u>Assets (PPE and intangible)</u>	<u>Leases</u>	<u>Provisions for expected credit loss</u>	<u>Total</u>
Deferred tax assets				
January 01, 2021	2,092	-	10,444	12,535
Credited / (Charged) in the statement of comprehensive income	(2,092)	2,601	4,056	4,565
December 31, 2021	<u>-</u>	<u>2,601</u>	<u>14,499</u>	<u>17,100</u>
January 01, 2022	-	2,601	14,499	17,100
Credited in the statement of comprehensive income	-	2,129	4,335	6,464
December 31, 2022	<u>-</u>	<u>4,730</u>	<u>18,835</u>	<u>23,565</u>
Deferred tax liabilities				
January 01, 2021			-	-
Charged in the statement of comprehensive income			(7,767)	(7,767)
December 31, 2021			<u>(7,767)</u>	<u>(7,767)</u>
January 01, 2022			(7,767)	(7,767)
Charged in the statement of comprehensive income			(7,470)	(7,470)
December 31, 2022			<u>(15,237)</u>	<u>(15,237)</u>

19. OTHER NON-CURRENT LIABILITIES

The other long-term receivables consist of given guarantees for the lease of cars and technical installations.

20. RECEIVABLES FROM FINANCE LEASE

The finance lease receivables from "Dark fiber" optical fiber leases were formed in accordance with IFRS 16 "Leases" as follows:

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	<u>31/12/2022</u>	<u>31/12/2021</u>
Long-term receivables from finance sublease	3,621,295	3,797,679
Short-term receivables from finance sublease	1,132,648	364,262
	<u>4,753,942</u>	<u>4,161,940</u>
<i>Minus: Provision for impairment</i>	(53,770)	(44,446)
Total	<u>4,700,173</u>	<u>4,117,495</u>

The provisions against expected credit losses appear subtractively in the long-term part of the leasing requirements.

The movement on provision for impairment of finance lease receivables is presented in the following table:

January 1, 2021	43,516
Provision for impairment	930
December 31, 2021	<u>44,446</u>
January 1, 2022	44,446
Provision for impairment	9,324
December 31, 2022	<u>53,770</u>

The Company forms a provision for leasing receivables based on the expected credit loss method.

The maturity dates of long-term receivables are as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Between 1 and 2 years	306,756	248,153
Between 2 and 5 years	849,651	785,965
Over 5 years	2,464,888	2,763,561
Total	<u>3,621,295</u>	<u>3,797,679</u>

The maturity analysis of finance lease receivables is as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Finance lease receivables – minimum lease receivables		
Up to 1 year	1,526,119	711,956
Between 1 and 5 years	2,183,661	2,136,200
Over 5 years	3,228,645	3,742,872
Total	<u>6,938,425</u>	<u>6,591,028</u>
<i>Minus: Future finance income of finance lease receivables</i>	(2,184,483)	(2,429,088)
Present value of lease receivables	<u>4,753,942</u>	<u>4,161,940</u>

21. TRADE RECEIVABLES

The analysis of trade receivables are analyzed as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Trade receivables	2,033,595	1,367,382
<i>Minus: Provision for impairment</i>	(31,842)	(21,460)
Total	<u>2,001,752</u>	<u>1,345,922</u>

The balance of trade receivables includes also invoices for optical fiber leases which at the reporting date have not been received.

The fair value of trade receivables approximates their carrying values.

The movement on provision for impairment of trade receivables is presented in the following table:

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Balance at January 1, 2021	-
Provision for impairment	21,460
Balance at December 31, 2021	21,460
Balance at January 1, 2022	21,460
Provision for impairment	10,382
Balance at December 31, 2022	31,842

The Company forms a provision for insecure customers based on the expected credit loss method. The maximum exposure to credit risk at the reference dates is the carrying amount of each class of claim mentioned above.

22. OTHER RECEIVABLES

The analysis of other receivables are analyzed as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Withholding tax 15% on bank deposits	66	25
Receivable from Greek state	180,933	350,190
Deferred expenses	580,148	18,096
Guarantees	1,159	13,597
Other receivable	-	118
Total	<u>762,306</u>	<u>382,025</u>

Receivables from Greek state amounted €180,933 (31/12/2021: €350,190) relate to VAT for the year.

The deferred expense include the amount of €26,919 (31/12/2021: €17,678) related to receivable from related parties (note 29).

Further, the amount of €523,859 (31/12/2021: €0) relates to deferred expenses which will be settled in more than 12 months.

23. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are analyzed as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Bank deposits	1,135,397	1,059,826
Total	<u>1,135,397</u>	<u>1,059,826</u>

The total amount of cash and cash equivalents are in Euro, in National bank and there are no commitments on them.

While cash and cash equivalents are also subject to the impairment under IFRS 9, the identified impairment loss was not significant due to the fact that the cash and cash equivalents of the Company are held at reputable financial institutions.

24. SHARE CAPITAL

By decision of the Regular Spontaneous General Assembly of 24/02/2022, the Company's share capital was increased by the amount of €3,500,000 through the issuance of 35,000 new common registered voting shares, with a nominal value of €100 each. Therefore, the Company's share capital on 31/12/2022 refers to amount of €5,300,000 divided into 53,000 common registered shares of nominal value of €100 each.

25. LEGAL RESERVE

According to the provisions of Greek law, an amount equals to 5% of the annual net (after tax) profits is required to be transferred to the legal reserve until it reaches one third of the paid-up share capital. The statutory reserve is used to

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offset any debit balance of the income statement, before any dividend distribution. Within 2022, the Company formed legal reserve the amount of €24,419. Therefore, as of December 31, 2022 the legal reserve amounts to €92,278. This reserve cannot be distributed through the life of the corporation.

26. LEASE LIABILITIES

The finance lease liabilities are formed in accordance with IFRS 16 “Leases” and as of December 31, 2022 relate to the lease of optic fiber from IPTO SA, the lease of the Company’s headquarters, two car leases as well as the lease of transverse and underground land from GAIAOSE railway network for the passage of optic fiber cables. The monthly car rental was modifies from 01/10/2022.

Leasing movement	31/12/2022	31/12/2021
Balance at beginning of year	3,344,928	2,820,727
Interest for the year	284,538	232,242
Lease payments for the year	(1,594,161)	(456,526)
New leases	2,288,698	748,485
Modifications	704	-
Balance at end of year	4,324,707	3,344,928

	Optic fiber	Building	Vehicles	Land	Total
Long-term lease liabilities	3,999,111	37,982	14,750	32,821	4,048,664
Short-term lease liabilities	220,471	8,423	9,859	1,289	240,043
Total	4,219,582	46,406	24,609	34,111	4,324,707

The maturity dates of long-term payables are as follows:

	Optic fiber	Building	Vehicles	Land	Total
Between 1 and 2 years	226,784	7,041	10,240	981	245,045
Between 2 and 5 years	806,366	22,768	4,509	3,172	836,816
Over 5 years	2,965,961	8,173	-	28,669	3,002,803
Total	3,999,111	37,982	14,750	32,821	4,084,664

The present value of lease liabilities are analyzed as follows:

Lease liabilities - minimum lease payments	Optic fiber	Property	Vehicles	Land	Total
Up to 1 year	566,660	8,484	10,590	2,228	587,962
Between 1 and 5 years	2,266,638	33,936	15,223	8,912	2,324,709
Over 5 years	4,301,206	8,484	-	40,104	4,349,794
Total	7,134,504	50,904	25,813	51,244	7,262,465
<i>Minus: Future finance cost of lease liabilities</i>	(2,914,923)	(4,498)	(1,205)	(17,133)	(2,937,759)
Present value of lease liabilities	4,219,582	46,406	24,609	34,111	4,324,707

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27. TRADE AND OTHER LIABILITIES

The trade and other liabilities are analyzed as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Trade payables	2,426,401	3,137,951
Other liabilities	5,093	250
Other taxes payable and insurance contributions	<u>51,992</u>	<u>77,565</u>
Total	<u>2,483,486</u>	<u>3,215,766</u>

In trade payables the amount of €1,108,078 (31/12/2021: €715,784) relates to liabilities from related parties (Note. 29).

The fair value of the trade and other short-term liabilities approach the net book value.

28. DEFERRED INCOME

Deferred income refers to prepaid expenses of optic fiber's maintenance and IRU capacity service. Further, the amount of €47,235 (31/12/2021: €0) relates to IRU capacity service income for next years which expected to be realized after more than 12 months.

29. TRANSACTIONS WITH RELATED PARTIES

Related parties have been identified based on the requirements of IAS 24 "Related Party Disclosures".

The financial statements of the Company are consolidated by the parent company IPTO SA (100% direct shareholder as at 31.12.2022) with the full consolidation method.

The Company is indirectly jointly controlled by the Greek State through IPTO Holdings SA. and DES IPTO SA. which are controlled by the Greek State and control 51% and 25% respectively of its parent company IPTO SA.

Below is the list of the affiliated companies of the Group:

<u>Company</u>	<u>Relation</u>
IPTO SA	Parent
ARIADNI INTERCONNECTION SA	Affiliated
ENERGY EXCHANGE GROUP	Affiliated
SEleNe CC	Affiliated
IPTO HOLDING SA	Affiliated
DES IPTO SA	Affiliated
STATE GRID LTD	Affiliated

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of sales and purchases from the beginning of the year with related parties under IAS 24, are as follows:

	<u>01/01/2022 - 31/12/2022</u>	<u>1/1/2021 - 31/12/2021</u>
Intercompany purchase of services		
IPTO S.A.	<u>496,813</u>	<u>369,949</u>
Total	<u>496,813</u>	<u>369,949</u>

Board of Directors and Key Management

The compensation of the members of the Board of Directors and Key Management personnel for the Company amounted to €62,028 (31/12/2021: €0).

The Company's transactions with related parties have been carried out under normal market conditions

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b) Balances with related parties

The closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

The Company's transaction with related parties are analyzed as follows:

	<u>31/12/2022</u>	<u>31/12/2021</u>
Receivables from related parties		
IPTO S.A.	26,929	17,678
Total	<u>26,929</u>	<u>17,678</u>
Payables to related parties		
IPTO S.A.	5,374,066	3,996,078
BoD	3,340	-
Total	<u>5,377,406</u>	<u>3,996,078</u>

30. COMMITMENTS AND CONTINGENT LIABILITIES

For the years ended 31.12.2019 until 31.12.2021 and remain tax unaudited by the competent tax authorities, Management's assessment is that any taxes that may arise will not have a material effect on the financial statements.

For the same years, the Company has been subject to the tax audit of Certified Public Accountants, in accordance with the regime provided by the provisions of article 65A of Law 4174/2013 as amended by article 37 of Law 4664/2019 and is also valid. Tax compliance reports were issued. For the year 2022, the Company has been subject to the tax audit of OEL, as provided by the provisions of article 65a of Law 4174/2013. This audit is in progress and the relevant tax certificate is expected to be issued after the publication of the financial statements for the year 2022. If until the completion of the tax audit additional tax liabilities arise we estimate that they will not have a material effect on the financial statements.

There are no other contingent liabilities at balance sheet date.

31. SUBSEQUENT EVENTS

By decision of the Board of Directors on January 26st, 2023, the ordinary General Meeting of the Company's shareholders was convened to increase the Company's share capital in order to address the Company's financing needs for capital expenditures.

At the beginning of March 2023, a grant from the European Commission's Connecting Europe Facility financing mechanism was approved for the development of a network of electric vehicle charging stations. GRID TELECOM (with a coordinating role) and five other companies in Union countries (the "consortium") are undertaking the implementation of a network of publicly accessible recharging stations for light-duty and heavy-duty electric vehicles to allow electric charging along TEN-T road networks (Trans-European Transport Networks) in the Czech Republic, Croatia, Greece, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. Based on the role of coordinator, GRID TELECOM will be the recipient of the grant and administrator regarding its distribution to the other members of the consortium. The amount of the total grant for the consortium amounts to €40,950,000, while €6,000,000 is attributable to GRID TELECOM.

There are no other subsequent events, apart from those disclosed in the above notes, that would require disclosure or adjustment of, the attached financial statements.

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THE CHAIRWOMAN

MEMBER OF THE BOARD OF
DIRECTORS

CHIEF ACCOUNTANT

ELENI ZARIKOY
ID No F 135240

GEORGIOS PSIRIS
ID No . AZ 096291

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